



GOBIERNO DE PUERTO RICO
Autoridad para el Financiamiento de la
Vivienda de Puerto Rico



Puerto Rico Housing Trust Fund (HTF) Allocation Plan 2017



Table of Contents

HTF Allocation Plan	4
II.GRANTEE INFORMATION	4
III.CONSolidATED PLAN REQUIREMENTS	5
Citizen Participation Plan	5
Consolidated Plan Screen(s) revised.....	6
Introduction	6
Summarize the objectives and outcomes identified in the Plan.....	7
Evaluation of past performance	7
Summary of Public Comments.....	8
IV. STRATEGIC PLAN REQUIREMENTS.....	8
V. ANNUAL ACTION PLAN REQUIREMENTS	12
HTF Funding Priorities-§ 91.320(k)(5)(i)	25
Recipient Application Requirements- § 91.320(k)(5)(ii)	53
Performance Goals and Benchmarks- § 91.320(k)(5)(iii).....	53
VI. OTHER REQUIREMENTS	53
Maximum Per-unit Development Subsidy Amount- § 91.320(k)(5) and § 91.320(a)	53
Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b)	54
I. Health and Safety	55
II. Expected Useful Life (Capital Needs Assessment)	56
III. Major Systems.....	58
IV. Lead Based Paint.....	71
V. Accessibility.....	71
VI. Disaster Mitigation	72
VII. State and Local Codes, Ordinances, and Zoning Requirements.....	72
VIII. Uniform Physical Condition Standards (UPCS)	73
IX. Energy Efficiency	74
X. Historic Buildings.....	74

Resale and/or Recapture Provisions- § 91.320(k)(5)(v) and § 93.304(f)	75
HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305.....	75
Refinancing of Existing Debt- § 91.320(k)(5)(viii) and § 93.201(b).....	76

I. GENERAL INFORMATION

HTF Allocation Plan

The Housing Trust Fund (HTF) Interim Rule (24 CFR Part 93) made the consolidated plan regulations at 24 CFR Part 91 applicable to the HTF. As a result, an HTF grantee (i.e., a State) must include HTF in its citizen participation plan (§ 91.115), strategic plan (§ 91.315), and annual action plan (§ 91.320). In addition, the State must submit to HUD for review and approval an HTF allocation plan with its annual action plan (§ 91.320(k)(5)). Also, as required in § 91.10, the HTF program must be administered by the State on the same program year it established for all grant programs covered by the consolidated plan.

The HTF allocation plan is an annual submission to HUD that describes how the State will distribute the HTF funds, including how it will use the funds to address its priority housing needs. The allocation plan also describes what activities may be undertaken with HTF funds and how recipients and projects will be selected.

II. GRANTEE INFORMATION

State: Puerto Rico

FY 2017 HTF Allocation Amount: \$883,160.00

Distribution of HTF Funds		
Activity	\$	%
Multifamily Rental New Construction/Rehabilitation	\$ 706,528.00	80%
Single Family Homebuyer Assistance	\$ 88,316.00	10%
Administration	\$ 88,316.00	10%
Total	\$ 883,160.00	100%

Interested parties and applicants can receive more information about the HTF program in our web page:

<http://www.gdb-pur.com/principalsubsidiaries/housing-finance-authority.html>

Or by visiting our offices that are located at:

606 Barbosa Ave.
Juan C. Cordero Bldg.
Río Piedras PR 00919-0345
Tel (787) 765-7577

Fax (787) 620-3521

III. CONSOLIDATED PLAN REQUIREMENTS

Citizen Participation Plan

The state included the HTF Allocation Plan within the 2017 Consolidated Plan Public Hearing and related citizen participation process.

The consolidated plan regulation at § 91.115 requires the State to include HTF in its citizen participation plan. For the purposes of HTF, the State is required to make the following information available to the public:

- the amount of HTF assistance the State expects to receive,
- the range of activities the State may undertake, including the estimated amount that will benefit extremely low-income households, and
- the State’s plans to minimize displacement of persons and to assist any persons displaced.

Consolidated Plan Screen(s) revised

The following screen in the eCon Planning Suite consolidated plan template in IDIS were revised to include HTF.

ES-05 / AP-05 Executive Summary: § 91.320(b)- *The Executive Summary includes seven narratives: (1) Introduction; (2) Summary of Objectives and Outcomes; (3) Evaluation of Past Performance; (4) Summary of the Citizen Participation and Consultation Process; (5) Summary of Public Comments; (6) Summary of Comments Not Accepted; (7) Summary.*

Introduction

The Annual Action Plan of the Commonwealth of Puerto Rico is the housing and community development plan required by the United States Department of Housing and Urban Development (HUD) to guide the distribution of its annual Community Planning and Development (CPD) formula grant funds.

HUD resources addressed by the Annual Action Plan include the state's Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grant (ESG), Housing Opportunities for Persons with AIDS (HOPWA) and the Housing Trust Fund (HTF) programs.

The Office of the Commissioner of Municipal Affairs, created by Act No. 81-1991, as amended, is the lead agency appointed by the Governor of the Commonwealth of Puerto Rico to oversee the development of the consolidated plan and its related processes. The OCMA also administers the Community Development Block Grant Program (CBDG) for non-entitlement municipalities. Other agencies currently responsible for the administration of Programs are:

- The Puerto Rico Department of the Family, which administers the Emergency Solutions Grant Program (ESG);
- The Puerto Rico Department of Health, which administers the Housing Opportunities for Persons with AIDS Program (HOPWA) in conjunction with the Municipality of San Juan; and
- The Puerto Rico Housing Finance Authority, which administers the HOME Investment Partnerships Program (HOME) and the Housing Trust Fund program (HTF).

The *Annual Action Plan* addresses the community needs of the State Jurisdiction in the context of the goals and objectives of Title I of the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, as amended. Based on the needs assessment, which required the undertaking of a research and consultation process, the State developed the set of goals, strategies and activities to be undertaken during Program Year 2017.

Summarize the objectives and outcomes identified in the Plan

The goal of the Housing Trust Fund is to provide decent affordable housing to extremely low-income and very low income households and individuals.

Provide Decent Housing

- Address the need of substandard housing by supporting construction of rental housing

Evaluation of past performance

The HTF is not included in this section of the Consolidated Plan. The HTF is a new program to the Government of Puerto Rico, and thus, past performance cannot be evaluated as part of this Consolidated Plan.

PR-15 Citizen Participation: § 91.115 and § 91.300(c)- revise this screen to provide a summary of the citizen participation efforts made for HTF, including efforts to broaden public participation, a summary of citizen comments or views on the plan, and a written explanation of comments not accepted and the reasons why these comments were not accepted.

In compliance with the regulations the PRHFA undertook the following citizen Participation Process:

In collaboration with the lead agency (OCAM now ODSEC) we posted a public notice on the Wednesday, February 15, 2017 edition of Primera Hora newspaper. The notice invited the general population to participate of the 2017-2018 Annual Action Plan and 2017-2018 HTF Public Hearings. Complying with the Consolidated Plan citizen participation regulations, the hearings were held at least two (2) weeks after the notice was published.

During the hearing we presented an estimated allocation (based on 2016 Program Year) of \$327,519 for the Housing Trust Fund which are to be utilized for rehabilitation and new construction of new housing, targeting the extremely low-income population. The public hearing had a participation of 128 individuals and no comments were made during the hearing.

Public Comment Period: the State promoted a 30 days' public comment period of the HTF draft plan. A notice was published on the Primera Hora newspaper, on April 10, 2017 edition. A 30 days comment period was provided. The public comment period ended on May 10, 2017. As a result of the Comment Period no comments were received.

Due to a change in allocation amount the State was required to conduct additional citizen participation consultation in the form of a public notice. A public notice was published in the Primera Hora newspaper, on the June 26th, 2017 edition. The draft was made available for the general population and all interested parties for comments and recommendations. On this notice we included the correct allocation amount for 2017 that made available \$883,160 and the distribution of funds among the eligible activities (Homebuyer Assistance & Rehabilitation or new construction for rental). The public

comment period ended on July 10th, 2017. As a result of the 2nd comment period no comments were received on the draft plan.

Summary of Citizen Participation Process and consultation process

The method implemented in order to broaden public involvement in the Substantial amendment to incorporate the HTF Program is:

Access to information and publishing of the Consolidated Plan amendments

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

The public hearing had a participation of 128 individuals. At the hearing, HTF Program officials at the state level made a presentation. Specifically, the presentation included a description of objectives; content of the Plan; the planning process and its integration; the community consultation process; identification of needs; design of strategies; the Citizen Participation process; the applicable method of distribution of the funds along the due dates for the Action Plan. Also, the presentation made to the attendees included detailed information, the national objectives, eligible activities and other general information regarding to the HTF program.

As a main objective of the Citizen's Participation Process, attendees were allowed to present proposals and comments, although no comments were received at the hearing.

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

Summary of Public Comments

During the citizen participation process no comments were received on the draft HTF Plan.

IV. STRATEGIC PLAN REQUIREMENTS

*The State must amend the affordable housing section of the strategic plan to include specific objectives that describe proposed accomplishments the State hopes to achieve and must specify the number of extremely low-income families to which the State will provide affordable housing to (homeownership- § 93.302; rental- § 93.304) over a specific period of time. The State can complete this requirement by including HTF on the **SP-45 Goals screen**.*

The total number of rental units constructed includes the units for 5 years, but in the case of the Housing Trust Fund Program is only four years starting at PY 2016. The HTF program will target

extremely low-income and very low-income households. For the first year (PY 2016) the HTF funds will be used for rental housing and administrative costs, not for homebuyer activities.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Provide Decent Housing (G)	2016	2019	Affordable Housing		Housing	HTF: \$1,310,076	Rental units constructed: 6 Household Housing Units Homebuyer units assisted: 9 Household Housing Units

Table 1 – Goals Summary

SP-10 Geographic Priorities: § 91.315(a)(1)- revise this screen to discuss how investments are allocated geographically.

HTF

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b) (1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HTF allocation for PY 2017 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition). Section IV of the NOFA Ranking Self-Evaluation establishes a specific priority funding factor for developers or the applicants capacity to undertake tax credits/HOME projects. The term “full compliance and successful record” provides sufficient basis to determine the applicants capacity to obligate HTF funds and undertake activities in a timely matter.

SP-25 Priority Needs: § 91.315(a)(2)- revise this screen to indicate the general priorities for allocating investment of available resources among different needs.

Table 2 – Priority Needs Summary

1	Priority Need Name	Create and preserve Affordable Rental Housing
	Priority Level	High
	Population	Extremely Low Very Low Elderly Other Special Needs
	Geographic Areas Affected	Islandwide
	Associated Goals	Provide Decent Housing (G)
	Description	<ul style="list-style-type: none"> Address the need of substandard housing by the construction and rehabilitation of rental housing
	Basis for Relative Priority	Puerto Rico State Housing Plan, Community Participation, Consultations, needs assessment results and Program Performance.

SP-30 Influence of Market Conditions: § 93.315(b)- revise this screen to describe how the characteristics of the housing market influenced the State’s decisions regarding allocation priorities among the types of housing assistance.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
New Unit Production	The excess inventory of housing in the Island and foreclosures do not support the production of new units for homeownership. However, there is a need for rental projects for very low and extremely low income persons, in particular elderly households, young couples and female headed households. The second greatest need in the Island is cost burden housing problems.
Rehabilitation	The greatest need is among low and moderate income households that live in substandard housing.

Affordable Housing Type	Market Characteristics that will influence the use of funds available for housing type
Acquisition, including preservation	The state will not acquire properties nor allocate funding for the preservation of affordable housing. Market conditions and budgetary constraints do not support assuming the risk associated to this activity. Moreover, regarding expiring contracts under Section 8, it is unlikely that developers will reposition their projects for the non-subsidized market.

Table 3 – Influence of Market Conditions

SP-35 Anticipated Resources: § 91.315(a)(4); § 91.320(c)(1) and (2)- revise this screen to identify the federal, state, local, and private resources expected to be available to the State to address priority needs and specific objectives identified in the strategic plan.

The Housing Trust Fund program annual allocation for 2017 is \$883,160. Based on this allocation the PRHFA estimates that the state will receive approximately \$1,766,320 (\$883,160 per year) or more through PY 2019.

Program	Source of Funds	Uses of Funds	Expected	Amount	Available	Year 1	Expected Amount Available Reminder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund (HTF)	Public - Federal	Admin and Planning	\$88,316	\$0.00	\$32,752	\$121,068	\$176,632	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. In addition, funds will be allocated for single family homebuyer assistance.
		Multifamily rental construction/ Rehab	\$706,528	\$0.00	\$294,767	\$1,001,295	\$1,413,056	
		Single family homebuyer assistance	\$88,310	\$0.00	\$0.00	\$88,310	\$176,632	

SP-45 Goals: § 91.315(a)(4) and § 91.315 (b)(2)- revise this screen to summarize the State’s priorities and the specific goals it intends to initiate and/or complete within the term of the strategic plan. The State must also ensure its five year goals include any accomplishments due to HTF funds and must also enter the number of extremely low-income families to which the State will provide assistance with its HTF funds.

Description: The Goal Outcome indicator includes the 5 years rental units for the HOME program but the HTF goal only reflects the numbers for 4 years (2016-2019) because the first allocation for HTF was received in PY 2016. For the first year HTF the 90% of the allocation were allocated for rental housing and 10% for administrations costs, no homebuyer activities will be performed in PY 2016. For program year 2017 the PRHFA will allocate the resources as follow: 10 % Administration, 80% New Construction of Rehabilitation for Rental and 10% for Homebuyer assistance.

A total of 17 units will be constructed with the HTF allocation through the period of 2016-2019 for the rental activity. In addition, a total of 6 participants will be assisted with the HTF allocation through the period of 2016-2019 for the homebuyer assistance activity.

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
11	Provide Decent Housing (G)	2015	2019	Affordable Housing	Islandwide	Housing	HTF: \$2,414,351	Rental units constructed: 17
		2017	2019	Affordable Housing	Islandwide	Housing	HTF: \$264,942	Homebuyer units assisted: 6

Table 4 – Goals Summary

V. ANNUAL ACTION PLAN REQUIREMENTS

The State must include HTF in its annual action plan or amend the plan to include HTF information as required in § 93.320(k)(5). The action plan must include an HTF allocation plan that describes the distribution of HTF funds, and establishes the application requirements and selection criteria of applications submitted by eligible recipients that meet the State’s priority housing needs.

AP-15 Expected Resources: § 91.320(c)(1) and (2)- *revise this screen to provide a concise summary of the federal resources expected to be available. The HTF resources added to the **SP-35 Anticipated Resources** screen will carry over to this screen.*

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	Public - Federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	23,078,405	0	0	\$39,357,098	\$46,156,810	Funding will be used for housing, community, and economic development activities, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico
HOME	Public - Federal	Admin and Planning, Acquisition, Homebuyer assistance, Homeowner rehab, Multifamily rental new construction, Multifamily rental rehab, New construction for ownership, TBRA	9,619,282	101,119.25	11,917,150.28	8,911,175	\$19,238,564	Funds will be allocated to provide incentives for meeting developing and supporting affordable rental and homeownership housing units. This will be achieved through new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities for rent and sale projects (funding for sale projects will be for CHDO's - set aside only).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Housing Trust Fund (HTF)	Public - Federal	Admin and Planning Multifamily rental new construction and rehab Single Family Homebuyer Assistance	\$883,160	0	327,519	\$1,210,679	\$1,766,320	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.
HOPWA	Public - Federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	\$1,979,243	0	0	\$1,979,243	\$3,958,486	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS
ESG	Public - Federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	5,674,037	0		\$5,674,037	\$11,348,074	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 2				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	Public - Federal	Acquisition Admin and Planning Homeowner rehab Housing New construction for ownership Other	1,538,471	0	0	1,538,471	10,671,207	These funds are expected to alleviate the needs associated with the disaster, activities are targeted towards infrastructure, housing and affordable rental housing.

Table 5 - Expected Resources – Priority Table

AP-20 Annual Goals and Objectives: § 91.320(c)(3) and (e)- revise this screen to summarize the specific goals the State intends to initiate and/or complete within the term of the program year. Any HTF related goals and objectives entered on the **SP-45 Goals** screen will carry over to this screen.

The PRHFA expects to receive the HTF funding by late 2017 or at the beginning of 2018, therefore the state expects to deliver 5 rental units to be constructed or rehabilitated and 2 units that will receive homebuyer assistance. The construction of the units is expected to start at the end of PY 2017 and the units are expected to be delivered by late PY 2019.

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Provide Decent Housing (E)	2017	2018	Affordable Housing	Islandwide	Housing	HTF: \$88,316	Homeowner Housing added: 2 Household Housing Unit
11	Provide Decent Housing (G)	2017	2018	Affordable Housing	Islandwide	Housing	HTF: \$706,528	Rental units constructed: 5 Household Housing Unit

AP-25 Allocation Priorities: § 91.320(d)- revise this screen to describe the reasons for the State’s allocation priorities and how the proposed distribution of funds will address the

priority needs and goals of the strategic plan.

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) (%)	Provide Decent Housing (H) (%)	Total (%)
CDBG	15	0	0	80	0	0	5	0	0	0	0	0	100
HOME	100	0	0	0	0	0	0	0	0	0	0	0	100
HTF								10%			80%		100
HOPWA	100	0	0	0	0	0	0	0	0	0	0	0	100
ESG	100	0	0	0	0	0	0	0	0	0	0	0	100
Other CDBG-DR	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 6 – Funding Allocation Priorities

AP-30 Method of Distribution: § 91.320(d) and (k5)- revise this screen to include a description of its method(s) for distribution for the “Other – Housing Trust Fund” selection based on the entry made on the **SP-35 Anticipated Resources** screen.

Describe the state program addressed by the Method of Distribution.

Description of the Method to Distribute HOME and HTF 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 available the Housing Trust Fund Activities of Rental Housing along the HOME Investment Partnership Program (HOME) Action Plan (AP). Funds will be awarded to eligible applicants following a competitive process. The competitive process will follow the criteria established in the HTF Allocation Plan.

The PRHFA will receive \$883,160 in HTF funds for PY 2017. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units. This will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.

Eligible Applicants

The PRHFA is not limiting the potential pool of applicants for the HTF program. Thus, PRHFA will allow developers, non-profits and other organizations to apply for HTF funds. However,

applicants must be able to participate in PRHFA funding round (NOFA). Applicants must comply with the requirements established in 24 CFR 93.2. These requirements are integral to the **basic threshold** criteria described in the tables below. It is important to note that applications must demonstrate that participants understand the specific requirements of the HTF program and that even if HTF funds are combined in a project with multiple funding sources, HTF unit(s) must be assisted only via HTF eligible activities (24 CFR 93.200)

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

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

See below for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the **description of the priority funding factors**. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations.

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

PRHFA will use the maximum per unit subsidy standards adopted by the State **HOME** Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216. For the PY 2017 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined originally in the previous JANOFA efforts.

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

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

AP-50 Geographic Distribution: § 91.320(f)- *revise this screen to describe the geographic areas of the state in which it will direct assistance during the ensuing program year and provide rationale for its priorities in allocating investment geographically.*

HOME and Housing Trust Fund

The PRHFA will distribute funds through a competitive process and cannot predict the ultimate geographic distribution of the HTF funds. The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, the HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations requiring that resources be allocated in non-metropolitan areas. Estimation of the Percentage of Funds it Plans to Dedicate to Target Areas.

The HTF allocation for PY 2016 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition).

AP-55 Affordable Housing: § 91.320(g)- *revise this screen to specify goals for the number of homeless, non-homeless, and special needs households to be provided affordable housing within the program year.*

One Year Goals for the Number of Households to be Supported	
Homeless	-
Non-Homeless	7
Special-Needs	-
Total	7

Table 7 - One Year Goals for Affordable Housing by Support Requirement

AP-65 Homeless and Other Special Needs Activities: § 91.320(h)- *revise this screen to describe how HTF will help to address the State’s one-year goals and actions for reducing and ending homelessness, if applicable.*

The State is committed to provide the necessary assistance to quickly locate homeless individuals and families in permanent housing; and prevent individuals and families to become homeless. Based on that goal, the State 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.

The HTF program is for very low income and extremely low income population, because of the population assisted it is possible to assist homeless individuals or at risk of homelessness.

AP-75 Barriers to Affordable Housing: § 91.320(i)- *revise this screen to describe how HTF will help with any actions the State's will take during the next year to reduce barriers to affordable housing, if applicable.*

The State Housing Plan Implementation Committee is in the process of identifying policy changes that would promote affordable housing. The efforts of this group will be initially executed through a new Unified NOFA which provide incentives to ameliorate the negative effects of public policies that serve as barriers to affordable housing. i.e. by leveraging public land and targeting developmental costs, the NOFA could serve as a tool to remove the negative externalities of other public policies.

Discussion

The Commonwealth of Puerto Rico recognizes that certain policies and regulations represent a barrier to affordable housing. To remove or ameliorate the negative of this policies and issues the Commonwealth will undertake the following actions:

- The Puerto Rico Planning Board, who's director is a member of the Housing Plan Implementation Committee (HIPC), is classifying urban land with adequate zoning and infrastructure to expedite housing development. This will benefit affordable housing developers by reducing the time and effort required to obtain building permits and reduce off-site cost requirements.
- The above initiative will also support planning efforts associated to infrastructure investments.
- To reduce land cost or any negative risks on land cost associated to land policy, as part of Housing Plan's actions, the Department of Housing is actively working with municipalities identifying land apt for affordable housing development that may be contributed under different favorable terms to reduce the development cost or capital requirements.
- To promote affordable housing development in urban areas that satisfy the needs of targeted populations, the PRHFA under the leadership of the Department of Housing is reviewing is Qualified Allocation Plan to favor projects that support Housing Plan's

policies and actions.

- Related to the above, the Commonwealth is implementing a Unified NOFA strategy which is design to promote Housing Plan's policies.
- To increase the capacity of CHDOs and private housing development, the PRHFA has collaborated since 2013-14 with HUD local office and HUD consultants in training initiatives. Also the PRHFA is actively providing technical support to these organizations.
- Also, OCMA is developed the *Centro de Innovación Social* (Center of Social Innovation) to provide technical assistance to municipalities.

AP-85 Other Actions: § 91.320(j)- *revise this screen to describe how HTF will help with any actions the State will take during the next year to carry out the following strategies outlined in the consolidated plan:*

Foster and maintain affordable housing

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 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.

In addition to the HOME funds, the PRHFA will use HTF funds for multifamily rental construction and rehab to maintain and provide affordable housing.

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

Evaluate and 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:

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

PRHFA 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 HTF 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).

The HTF program requires that before the ratification of a contract for housing sale or lease, Sellers and landlords must:

Give an EPA-approved information pamphlet on identifying and controlling lead-based paint hazards ("Protect Your Family From Lead In Your HTF" pamphlet)

Disclose any known information concerning lead-based paint or lead-based paint hazards. The seller or landlord must also disclose information such as the location of the lead-based paint and/or lead-based paint hazards, and the condition of the painted surfaces

Provide any records and reports on lead-based paint and/or lead-based paint hazards which are available to the seller or landlord (for multi-unit buildings, this requirement includes records and reports concerning common areas and other units, when such information was obtained as a result of a building-wide evaluation)

Include an attachment to the contract or lease (or language inserted in the lease itself) which includes a Lead Warning and confirms that the seller or landlord has complied with all notification

requirements. This attachment is to be provided in the same language used in the rest of the contract. Sellers or landlords, and agents, as well as Homebuyers or tenants, must sign and date the attachment.

Sellers must provide Homebuyers a 10-day period to conduct a paint inspection or risk assessment for lead-based paint or lead-based paint hazards. Parties may mutually agree, in writing, to lengthen or shorten the time period for inspection. Homebuyers may waive this inspection opportunity.

As part of the actions for PY 2016, The PRHFA will conduct a review off its processes and procedures previously described.

All CDBG funded housing acquisition and rehabilitation, of pre-1978 units, will meet HUD's Lead-Based Paint Regulations. OCAM has recently developed new monitoring guides for CDBG-DR which establishes a new process for lead-based paint hazard evaluations. Moreover, OCAM internal CDBG guidelines will follow the procedures established for CDBG-DR housing activities.

OCAM will provide guidance on the lead based paint compliance requirements assuring that all the non-entitlement rehabilitation manuals filed in the agency, includes the actions the municipalities will take on this issue.

Reduce the number of poverty-level families

Due to the prevailing poverty rate in the state, the government has several programs which are targeted to eradicating poverty. The state will promote suitable living environments, particularly affordable housing, and coordination with non for profit organizations to promote the elimination of homelessness.

The policy of the Commonwealth of Puerto Rico is to eradicate poverty among the current generation, particularly infant and youth poverty, within 20 years. To achieve this goal the Commonwealth outlined the following actions:

1. Work closely with the “Oficina de la Coordinadora General para el Financiamiento Económico y la Autogestión (OFSA)” to reactivate Special Communities Administrative Council (Consejo Asesor de Comunidades Especiales) to support public involvement initiatives and improved communication between the Commonwealth and disadvantage communities.
2. Promote self-employed and business development initiatives to reduce unemployment to 10%.
3. Promote gender equality through different measures
4. Improve access to higher education by subsidizing the cost of the local college entrance exam, an initiative that benefits over 27,000 high school students and over 1,000 inmate

population.

5. Increase access to health services by leveraging Medicare, Medicaid and local funds. Over 150,000 low income people benefited from this initiative.

6. Support the Community Microenterprises Program, a program which promotes economic development in disadvantage communities.

Develop institutional structure

The Housing Plan Implementation committee is the main mechanism to develop the institutional structure currently in place to coordinate the development and implementation of the Consolidated Plan. HPIC's structure - as previously described- facilitates the implementation of legal, regulatory or program solutions associated to the following: infrastructure, land policies, building regulations, municipal needs, administrative procedures and technical issues associated to relevant programs. Its structure supports a comprehensive approach to problem solution.

Moreover, it is important to maintain a year-long interagency committee focused on the development of the State Consolidated Plan and designate an active participant in the State Housing Plan Implementation Committee. Such participant will provide cohesiveness between specific housing policies and other community development initiatives.

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

Enhance coordination

Under the leadership of the HPIC, the process of designing and implementing the Unified NOFA provides a mechanism to coordinate actions between key stakeholders associated to affordable housing and economic development. Currently, the Department of Housing, Public Housing Administration, OCMA, the Puerto Rico Planning Board, municipalities, among other agencies, are actively participating in the process. Meanwhile, during its public participation process, other public and private housing and social service agencies will have the opportunity to provide feedback and suggestions on the proposed mechanism.

No specific actions have been planned to enhance coordination between public and private housing and social service agencies with CDBG funds. However, in the process of developing the Action Plan, the agency reached out potential stakeholders- particularly those from the Non for profit sector- to promote their participation on the public hearings, and other processes related to Public Participation. Moreover, since municipalities provide several public service activities

with CDBG funds, they coordinate with local non for profit service providers to deliver such services.

In addition, the State must identify obstacles to meeting underserved needs and propose actions to overcome those obstacles using HTF funds, if applicable.

The main obstacles to meeting underserved needs are policy, administrative and fiscal issues that are affecting the development of affordable housing and program implementation in Puerto Rico. The main action that has been undertaken to address these obstacles is the development of the State Housing Plan and the establishment of the Housing Plan Implementation Committee (HPIC), as part of an agreement between The U.S. Department of Housing and Urban Development (HUD) and the Commonwealth of Puerto Rico. The HPIC will implement a Unified NOFA structured to channel funds to projects and initiatives which address the plan objectives. For example, the Unified NOFA is : promoting affordable housing development near areas with the following characteristics: job centers; rehabilitated streets which support multi-modal transportation and pedestrians; services for the elderly and other special needs population, such as health centers, pharmacies, supportive services and other key services for low-income individuals; and public facilities. Also, to address housing development costs and funding limitations, the Unified NOFA is targeting state and municipal land.

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

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

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

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

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

N/A

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

Yes.

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

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

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

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

The basic threshold for the HTF establishes that applicant must demonstrate **experience**. “If proposing to use o of HOME or NHTF Developer, General Partner or Managing Partner must demonstrate successful record and full compliance participating

in same capacity in the development of HOME /NHTF projects in Puerto Rico.” To validate such assertion the applicant must submit “Relevant project documentation to support experience in particular project.” And “Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.”

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

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

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


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

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

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

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

The following table provides all the details of the basic threshold requirements and documentation review:

 GOVERNMENT OF PUERTO RICO Puerto Rico Housing Finance Authority			
Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	SHPO.001	A detailed written description of the project, including: related activities to be carried out in conjunction with the project; estimated total development cost; project area in <i>cuerdas</i> or acres; and tax property identification number (cadastral number) of the property (ies).
n	n	SHPO.002	Project location marked on a U.S.G.S. Topographic Quadrangle Map outlining exact boundaries. Name of the Quadrangle MUST be indicated and the original scale maintained. Other types of maps will not be accepted (i.e.: flood, zoning, or tourist maps, aerial or satellite photographs, etc.).
n	n	SHPO.003	Site Plan, scale 1:2000 or larger, showing project property and vicinity. A printed copy (size "11x17") must also be submitted.
n	n	SHPO.004	Current photographs (taken from ground level) of the property and the project's area of potential effects (at a minimum, the area of the project and its surroundings) in TIFF, JPEG or PDF formats. Printed color copies must also be submitted. No Polaroid's or photocopies will be accepted.
n	n	SHPO.005	As-found or as-built plans of the building/structure(s) to be affected by the project. Printed copies (size "11x17") must also be submitted.
n	n	SHPO.006	Schematic or preliminary drawings (floor plans, elevations, sections) that show the proposed project design. Printed copies (size "11x17") must also be submitted.
n	n	G.001	Application Form.
n	n	G.001	Application's Agreement and Certification (page 25), signed by the Owner, the President or Secretary of the General Partner, and showing corporate seal that is also legible in digital documents.
n	n	G.002	Corporate Resolution certifying that the person who signed is a duly authorized officer of the applicant, authorized to sign the application.
n	n	G.001	Threshold Checklist Form.
n	n	G.001	Self Point-Ranking Evaluation.
n	n	G.001	Subsidy Layering Review (SLR) Parameters Checklist Form.
n	n	G.007	Application's transmittal letter.
	n		1. Authority's NHTF Program application and inspection fees:
			· CHDOs: \$0.00
			· ½ of 1% of requested amount; with a minimum payment of \$2,500 and a maximum of \$10,000. This is a non-refundable and non-transferable payment.



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
			\$50 per HOME unit during the HOME compliance period. This amount will be due and payable by January 31 of each year.
		I	
	n	I.001	Site Selection Standards Checklist (Annex R).
		II	
n	n	II.004	Designer's Preliminary Certification (Annex J)
			Compliance with the Fair Housing Act (<i>Civil Rights Act of 1968 - 42 U.S.C. 3601 et seq.</i>) accessibility requirements certified through the Designer's opinion letters and completion of the Fair Housing Act Accessibility Requirements Checklist. Applicant must comply with the Americans with Disabilities Act of 1990 (104 Stat. 328). (Annex F: requirements checklist; Annexes J and N: models of certification letters).
n	n	II.005	Project timeline for project activities including specific benchmarks for acquisition, assembly of the development team, completion of plans and specifications, completion of financial approvals, municipal approvals, building permits, project construction start date, completion date and the estimated date of lease-up (Application, page 23).
n	n	II.006	Certification of the percentage of construction completion prepared by the Resident Inspector for projects under construction. (Caveat: existing construction might affect the environmental review and eventual allocation of HOME Funds).
n	n	II.007	Certification of the percentage of construction completion prepared by the lender's inspector for projects under construction. (Caveat: existing construction might affect the environmental review and eventual allocation of HOME Funds).
n	n	II.008	Evidence of site control: earnest money agreement, option or closing statement for land and/or buildings, title, deed or leasehold agreement (99 years or more, if requesting HOME).
	n	II.009	Certification by owner attesting compliance with restrictions on real property acquisition or rehabilitation under the URA, 49 CFR 24.101(b) detailing: number of persons (families, individuals, businesses or organizations) occupying the property on the date of the submission of the application; number of persons to be displaced, temporarily relocated, or moved permanently within the building or complex; estimated cost of relocation payments and services and sources of funding; and copy of the executed agreement with organization that will carry out the relocation activities.
n	n	II.010	Architectural drawings and specifications certified by the licensed professional (project architect or engineer in charge of the design process).
n		II.011	Recommendations of infrastructure issued by the OGPe and construction permit filed with competent entity.
	n	II.012	Unexpired Construction Permit, Green Construction Permit (<i>Permiso de construcción Verde</i>) or Notification of Construction Permit issued by the applicable permitting office and agencies' endorsements (Environmental Quality Board, Department of Natural and Environmental Resources, and Institute of Puerto Rican Culture, along with recommendations of infrastructure from agencies).
n	n	II.013	Pursuant to Section 106 - 36 CFR 800, State Historic Preservation Office's technical assistance or final determination letter. The technical assistance letter shall indicate that there are no historic properties or that no adverse effect on historic properties is associated with the undertaking or the agreed-to measures if such adverse effect is determined.
n	n	II.014	Wetland Inventory Map from the US Fish and Wildlife Service demonstrating project's location outside of any wetland, or a Wetland Preliminary Jurisdictional determination from the Corps of Engineers; indicating that the project does not affect wetland.



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	II.015	Project location must be identified in the NFIP map (FEMA Map) to demonstrate compliance with the Floodplain Management Act – 24 CFR 55, Executive Order 11988. The project must be located outside the 100-year floodplain, coastal high hazard areas and if the project is located inside the 100-year floodplain, FEMA’s approval letter of map amendment (LOMA) or letter of map revision (LOMR) will be submitted.
n	n	II.016	Project location must be identified in the USFWS map to demonstrate compliance with the Coastal Barrier Resources Act of CBRA –24 CFR 58.6(b). Federal assistance may not be used in the CBRA system.
n	n	II.017	Pursuant to Sections 307(c) and (d) of the Coastal Zone Management Act, Certification of Consistency filed with the State Coastal Management Program, if required.
n	n	II.018	Pursuant to the Endangered Species Act – 50 CFR 402, technical assistance or final determination letter issued by the U.S. Fish & Wildlife Service of the Department of the Interior; it must indicate that the project does not affect endangered species.
n	n	II.019	Any project located within 1,000 feet of a major noise source, road or highway, 3,000 feet of a railroad, or 5 miles of a civil airport, must provide a Noise Study as per the requirements set forth in the American National Standard Method for the Physical Measurement for Sound. Resulting noise level must comply with the acceptable level of 65 decibels established in 24 CFR 51.100 – Noise Abatement and Control.
n	n	II.020	Soil survey, if project is for new construction or substantial rehabilitation requiring addition or expansion to structures.
n	n	II.021	Archeological, 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.
n	n	II.022	Hydraulic/Hydrologic, 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.
n	n	II.023	1.1.1.1. Phase I environmental site assessment report and/or any other applicable environmental report. Must comply with ASTM E 1527-13 or any updated version as ASTM promulgates which meets the requirements of EPA’s AAI regulations.
n	n	II.024	For rehabilitation and acquisition/rehabilitation projects, a comprehensive capital needs assessment report prepared by a licensed architect or engineer unaffiliated with the Developer, the Development or any other entity involved with the Project, 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; if requesting HOME funds for projects with more than 26 units, it must specify the remaining useful life of major systems, and include paint testing and/or risk assessment report for substantial rehabilitation projects.
			THE AUTHORITY WILL NOT AWARD ANY ACQUISITION AND REHABILITATION PROJECT WITH 9% CREDITS UNLESS THE AUTHORITY, IN ITS SOLE DISCRETION AND TO THE COST OF THE APPLICANT, PERFORMS (EITHER BY ITSELF OR THROUGH ENGAGEMENT OF A REPUTABLE ACCOUNTING FIRM IN THE INDUSTRY) A THOROUGH FINANCIAL ANALYSIS EVIDENCING NON-FEASIBILITY OF THE PROJECT UNDER THE TAX EXEMPT BOND/4% TAX CREDIT PROGRAM
	n	II.027	Letter of intent to sign the Land Use Restrictive Covenant Agreement including: designation of NHTF-assisted units); occupancy of assisted units ; initial and ongoing rent restrictions; tenant eligibility and period of affordability
		III	



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	III.001	Comprehensive market study report (updated within six months of the application) performed by an approved provider unaffiliated with the Developer, the Development or any other entity involved with the Project, of the low-income housing needs in the area to be served, including: a statement of the competence of the market study provider, detailing education and experience of primary author and including statement of non-interest; a description of the proposed site and neighborhood, including physical attributes of site, surrounding land uses, and proximity to community amenities or neighborhood features including shopping, healthcare, schools, and transportation, among other; a map and photos of the subject site and surroundings showing location of community services; an overview of local economic conditions, including employment by sector, list of major employers, and labor force employment and unemployment trends over past 5-10 years; a description of the proposed development, detailing proposed unit mix (number of bedrooms, bathrooms, square footage, proposed rents, AMI level, utility allowances, and any utilities included in rent), proposed unit features and community amenities, and target population including age restrictions and/or special needs populations; demographic analysis of the number of households in the market area that are part of the target market (i.e., family, senior, disabled, etc.), income-eligible, and can afford to pay the rent, including a projected household base at placed in service date; geographic definition and analysis of the market area, including description of methodology used to define market area and map of market area including proposed site; analysis of household sizes and types in the market area, including households by tenure, income, and persons per household; a description of comparable developments in the market area, including any rental concessions these developments presently offer; a description of rent levels and vacancy rates of comparable properties in the market area, segmented by property type (market rate, Tax Credit, deep subsidy, high and low HOME rents, etc.) and with rents adjusted to account for utility differences and concessions or other incentives. Such description should include all existing Tax Credit, HOME and/or PBV developments in the primary market area and any planned additions to rental stock including recently approved Tax Credit, HOME and/or PBV developments; expected market absorption of the proposed rental housing, including capture/penetration rate analysis of target populations; a description of the effect on the market area, including the impact on Tax Credit, HOME, PBV and other existing affordable rental housing.
	n	III.002	Affirmative Fair Housing Marketing Plan (Annex S of the Application Package).
		IV	
n	n	IV.001	Organizational chart of project structure identifying Owner, Developer, General Partner/Manager and/or Sponsor and any other related entity.
n	n	IV.002	Articles of Incorporation for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1)
n	n	IV.003	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).
n	n	IV.004	Certificate of Incorporation (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	IV.005	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 (as were described in the Application, page 1).
n	n	IV.006	Good Standing Certificate (in USA and PR, as may apply) for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	IV.007	Company by-laws and internal rules for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	IV.008	Names, addresses, telephone numbers and email address of officers, members, directors, principal stockholders or managing partner of the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	IV.009	<p>The owner, developer and their shareholders, directors, officers and partners, as applicable, must demonstrate via sworn statement (<i>affidavit</i>) that they have not been involved in any way (either personally or as shareholders, directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured. All previous participants must also evidence 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, employees, officers or agents participating in any capacity in the procurement, selection, award, or the administration of a contract or agreement supported under the QAP or the NOFA. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the Authority must neither solicit nor accept gratuities, favors, or anything of monetary value from proponents, awardees, contractors or parties to subcontracts. In order to ensure objective consultant performance and eliminate unfair competitive advantage, contractors that develop or participate in drafting specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing in any capacity for such procurements. Any conflict of interest will immediately disqualify the applicant of any participation in the Authority/HOME programs.</p> <p>Also, the developer shall identify and explain any identity of interest with any other party of the project.</p>
n	n	IV.010	IRS Form SS-4 or other evidence of the taxpayer identification number for the following entities: Owner, Developer, General Partner/Manager and Sponsor (as were described in the Application, page 1).
n	n	IV.016	Audited Financial Statements (updated within six months of the application) of the developer, general partners, managing members, owners, and sponsors of each entity; 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. If an entity of new creation, CPA certification of a new entity, most recent statements, if within 6 months of the application.
n	n	IV.017	Compiled or Revised Financial Statements (updated within six months of the application; only applicable to natural persons) of the shareholders, directors, principals, officers, members and partners, as applicable, of the owner, developer, managing member, and general partner; 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.



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
	n	IV.018	Certification attesting that Owner, Developer, General Partner/Manager and Sponsor will comply with: Executive Order 12432, Minority Business Enterprise Development; Executive Order 12138, Creating a National Women's Business Enterprise Policy; HUD's requirement for Economic Opportunities for Recipients of HUD Assistance (Section 3); Executive Order 11246, Equal Employment Opportunity (for all construction contracts of over \$10,000; Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises; payments of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (whether or not completed in stages); agreeing to the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates to be included in the contract; Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations' laws and regulations; and insurance coverage and requirements covering all operations related to the project.
n	n	IV.019	Statement (affidavit) sworn by owner, developer and their shareholders, directors, officers and partners, as applicable, attesting that they have not been involved in any way (either personally or as shareholders, directors, officers, members or partners of a corporation, partnership or other form of business organization or joint venture) in any other project for which the Authority has provided any financing and /or grant (as lender, conduit, custodian of funds, or otherwise) and in which a default notice under the terms and conditions of the applicable financing documents has been issued and not cured.
n	n	IV.020	Certification issued by the Authority's Audit and Compliance Office attesting that the owner, developer and their shareholders, directors, officers and partners, as applicable, with previous participation in the program, comply with Section 42/HOME requirements and that, as of the most recent audit/compliance review, there is no outstanding finding of noncompliance (including any fees due to the Authority) in another project that received Tax Credits/HOME funds and in which they have an interest or participation.
n	n	IV.021	Statement (affidavit) sworn by owner, developer and their shareholders, directors, officers and partners, as applicable, attesting 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 and any of its affiliates or their employees, officers or agents participating in any capacity in the procurement, selection, award, or the administration of a contract or agreement supported under the QAP or the NOFA; nor with any contractors that have developed or participated in drafting specifications, requirements, statements of work, and invitations for bids or requests for proposals. If requesting HOME funds, must also attest that complies with 24 CFR 92.356(f).
n	n	G.001	Identity of Interest (Application, page 4).
n	n	G.001	List of members of the Development Team (Application, page 22)
n	n	IV.022	Resume of the Architect/Designer indicating qualifications, address, telephone number and references of projects evidencing experience with the design of projects similar to the proposed development.
n	n	IV.023	Copy of contract with Architect/Designer.
n	n	IV.024	Copy of professional license of architect or engineer in charge of design.
n	n	IV.025	Resume of the General Contractor indicating qualifications, address, telephone number and references evidencing experience with the construction of projects similar to the proposed development.
n	n	IV.026	Copy of contract with General Contractor.
n	n	IV.027	Certification of Registry of Building Contractors issued by the Department of Consumer Affairs (DACO).



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority


Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	IV.028	Resume of the Resident Inspector indicating qualifications, address, telephone number and references evidencing experience with the construction inspection or management of projects similar to the proposed development.
n	n	IV.029	Copy of contract with Resident Inspector.
n	n	IV.030	Copy of professional license of architect or engineer of the Resident Inspector.
n	n	IV.031	Resume of the Management Agent indicating qualifications, address, telephone number and references evidencing experience with the management of projects similar to the proposed development, and management of Tax Credit and/or HOME assisted units.
n	n	IV.032	Copy of contract with Management Agent.
n	n	IV.033	Resume of the Consultant Agent, if applicable.
n	n	IV.034	Copy(ies) of contract with Consultant Agent(s), if applicable, that itemizes the services to be performed by each consultant and the amount of the consultant fee for each service or group of services.
		V	
n	n	G.001	Sources and Uses (Application, page 15)
n	n	V.001	Schedule of monthly cash flow during construction period, including capital contributions.
n	n	G.001	Schedule of projected income and expenses during operation certified by the proposed management agent (Application, page 18).
n	n	V.002	Pro-forma with income and expense cash flow, for a 20-year period if only requesting HOME-New Construction (term for Rehabilitations with HOME funds will vary depending on the funding per unit), or 30-year or any other restrictive compliance period, showing: a feasible operation; prepared according to the applicable program underwriting standards; all income, including commercial, residential and ancillary income, vacancy adjustment, the amount of Tax Credits, HOME funds, committed PBV and/or other governmental subsidies or contributions, private equity, as well as the amount of permanent financing based on the established parameters, that a project would be eligible to receive; all expenses, including partnership distributions, debt service, non-cash expenses such as depreciation and amortization of fees and principal; reserves; and certified by the proposed management agent.
n	n	V.003	Appraisal report of site(s) and structure(s) prepared by a licensed appraiser unaffiliated with the Developer, the Development or any other entity involved with the Project, and approved by the Authority, within six months of the application.
n	n	V.004	Written unqualified endorsement from the Mayor of the Municipality or the where the project will be located; letter must indicate any municipal assistance that the project will receive.
n	n	V.005	Letter of intent and/or commitment from interim and/or permanent financing source, other than the Authority, specifying: amount and term of the loan; fixed interest rate; non-recourse nature of the loan; amortization period; and pre-payment penalties.
n	n	V.006	Loan application to PRHFA on or prior to the Tax Credit or HOME application submittal, if requesting financing from the Authority.
n		V.007	Letter of intent from syndicator or direct investor evidencing available private equity and indicating the credit price, if requesting Tax Credits.
n	n	V.008	Contract or Firm Commitment letter indicating approval of funding issued by the Rural Development Housing Service of the US Department of Agriculture for projects that are financed or sponsored by the entity.



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Required for LIHTC	Required for HOME	Doc Ref ID	National Housing Trust Fund Threshold Requirements and Documentation Review
n	n	V.009	Certification as to federal, State, or local subsidies received or expected to be received for the development and operation of the project; if no such governmental assistance is to be provided at the time of the application or in the future, certification to that fact; and that should other governmental assistance be sought in the future, the Authority will be notified promptly.
n	n	V.010	Copy(ies) of the contracts or firm commitment letters must be attached to the owner's certification of federal, State, or local subsidies received or expected to be received for the development and operation of the project, as applicable.
n	n	G.001	Project Development Costs (Application, pages 11, 12 and 13)
n	n	V.011	Construction cost breakdown (itemized schedule of values) that substantially conforms to form HUD 2328 (form not required), certified by the proposed general contractor or project designer.
	n	V.012	Agreements governing any required reserves which are capitalized at closing, if a rehabilitation project.
n	n	V.017	Justification for exceeding any of the safe harbor parameters for general contractor fees but in no circumstance, in excess of the maximum allowable aggregate amount.
n	n	V.019	Written evidence for projects claiming and/or receiving (or not) tax exemptions (e.g., property tax waivers, rental income exemptions, etc.).
			Experience. If proposing to use o of HOME or NHTF Developer, General Partner or Managing Partner must demonstrate successful record and full compliance participating in same capacity in the development of HOME /NHTF projects in Puerto Rico.
			Documentation required: Relevant project documentation to support experience in particular project.
			Documentation required: Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.

The Following table provides all the details of the scoring method and the required documentation:

		 GOVERNMENT OF PUERTO RICO Puerto Rico Housing Finance Authority				
Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
I.	Project Location					12
I.1	Location. A project might be awarded up to 5 points if located within one of the following areas:			5	5	



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	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. See Annex Q of the Application Package for Reference Maps.		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.	I.002				
	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. Any project property straddling the limit of the census tract will be considered as located within.	I.002				
	Documentation required: Census tract number; census tract's "% Below Poverty Line" as per the Federal Financial Institutions Examination Council's (FFIEC) 2015 Census Report. (Application, page 1).	G.001				
	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.002				
I.2	Desirable Activities				7	
I.2.1	General. Projects located within a 500 meters of the following amenities will be awarded a point each, up to 5 points :			5		
	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 (see www.hrsa.gov).		1			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	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.	I.002				
	Amenities must also be referenced by the market study.	III.001				
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.			2		
	Assisted Living		1			
	Specific documentation required: Certification from PR Dept. of Housing pursuant to the dispositions of Law 244 of September 3, 2003					
	Single headed household:					
	Grocery store with WIC contract.		1			
	Licensed or chartered child care facility.		1			
	Specific documentation required: name and physical address of facilities.	I.002				
	Specific documentation required: Evidence of inclusion in the WIC Vendor Registry published at wicpuertorico.com.	I.003				
	Specific documentation required: Child care facility charter issued by ACUDEN.	I.004				
	Elderly household:					
	Physician or dental office.		1			
	Civic center or voluntary work facility.		1			
	Specific documentation required: Name and physical address of facilities.	I.002				
	Homeless (as defined under HEARTH Act):					
	WIOA training center.		1			
	ASSMCA licensed public or private institution for the ambulatory treatment of mental disabilities, drug addiction or substance dependency.		1			
	Specific documentation required: Name and physical address of facilities.	I.002				



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Specific documentation required: Authorization for WIOA training center issued by Local Workforce Development Area.	I.005				
	Specific documentation required: Copy of license issued by ASSMCA.	I.006				
	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.	I.002				
	Amenities must also be referenced by the market study.	III.001				
	Veterans		1			
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 a maximum of 5 points, if located:				-5	-5
	Within one-eight mile of a:					
	Junkyard.		-1			
	Landfill or dumpsite.		-1			
	Industrial site.		-1			
	Airport.		-1			
	Wastewater treatment plant.		-1			
	Adjoining a property which is or contains a:					
	Gas station.		-1			
	Auto repair, paint or tire repair shop.		-1			
	Woodworking shop.		-1			
	Unabated nuisance, as declared by a Municipality.		-1			
	Documentation required: Map prepared by a licensed land surveyor certifying due diligence by identifying any of the listed nuisances within the established distance measured along the shortest straight line between the project lot and the nuisance property. In case of a scattered-site project, the distance will have to be certified from the closest point of the project's lot closest to the identified nuisance.	I.002				
II	Project Characteristics					47



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
II.1	Infill or nuisance. Projects will be awarded one point if proposed to develop an infill site or 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.			5	5	
	Documentation required: Aerial photograph for each infill site showing properties.	III.001				
	Documentation required: Cadastral numbers of properties (Application, page 1).	G.001				
	Documentation required: Nuisance abatement completed by Municipality supported by property deed and certification provided by Municipality.	I.007				
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; or State Historic Preservation Office's (SHPO) certification of contributing resource.	I.008				
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.	V.003				
II.4	Site Characteristics.			9	9	
II.4.1	Mobility. Projects (or the totality of the building sites, in the case of a scattered-site project), that incorporate improvements aimed at facilitating the mobility of its residents and promoting public transportation will be awarded up to 4 points , as follows:		4			
	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.	II.028				
	Provided it is not required by a competent authority as an off-site improvement, the project includes the construction or rehabilitation of all non-conforming sidewalks in the perimeter of the project site		1			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	adjoining a public roadway, in compliance with applicable accessibility standards and local codes.					
	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.	II.029				
	Documentation required: Approval from Municipality and competent transit authority, if applicable.	II.030				
	Documentation required: Letter from competent authority attesting the improvement is not a required off-site.	II.031				
	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 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.	II.029				
	Documentation required: Approval from Municipality and competent transit authority, if applicable.	II.030				
	Documentation required: Letter from competent authority attesting the improvement is not a required off-site.	II.031				
	The project provides an enclosed (covered, secured room within the building limits) bicycle storage facility for residents on the ground floor with at least one bicycle rack space for every two units; and an unenclosed bicycle storage facility accessible to visitors with at least one bicycle rack space for every 10 vehicle parking spaces.		1			
	Documentation required: Ground floor plan certified by the project's designer showing location and capacity of facilities.	II.010				
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:			5	5	
	The project achieves the maximum allowable gross floor area, housing density and/or height under applicable code provisions.		1			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: Table with applicable code provisions, maximum parameters and project parameters certified by the project's designer.	II.032				
	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.	II.010				
	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).	II.010				
	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 direct access from a public space.	II.010				
	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.	II.010				
	Documentation required: Documentation supporting property dedication to public use.	II.033				
II.5	Building Characteristics.					
II.5.1	Unit Mix. Projects might earn up to 2 points for a unit mix preferring 2-bedroom units as follows:			2	2	
	75% or more 2-bedroom units		2			
	50% or more 2-bedroom units		1			
	Documentation required: Floor plans certified by the project's designer.	II.010				
	Documentation required: Project proforma.	V.002				
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:			3	3	
	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			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: Floor plans and elevations certified by the project's designer showing accessibility features required by applicable criterion.	II.010				
	Documentation required: Designer's Preliminary Opinion Letter (Annex J of the Application Package, model of certification), specifying compliance with criteria.	II.004				
	Documentation required: If requesting HOME, affirmative Fair Housing Marketing Plan (similar to Annex S of the Application Package).	III.002				
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:			5	5	
	Centrally located courtyard or patio with an area of no less than 30 sq. ft. per unit directly accessible from the main entrance(s) of the building(s).		1			
	Community or meeting center with and area of no less than 15 sq. ft. per unit, with kitchen and public bathrooms.		1			
	Open balcony in each unit with an area of no less than 24 sq. ft.		1			
	Equipped exercise room(s) with an area or aggregate area of no less than 300 sq. ft.		1			
	Common laundry (ies) 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, equipment, and/or floor area.	II.010				
	Documentation required: Designer's Preliminary Opinion Letter (Annex J of the Application Package, model of certification), specifying compliance with applicable design criteria.	II.004				
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.				14	



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
II.6.1	Cost Containment. The Authority's total development cost for new construction averages close to \$233,607 for non-elderly units and \$176,221 for elderly; substantial rehabilitation averages close to \$108,579 and \$129,123 , 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:			5		
	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 (form not required), certified by the proposed general contractor or project designer.	V.011				
	Documentation required: Construction cost estimate prepared by a third-party (licensed Architect or Engineer, Professional Cost Estimator or a Certified Cost Professional).	V.020				
	Documentation required: Project Development Costs (Application, pages 11 and 12).	G.001				
	Required fees to cover the Authority's third-party assessment of proposed cost estimates.					
	Documentation required: Sources and Uses (Application, page 15).	G.001				
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:			9		
	A point each will be awarded for any project that specifies and factors-in the initial costs of any the following:					
	All appliances initially placed in common areas and apartments, and/or building envelope products (specifically: refrigerators, bath fans, clothes washers-dryers, and/or windows, doors, and skylights), as well as their replacement are specified to be Energy Star-qualified.		1			
	Kitchen range directly vents to exterior and all hoods vent to the exterior dampered; Energy Star qualified bath fan where required with timer or humidistat.		1			
	Energy Star qualified light fixtures throughout.		1			
	All initial water conserving appliances and fixtures and their on-going replacements conform to or exceed the EPA's Water Sense standards for toilets, kitchen faucets, bathroom faucets, and showerheads.		1			
	Recycling space and equipment, including recycling bins for each apartment.		1			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: Architectural drawings specifying spaces, equipment and/or systems required.	II.010				
	Documentation required: Designer's Preliminary Opinion Letter (Annex J of the Application Package, model of certification), specifying compliance with criteria.	II.004				
	Documentation required: Construction cost estimates identifying initial cost of equipment.	V.020				
	Documentation required: Proposed covenant provision for on-going replacements adopting most current program standard, included in letter of intent to sign Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package).	II.026 II.027				
	Construction permit is a Green Construction Permit (<i>Permiso de Construcción Verde</i>) from OGPe.		3			
	Documentation required: Copy of Green Construction Permit (<i>Permiso de Construcción Verde</i>) from OGPe.	II.012				
	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.034				
II.7	Construction Readiness. Up to 5 points if requesting only Tax Credits, and up to 10 points , if requesting HOME funds, will be awarded if the project has one of the following:			5	5	
	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> .	II.012				
	Urbanization permit or notification of approval of the urbanization permit, recommendations from infrastructure agencies, along with threshold environmental applicable review format and Section 106 compliance, only if project does not require HOME funding.		3			
	Documentation required: Urbanization permit and infrastructure recommendations issued by OGPe, Autonomous Municipality or a <i>Profesional Autorizado</i> , as might apply.	II.012				
	Documentation required: Applicable environmental review format (Phase I ESA, Compliance Determination with a Statutory Checklist format (for projects requiring HOME funds or rental assistance, among other programs, Environmental Assessment) filing completed with OGPe and copy of any required notice related to the specific Federal law and authority review triggered under the Compliance Determination or the Notice of Finding of No Significant Impact under the Environmental Assessment.	II.023				
	Documentation required: Compliance document issued by SHPO (e.g. Letter of no adverse effect, letter of no historic property affected by undertaking, programmatic agreement, MOU).	II.013				



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Recommendations from infrastructure agencies, along with threshold environmental applicable review format and Section 106 compliance, only if project does not require HOME funding.		1			
	Documentation required: Same as under previous criterion (except for copy of Urbanization Permit).					
III	Housing Needs Characteristics					14
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.		2	2	2	
	Documentation required: Proposed covenant provision for income targeting included in letter of intent to sign Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package).	II.026 II.027				
	Documentation required: Tenant selection procedures.	III.003				
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. As follows:			3	3	
	if requesting Tax Credits, at least 75% of total project units set aside for the targeted group during the length of the extended use period, or the compliance period if the project is subjected to a qualified contract process or tenant homeownership conversion (right of first refusal); if requesting HOME funds at least 75% of total project units set aside for the targeted group during the length of the HOME compliance period.		3			
	if requesting Tax Credits, at least 50% of total project units set aside for the targeted group during the length of the extended use period, or the compliance period if the project is subjected to a qualified contract process or tenant homeownership conversion (right of first refusal); if requesting HOME funds at least 50% of total project units set aside for the targeted group during the length of the HOME compliance period.		2			
	if requesting Tax Credits, at least 25% of total project units set aside for the targeted group during the length of the extended use period, or the compliance period if the project is subjected to a qualified contract process or tenant homeownership conversion (right of first refusal); if requesting HOME funds at least 25% of total project units set aside for the targeted group during the length of the HOME compliance period; and if requesting PBV, 50% of total project units excepted.		1			
	Documentation required: Proposed covenant provision for income targeting included in letter of intent to sign Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package), and recording the targeted set-aside for the length of the affordability period.	II.026 II.027				



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: If requesting HOME, Affirmative Fair Housing Marketing Plan (similar to Annex S of the Application Package).	III.002				
	Documentation required: if requesting only Tax Credits, tenant selection procedures.	III.003				
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:			3	3	
	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	2	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.	II.024				
	The project curbs a significant risk for market conversion of the 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	1	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.	III.001				
III.4	Term. If requesting Tax Credits, a project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years for:			3	3	
	At least 10 more years.		3			
	At least 5 more years.		1			
	Documentation required: Letter of intent to extend the initial 15-year period of compliance with the Tax Credit program's income and rent restriction requirements for a minimum of 15 additional years and sign the Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package).	II.026				
	Documentation required: Project proforma.	V.002				
	Term. If requesting NHTF, a project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years for:					
	At least 10 more years.		3			
	At least 5 more years.		1			
	Documentation required: Letter of intent to extend the initial 30-year period of compliance with the NHTF income and rent restriction and sign the Land Use Restrictive Covenant Agreement .					



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: Project proforma.					
III.5	Homeownership Conversion. If requesting Tax Credits, a project will be awarded 1 point if proposed to be converted to tenant homeownership (right of first refusal) for the residents after the compliance period expires.		1	1	1	
	Documentation required: Letter of intent to sign the Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package, and reflecting a right of first refusal granted to the residents.	II.026				
	Documentation required: Syndication documents with conversion provisions.	III.004				
	Documentation required: Detailed plan with projections on maintenance, reserves, homeownership training, continued affordability, sales price calculation, lease and purchase agreements, and any other relevant information to demonstrate compliance with applicable regulations.	III.005				
III.6	Public Housing Agency (PHA) Waiting Lists. If requesting Tax Credits, any project included in any waiting list of a public housing agency (PHA) might earn 1 point.		1	1	1	
	Documentation required: Referral agreement with the correspondent PHA to include the project in any listing of public housing opportunities where households with tenant-based subsidies are welcomed and where the project's owner or management agent agrees to actively seek referrals from the public housing authority to apply for units at the project. Also, Annex S, specifying in item 8 that "the owners will rent the units of the project to eligible families referred by the PHA from its waiting list or from their own waiting list if the PHA cannot provide adequate candidates, as determined and requested on the PHA's Administrative Plan".	III.006				
IV.	Project Developer Characteristics					9
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/HOME 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:			6	6	
	If proposing to use only LIHTC or HOME, project demonstrating utilization of the respective LIHTC or HOME program, or in combination with other programs; if proposing to use LIHTC and HOME combined, or in combination with any other federal or state program, project utilization of similar program mix subsidizing development costs, long-term operations or providing long-term rental assistance.		1-3			
	Similar or deeper share of income targeted populations.		1-3			



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Documentation required: Copy of HAP, IRS form 8609 for each project, as applicable.	IV.035				
	Documentation required: Relevant project documentation to support experience in particular project.	IV.036				
	Documentation required: Certification issued by the Authority's Audit and Compliance Office, or the Department's Housing Subsidies and Community Development Division, as applicable.	IV.019 IV.020				
IV.2	Financial Strength. Up to 3 points might be awarded if developer, general partner and manager partner have:			3	3	
	Combined current liquid assets equivalent to the greater of one million dollars (\$1,000,000) or 5% of the total development costs.		2			
	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.	IV.016 IV.017				
	Documentation required: Sources and Uses (Application, page 15).	G.001				
V.	Financing Characteristics					13
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:			2	2	
	At least 15% of the total development cost covered by other sources of public funding.		2			
	At least 10% of the total development cost covered by other sources of public funding.		1			
	Documentation required: Sources and Uses (Application, page 15).	G.001				
	Documentation required: Binding commitment, agreement or award documentation.	V.008 V.010				
V.2	Local Government Funding. Up to 5 points are awarded to 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:			3	3	
	At least 5% of the total development cost.		3			
	At least 3% of the total development cost.		2			
	At least 1% of the total development cost.		1			
	Documentation required: Sources and Uses (Application, page 15).	G.001				
	Documentation required: Binding commitment, agreement or award documentation.	V.004 V.010				



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
	Document required: If applicable Ordinance, Resolution or Bid supporting property transaction.	V.021				
	Document required: Evidence of site control by Owner: earnest money agreement, option or closing statement for land and/or buildings, title, deed or leasehold agreement (99 years or more, if requesting HOME), or equivalent for Municipal land transaction.	II.008				
	Document required: If applicable, documentation supporting construction tax abatement (Ordinance and/or Resolution).	V.022				
V.2	Financing with the Puerto Rico Housing Finance Authority			3	3	
	Interim and Permanent Financing		3			
	Interim or Permanent Financing		2			
	Documentation required: Sources and Uses (Application, page 15)					
	Documentation required: Binding commitment, agreement or application documentation.					
V.4	Financing insured by the Federal Housing Administration (FHA)		2	2	2	
	Documentation required: Firm commitment letter, or agreement documentation.					
V.5	State Funding. Projects which have been contributed federal & state-owned land for redevelopment will be awarded 2 points		2	2	2	
V.3	Operating Expenses. A 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	1	
	For developments with 79 units or less, a PUPA not less than \$3,000 but not more than \$3,600.		1			
	For developments with 80 to 120 units, a PUPA not less than \$2,900 but not more than \$3,400.		1			
	For developments with 121 units or more, a PUPA not less than \$2,800 but not more than \$3,400.		1			
	Documentation required: Certification provided by the management agent.	V.023				
V.4	State Funding. Projects which have been contributed federal or state-owned land for redevelopment will be awarded 2 points.		2	2	2	
	Documentation required: Copy of long-term lease agreement, deed, or letter of commitment.	II.008				
VI.	Supportive Services					5



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
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 could be funded with resources obtained directly as a grantee in competitive or demonstrative grants, or as a recipient of rental or operational assistance (i.e. CoC, VASH, GPD, SSVF, Veteran Per Diem, CDBG, 811, 202, 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.e.: ADFAN's CSGB, VRA's Independent Living, ASSMCA's Homeless and Chronic Mental Health, ADFAN's Adult and Person with Disabilities Services, Medicaid's Home and Community-Based Service Waivers, among other); or 2) contracted for a certified Assisted Living facility authorized under Act 244-2003, as follows:			5	5	
	Up to 5% of the project's annual operational cost for the length of the compliance period of affordability.		5			
	Up to 3% of the project's annual operational cost for the length of the compliance period of affordability.		3			
	Up to 1% of the project's annual operational cost for the length of the compliance period of affordability.		1			
	Documentation required: Project proforma.	V.002				
	Documentation required: Letter of intent to sign the Land Use Restrictive Covenant Agreement (in substantially the same form as Annex K of the Application Package), and specifying operational budget commitment for supportive services.	II.026 II.027				
	Documentation required: If available, binding commitment, agreement or award documentation.	V.008 V.010				
	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.					
	Total Score					100
	Minimum Required Score		30			
VII	Tie Breaking Criteria					
VII.1	Will favor the project that is the readiest one to proceed.					
VII.2	Will favor the project that is located in an Urban Area.					
VII.3	Will favor the project with highest debt service coverage ratio (DSCR).					



GOVERNMENT OF PUERTO RICO
Puerto Rico Housing Finance Authority

Sect	Criterion	Doc Ref ID	Score	Max	Max	Max
VII.4	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 a municipality. Endorsement from competent entity must be provided, if case arises.					
VII.5	If requesting Tax Credits, will favor the project that is located in a Municipality with the longer elapsed period without tax credit allocation; if requesting HOME funds, 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; if requesting funds from both programs, preference will be given as listed: Tax Credits, HOME.					

3. Will the State distribute HTF funds by selecting application submitted by eligible recipients? If yes, describe all the criteria that will be used to select applications and the relative importance of these criteria. At a minimum, as required in §91.320(k)(5)(i), the selection criteria must include:

Yes

See the selection criteria described above.

Priority based upon geographic diversity

The method of distribution does not include an allocation of resources based on geographic areas, so target areas are not earmarked. Yet, the HTF Program will consider the housing needs for eligible income families in non-metropolitan areas, by taking into account the upcoming new census figures by Municipalities. The merits of the proposal will be evaluated taking into consideration the needs in any particular location. The PRHFA will comply with regulations (24 CFR 92.201 (b)(1)) requiring that resources be allocated in non-metropolitan areas. The final distribution will be based on the criteria established in the method of distribution.

Applicant's ability to obligate HTF funds. Applicant's ability to undertake eligible activities in a timely manner.

See the criteria described above, under the basic threshold requirements and certain specific criteria under the scoring method which pertains to the applicant's capacity, both, financial and programmatic.

For rental housing, the extent to which the project has Federal, State or local project-based rental assistance so rents are affordable to extremely low-income families.

See the scoring criteria described in the above tables. Section IV of the scoring method provides additional points for applicants that combine LIHTC or HOME projects that are specifically destined for long-term rental assistance.

“If proposing to use only LIHTC or HOME, project demonstrating utilization of the respective LIHTC or HOME program, or in combination with other programs; if proposing to use LIHTC and HOME combined, or in combination with any other federal or state program, project utilization of similar program mix subsidizing development costs, long-term operations or providing long-term rental assistance.” (See above, Section IV Scoring Method)

It is important to note that HTF units will include the 30 year restrictive covenants. These combined multifamily projects will provide for the preservation of affordable rental housing, particularly for extremely low families since HTF units will be required to comply with such income levels. Thus, projects which seek to increase the affordable rental housing stock will be scored favorably. Due to the limited amount of funds under HTF, leveraged funds will be the biggest portion of funds under these multifamily projects.

For rental housing, the duration of the units' affordability period.

All projects funded with HTF will be required to comply with a minimum of 30 years affordability restrictions. Additional points are given to projects which provide an affordability period beyond the 30 years. Proponents will be required to sign a Land Use Restrictive Covenant Agreement. (See Section III.4 of the Scoring method)

“If requesting NHTF, a project might earn up to 3 points for extending the term of affordability beyond the extended use period of thirty years” (Section III.4 of the Scoring method)

The merits of the application in meeting the State's priority housing needs (please describe).

The Government of Puerto Rico has established its priority housing needs in its 5 year Consolidated Plan and also in the State's Housing Plan. The Scoring Method used in the distribution and allocation of funds provides several criteria which allow applicants to receive additional points if they provide evidence that their projects follow the state's priority housing needs. For instance:

“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.”(Section II.6 of the Scoring Method)

“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.”(Section III.2 of the Scoring Method)

“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” (Section III.3 of the Scoring Method)

“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 could be funded with resources obtained directly as a grantee in competitive or demonstrative grants, or as a recipient of rental or operational assistance (i.e. CoC, VASH, GPD, SSVF, Veteran Per Diem, CDBG, 811, 202, 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.e.: ADFAN's CSGB, VRA's Independent Living, ASSMCA's Homeless and Chronic Mental Health, ADFAN's Adult and Person with Disabilities Services, Medicaid's Home and Community-Based Service Waivers, among other); or 2) contracted for a certified Assisted Living facility authorized under Act 244-2003” (Section VI.1 of the Scoring Method)

To see the specific points allocated to each of the priorities described above, please refer to the Point Scoring table above)

The extent to which application makes use of non-federal funding sources.

The Method of Distribution for the HTF program provides additional points for those applicants which are able to demonstrate that additional non-federal funds will be used in the project. For instance, Section V.1 of the Scoring Method establishes:

“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 point...” Moreover, Section V.2 establishes “Up to 5 points are awarded to 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.”

(For a complete description of the Financing Characteristics and the required documentation, please refer to the table above)

Describe how resources will be allocated among funding categories.

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

Describe threshold factors and grant size limits.

PRHFA will use the maximum per unit subsidy standards adopted by the State **HOME** Program. This will allow income eligible families to meet the eligibility requirements pursuant to 24 CFR 92.203. For rental projects, the proposal should allow renters to be eligible, through compliance of 24 CFR 92.216. For the PY 2016 an application or proposal will include the Basic Threshold Requirements and the additional requirements as outlined in the Method of Distribution.

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

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

Recipient Application Requirements- § 91.320(k)(5)(ii)

1. *Will the State require that all recipient applications contain a description of the eligible activities to be conducted with HTF funds as required in § 93.200- Eligible activities?*

Yes

PRHFA will require information from participant following the basic and supplemental threshold requirements. Also a complete description of the project including resources, scope, uses of funds and other operation information.

2. *Will the State require that each eligible recipient certify that housing assisted with HTF funds will comply with HTF requirements?*

Yes

Performance Goals and Benchmarks- § 91.320(k)(5)(iii)

The plan must include performance goals and benchmarks against which the State will measure its progress, consistent with the State's goals established at § 91.315(b)(2). To comply with this requirement, the State will include HTF housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens in the eCon Planning Suite consolidated plan template in IDIS.

See SP-45 & AP-20 from the original Consolidated and Annual Action Plan.

VI. OTHER REQUIREMENTS

Maximum Per-unit Development Subsidy Amount- § 91.320(k)(5) and § 91.320(a)

The State must establish its own maximum limitations on the total amount of HTF funds that can be invested per-unit for development of non-luxury housing. The limits must be reasonable, based on actual costs, and adjusted for the number of bedrooms and geographic location of the project. The State may choose to develop its own limits or adopt limits used in other federal programs such as HOME or Low-Income Housing Tax Credit and must submit them with its HTF allocation plan. The State must submit a description of how the HTF maximum per-unit development subsidy amounts were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements.

The Government of Puerto Rico is adopting the maximum HOME subsidy limits established in CPD Notice 15-03 for the HTF Program. These limits were adopted from Section 234 of Condominium Housing basic mortgage limits. As shown in the following table, limits vary by the number of bedrooms in the unit, and type of structure.

The most recent Federal Register on Section 234-Housing Condominium (FR 72107) establishes the following limits:

Bedrooms	Non-Elevator	Elevator	HCP	Maximum Per Unit Subsidy
0	\$55,474	\$58,378	240%	\$140,107.20
1	\$63,962	\$66,923	240%	\$160,615.20
2	\$77,140	\$81,377	240%	\$195,304.80
3	\$98,742	\$105,276	240%	\$252,662.40
4+	\$110,002	\$115,560	240%	\$277,344.00

It is important to note that San Juan is listed in the High Cost Percentage Exception List with 270%, however it is capped at 240%. The last column is the resulting maximum per unit subsidy. The PRHFA will apply these limits statewide since construction costs do not vary significantly between different geographical areas of the Island. Based on PRHFA these subsidy limits are reasonable taking into account the current construction costs and the experience of the agency with previous projects. Puerto Rico has several well-connected distribution centers which provide a constant pool of construction and building materials throughout the Island. Transportation infrastructure, along with port facilities in the north and south of the Island facilitate this process. Moreover, human resources costs are fairly similar between regions, particularly in construction related activities.

The abovementioned analysis recognizes that there exists fundamental differences between individual projects costs, but variations between municipalities or regions are not significant enough to grant a variation by region in the subsidy limits. The PRHFA understand that HOME limits are appropriate as the initial cap for the amount of HTF funds that will be potentially allocated to units.

Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b)

If the State intends to use its HTF funds for housing being rehabilitated, it must establish rehabilitation standards that all HTF-assisted housing undergoing rehabilitation must meet at the time of project completion in accordance with § 93.301(b). The standards must provide enough details on what work is required, how that work should be performed and what materials should be used. The State’s standards may refer to applicable codes or may establish requirements that exceed the minimum requirements of the codes. At a minimum, the rehabilitation standards must address:

- Health and safety;
- Major systems;
- Lead-Based Paint;
- Accessibility;
- Disaster Mitigation;

– *State and local Codes, Ordinances, and Zoning Requirements; and*

– *Inspectable Areas and Observable Deficiencies from HUD’s Uniform Physical Condition Standards identified by HUD as applicable to HTF-assisted housing.*

Indicate below if the State will use HTF funds for rehabilitation of housing.

This section provides the minimum acceptable standards for existing multi-family household dwelling units rehabilitated in whole or in part with National Housing Trust Fund (HTF) program funds in Puerto Rico. These standards are not intended to reduce or exclude the requirements of any local or state building or housing codes, standards or ordinances that may apply. In the event of any conflicting code(s), the more restrictive code(s) will apply. These standards were designed to assist in achieving consistency for all rehabilitation activities funded with HTF funds. The goal of the Puerto Rico Housing and Finance Authority HTF program is to provide functional, safe, affordable and durable housing that meets the needs of the tenants and communities in which the housing is located. The purpose of the HTF Standards is to ensure that property rehabilitation puts each building in the best possible position to meet this goal over its extended life and that, at a minimum, all health and safety deficiencies are addressed.

The project developer will formally contract licensed architectural and engineering design professionals to provide appropriate professional services for each project. It is the responsibility of each licensed professional to assure that the scope of work is done in accordance with the generally accepted practices in the their discipline, as well as designing the project to be in full conformance with all the applicable Federal, State and local codes.

In addition, the architect or engineer will provide contract specifications which stipulate quality standards, materials choices and installation methods and standards. By meeting the various code requirements as a minimum standard, each building rehabilitation project is assured to be brought up to an acceptable level of rehabilitation. Warranties shall be required per the standard construction contracts on all materials, equipment and workmanship.

This Standard ensures that HTF assisted projects are completed in a thorough and workmanlike manner in accordance with industry practice and contractually agreed upon plans and specifications as well as subsequent mutually agreed upon change orders during the construction process. HTF assisted projects and developers will employ best practice industry standards relating to quality assurance to verify all work completed.

I. Health and Safety

If the housing is occupied at the time of rehabilitation, any life-threatening deficiencies must be identified and addressed immediately. These items include:

1. Air Quality - Propane/Natural Gas/Methane Gas Detected
2. Blocked Egress/Ladders
3. Electrical Hazards - Exposed Wires/Open Panels
4. Electrical Hazards - Water Leaks on/near Electrical Equipment
5. Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable

6. Missing Outlet Covers
7. Missing/Damaged/Expired Extinguishers
8. Blocked Ventilation System
9. Outlets/Switches/Cover Plates - Missing/Broken
10. Smoke Detector - Missing/Inoperable
11. Windows - Security Bars Prevent Egress

See Appendix B (UPCS) for a list of Inspectable Items and Observable Deficiencies, including the identification of life threatening deficiencies for the property site, building exterior, building systems, common areas, and units.

II. Expected Useful Life (Capital Needs Assessment)

All PRHFA HTF assisted projects and developers will consider the remaining expected useful life of all building components with regard to building long term sustainability and performance. Specifically, each building component with a remaining expected useful life of less than the applicable HTF period of affordability (10, 20 or 30 years, depending on amount of HTF assistance provided) shall be considered for replacement, repair or otherwise updated. Additionally, new building components with an expected useful life of less than the period of affordability shall be considered for future replacement.

A Capital Needs Assessment (CAN) is necessary for all HTF assisted multifamily housing with 26 or more total units that determines the useful life of systems, the long terms physical needs of the project and the work to be performed. Specifications for the assessment are listed below:

1. The industry standard period for CNAs is 20 years; however, project CNAs must be updated every five years during the life of the project to ensure projected capital needs through the HTF affordability period are anticipated and planned for.
 - a. If the projects affordability period is 30 years (\$50,000 or more in assistance provided).The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-25. The second 5-year update will be done in year 10 and will cover years 11-30.
 - b. If a project's affordability period is 20 years (\$30,000 to \$50,000 in assistance provided). The initial CNA will cover years 1-20. The first 5-year update will be done in year 5 and cover years 6-20. The second 5-year update will be done in year 10 and will cover years 11-20
 - c. If a project's affordability period is 10 years (Under \$30,000 in assistance provided). The initial CNA will cover years 1-10. The first 5-year update will be done in year 5 and cover years 6-10.
2. HTF assisted projects and their development teams should ensure that all building components are analyzed in the CNA as part of a comprehensive effort to balance rehabilitation scope and capital planning in a way which maximizes long-term building performance as much as possible within the parameters of both development and projected operational funding available.
3. The CNA will take into account any extraordinary circumstances of the prospective occupants of the dwelling (i.e. physical, sensory, developmental disabilities) and reflect a means to address such circumstances in their inspection and in the preparation of a work write-up/project specifications for that dwelling.
4. The CNA report must be prepared by a qualified professional (architect or engineer) who has no financial

interest in the project and no identity of interest with the developer. For purposes of this document, a “qualified professional” is a licensed professional architect or engineer, who can substantiate a minimum of five (5) years’ experience providing CNA reports in accordance with PRHFA standards and who performs the assessment and supplies the PRHFA with their professional opinion of the property’s current overall physical condition. The CNA must include the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property’s use and its structural or mechanical integrity. Furthermore, the CNA must examine and analyze the following building components:

- a. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, storm drainage, gas and electric utilities and lines.
 - b. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system and drainage.
 - c. Interiors, including unit and common area finishes (carpeting, vinyl tile, interior walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures and common area lobbies and corridors.
 - d. Mechanical systems, including plumbing and domestic hot water, Air Conditioning, electrical and fire protection.
 - e. Elevators (if applicable).
 - f. Provide building life cycle study that lists each building component, the base cost and opinions of probable cost immediately (critical repair item), along with an analysis of the reserves for replacement needed to fund long-term physical needs of the project, accounting for inflation, the existing reserves for replacement balance and the expected useful life of major building systems.
5. Provide written cost estimates in order that the PRHFA may and determine that costs are reasonable.
 6. The assessment will consider the presence of environmental hazards such as asbestos, lead paint and mold on the site. The assessment will include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives.
 7. If the remaining useful life of any component is less than fifty percent (50%) of the expected useful life, immediate rehabilitation will be required unless capitalized. If the remaining useful life of a component is less than the term of the affordability period, the application package must provide for a practical way to finance the future replacement of the component.
 8. The professional preparing the CNA report must:
 - a. The assessment must include a site visit and physical inspection of the interior and exterior of all units and structures, as well as an interview with available on-site property management and maintenance personnel, to inquire about past repairs, improvements and an examination of invoices, contracts or work orders relating to the repairs/improvements over the last twenty-four (24) months, pending repairs and existing or chronic physical deficiencies. Any information from the interview must be included in the CNA. The assessment must also consider the presence of hazardous materials on the site.
 - b. Identify physical deficiencies, including critical repair items, immediate physical needs and long-

term physical needs. These must include repair items that represent an immediate threat to health and safety and all other significant defects, deficiencies, items of deferred maintenance and material building code violations that would limit the expected useful life of major components or systems.

- c. Explain how the project will meet the requirements for accessibility to persons with disabilities. Identify the physical obstacles and describe methods to make the project more accessible and list needed repair items in the rehabilitation plan.
 - d. Prepare a rehabilitation plan, addressing separately all immediate and long-term physical needs.
 - e. Work Specifications and Scope of Repairs
 - f. Work specifications should include enough detail to specify each item to be repaired, the quantity of materials to be used and the exact location of each repair.
 - g. Repairs needed to correct basic safety, durability, mechanical and efficiency deficiencies.
9. All materials used must meet the Puerto Rico Building Code standard material specifications. All work must be done with skilled craftsmen and accomplished with care.
10. Upon completion of repairs, the contractor will:
- a. Remove all construction debris from the site.
 - b. Clean all floors impacted by the work.
 - c. Clean all new and existing paint from other finished surfaces including window glass and mirrors.
 - d. Leave all newly installed items in operating condition.
 - e. Start all other electrical and mechanical systems.
 - f. Put all hardware in operating condition.
 - g. Deliver new keys to homeowners for any newly installed hardware.

III. Major Systems

HTF Rehabilitation assisted projects must comply with the requirements indicated in this document and the HOME Program Rehabilitation and new Construction Standards, 2015 *“Estandares de rehabilitación y nueva construcción, 2015”*.

1. Site Standards

- a. The HTF assisted project must assure that the site is safe, clean and usable, and designed with details, assemblies and materials to provide ongoing durability without undue future maintenance.
- b. Site design and engineering shall be by a qualified professional.
- c. The access to a building shall be safe, logical, readily identifiable, sheltered from the weather, and meeting the exit requirements to a public way. Pathways of circulation within a building shall also be safe and logical.
- d. Design and systems shall conform to the “Reglamento Conjunto” 2015 and the Puerto Rico Building code, 2011.
- e. Sprinkler water service – Underground water service as required for building sprinkler system shall be in accordance with NFPA 24.

- f. Sewer connections to municipal sewage systems and on-site sewage disposal must have a minimum useful life same as the affordability period.
- g. Means of egress components shall be in conformance with Chapter 10 of the International Building Code
- h. Vehicular access to public way – site design shall conform to local zoning code (“Reglamento Conjunto”) and the “Departamento de Transportación y Obras Públicas” regulations, as well as be sensible in its layout to maximize vehicular and pedestrian safety.
- i. On-site Parking – parking shall be adequate for project type, meet local codes, and be designed to drain well, with a durable appropriate surface material. Handicapped parking shall be provided as required. Designers may utilize the “Reglamento Conjunto” to determine the guidelines in the design.
- j. Pedestrian access and hardscape – In general, paved walkways within the site will be designed to provide sensible pedestrian access from the public way into the site, from parking areas, and provide access to buildings. All walkways should generally conform to applicable codes for width and slopes, and fall protection. Site stairs shall be safe and sound, constructed of durable materials, with proper rise and run, and with code approved railings as required. Accessible routes into buildings shall be provided as required by code.
- k. Site amenities – site amenities may be provided which enhance the livability of the project including playground areas, seating, benches, patio areas, picnic tables, bike racks, grills, and fencing, etc.
- l. Mailboxes - Provision will be made for USPS-approved cluster mailbox units if required by the USPS.
- m. Landscaping – lawns, ground cover, planting beds, perennial plants, shrubs and trees may be provided to enhance the livability, and to provide a positive aesthetic sense. Planting choices specified should be low maintenance, non-invasive species, of an appropriate size and scale and located, when adjacent to building structures, with regard to their size at maturity.
- n. Solid waste collection & storage – if necessary, provision shall be made for the outdoor storage and collection of solid waste and recycling materials in receptacles (dumpsters, wheeled trash cans, totes). Enclosures may be provided and should be accessible as required by code.
- o. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning code. Energy efficient lighting shall conform to the International Energy Conservation Code of Puerto Rico, 2011.
- p. The lot or defined site must be free of debris, garbage or other accumulations of site stored items that create possibilities of infestations. The site should be generally level, well drained and accessible.
- q. All exterior property and premises must be maintained in a clean, safe and sanitary condition.
- r. Drainage – assure that the grading surrounding the building will slope away from the building and drain properly, without ponding or erosion. Replacement landscaping and grading must direct water away from structures.
- s. Fencing and gates must not be damaged; missing sections or has holes per UPCS.
- t. Grounds must be erosion and rut free, not overgrown or penetrating vegetation and have functional ponding and site drainage per UPCS.
- u. Hazardous and substandard conditions include any condition that threatens the health and or safety of the occupants. Substandard conditions include any condition that threatens, defeats or will lead to the

lack of functional viability of a single feature of a home. These conditions must include but not be limited to:

- i. Accumulated debris, waste or garbage, either in enclosed areas such as storage buildings or in yard areas.
- ii. Environmental conditions such as flooding, mudslides, abnormal air pollution, smoke or dust, gas smells, sewer odor.
- iii. Eroding soil and accumulation of stagnant water
- iv. Excessive noise, vibration or vehicular traffic.
- v. Excessive accumulations of trash.
- vi. Excessive weeds or plant growth.
- vii. Fire hazards.
- viii. Deteriorated and/or irreparable outbuildings, sheds, or other structures that are no longer in use or are made unusable by their condition.
- ix. Holes, ditches, exposed meter boxes or other conditions that create a tripping hazard, excluding drainage ditches that are part of a designed drainage system.
- x. Rodents, insects or other infestations.
- xi. Grading that directs water toward any structure.
- xii. Sewer odor. Standing water or depressions that hold water during wet weather, leaking water supply, percolating or leaking sewage.
- xiii. Exposed pipes, railings or other installations creating tripping hazards.
- xiv. Damaged, missing or deteriorated walkways, steps and decks that create tripping hazards or are otherwise unsafe.
- xv. Stairways or steps with four (4) or more risers and without a functional handrail. Stairways, decks, porches, balconies and all appurtenances without proper anchorage or capable of supporting the imposed loads.
- xvi. Handrails and guards in poor condition or not properly fastened or capable of supporting normally imposed loads.
- xvii. All structures in which insects or rodents are found shall be promptly exterminated by approved processes that will not be injurious to human health. After extermination, proper precautions shall be taken to prevent re-infestation.

2. Interior Spaces

- a. Means of egress components shall be in conformance with Chapter 10 of the IBC "*Means of Egress*" and Chapter 7 of NFPA 101, including complete layout of the exits, corridor and stair dimensional requirements and arrangement, doors sizes and swings, door hardware, panic exit devices, door self-closers, interior finishes, walking surfaces, fire separations, stair enclosures, guards and railings, ramps, occupant load calculations, illumination, and signage.
- b. Minimum Space and Use Standards
 - i. The dwelling unit must have a living room, a kitchen area and a bathroom.
 - ii. Dwelling units shall not be occupied above the maximum occupant load of space requirements according to the PRBC 1021.2.

c. Minimum Standards for Ceilings

- i. Habitable spaces including hallways, corridors, shall have a ceiling height of no less than eight feet (8'), laundry areas, bathrooms, toilet rooms and kitchens may have a ceiling height of not less than seven feet six inches (7'-6") according to the PRBC 1208.2, unless the following exceptions:
 - o Where beams or girders are spaced not less than four (4) feet on center and project not more than six (6") inches below the required ceiling height.
 - o If any room in a building has a slope ceiling, the prescribed ceiling height for the room is required at the lower level of the ceiling. Any portion of the room measuring less than five feet (5') from the finished floor to the ceiling shall not be included in any computation of the minimum area thereof.

d. Minimum Room Widths

- i. Habitable rooms, other than kitchens, shall not be less than seven feet (7') wide in any plan dimension according to the IBC 1208.1.
- ii. Kitchens shall have a minimum floor area of fifty square feet and shall provide clear passageways of not less than three feet (3') between counter fronts, counter fronts and appliances or counter fronts and walls according to the IBC 1208.1
- iii. All kitchens must have a working refrigerator, cook-top and oven. All equipment must be in proper operating condition.
- iv. The kitchen must have a sink in proper operating condition, with a sink trap and hot and cold running water connected, to an approvable water supply system and an approvable sewer disposal system.
- v. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (i.e. garbage cans).

e. Minimum Standards for Bathrooms

- i. Each dwelling unit will have a functional and code compliant bathroom in accordance with IBC 1210
- ii. The bathroom must be located in a separate private room with lockable doors.
- iii. The bathroom must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water. The kitchen sink cannot be used as the required lavatory or basin.
- iv. The bathroom must have a tub or shower in proper operating condition with hot and cold running water.
- v. A flush toilet in proper operating condition is required.
- vi. The bathtub and or shower may be in the same room as the flush toilet, water closet and lavatory or basin or said bathtub or shower may be in a separate room. The facilities must utilize an approvable water supply system and an approvable waste water disposal system.

f. Minimum Standards for Bedrooms

- i. Every bedroom shall have a minimum area of 120 square feet according to the IBC 1208.3.

- ii. Efficiency Units minimum area is 220 square feet plus 100 square feet for every additional occupant according to the IBC 1208.4.
 - iii. Every bedroom shall have access to at least one (1) water closet and one (1) lavatory without passing through another bedroom. Every bedroom in a dwelling unit shall have access to at least one (1) water closet and lavatory located within one (1) story (floor) from the story in which the bedroom is located.
 - iv. Bedrooms must not constitute the only means of access to other bedrooms or habitable spaces and shall not serve as the only means of egress from other habitable spaces, except when the unit contains fewer than two (2) bedrooms.
- g. Minimum Standards for Living Rooms
- i. Living rooms shall have a minimum area of 120 square feet
- h. Storage - adequate clothes closets, pantry and general storage shall be provided.
- i. Amenity Spaces - provision for laundry facilities, bike storage, trash & recycling, and other utility or common spaces may be made in accordance with the goals of the project program. The project developers are encouraged to consider adding such amenities as may be appropriate to enhance the livability of the housing for the tenants.

3. Structure

- a. A qualified professional shall examine each building's load-bearing structure, and assess its existing condition to determine suitability of continued use.
- b. In general, structure evaluation and design shall be in conformance with IBC Chapter 16 and the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures (ASCE 10), 2013.
- c. In most residential rehabilitation projects where there is no change in use, it is not expected that the structure will be brought up to new construction standards. Consideration shall be given if there are any proposed changes in use which would impact the occupancy load.
- d. Deficiencies identified shall be addressed and repairs will be designed and specified as determined necessary to correct such conditions:
 - i. Repairs shall be made to any deteriorated load-bearing structural elements.
 - ii. Reinforce, install supplemental or replace structural members determined not to be adequate for use.
 - iii. The minimum life expectancy of repairs to the structural elements must be same as the affordability period.

4. Foundations

- a. Existing foundations shall be examined by qualified professionals
- b. All foundation walls shall be maintained free from open cracks, broken components or deterioration which may compromise the load bearing structural integrity.
- c. New below-grade structures to conform to Chapter 18 of IBC "*Soils and Foundation*" as appropriate.

- d. All newly installed foundations should be designed and constructed in accordance with the Puerto Rico Building Code.
- e. The minimum life expectancy of repairs to the foundation must be same as the affordability period.
- f. Basement floors
 - i. Mechanical rooms - Provide sound concrete floors with raised housekeeping pads for equipment.
 - ii. Tenant accessed utility spaces (storage, laundry rooms, etc.) – provide sound concrete floors.
 - iii. Where earthen floors are to remain, provide wear layer of peastone (or similar suitable material) over vapor barriers.
- g. Moisture mitigation
 - i. Provide waterproofing or damp proofing as appropriate where possible and as may be required by existing conditions of groundwater and stormwater intrusion into subsurface portions of buildings.
 - ii. Provide vapor barriers covered with a wear layer of peastone over earthen basement or crawl space floors to remain.
 - iii. Ventilation of basements and crawl spaces per IBC, Chapter 1203.

5. Floors

- a. Minimum Floor System Standards
 - i. All flooring must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts or other serious damage.
 - ii. All sub-floors should be solid and continuous, without liberal movement or bounce, free from deterioration.
 - iii. All flooring must be free from tripping hazards with a minimum of seams spaced at logical locations, such as doorways and matched to the existing floor.
 - iv. All flooring must be sealed and tight at the edges.
 - v. All floors shall be covered with water resistant flooring.
 - vi. Basement floors should be continuous concrete. If not, certain appliances located in this area will be properly elevated above grade with concrete blocks.
 - vii. The minimum life expectancy of repairs to flooring must be same as the affordability period.

6. Walls

- a. Minimum Wall System Standards
 - i. The minimum life expectancy of repairs to structural walls, interior walls, interior surfaces, exterior surfaces and firewalls, must be same as the affordability period
 - ii. All walls including doors and windows should be maintained in good, sanitary condition and free from any serious defects such as severe bulging or leaning, holes, cracks, breaks, loose surface materials, severe buckling, missing parts, rotting materials, chipped, cracked or peeling paint, falling cement plaster or other serious damage.

- iii. Exterior wall surfaces should be free from chipped, cracking or peeling paint. All such loose paint should be properly prepared, primed, properly painted and maintained weatherproof and properly surface coated where required to prevent deterioration.
- iv. Interior wall surfaces, including doors and windows, shall be maintained in good, sanitary condition and free from chipping, cracking or peeling paint with no loose, cracked or falling cement plaster.
- v. All such loose paint should be completely removed and surfaces primed. All primed surfaces should be properly painted.

7. Roofs

a. Minimum Roof Systems Standards

- i. The roof and cap flashings must be structurally sound and weather tight.
- ii. Roof surfaces should be free from defects. No indication of excessive wear or potential failure will be acceptable.
- iii. Roof drainage must be adequate to prevent dampness or deterioration in the walls and interior portion of the structure.
- iv. Roof drains, gutters and downspouts must be in good repair and free from obstructions.
- v. Roof water discharge shall not be directed toward foundations, splash blocks must be included where necessary.
- vi. The minimum life expectancy of repairs must be same as the affordability period.

8. Windows and Doors

a. Minimum Window and Door Standards

- i. Every window and door must meet egress requirements (IBC Chapter 10) for dimensions, swing and clearances, and be accessibility (ADA) compliant as required.
- ii. Every window, exterior door and basement or cellar hatchway must be substantially tight, water and rodent proof and be kept in a state of maintenance and repair.
- iii. All exterior doors to the outside or to a common public hall must be solid core and be equipped with adequate security locks. All windows accessible from ground level must be lockable.
- iv. Every exterior and interior door, when closed, must fit tightly within its frame.
- v. Every exterior and interior door, door hinge and door latch and/or lock must be maintained in good working condition.
- vi. Every exterior window, door and frame must be constructed and maintained in such a manner as to be weather tight with adequate weather stripping.
- vii. All doors and windows must be capable of providing adequate seal against air infiltration, weather elements, and be determined to be appropriately energy efficient in keeping with the overall energy efficiency strategy of the project.
- viii. Every basement or cellar hatchway must be constructed and maintained as to prevent the entrance of rodents, vermin, rain and surface drainage water into the dwelling or structure.

- ix. Natural ventilation shall be through windows, doors, louvers or other approved openings to the outdoor air. Such openings shall be provided with ready access or shall otherwise be readily controllable by the building occupants.
 - x. A kitchen and or bathroom may pass without a window area provided there is a mechanical means of ventilation which is maintained in working order.
 - xi. The requirements for emergency egress from sleeping rooms must be per the Puerto Rico Building Code 1018.1.
 - xii. Every window or other opening to outdoor space which is used or intended to be used for ventilation must likewise be supplied with screens covering the entire window areas required for ventilation. The material used for all such screens (doors and windows) must be not less than sixteen (16) mesh per twenty-five (25) mm and must be properly installed, maintained and repaired to prevent the entrance of flies, mosquitoes or other insects. Half screens on windows may be allowed provided they are properly installed and are bug and insect tight.
- b. Existing doors and windows
- i. Doors and windows to remain should be examined and determined to be suitable for reuse with a minimum remaining useful life the same as affordability period and repaired if necessary
 - ii. Repaired doors and windows shall be tested and modified as necessary to operate properly. Hardware shall be intact and operational, or be replaced with new hardware as required
 - iii. Where existing doors or windows do not meet the standards for egress, condition, and/or energy efficiency deemed appropriate to the project, they shall be replaced by new windows.
- b. New doors and windows
- i. New doors and windows shall be code compliant, and conform with the IBC Chapter 10 “Means of Egress”, Puerto Rico Building Code 2011, and the International Energy Conservation Code of Puerto Rico, 2011.
 - ii. All doors and windows shall be installed per manufacturer’s installation guidelines and specifications, and shall incorporate appropriate detail, flashings, joint sealers, and air sealing techniques.
 - iii. Replacement of doors (both interior and exterior) and windows must have a minimum life expectancy the same as the affordability period.

9. Electrical

- a. Project electrical design should be done by a licensed electrical engineer, or other qualified professional.
- b. Project electrical must be installed by a licensed electrician
- c. Design shall be comply with Fire Code of Puerto Rico, 2011, the International electrical Code, 2011 and the International Energy Conservation Code of Puerto Rico, 2011 and the National Fire Protection Association codes.
- d. In general, the electrical system should be new throughout a building:
 - i. Where existing service entrances, disconnects, meters, distribution wiring, panels, and devices are proposed to remain, they will be examined and determined to be in good condition, code

compliant and have a minimum remaining useful life of the affordability period. The designer, in concert with the electrical inspector, shall examine the system and equipment. Existing components of the electrical system may be reused as appropriate. Substandard or critical non-code compliant components shall be replaced.

- e. Electrical service and metering:
 - i. The service entrance size shall be calculated to handle the proposed electrical loads.
 - ii. Metering and disconnects shall be per code and mounted at approved locations.
- f. Electrical distribution system:
 - i. Lighting and receptacle circuits shall be designed per code.
 - ii. Locations and layout of devices and lighting to be logical and accessibility compliant where required.
 - iii. Provision shall be made for the wiring of dedicated equipment circuits and connections for heating, ventilation equipment/exhaust fans, pumps, appliances, etc.
- g. Developers are encouraged to upgrade to Energy Star® Category.
- h. Site lighting with shielded fixtures may be provided to illuminate parking and pedestrian walkways, and will conform to local zoning.
- i. Emergency and exit lighting/illuminated signage shall be per the NFPA 101, Life Safety Code.
- j. Fire detection and alarms:
 - i. Shall be installed as required by code: NFPA 101, Chapters 9.6, 30.3.4 and/or 31.3.4, and comply with NFPA 72, and NFPA 1.
 - ii. Smoke detectors shall be installed per NFPA 30.3.4.5 and 9.6.2.10.
 - iii. Each dwelling unit must have at least one (1) hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit on the ceiling or wall outside of each separate sleeping area in the immediate vicinity of bedrooms, including basements but excepting crawl spaces and unfinished attics.
 - iv. Smoke detectors must be installed in each room used for sleeping purposes.
 - v. If the dwelling unit is occupied by any hearing impaired person, smoke detectors must have an alarm system, designed for hearing impaired persons as specified in the National Fire Protection Standard.
 - vi. CO detectors shall be installed per Fire Code of Puerto Rico, 2011 and NFPA 101, Chapter 30.3.4.6 and NFPA 720.
 - vii. Where required – system annunciation shall be in accordance with NFPA 1.
- k. Communication low-voltage wiring – provisions for TV, telephone, internet data, security, and intercoms should be considered and installed as appropriate to the project's use and livability.
- l. Optional solar powered photovoltaic panel system may be installed in accordance with the International Energy Conservation Code of Puerto Rico, 2011.

10. Mechanical

- a. All mechanical systems shall be designed by a mechanical engineer or other qualified professional.
- b. All mechanical systems shall meet all applicable codes such as International Plumbing Code of Puerto Rico, 2011, Mechanical Code of Puerto Rico, 2011, Fuel and Gas Code of Puerto Rico, 2011, International Energy Conservation Code of Puerto Rico, 2011, Fire Code of Puerto Rico, 2011, and the National Fire Protection Association codes.
- c. Fire protection
 - i. In general, all buildings assisted with HTF funds shall have fire suppression as required by the Puerto Rico Fire Department with approved sprinkler systems installed as required by NFPA 101
 - ii. System design to conform to applicable NFPA standard 13 or 13R
 - iii. Underground water services for sprinkler system shall meet NFPA 24
 - iv. Provide fire pumps, standpipes, and fire department connection as required per NFPA 13, 14 & 25.
 - v. Where possible, piping for the sprinkler system shall be concealed.
- d. Plumbing
 - i. Where existing components of a system are to be reused, they will be examined and determined to be in good condition, code compliant and with the International Plumbing Code of Puerto Rico, 2011, have a remaining useful life of the applicable affordability period. Critical non-code compliant components shall be replaced.
 - ii. All fixtures, piping fittings and equipment shall be lead-free.
 - iii. Kitchen fixtures – When existing kitchen fixtures are not in good condition, new sinks and faucets, and associated plumbing shall be installed in each apartment.
 - iv. Bath fixtures – When existing bath fixtures are not in good condition, new water saving toilets, tubs and tub surrounds, lavatory sinks, and faucets shall be installed in each apartment.
 - v. Three and four-bedroom apartments are encouraged to be designed to include 1½ baths minimum where adequate space is available.
 - vi. Provision for laundry rooms or laundry hook-ups may be made per project's program requirements.
 - vii. Provision for other utility plumbing for janitor sinks, floor drains, outdoor faucets, drains for dehumidification systems, etc., may be made as desired or required.
- e. Ventilation
 - i. Indoor air quality will be addressed by the installation of either exhaust only or balanced ventilation systems as required by the Mechanical Code of Puerto Rico, 2011, Fuel and International Energy Conservation Code of Puerto Rico, 2011, Fire Code of Puerto Rico, 2011, and the National Fire Protection Association codes.
 - ii. Air Conditioning systems must be designed per the Mechanical Code of Puerto Rico, 2011 and the International Mechanical Code. Energy Conservation measures are recommended.
 - iii. Dwelling units must have access to natural ventilation. Bedrooms must have the provision for the installation of an air conditioning unit if applicable.

- iv. Balanced mechanical ventilation systems are encouraged.
- v. Ventilation controls shall be per applicable codes.
- f. Domestic Hot Water:
 - i. Hot water system shall be designed as required by the Puerto Rico Building Code P2801.
 - ii. Water heating facilities shall be properly installed in accordance with manufacturer's installation and per code requirements, be maintained and capable of providing an adequate amount of water to be drawn at every required sink, lavatory, bathtub, shower and laundry facility at a temperature of not less than 110 degrees Fahrenheit.
 - iii. The water supply system shall be installed and maintained to provide a supply of water to plumbing fixtures, devices and appliances in sufficient volume and at pressures adequate to enable the fixtures to function properly, safely and free from defects and leaks. Each unit should be equipped with a functioning pressure release valve and temperature release valve.
- g. Water supply and Waste Water
 - i. A potable water supply system shall be installed so as to prevent contamination. Every dwelling unit must have an accessible and properly functioning main shut-off valve with a provision for discharge near the water service entrance point.
 - ii. Supply lines and fittings for every plumbing fixture shall be installed to prevent backflow.
 - iii. All galvanized piping is to be replaced. Deteriorated, rotted, broken or otherwise worn water supply, vent pipes or waste water pipes must be replaced.
 - iv. All deteriorated, blocked, inoperable or leaky equipment shall be repaired or replaced.
 - v. Every dwelling unit must contain a bathtub or shower that is properly connected to both hot and cold running water lines under pressure and must be maintained in working order. Faucets shut off valves and plumbing lines should be maintained free from leaks or drips and should be capable of shutting off completely. New tub and shower valves must have balanced pressure thermostatic valves.
 - vi. Existing plumbing equipment and fixtures and repairs must be inspected for durable condition. Replacement fixtures must have a life expectancy of a minimum of twenty (20) years.
 - vii. Connection to a continuously functioning sanitary wastewater disposal system.
- h. Elevators
 - i. If a HTF assisted multifamily project has 4 floors or more, a minimum of two elevators must be installed.
 - ii. Elevators must be installed per code NFPA 101, Chapter 9.4 and must comply with the International Building Code Chapter 30 "*Elevators and Conveying Systems*" and Chapter 10 "*Means of Egress*" as indicated in the Puerto Rico Building Code, 2011.
 - iii. Existing elevators and lifts may be retained if they are appropriate to the use of the building and in serviceable condition with a minimum expected useful life of the affordability period.

11. Furnishing, Fixtures and Appliances

- a. Signage and identification

- i. Building signage shall be provided. Including building address, apartments' identification, building directory, exits, stairways, common and utility spaces, etc. shall be in conformance with NFPA 101 Life Safety Code, and be accessibility compliant.
 - ii. Exit signage will be provided as required by code and be accessibility (ADA) compliant as required.
- b. Fire protection specialties
 - i. Provide fire extinguishers in buildings, and in apartments as required by Fire Code of Puerto Rico, 2011 and as directed by the Puerto Rico Fire Department.
- c. Equipment
 - i. All new equipment to be ENERGY STAR® rated.
 - ii. Existing equipment to be retained and continued to be used shall be in serviceable condition with a minimum expected lifetime as the affordability period.
 - iii. Equipment shall conform to the International Energy Conservation Code of Puerto Rico, 2011
- d. Toilet accessories
 - i. Each bath will have appropriate accessories such as towel bars, robe hooks, bath tissue holders, etc., installed and securely fastened in place. Accessories shall be located per accessibility requirements (ADA) where necessary.
 - ii. Medicine cabinets and mirrors – install in each apartment bath as appropriate.
- e. Shelving must be durable and cleanable. Include shelving for pantries, linen closets, clothes closets and other storage as appropriate, securely fastened in place.
- f. Kitchen appliances
 - i. Provide new, full-size (30", 4 burner) stove and refrigerator in each apartment.
 - ii. Existing appliances to be reused shall be in good and serviceable condition.
 - iii. Provide other appliances (such as microwaves) as may be appropriate to the project.
 - iv. All appliances in accessible (ADA) apartment units shall be accessibility compliant, and located in an arrangement providing required clear floor spaces.
- g. Laundries may be included where adequate space is available and when appropriate to meet the project goals. Washers and dryers may be provided in laundry rooms or in apartments.
- h. Playground equipment, if applicable, must be safe and code-approved.
- i. Existing Kitchen cabinetry or countertops proposed to remain shall be in good condition with a minimum remaining useful life same as the affordability period.
- j. New Kitchen cabinetry and counters shall be of good quality and be provided with a cleanable sanitary surface material impervious to water such as high pressure laminate (HPL).
- k. Shop fabricated as one piece assembly where possible. Seal field joints.
 - l. Installed level and securely fastened to cabinetry
- m. Bath cabinetry and vanity lavatory tops, when used, should be one piece integral bowl with integral backsplash

12. Finishes

- a. Interior Finishes

- i. In general, all interior finishes will be new and installed per manufacturer's recommendations and the standards of quality construction per trade practices and associations related to the particular product or trade, and per Chapter 8 of the IBC "*Interior Finishes*" as instructed by the Puerto Rico Building Code, 2011.
 - ii. Walls & ceilings - Where existing finishes are proposed to remain, they will be determined to meet the standard of being sound, durable, lead-safe, and have a remaining useful life of no less than the affordability period.
 - iii. Flooring - All new flooring materials (resilient flooring, wood flooring, laminate flooring, carpet, and/or ceramic tile) shall be installed over suitable substrates per manufacturer's specs and the trade association practices.
 - iv. Paint - In general, all interior ceiling, wall, and trim surfaces shall receive renewed coatings of paint (or other clear/stain) finishes. Painting shall be done in a workmanlike manner, and in accordance with the manufacturer's recommendations. All painting including preparation of existing surfaces shall be done in a lead-safe manner.
 - v. Acoustical Treatments – Dwelling units separated acoustically using Section 1207 of the IBC as a guideline minimum standard.
- b. Exterior Finishes
- i. All exterior finishes must comply with Chapter 14 of the IBC "*Exterior Walls*" as instructed by the Puerto Rico Building Code, 2011.
 - ii. Paint
 - In general, all existing exterior concrete or wood surfaces shall receive new paint coatings, except as appropriate due to the recent application of paint or the sound condition of existing coatings
 - Examine surfaces and apply paint only to sound acceptable materials and surfaces.
 - Prepare surfaces properly, removing loose or peeling previous paint.
 - Paint prep shall be done in accordance with applicable lead safe standards.
 - Before painting, assure that any moisture issues which may compromise the life expectancy of the paint system are remedied.
 - Exterior paint systems shall be compatible, and installed in accordance with manufacturers' specifications.
 - i. Porches, decks, balconies and steps
 - Existing porches, decks, balconies, steps and railings proposed to remain shall be examined and repaired as necessary. Repair and reconstruction shall be carried out to assure that they will have a continued useful life of the remaining affordability period.
 - Inspect structure for soundness and reconstruct any deteriorated members as required.
 - Install new support piers as may be required.
 - Patch existing decking with matching materials, or install new durable decking.
 - Railings shall be sound and adequately fastened to meet code requirements for structural loading. Repair or replace in-kind as appropriate. Railings shall meet code requirements for height of protective guards, or have supplemental guards installed.

- Steps shall be safe and sound and meet applicable codes, with railings as necessary.
- All balconies and porch elements shall be able to withstand the weather elements to prevent premature deterioration.

12. Construction Materials

Please refer to the HOME Program Rehabilitation and new Construction Standards, 2015 *“Estándares de rehabilitación y Nueva Construcción, 2015”*, for particular requirements in multifamily housing and the Technical Specifications, 2006 of the HOME Program Rehabilitation and New Construction division for structural and material specifications regarding particular construction methodologies in Puerto Rico.

IV. Lead Based Paint

All HTF funded projects must conform to all applicable provisions of 24 CFR Part 35 regarding lead-based paint. HTF assisted projects must also conform to all Puerto Rico laws and regulations, as well as EPA requirements regarding lead-based paint, including protection of workers who may be exposed to lead paint during the construction process. Some provisions include:

1. All homes constructed before January 1, 1978 will be evaluated for lead based paint hazards. Evaluation will be done by a qualified, certified or licensed person as required under the regulations at 24 CFR 35. A qualified lead based paint inspector or risk assessor is certified or regulated by a state or local health or housing agency or an organization recognized by HUD.
2. As required under 24 CFR 35, 24 CFR 570.608, 24 CFR 982.401 all lead based hazards will be identified and reduced through paint stabilization, interim controls or abatement as required.
3. Safe work practices will be followed at all times in a manner which insures the health and safety of workers and residents, especially children
4. During lead hazard reduction efforts, the work area will be sealed and the family will be protected or relocated as required by the regulations.
5. Final Clearance will be achieved on all lead hazard reduction activities as required under the regulations.
6. Applicable Federal Regulations must be employed, such as:
 - a. HUD Lead Safe Housing Rule (Title 24, Part 35) requires various levels of evaluation and treatment of lead paint hazards when federal money is used for rehabilitation of target housing.
 - b. EPA Renovation Repair and Painting Rule (40 CFR Part 745) – Requires contractors conducting renovation, repair or maintenance that disturbs paint in target housing or child occupied facilities to be licensed by EPA and use lead safe work practices to complete the work. Developers must ensure contractors are properly trained and licensed.
 - c. HUD/EPA Disclosure Regulations (Title 24, Part 35, Subpart A) – Requires owners of target housing to disclose all lead paint records and related information to potential buyers and/or tenants.
 - d. OSHA Lead in Construction Rule (29 CFR Part 1926.62) - Proscribes personal protection measures to be taken when workers are exposed to any lead during construction projects.

V. Accessibility

Housing that is rehabilitated with HTF funds must meet all applicable federal and state regulations regarding accessibility for persons with disabilities. An overview of these requirements is provided below; however, the

applicability of these rules is complex and therefore it is recommended that developers seeking HTF funds consult with a qualified design professional.

General Requirements:

1. Projects shall meet applicable Federal and Local Regulations and Rules
2. The number of accessible apartment units shall be determined by the code requirements
3. Projects shall comply with the American's with Disabilities Act (ADA), Title II (for public entities) and Title III (for places of public accommodations) implemented at 24 CFR parts 35 and 36, and 2010 ADA Standard for Accessible Design and attendant Design Guide (DOJ), as applicable
4. Projects, if applicable, shall comply with the Fair Housing Act, which states in part that covered multifamily dwellings as defined by HUD's implementing regulations at 24 CFR 100.201 must meet the design requirements at 24 CFR 100.205.
5. Projects, if applicable, shall comply with Section 504 of the Rehabilitation Act of 1973 implemented at 24 CFR Part 8.
6. For "substantial" rehabilitation (projects with 15 or more total units and the cost of rehabilitation is 75% or more of the replacement cost):
 - a. At least 5% of the units (1 minimum) must be made fully accessible for persons with mobility impairments based on the Uniform Federal Accessibility Standards (UFAS).
 - b. In addition, at least 2% of the units (1 additional unit minimum) must be made accessible for persons with sensory impairments.
 - c. Common spaces must be made accessible to the greatest extent feasible
7. For projects with "less-than-substantial" rehabilitation (anything less than "substantial"), the project must be made accessible to the greatest extent feasible until 5% of the units are physically accessible, and common spaces should be made accessible as much as possible.

VI. Disaster Mitigation

To the extent applicable or relevant, the housing must be improved to mitigate the potential impact of potential disasters (e.g. earthquakes, hurricanes, floods, wildfires, extended power outages) in accordance with state or local codes, ordinances, and requirements, or such other requirements that HUD may establish.

1. Projects shall meet FEMA federal regulation, and HUDs' floodplain management requirements at 24 CFR 55, including the 8-Step Floodplain Management Process (when applicable) at 24 CFR 55.20.
2. Projects shall meet the Puerto Rico Building Code regulations Section 1613 for Earthquake Loads protection; and the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures ASCE 10 Section 9.0.
3. Projects shall meet the American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures ASCE 10 Section 9.13.6.2.3 for Hurricane (Wind Force) protection.

VII. State and Local Codes, Ordinances, and Zoning Requirements.

Eligible Projects must meet all applicable international and local codes, ordinances and requirements. In the absence of state or local building codes, the housing must meet the International Building Code of the International Code Council.

All work shall comply with all applicable international and Puerto Rico local codes, ordinances, regulations and zoning requirements.

Applicable state codes include but are not limited to:

1. Reglamento Conjunto para la Evaluación y Expedición de Permisos Relacionados al Desarrollo u uso De Terreno, 2015
2. Puerto Rico Building Code, 2011
3. International Building Code (IBC), 2015
4. Residential Code for One and Two Family Dwellings of Puerto Rico, 2011
5. Fire Code of Puerto Rico, 2011
6. National Fire Protection Association (NFPA), 2015
7. Mechanical Code of Puerto Rico, 2011
8. International Plumbing Code of Puerto Rico, 2011
9. Fuel and Gas Code of Puerto Rico, 2011
10. International Energy Conservation Code of Puerto Rico, 2011
11. Existing Puerto Rico Building Code, 2011
12. Private Sewage Disposal Code of Puerto Rico, 2011
13. American Society of Civil Engineers Minimum Design Loads for Buildings and Other Structures (ASCE 10), 2013.
14. Fair Housing Act Design Manual, 1998
15. Section 504 of the Rehabilitation Act
16. Americans with Disabilities Act Design Standards, 2010
17. 29 CFR Part 1910 Occupational Safety and Health Administration (OSHA)

Please note that the PRHFA HTF assisted project must demonstrate compliance with all local codes. The HTF Standards are designed to exceed the Uniform Physical Condition Standards (UPCS) and ensure that upon completion the HTF assisted project and units will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. See Appendix B (UPCS) for a list of Inspectable Items and Observable Deficiencies, including descriptions of the type and degree of deficiency for each item that any HTF assisted project must address, at a minimum.

VIII. Uniform Physical Condition Standards (UPCS)

Housing assisted with HTF funds and which are placed in service must follow property standards which include all inspectable items and inspectable areas specified by the US Department of Housing and Urban Development (HUD) based on the HUD physical inspection procedures, known as the Uniform Physical Condition Standards (UPCS) prescribed by HUD pursuant to 24 CFR Part 5.703. These standards address the major areas of the HUD housing: the site, the building exterior, the building systems, the dwelling units, the common areas, and health and safety considerations. The Uniform Physical Condition Standard (UPCS) responds to inspectable items and observable deficiencies for the site, building exterior, building systems (multifamily housing only), and common areas (multifamily housing only).

All HTF assisted projects must ensure that the housing will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703. The PRHFA will adopt and create a specific variation of the Uniform Physical Condition Standard (UPCS) incorporating the specific construction methodologies and materials utilized in Puerto Rico. Each performance requirement has an established acceptability criteria for determining the minimum acceptable conditions. The inspection staff of the PRHFA will be qualified to perform the assessment of the UPCS Variation and employ “good judgment” when an evaluation criteria may be open for interpretation.

Please refer to the HOME Program Rehabilitation and new Construction Standards, 2015 “*Estándares de rehabilitación y Nueva Construcción, 2015*”, for particular requirements in multifamily housing and the Technical Specifications, 2006 of the HOME Program Rehabilitation and New Construction division for structural and material specifications regarding particular construction methodologies in Puerto Rico.

See appendix B for a complete list of items regarding the Uniform Physical Condition Standard for Multifamily Rehabilitation, and Appendix B for the Uniform Physical Condition Standard for Single Family Rehabilitation.

IX. Energy Efficiency

1. All additions, alterations or renovations shall comply with latest local building and the International Energy Conservation Code of Puerto Rico, 2011
2. Comply with Energy Star standards and above code where feasible and contributing to significant energy savings.
3. If possible, avoid or minimize air-conditioning with natural ventilation or other passive cooling strategy. Ensure that adequate cooling and ventilation is included in all elderly developments.
4. Consider renewable energy sources such as solar thermal collectors, photovoltaics (or pre-wire and provide adequate roof structure so that systems can be added when feasible), using research grants and rebates when possible.

X. Historic Buildings

Any building or structure that is listed in the State or National Register of Historic Places, designated as a historic property under local or state designation law or survey, certified as a contributing resource with a National Register listed or locally designated historic district and is considered a Historic Building by the State Historic Preservation Office; shall be rehabilitated in a manner consistent with the requirements of Section 106 of the National Historic Preservation Act and any imposed guidelines by the Institute of Puerto Rican Culture and the State Historic Preservation Office. It shall comply with Existing Puerto Rico Building Code, 2011 and with NFPA 101, Chapter 43.10.4

For additional information regarding to the HTF Rehabilitation Standards, see Appendix B.

Resale and/or Recapture Provisions- § 91.320(k)(5)(v) and § 93.304(f)

If the State intends to use HTF funds to assist first-time homebuyers, it must set forth the guidelines for resale or recapture and obtain HUD specific, written approval, as required in §93.304(f). Approval of the consolidated plan or annual action plan under § 91.500 or the failure to disapprove the consolidated plan or annual action plan does not satisfy the requirement for specific HUD approval for resale or recapture guidelines.

HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305

HTF funds may only be invested for the provision of modest housing for homeownership. This means the housing has a purchase price for the type of single family housing that does not exceed 95 percent of the median purchase price for the area for newly constructed or standard housing. If the State plans to use HTF funds for homebuyer assistance, and does not use the HTF affordable homeownership limits established by HUD, it must determine 95 percent of the median purchase price for single family housing for designated areas across the State. If the State will determine its own affordable homeownership limits, it must determine the limits using the methodology described in § 93.305(a)(2).

The Housing Trust Fund (HTF) statute, section 1338(c)(7)(B)(ii), requires housing for homeownership to have an initial purchase price that meets the requirements of section 215(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (HOME statute). The HTF Interim Rule at 24 CFR § 93.305(a), requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HTF funds meet the definition of modest housing and that the purchase price of HTF assisted single family housing cannot exceed 95 percent of median purchase price for the area for newly constructed or standard housing.

Newly Constructed Housing: The HTF homeownership value limits for newly constructed HTF units is 95 percent of the median purchase price for the area based on Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the U.S. median purchase price for new construction for nonmetropolitan areas. This figure is determined by the U.S. Census Bureau. HUD has used the greater of these two figures as their HTF homeownership value limit for newly constructed housing in each area.

Existing Housing: The HTF homeownership value limit for existing HTF units is 95 percent of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available nation-wide for sale of existing housing in standard condition. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the state-wide nonmetropolitan area median purchase price using this data. HUD has used the greater of these two figures as their HTF homeownership value limits for existing housing in each area.

The PRHFA will use the limits published by HUD that can be found at:

<https://www.hudexchange.info/resource/4982/housing-trust-fund-homeownership-value-limits/>

The recapture provisions are included as attachment A of this Plan.

State Limited Beneficiaries or Preferences- § 91.320(k)(5)(vii)

The State may limit the beneficiaries or give preferences to a particular segment of the extremely low-income population only if described in the action plan. Any limitation or preference must not violate non-discrimination requirements at § 93.350 and the State must not limit or give preferences to students. The State may also allow 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.

Indicate below if the State will limit beneficiaries or give preferences to a particular segment of the extremely low-income population.

The State will not limit beneficiaries and/or give preferences to any segments of the extremely low-income population.

Refinancing of Existing Debt- § 91.320(k)(5)(viii) and § 93.201(b)

If the State will use HTF funds for refinancing of existing debt, it must establish refinancing guidelines and include them in its consolidated plan. The State's refinancing guidelines must describe the conditions under which it will refinance existing debt. At a minimum, the guidelines must 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. Refinancing of existing debt is only eligible if it is necessary to reduce the overall housing costs and to make the housing more affordable.

The PRHFA will not refinance existing debt with the HTF funds.

Appendix A- Recapture

Puerto Rico Housing Finance Authority - Recapture Provisions

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

In the case of an investment from the homebuyer, in the form of additional funds for down payment and the amount of mortgage principal repaid, such amount could be recovered by the homebuyer if net proceeds are enough to cover the HTF- assistance. Thus, net proceeds will first cover the HTF assistance, secondly, any initial investments from the homebuyer and finally any surplus will be shared between the PRHFA and the beneficiary. The PRHFA will not considers any additional capital improvements made to the housing unit.

The PRHFA will share any appreciation in the value of the HTF-assisted unit with the homebuyer. Any amount in excess of net proceeds (surplus) will be shared on equal basis between the PJ and the program beneficiary (50% retained by the PJ and 50% to beneficiary). Such surplus will be treated as Program Income. If net proceeds are not enough to cover HTF assistance then the homebuyer will not recuperate their investment.

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

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

Description of the Resale Guidelines for the Homebuyer Activity:

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

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

TIME RESTRICTIONS ON AFFORDABILITY LIMITATIONS

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

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

The resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original **HTF**-assisted owner a fair return on investment (including, the value of the original down payment, and the amount of mortgage principal repaid) and ensure that the housing will remain affordable to a reasonable range of low-income Homebuyers. The PRHFA will not considers any additional capital improvements made to the housing unit.

The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD. The **PRHFA** would announce in the restrictive covenants that may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

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

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

- (1) The housing must be the principal residence of the family throughout the affordability period established in the recorded deed. The Homebuyer would not rent the dwelling or use it in any other manner than the principal residence of the family.
- (2) The Homebuyer must meet the affordability requirements for not less than the applicable period specified in the previous table, beginning after project completion.
- (3) Refinancing of the first mortgage would be allowed if two of the following conditions are met:
 - (a) That the dwelling unit has been continuously occupied by the Homebuyer;
 - (b) That the funding raised by the mortgage refinancing would be used for **HTF** improvements, approved by the **HTF** Program and that no cash will be used for other means;
 - (c) That the refinancing would improve the current mortgage payment, either lowering the monthly installments, interest rate or maturity term.
- (4) The PRHFA would conduct periodic inspections on the **HTF** assisted housing during the affordability period to verify program compliance.
- (5) Resale of the property should be authorized in advanced by the **PRHFA**, and such offering should be made only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale price at resale should provide the original **HTF**- assisted owner a fair return on investment. The homebuyer's fair return on investment will be based in the percentage change of Puerto Rico's Consumer Price Index (CPI, as published by the Puerto Rico Department of Labor and Human Resources) over the period of ownership. Capital improvements will be valued based on actual costs of the improvements as documented by receipts The housing will remain affordable to a reasonable range of low-income Homebuyers.
- (6) The **HTF** equity, other than homeowner's investment and any capital improvement, and any increase in the appraised value of the property should be kept in the property, to help meet the affordability criteria for the new Homebuyer.
- (7) The property must be sold to a homebuyer complying with the following criteria: A price that is affordable to a family at 75 percent 80 percent of the median income of Puerto Rico at the time of the transaction that will pay no more in PITI (the sum of loan payments of principal and interest, taxes and insurance) than 28-30 percent of annual (gross) income.
- (8) The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.
- (9) PRHFA may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

Appendix B