

**NOTICE OF FUNDING AVAILABILITY (NOFA)**

**HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) - MUNICIPAL HOUSING REHABILITATION BY OWNER INITIATIVE**

**NOFA NUMBER: AFV-HOMEPR-2025-0002**

**Awarding Agency:**

Puerto Rico Housing Finance Authority (PRHFA)

**Proposal Submission Deadline:**

May 23, 2025

**Deadline to submit questions:**

May 9, 2025

**Method of collaboration:**

Collaboration Agreement

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# GENERAL OVERVIEW OF THE ACTIVITY

The Puerto Rico Housing Finance Authority (PRHFA) announces the availability of $12 million in HOME Investment Partnerships Program (HOME) funds to be used for the rehabilitation of owner-occupied homes for eligible low-income households, as defined in applicable Program regulations.

By means of this NOFA, PRHFA invites Puerto Rico’s Municipalities to submit project proposals highlighting potential eligible beneficiaries in their communities and describing the way in which they can collaborate with citizens to participate in the HOME Program and comply with the requirements throughout the grant lifecycle.

PRHFA will allocate a total of $12 million in HOME Program funds for the rehabilitation of housing units occupied by owners, up to $1,000,000 (one million dollars) per municipality selected. These municipalities will not receive funds directly nor act as subrecipients; therefore, they will not be responsible for their administration. However, they will play a key role as liaisons and facilitators in the following areas:

* Identifying eligible homeowners and referring them to PRHFA.
* Support through a strategy to successfully complete the proposed rehabilitation(s) within the execution period;
* Assisting prospective beneficiaries in compiling the necessary documentation to build a complete and compliant case file.
* Serving as the primary liaison between the homeowner and PRHFA to ensure efficiency in the corresponding procedures

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| * Awarding Agency:
 | Puerto Rico Housing Finance Authority (PRHFA) |
| * Initiative Name:
 | HOME Investment Partnerships Program (HOME) - Municipal Housing Rehabilitation Initiative |
| * Funding Amount:
 | $12,000,000 |
| * Maximum award for rehabilitation cases within the same Municipality:
 | $1,000,000 |
| * Proposal Submission Deadline:
 | May 23, 2025, at 4:00 PM |
| * Contracting Method:
 | Memorandum of Understanding (MOU) between PRHFA and selected Municipalities |

PRHFA will enter into a Memorandum of Understanding (MOU) with the selected municipalities, which will set forth the responsibilities to which Municipalities and PRHFA commit themselves.

PRHFA will manage the Program and be directly responsible to the U.S. Department of Housing and Urban Development (HUD), overseeing compliance, conducting eligibility determinations, and carrying out fund disbursements directly to contractors hired for the rehabilitation. Municipalities will assist potential beneficiaries in the process.

PRHFA will provide technical assistance to municipalities and possible beneficiaries throughout the project execution period. The homeowner or beneficiary will directly hire the contractor who will carry out the work, while PRHFA will retain oversight of compliance.

The program’s objective is to rehabilitate affordable housing infrastructure and improve the living conditions of low-income families, as well as ensuring HOME Program regulatory compliance as outlined in 24 CFR Part 92, as amended, and administrative and fiscal rules in 2 CFR Part 200

# BACKGROUND

# The Need for Affordable Housing in Puerto Rico

In recent years, Puerto Rican families have faced a shortage of safe, affordable, and quality housing, a situation that has worsened due to hurricanes, earthquakes, the pandemic, and the rising cost of living. According to the most recent data from the 2023 American Community Survey, 68.4% of primary housing units in Puerto Rico are owner-occupied. Of these, one in five (20.1%) are in a condition of structural vulnerability or are affected by the household’s financial burden.

Many homes, especially those of low-income families, present structural deficiencies, inadequate infrastructure, and environmental hazards. In addition, the rising costs of construction, limited financing options, and stagnant household incomes have widened the housing affordability gap, leaving thousands of families in precarious or unsafe living conditions.

# The Role of Municipalities in Housing Rehabilitation

Municipal governments are closely connected to their communities and play a critical role in identifying families and individuals living in unsafe or inadequate housing conditions. By collaborating with PRHFA through this program, Municipalities can directly support their population and facilitate access to HOME Program - Rehabilitation By Owner federal resources.

This collaboration will leverage Municipalities local knowledge to amplify the Program’s scope among their population. The Municipality will serve as a liaison between PRHFA and potential beneficiaries, while PRHFA will retain the role of Program Administrator. As the Program Administrator, PRHFA will be responsible for oversight and compliance with HUD regulations.

# Expected Positive Impacts

Through the implementation of this Municipal Housing Rehabilitation Initiative, the following positive impacts are expected:

* **Improved Housing Quality**: Direct rehabilitation of unsafe, aging homes.
* **Stability for Families in Vulnerable Conditions**: Enabling low-income families to remain in their homes safely.
* **Economic Benefits**: Stimulating local economic activity through construction contracts and related services.
* **Increased Community Resilience**: Improving housing stock in vulnerable areas and supporting post-disaster recovery.

# FUNDING OPPORTUNITY FOR MUNICIPALITIES DESCRIPTION

# Program Objectives

The HOME Municipal Housing Rehabilitation Initiative is aligned with HOME Program goals and aims to meet the following objectives, while ensuring adherence to HUD regulations:

* Improve the quality and safety of owner-occupied housing by funding rehabilitation and hazard mitigation activities.
* Enhance local housing strategies by providing Municipalities with resources to implement community needs-based rehabilitation programs.

# Program Structure and Process

The HOME Municipal Housing Rehabilitation Initiative relies on a collaborative approach where PRHFA, the Municipality, and the Beneficiary each perform distinct but complementary roles. This approach promotes the investment of HOME funds in compliance with the regulations applicable to the Program. As demonstrated in Figure 1, collaboration between stakeholders will be essential to programs success.

Figure : Collaboration between stakeholders



# Projected Roles and Responsibilities

Figure : Responsibilities

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| --- | --- | --- |
| Entity | Primary Role | Key Responsibilities |
| PRHFA | Program Manager | Manage the MOU with the Municipality; receive and process assistance applications from potential beneficiaries; determine the eligibility of individuals and families who apply; comply with applicable regulations; establish agreements with each beneficiary, including compliance requirements and applicable restrictions; monitor the procurement and contracting processes with contractors; disburse funds to contractors; document and file the official records for each case; provide technical assistance to the Municipality or to beneficiaries as needed; and oversee the rehabilitation projects. |
| Municipality | Facilitator & Liaison | Identify possible eligible beneficiaries within the same Municipality; collaborate in identifying contractors and serve as facilitator the process of obtaining permits and rehabilitation, as applicable; and provide technical support to the Beneficiary, as necessary. |
| Beneficiary | Homeowner | Provide documentation requested for eligibility and other Program requirements; select contractor; sign construction contract; cooperate during inspections, as well as other project phases. |

**PRHFA – Program Manager**

* Directly accountable to HUD, PRHFA will manage the Program and will be responsible for rehabilitation activities oversight, reporting to federal agencies, and applicable regulatory compliance.
* PRHFA will be responsible for determining eligibility for each beneficiary and his/her property, ensuring compliance with, among others:
	+ Income Limits (≤80% AMI).
	+ Property Eligibility (clear title, primary residence, single-unit dwelling).
	+ Environmental Reviews and Lead-Based Paint Assessments.
* PRHFA will be responsible for approving the contractor selected by the beneficiary, in accordance with applicable local and federal regulations.
* Once a rehabilitation project is approved, PRHFA will directly disburse funds to the contractors upon regulatory and compliance verification, and satisfactory completion of milestones.

**Municipality – Facilitator, and Liaison with Beneficiaries**

* Each participating Municipality will commit through an MOU with PRHFA, which will outline the terms of collaboration and the Municipality’s responsibilities.
* The Municipality will be responsible for identifying potential beneficiaries in need of housing rehabilitation assistance.
* Throughout the grant lifecycle, the Municipality, in collaboration and coordination with PRHFA, will provide individualized technical assistance to each beneficiary, ensuring the following:
	+ The accurate and efficient collection of documentation.
	+ That PRHFA is able to determine each participant’s eligibility from the outset of the process, with full transparency.
	+ Support in communicating with beneficiaries, so that any omissions or deficiencies in the documentation are addressed immediately.
	+ That beneficiaries understand their responsibilities and rights.
	+ That communication between PRHFA and the beneficiary is fluid and properly documented.

The Municipality will also support PRHFA’s compliance and reporting requirements by maintaining accurate records of its processing efforts with participants and assisting PRHFA with any required monitoring or audits.

**Beneficiary - Eligible Homeowner**

* Beneficiaries are low-income individuals or families, as defined by HOME Program applicable regulations, who own and occupy a property in need of meeting Puerto Rico housing standards.
* Beneficiaries must meet all eligibility requirements set by HUD and PRHFA, including income certification and ownership verification.
* Beneficiaries will choose from a list of contractors registered with the Department of Consumer Affairs (DACO, by its acronym in Spanish) and will sign construction contracts directly with the selected contractors, which must be approved by PRHFA.
* Beneficiaries will work closely with the Municipality to submit the required documentation to confirm eligibility and maintain compliance throughout the project.

# Direct Grant to Beneficiaries

• HOME funds will be granted directly to selected beneficiaries and used for approved rehabilitation work. PRHFA, as the entity managing the grant, will ensure to issue contractor payments in a timely manner.

# Eligible Activities

The activities eligible for funding through this initiative include:

1. Rehabilitation of Owner-Occupied Homes – Repairs to bring housing units up to health, safety, and habitability standards.
2. Hazard Mitigation – Compliance with lead-based paint (24 CFR Part 35), floodplain management (24 CFR Part 55), and other environmental review requirements (24 CFR Part 58).

# AWARD INFORMATION

* Total Available Funding for the HOME Rehab By Owner Municipal Housing Initiative is $12,000,000.00.
* Maximum Assistance that will be allocated to cases within the same Municipality: $1,000,000.00.
* Under Section 215(b) of the National Affordable Housing Act (NAHA), the purchase price or post-rehab value of HOME-assisted units cannot exceed 95% of the area’s median purchase price, as determined by HUD.
* Maximum assistance per housing unit set by HOME: The HUD Notice CPD-15-003 advises jurisdictions to use Section 234-Condominium Housing limits. In Puerto Rico, they may apply 240% of these established limits as the “maximum per unit subsidy limits” for the HOME program in 2025.

# Performance Period

**Funds must be obligated within one (1) year of the MOU signing with the Municipality. Project activities must be completed within three (3) years of award execution. By stating “to commit”, PRHFA refers to cases that have been identified in each municipality, with eligibility established and an agreement in place with the contractor for the execution of the rehabilitation work.**

**Project activities must be completed within three (3) years from the execution of the award.**

# REQUIREMENTS INFORMATION

# Eligible Municipalities

Basic Eligibility Threshold: Only Puerto Rico Municipalities are eligible to apply. To ensure successful implementation, Municipalities must meet the following compulsory criteria to be considered eligible:

* Have previous experience in one or more of the following activities, that enables them to develop appropriate strategies to support PRHFA in the efficient implementation of the Program:
	+ Managing federal programs that involve construction and/or rehabilitation of affordable housing;
	+ Managing federal housing and community development programs;
	+ Managing housing construction/rehabilitation programs or activities;
* Demonstrate the need within the municipality for this initiative, which includes having waiting lists or identified potential beneficiaries (individuals and families with low incomes not exceeding 80% of the Area Median Income —AMI).
* Have staff available to support potential beneficiaries, in coordination with PRHFA, in accessing the program and meeting the eligibility requirements, among other applicable Program conditions.
* Demonstrate a commitment to complying with HOME Program regulations, federal requirements, and local legislation

# Eligible Housing Units

In order to be eligible to apply for this assistance, the homes proposed for rehabilitation must meet the following requirements, in addition to other conditions set forth in the applicable regulations:

* Be owner-occupied and serve as the applicant's primary residence (24 CFR 92.254(a)(3)).
* Be a single-unit dwelling (multi-unit properties and condominiums are ineligible) (24 CFR 92.254(a)(1)).
* Have clear title and be free of liens or mortgages (24 CFR 92.254(a)(5)).
* Comply with state and local construction codes, occupancy regulations and affirmative marketing (Fair Housing), and environmental safety protocols (24 CFR 92.251, 24 CFR 92.351, and 24 CFR Part 58).
* Must meet Floodplain Management requirements (24 CFR Part 55)
* Have a post-rehabilitation value that does not exceed 95% of the area’s median home price (24 CFR 92.254(a)(2)(ii)).

# APPLICATION & SUBMISSION INFORMATION

# Submission Timeline

1. **Letter of Intent**: Municipalities interested in having PRHFA assign owner-occupied housing rehabilitation cases—up to one million dollars—to their jurisdiction must submit a Letter of Intent via email attention to Javier Trogolo, Homerehab@afv.pr.gov, on or before April 25, 2025. The letter should clearly state their interest in being considered for the allocation of cases to their municipality and must include the name, telephone number, and email address of the primary contact person at the Municipality for purposes related to this Notice of Funding Availability (a secondary contact person may also be included).
2. **Informative Session**: Municipalities interested must participate in an informative session scheduled for May 6, 2025 at 10:00 AM in the Economic Development Bank (*BDE*, as its acronym in Spanish) - Auditorio, Piso 1. Interested participants should register by sending an email to Homerehab@afv.pr.gov. PRHFA reserves the right to hold additional informative sessions as deemed necessary. The meeting will be transmitted virtually.
3. **Submission of Applications:** All applications must be submitted physically and provided on a USB drive (pen drive) at AFV premises no later than May 23, 2025, at 4:00 PM (Puerto Rico time), attention to: Javier Trogolo Irizarry, Assistant Executive Director of Multifamily Projects.
4. Late or incomplete applications will not be considered.

# Required Application Components

Municipalities must submit:

1. Mayor’s letter – Official municipal commitment to program participation and in compliance with Program requirements contained in this Notice and applicable regulations. Could be in the form of a Municipal Assembly resolution.
2. Narrative – See, Program Narrative components Section 3.
3. Estimated budget - Include a list of preliminary participants and relevant information that provides an understanding of the estimated rehabilitation costs for the units in need.

# Program’s narrative components

The Narrative is a critical component of your application. It provides PRHFA with a clear understanding of your proposed project, its objectives, and expected impact. Below are the required sections that must be included in your submission:

1. Background and Need
* Description of the Municipality and its constituents. Key demographic, economic, and social indicators of the Municipality related to housing.
* Data that demonstrates and supports the need (such as the most affected communities; number of individuals identified as potential beneficiaries; number or percentage of housing units in vulnerable conditions within the area, according to the most recent Decennial Census of Population and Housing Census and the American Community Survey; among other data that would help the Evaluation Committee understand the level of need within the Municipality).
* Explanation of why this issue is a priority for the Municipality.
1. Target Population / Beneficiaries
* Description of the population that is projected to benefit from the program,
* Include estimates of the number of individuals or households that are proposed to be served,
* Include detailed information about the location of the properties, as well as the eligibility profile, the beneficiaries, and the estimated costs associated with the rehabilitation of the properties.
1. Municipality’s experience in managing housing and community development programs funded wholly or in part with federal funds, which enables it to develop appropriate strategies to support PRHFA in the efficient implementation of the Program.
2. Support staff and commitment to compliance of the Program’s applicable regulations
* Indicate the Division and the designated individual responsible for the project within the Municipality.
* A brief explanation of how the Municipality will ensure compliance with applicable federal and state requirements, in accordance with the provisions established in this NOFA.
1. Closing Statement
* Final summary that reflects the Municipality’s vision, commitment, and alignment with PRHFA’s and the program’s objectives.

# Submission Guidelines:

The Submission Guidelines must include:

1. The Program Narrative should be clear, concise, and well organized.
2. Avoid lengthy descriptions; focus on facts, data, and logical flow.
3. Visual aids (maps, charts, graphs) are encouraged but are not required.
4. Submission may be in English or Spanish.

For any questions, please refer to the Agency Contact Email listed in the NOFA. Incomplete or non-compliant Program Narratives may result in disqualification of the proposal. Please ensure that all required sections are included in your submission.

# APPLICATION EVALUATION INFORMATION

#  Evaluation Criteria

Applications will be reviewed based on:

1. **Need (40 points)**
* Urgent needs addressed.
1. **Impact (20 points)**
* Number of low-income households to benefit.
1. **Municipality Experience (20 points) -**
* Experience of the Municipality and resources for the implementation of the program.
* Capacity to begin operations within 30 days.
1. **Support staff and commitment with compliance of Program’s applicable regulations (20 points)**
2. **Non-entitlement Municipalities will be prioritized (10 points)**
* Defined as a municipality that is not automatically eligible to receive direct funding from federal programs and usually needs to apply for funding through state agencies or other channels, rather than receiving direct allocation from the Federal Government.

# Selection Process

* Applications will be reviewed by an Evaluation Committee at PRHFA.
* The Committee will score each application based on a comprehensive review of the four key sections outlined in the evaluation criteria above.
* Selected municipalities will be notified on June 6, 2025.

# AWARD ADMINISTRATION INFORMATION

# Compliance Requirements

Although the Municipalities are expected to be collaborators and it is not projected that they actively manage federal funds, the selected Municipalities must still show compliance with the following criteria:

1. Have an active UEI (Unique Entity Identifier) in SAM.gov
* Entity must be registered and active in SAM.gov before signing the MOU. Expired registrations at the time of the proposal, will not be accepted from the Municipality.
1. Must not be Debarred or Suspended
* Required by 2 CFR Part 180 (and referenced in 2 CFR 200.214). Entity and key principals cannot be listed on the SAM.gov Exclusions List. Applies to both applicant and any contractors they plan to use for federally funded activities.
1. Compliance with Conflict-of-Interest Policies
* Required by 2 CFR 200.318(c). The applicant must disclose any potential conflicts of interest — especially if they have relationships with the State Agency or program staff. Applies both to procurement actions and to program delivery.
1. Demonstrate Capability to Deliver the Project or Program
* The applicant must demonstrate technical and managerial capacity to successfully carry out the project. See, Evaluation Criteria, Section VII.
1. Comply with Federal Civil Rights Laws
* Must comply with Title VI of the Civil Rights Act and other applicable non-discrimination requirements (e.g., Section 504 of the Rehabilitation Act, Title IX, Age Discrimination Act, etc.)
1. Record-Keeping (2 CFR 200.334)
* Municipalities must retain all federal award records for three years from the date of submission of their quarterly or annual financial report, respectively

# Reporting Requirements

Municipalities must submit information regarding the possible beneficiaries, progress reports, estimates and timelines, as needed to ensure program success. Specific reporting will be defined in the MOU. But, at a minimum, Municipalities must be prepared to submit monthly, quarterly and yearly reports regarding their progress in the period of performance as well as accumulated information.

# Reconsideration Process

Municipalities submitting proposals for the HOME Municipal Housing Rehabilitation Initiative may contest any determinations or denials of the outcome of this NOFA. However, federal statutory requirements may not be challenged.

Applicants may file a reconsideration with the Program or request an Administrative Review directly with the Puerto Rico Housing Finance Authority (PRHFA) as stated below.

* Municipalities must submit a written Program-based Reconsideration Request directly with the HOME Municipal Housing Rehabilitation Initiative when it is believed there is an error with Proposal scoring determination, and/or other determinations.
* Municipalities must submit a written request to the HOME Municipal Housing Rehabilitation Initiative, personally or via electronic or postal mail, within twenty (20) calendar days of being notified of the determination, as outlined in the Notice.
* The HOME Municipal Housing Rehabilitation Initiative will review and address the Program-based Reconsideration Request within fifteen (15) calendar days of its receipt. Applicants will be notified of the Program’s determination via a Reconsideration Approved or a Reconsideration Denied Notification.

# AGENCY CONTACTS

For questions or assistance, please contact: Javier Trogolo Irizarry, Assistant Executive Director of Multifamily Projects, (787) 946-0045 ext. 4280; Homerehab@afv.pr.gov.

The Puerto Rico Housing Finance Authority reserves the right to amend or withdraw this NOFA at any time.