

## Expected Resources

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

#### Introduction

For the PY 2025, HUD allocated to the PR-State a total of \$41,773,547.11 among all CPD Programs. Specifically, the allocation by programs is: \$21,778,490 for the CDBG Program activities; \$13,324,447.76 for the HOME Program activities, \$2,540,951 for the HOPWA Program activities, \$3,431,197 for the ESG Program activities and \$688,461.35 for the Housing Trust Fund activities.

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

In addition to the 2025 resources the State estimates that it will have available the following resources Based on IDIS PR01:

- CDBG Previous Year Resources (PR01, available to commit)- \$28,190,369.66 (as of 5/28/2025)
- HOME Previous Years EN Resources (Available to commit)- \$54,834,717 (as of 3/31/2025)
- HOPWA Previous Years – \$3,536,959.68
- ESG Previous years (PR01, available to commit) - \$417,268.00
- HTF Previous Years- \$1,287,270 (as of 3/31/2025)

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		

CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services							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. In addition to the allocation from HUD, the Department estimates that it will have \$77,988.17 in program income funds available for use by municipalities that generated such income for eligible CDBG
			21,788,490.00	77,988.17	28,190,369.66	50,056,847.83	87,153,960.00		

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								activities, in accordance with the Department's CDBG PI policy.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	13,324,447.00	0.00	54,834,717.00	68,159,164.00	53,297,791.00	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 (if needed). Also, funds will be used for acquisition of housing by
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								homebuyers (if needed).
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	2,540,951.00	0.00	3,536,959.68	6,077,910.68	10,163,804.00	Funds will be distributed among municipalities and nonprofit organizations for the provision of housing assistance and supportive services for low-income persons living with HIV/AIDS.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	3,431,197.00	0.00	417,268.00	3,848,465.00	13,724,788.00	Funds will be used primarily for, Outreach, Emergency, Shelter activities, and secondly to Homelessness Prevention, Rapid Re-housing.

HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	688,461.00	0.00	1,287,270.00	1,975,731.00	2,753,845.00	The Housing Trust Fund (HTF) is a new affordable housing production program that will complement existing Federal, state and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low- income households, including homeless families.
Other	public - federal	Acquisition Admin and Planning	2,480,000,000.00	0.00	0.00	2,480,000,000.00	5,746,800,000.00	The CDBG-DR Action Plan includes further



		Economic Development Homebuyer assistance Homeowner rehab Housing Multifamily rental new construction Multifamily rental rehab Public Improvements Public Services Rental Assistance						analysis of damage estimates and contains the strategy to address these needs with the first allocation of \$1.5 billion authorized by Pub. L. 115-56 and announced through 83 FR 5844; the second allocation of \$8.2 billion authorized by Pub. L. 115-123 and announced through 83 FR 40314; and the latest unmet infrastructure needs allocation of \$277 million authorized under Pub. L. 116-20 and
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								announced in 85 FR 4681.

Other	public - federal	Acquisition Admin and Planning Homeowner rehab Housing Public Improvements	289,800,000.00	0.00	0.00	289,800,000.00	7,932,700,000.00	Public Law 115-123 made available \$28 billion in Community Development Block Grant - Disaster Recovery (CDBG-DR) funds and directed HUD to allocate no less than \$12 billion for mitigation activities proportional to the amounts that grantees received for qualifying disasters in 2015, 2016, and 2017. That amount was increased to \$15.9 billion after HUD completed an
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								assessment of unmet needs and awarded funding to a total of eighteen (18) grantees through a newly created Community Development Block Grant - Mitigation (CDBG-MIT) Program. Out of all these funds, HUD allocated approximately \$8.2 billion in CDBG-MIT funds to Puerto Rico. The rules for administering these funds are founded in the regulatory framework of HUD's Community
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Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								Development Block Grant (CDBG) program and further consider the alternative requirements, waivers, and special grant conditions released in 84 FR 45838 and 85 FR 4676. The CDBG-MIT Action Plan contains further analysis of unmet mitigation needs and PRDOH's strategy to address them.

**Table 1 - Expected Resources – Priority Table**

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how**

**matching requirements will be satisfied**

For full explanation go to appendix section.

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

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

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

**Discussion**

## Annual Goals and Objectives

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

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide Decent Housing	2025	2029	Homeless	Statewide	Chronic Homeless	ESG: \$2,837,692.00	Homeless Person Overnight Shelter: 2560 Persons Assisted
2	Provide Decent Housing (B)	2025	2029	Homeless	Statewide	Homelessness Prevention	ESG: \$593,505.00	Tenant-based rental assistance / Rapid Rehousing: 2000 Households Assisted
3	Provide Decent Housing (C)	2025	2029	Affordable Housing Non-Homeless Special Needs	Statewide	Housing	HOPWA: \$2,540,951.00	HIV/AIDS Housing Operations: 425 Household Housing Unit Other: 635 Other
4	Create suitable living environments	2025	2029	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development- Public Improvem Non-housing Community Development- Public Services	CDBG: \$2,514,592.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 540 Persons Assisted



Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Create suitable living environments (B)	2025	2029	Non-Housing Community Development	CDBG- Non-entitlement communities	Non-housing Community Development-Public Faciliti Non-housing Community Development-Public Improvem	CDBG: \$16,795,894.00	Other: 191400 Other
6	Provide Decent Housing (D)	2025	2029	Affordable Housing	CDBG- Non-entitlement communities	Housing	CDBG: \$2,056,667.00	Homeowner Housing Added: 14 Household Housing Unit
7	Expand Economic opportunities	2025	2029	Economic development	CDBG- Non-entitlement communities	Non-housing Community Development-Econ Development	CDBG: \$121,539.00	Businesses assisted: 2 Businesses Assisted
8	Emergency relief	2025	2029	Non-Housing Community Development	CDBG- Non-entitlement communities		CDBG: \$300,000.00	Other: 300 Other
9	Provide Decent Housing (E)	2025	2029	Affordable Housing	Statewide	Housing	HOME: \$11,992,003.00	Homeowner Housing Added: 35 Household Housing Unit
10	Provide Decent Housing (F)	2025	2029	Affordable Housing	Statewide	Housing	HTF: \$619,615.00	Other: 3 Other

**Table 2 – Goals Summary**

## Goal Descriptions

1	Goal Name	Provide Decent Housing
	Goal Description	
2	Goal Name	Provide Decent Housing (B)
	Goal Description	
3	Goal Name	Provide Decent Housing (C)
	Goal Description	
4	Goal Name	Create suitable living environments
	Goal Description	
5	Goal Name	Create suitable living environments (B)
	Goal Description	
6	Goal Name	Provide Decent Housing (D)
	Goal Description	
7	Goal Name	Expand Economic opportunities
	Goal Description	
8	Goal Name	Emergency relief
	Goal Description	
9	Goal Name	Provide Decent Housing (E)
	Goal Description	
10	Goal Name	Provide Decent Housing (F)
	Goal Description	HTF Household Housing unit: 3



## AP-25 Allocation Priorities – 91.320(d)

### Introduction:

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

The PY 2025 Annual Action Plan allocation priorities are driven by the information obtained during the Citizen Participation process and consultations. The combination of both processes provided the citizens, the communities, the agencies and interested parties with a meaningful opportunity to actively determine where the housing and community development resources were allocated.

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

HUD regulations provide that 3% of the CDBG allocation plus \$100,000 can be used for administration and technical assistance for the State administered program. In 2025, this adds to \$753,654.70. For the ESG program the Department of the Family will allocate \$257,339.78 for state administrative purposes, \$17,155.99 for subgrantees administration, and \$85,779.93 for HMIS.

### 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 opportunities (%)	Emergency relief (%)	Provide Decent Housing (E) (%)	Provide Decent Housing (F) (%)	Total (%)
CDBG	0	0	0	12	77	9	1	1	0	0	100
HOME	0	0	0	0	0	0	0	0	100	0	100
HOPWA	0	0	100	0	0	0	0	0	0	0	100
ESG	83	17	0	0	0	0	0	0	0	0	100
HTF	0	0	0	0	0	0	0	0	0	100	100

Other CDBG- DR	0	0	0	0	0	0	0	0	0	0	0
Other CDBG- MIT	0	0	0	0	0	0	0	0	0	0	0

**Table 3 – Funding Allocation Priorities**

### **Reason for Allocation Priorities**

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

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

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

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

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

### **HOME**

The needs assessment identified a considerable need for housing rehabilitation, affordable housing for rent and homebuyer assistance

programs. The assessment identified that the main needs are associated to substandard housing, cost burden, housing costs and lack of economic opportunities for persons with low educational attainment.

## **ESG**

The distribution of funds will be based on the assessment of homelessness, conducted for the purpose of consolidated planning, and the results of the meetings held with CoCs and their organizations. The specific allocation of funds will prioritize the provision of services to address chronic homelessness and the needs identified in the homelessness assessment, particularly. Priority will be given to Emergency Shelters without restrictions and eligible to use their facilities as stabilization units (24 hour, 7 days a week entrance); Emergency Shelters without restrictions on population, age, and time; Emergency Shelter services; and the expansion of Street Outreach services. In the case of the Prevention and Rapid Re-Housing components, priority will be given to people with mental health conditions; projects addressing women's safety; and Shelter proposals that include the Rapid Re-Housing component. Other services that promote economic and personal self-sufficiency will also be prioritized based on the reasons for homelessness, and the current socioeconomic context.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Introduction:

The Consolidated Plan regulations, specifically in 24 CFR 91.320, establishes the dispositions regarding the content of an Annual Action Plan. Among the components of the Plan, the PR-State must provide a description of the method for distributing funds to local governments and nonprofit organizations to carry out activities, or the activities to be undertaken by the State, using the funds to be received under the formula allocations and other HUD assistance during the PY 2025.

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

### Distribution Methods

**Table 4 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	CDBG
	<b>Funding Sources:</b>	CDBG

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The State CDBG allocation for PY 2025 amounts to \$21,788,490. This program provides funding for housing, community, and economic development, as well as assistance for special populations across the 51 non-entitlement municipalities of Puerto Rico. Of these, \$20,734,835.30 will be allocated to non-entitlement municipalities; \$753,654.70 will be separated for State Administration and \$300,000 will be allocated for an emergency fund.</p> <p>The allocation for non-entitlement municipalities will be equally distributed among the municipalities, except for the islands of Vieques and Culebra, which both will receive an additional 15% above the Equal Allocation Grant. This method follows the distribution established via the enactment of local Act 137-2014 (later incorporated under the Municipal Code of 2020), as amended.</p> <p>The following is the proposed allocation:</p> <p>Allocation for 49 Municipalities</p> <p>Administration \$68,711.93</p> <p>Public Service \$60,628.17</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$274,847.72</p> <p>TOTAL \$404,187.82</p> <p>Vieques and Culebra</p> <p>Administration \$79,018.72</p> <p>Public Service \$69,722.40</p> <p>Other Eligible Project (Housing, Community Development, Economic Development, Etc.) \$316,074.88</p> <p>TOTAL \$464,816.00</p> <p>PRDOH</p> <p>Planning and Administration \$753,654.70</p>
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	<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Under Act 107-2020, as amended (the Municipal Code of 2020) the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p><b>Application Submission</b></p> <p>Proposal forms will be available on the Agency's website <a href="http://www.vivienda.pr.gov/cdbg-estado/">www.vivienda.pr.gov/cdbg-estado/</a> and proposals and all its components and supporting documentation should be submitted by August 11, 2025, via email to: <a href="mailto:cdbg-propuestas@vivienda.pr.gov">cdbg-propuestas@vivienda.pr.gov</a>.</p> <p>Applications for the Emergency Fund may be submitted at any time during Program Year 2025 as long as they comply with the requirements presented on PRDOH's Administrative Order-2021-58 of November 30, 2021, as amended by Informative Circular 2021-16 of November 30, 2021, as amended, and any other requirement that applies. Based on the comments received during the public hearing, the PRDOH intends to amend the circular to provide additional time for the execution of certain projects.</p> <p>Municipalities could submit applications for Section 108 loan and must follow the <i>Procedimiento de Solicitud y Administración de Préstamos Garantizados Sección 108</i>.</p> <p><u>Proposal Requirements</u></p> <p>Submission of a budget breakdown is mandatory as part of the proposals.</p> <p>In determining an appropriate amount, the PRDOH reserves the right to adjust requested funds, based on review of compliance with the following requirements:</p> <ol style="list-style-type: none"> <li>1. Compliance with the State CDBG requirements (Fair Housing and Citizen Participation).</li> <li>2. Compliance with the College of Engineers and Land Surveyors of Puerto Rico Guidelines, including the project breakdown detailing: cost of material, labor, equipment, insurance, administrative overhead, and other costs related to the project in order to determine reasonable project cost.</li> <li>3. Reasonability of the budget.</li> <li>4. Inadequate or incomplete description of activities to be developed.</li> <li>5. Past performance of the non-entitled municipality (open findings).</li> <li>6. Timely expenditure of funds</li> </ol> <p>All activities must be designed in compliance with the strategy developed by the municipality which should meet the needs of low and moderate-income individuals, addressing their special needs and ensuring</p>
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	<p>maximum community development. The optional 15% Public Service Cap is based on the total CDBG State grant.</p> <p>When preparing the proposal's budget municipalities must comply with the PRDoH policies and procedures on reasonability of administrative costs published in February, 2020.</p> <p>The PRDoH will not approve an administrative budget in those instances where municipalities will be using the funds of their regular allocation for the repayment of a Section 108 Loan Guarantee Program loan only.</p> <p>In those cases where the only activity to be implemented by the municipality is a public service in conjunction with the repayment of a loan under the Section 108 Loan Guarantee Program. The PRDoH will approve up to 25% of the administration maximum allocation allowed in the corresponding Action Plan.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable- Please refer to ESG program.</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not Applicable- See HOPWA Section.
<b>Describe how resources will be allocated among funding categories.</b>	<p>The State CDBG allocation for PY 2025 amounts to \$21,788,490 will be distributed among eligible activities in accordance with the Programs policies and procedures and the federal law and regulations.</p> <p>Eligible activities under the State CDBG Program are listed on Section 105 (a) of Title I of the Housing and Community Development Act of 1974, as amended. Each activity must meet one of the national objectives as to benefit low and moderate-income persons (24 CFR 570.483 (b)), pursue the elimination of slums and blighted areas (24 CFR 570.483 (c)), or activities designed to address a particular urgency that poses an imminent threat to the health and safety of the community (24 CFR 570.483 (d)). Each activity should correlate with a matrix code, national objective and CDBG citation.</p> <p>No more than 20% of the CDBG funds will be allocated for eligible Administrative and Planning Activities (3% by PRDOH and 17% by the Municipalities); up to 15% of the CBDG funds can be allocated for Public Service purposes and the remaining of the funds can be allocated for housing, community development and economic development related activities.</p> <p>All applications for Program Year 2025 State CDBG funds must establish that no less than 70% of State CDBG funds will benefit LMI persons. Projects which do not meet eligibility requirements under Section 105(a) of Title I of the Housing Development Act of 1974, as amended, will not be considered.</p>

	<b>Describe threshold factors and grant size limits.</b>	Under Act 107-2020, as amended (Municipal Code of 2020), the Commonwealth of Puerto Rico established that all non-entitlement municipalities will receive the same amount of CDBG funds, with the exceptions of Vieques and Culebra, which will receive an additional 15%. Thus, under this method of distribution municipalities will receive the same share of CDBG funds with no need for a competitive round.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	The expected outcomes measures are included on the appendix section.
<b>2</b>	<b>State Program Name:</b>	Emergency Solutions Grant Program
	<b>Funding Sources:</b>	ESG

<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The Puerto Rico Department of the Family (PRDF) oversees the administration of the Emergency Solutions Grant (ESG) Program. The fund distribution method employed by the PRDF involves issuing a Request for Proposals (RFP) in the first year, followed by a competitive evaluation process to select prospective subrecipients. The allocation of funds is based on both the performance of the subrecipients’ projects and the availability of funds from the U.S. Department of Housing and Urban Development (HUD). In Program Year (PY) 2025, the PRDF is set to accept proposals from entities that are actively involved in related fields.</p> <p>Should there be any surplus funds during PY 2025 due to the recapture process, the PRDF will allocate these funds based on identified needs, with distribution criteria being communicated through an invitation process. In the case of a declared disaster, the PRDF has the authority to enact the disaster recovery policy, which is detailed in the Appendix section of the program guidelines.</p> <p>For PY 2025, the total amount allocated for the ESG Program is <b>\$3,431,197.00</b>. This funding is designated to benefit all seventy-eight (78) municipalities across Puerto Rico, spanning ten (10) regions as established by the PRDF: Mayagüez, Aguadilla, Arecibo, Bayamón, San Juan, Carolina, Caguas, Humacao, Guayama, and Ponce. Eligible non-profit organizations and municipalities that meet the specified requirements and evaluation criteria can receive funding for the following categories:</p> <table><tr><td>• Outreach and Shelter:</td><td>\$2,058,718.20</td><td>(60.0%)</td></tr><tr><td>• Prevention:</td><td>\$497,523.57</td><td>(14.5%)</td></tr><tr><td>• Rapid Re-Housing:</td><td>\$531,835.53</td><td>(15.5%)</td></tr><tr><td>• Data Collection (HMIS):</td><td>\$85,779.92</td><td>(2.5%)</td></tr><tr><td>• Administration:</td><td>\$257,339.78</td><td>(7.5%)</td></tr></table> <p><b>Total: \$3,431,197.00 (100%)</b></p> <p>For the entire detail go to appendix section.</p>	• Outreach and Shelter:	\$2,058,718.20	(60.0%)	• Prevention:	\$497,523.57	(14.5%)	• Rapid Re-Housing:	\$531,835.53	(15.5%)	• Data Collection (HMIS):	\$85,779.92	(2.5%)	• Administration:	\$257,339.78	(7.5%)
• Outreach and Shelter:	\$2,058,718.20	(60.0%)														
• Prevention:	\$497,523.57	(14.5%)														
• Rapid Re-Housing:	\$531,835.53	(15.5%)														
• Data Collection (HMIS):	\$85,779.92	(2.5%)														
• Administration:	\$257,339.78	(7.5%)														

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Compliance Criteria for Proposal Consideration</p> <ul style="list-style-type: none"> <li>• Complete the proposal in all its parts and submit the required documentation, as applicable.</li> <li>• At least three years of experience serving homeless persons or in risk of homelessness.</li> <li>• Availability of credit lines or financing mechanisms.</li> <li>• No open findings of questioned costs, if applicable. Compliance with Federal Audit Clearing House.</li> <li>• Be a municipality or non-profit entity properly incorporated and in Good Standing, as applicable.</li> <li>• Have financial management systems that meet the minimum accounting standards.</li> <li>• In the case of shelters, the municipal endorsement is required.</li> <li>• Have the Environmental Assessment, as applicable.</li> <li>• Availability of fund matching (dollar-for-dollar) and its sources.</li> <li>• Experience managing federal funds and financial capacity.</li> <li>• Reasonability of number of homeless persons identified in the geographic region of service</li> <li>• Reasonability of the project-participant's cost.</li> <li>• The entity has Case Managers and specialized personnel.</li> </ul> <p>Compliance Criteria for Proposal Consideration for second year – Performance and Expenditure Rate – Active Entities</p> <ul style="list-style-type: none"> <li>• In the case of shelters, bed utilization rate of 75% or more</li> <li>• Average stay in Shelter – no more than 90 days</li> <li>• Have spent at least 85% of the recent allocation.</li> <li>• Active participation in the Coordinated Entry System (CES)</li> <li>• Compliance with Data Entry in the Homeless Management Information System (HMIS).</li> <li>• Compliance with previous allocations case closing in HMIS.</li> </ul>
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		<ul style="list-style-type: none"> <li>• Projects performance according to HMIS: Complies with 50% or more of the performance measurements related to income generation and placement of participants in housing modalities. Performance measures include the following:</li> <li>• Outreach: 45% or more of participants of outreach were placed in a modality of housing (ES, TH or PH)</li> <li>• Emergency Shelters: 10% or more of personas who exited ES increased their income, 70% or more of the participants of ES were placed in a modality of TH or PH.</li> <li>• Prevention: 75% or more of the persons who received assistance maintain their households.</li> <li>• Rapid rehousing: 10% or more of persons exiting a Rapid Rehousing project increased their income, 75% or more of RRH participants exited to permanent housing.</li> </ul> <p>Criteria for the final granting of funds - <i>Management and Financial Capacity</i></p> <ul style="list-style-type: none"> <li>• Experience managing federal funds.</li> <li>• Availability of credit lines or financing mechanisms</li> <li>• Other sources of income</li> </ul> <p>Two special bonuses will be awarded during the evaluation of proposals to those organizations and municipalities that participate actively in the CoCs and those that offer services in the 15 municipalities with the highest incidence of homelessness.</p>
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<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to the ESG Program- (see CDBG section).</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Since Program Year 2021, the PRDF uses a distribution method in which an award is granted for a two-year period, subject to an evaluation of the first year's performance and expenditure rate for allocated funds, and the availability of funds. During PY 2025, eligible organizations and local governments will be initiating their second program year of the two-year cycle. Meanwhile, unused funds available during the Program Year will be distributed according to the needs identified by the PRDF, by invitation.</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	Not Applicable- See HOPWA Section.
<b>Describe how resources will be allocated among funding categories.</b>	<p>The following is the ESG Program distribution by funding categories:</p> <ul style="list-style-type: none"> <li>• Outreach and Shelter: \$2,058,718.20 (60.0%)</li> <li>• Prevention: \$497,523.57 (14.5%)</li> <li>• Rapid Re-Housing: \$531,835.53 (15.5%)</li> <li>• Data Collection (HMIS): \$85,779.92 (2.5%)</li> <li>• Administration: \$257,339.78 (7.5%)</li> </ul> <p><b>Total: \$3,431,197.00 (100%)</b></p> <p>The Department of the Family may be allocating indirect costs to eligible activities.</p>

	<b>Describe threshold factors and grant size limits.</b>	<p>The grant size limits established for the ESG Program funds distribution are:</p> <ul style="list-style-type: none"> <li>• Outreach and Shelter    No more than 60.0%</li> <li>• Prevention                      No limits</li> <li>• Rapid Re-Housing            No limits</li> <li>• Data Collection (HMIS)      Does not apply</li> </ul> <p>Administration                      No more than 7.5%</p>
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<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>Non-profit organizations and units of local government that are awarded ESG funds, are expected to comply with the following outcome measures, depending in the different types of projects:</p> <p>Outcome Measures</p> <p>OUTREACH</p> <ul style="list-style-type: none"> <li>• Number of people receiving services</li> <li>• Number of people who left the program.</li> <li>• Percentage of people who committed (engaged) to receive services.</li> <li>• Percentage of people who fulfilled their service plan.</li> <li>• Percentage of people who increased their income from any source.</li> <li>• Percentage of people located in emergency shelter.</li> <li>• Percentage of people located in temporary shelter.</li> <li>• Percentage of people placed in permanent housing.</li> </ul> <p>EMERGENCY SHELTER</p> <ul style="list-style-type: none"> <li>• Number of people who entered the emergency shelter.</li> <li>• Number of people who left the program.</li> <li>• Percentage of people who fulfilled their service plan.</li> <li>• Percentage of people who increased their income from any source.</li> <li>• The percentage of people who entered transitional housing.</li> <li>• Percentage of people who stayed in the shelter for less than three months.</li> <li>• Percentage of people who stayed in the shelter for more than three months.</li> <li>• Percentage of people placed in permanent housing.</li> </ul> <p>PREVENTION</p>
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		<ul style="list-style-type: none"> <li>• Number of people receiving prevention services</li> <li>• Number of people who left the program.</li> <li>• Number of people receiving economic assistance</li> <li>• Percentage of people who received housing relocation services and stabilization services during the service period.</li> <li>• Percentage of people who met their service plan.</li> <li>• Percentage of people who increased their income from any source.</li> <li>• Percentage of people placed in permanent housing.</li> </ul> <p>RAPID RE-HOUSING (RRH)</p> <ul style="list-style-type: none"> <li>• Number of people receiving RRH services</li> <li>• Number of people who left the program.</li> <li>• Number of people receiving economic assistance</li> <li>• Percentage of people who received housing relocation services and stabilization services during the service period.</li> <li>• Percentage of people who fulfilled their service plan.</li> <li>• Percentage of people who increased their income.</li> <li>• Percentage of people placed in permanent housing</li> </ul>
3	<b>State Program Name:</b>	HOME Investment Partnership Program
	<b>Funding Sources:</b>	HOME

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The <b>PRHFA</b> will receive \$13,324,447.76 in HOME funds for PY 2025. All resources will be allocated to provide incentives for meeting the goal of developing and supporting affordable housing. This will be achieved primarily through the Rehabilitation or New Construction for Multifamily Rental Development. Funds from previous years may be used to provide down payment assistance to homebuyers, rehabilitation or new construction of homeowners and TBRA. The distribution of HOME funds for PY 2025 will be as follows:</p> <ul style="list-style-type: none"> <li>• Administration \$1,332,444.78</li> <li>• Rehab or New Construction by Owner (Single Family) \$1,500,000.00</li> <li>• Rehab or New Construction for Multifamily Rental Dev. \$10,492,002.98</li> </ul> <p>Funds will be distributed according to a competitive process. The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section. Funding available during the program year, not distributed in the competitive process or from previous years, may also be distributed according to an alternative method of distribution by invitation and based on need.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The Puerto Rico Housing Finance Authority (PRHFA) will make the activity of New Construction or Rehabilitation for Rental Housing Development available under the HOME Investment Partnership Program (HOME) FY 2025 Action Plan (AP) through a competitive process. Following previous joint efforts and on-going initiatives, the HOME Program might combine or implement a consolidated application to include CDBG-DR, LIHTC, HTF or other sources of funds or new programs (received or to be received), combining the requirements, to promote the development of multifamily rental projects.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p> <p>Other activities will be delivered by the <b>PRHFA</b> in accordance with the applicable regulations.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to the HOME Program- see CDBG section.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable to the HOME Program- see ESG section.</p>

<b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b>	<p>Not applicable to the HOME Program - See HOPWA Section.</p>
<b>Describe how resources will be allocated among funding categories.</b>	<p>The information that follows presents a description of the HOME Program activities and the criteria used for the distribution of funds addressing the priority needs, specific objectives, and performance measurements mentioned above. The minimum investment required by HOME activity is \$1,000 per unit.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section.</p>



	<b>Describe threshold factors and grant size limits.</b>	No grants size limits will be applied to proposed housing development projects. For Homebuyer Financial Assistance activities, the cap is a minimum of \$1,000 and maximum which is to be establish by AFV according to participant necessity, will be available for eligible homebuyers. The Director of the Home Program will approve on case-by-case basis the amount of subsidy needed to acquire or maintain an affordable housing unit.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>The following are the HOME Program Outcome Measures:</p> <ul style="list-style-type: none"> <li>• Homebuyer Assistance \$0.00 – A total of 3 homebuyers (served with funds available from previous years)</li> <li>• Rehab or New Construction by Owner \$1,500,000.00 – A total of 7 housing units (approximately).</li> <li>• Multifamily Rental Dev. \$10,492,002.98 – A total of 46 housing units.</li> </ul> <p>Tenant-Based Rental Assistance (TBRA) - \$0.00 – A total of 36 families (served with funds available from previous years).</p>
<b>4</b>	<b>State Program Name:</b>	Housing Opportunities Persons With AIDS
	<b>Funding Sources:</b>	HOPWA

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Housing Opportunities for Persons with AIDS (HOPWA) Program provides housing assistance and supportive services for low-income persons living with HIV/AIDS and their families. HOPWA funds are received by the Puerto Rico Department of Health to be distributed to Eligible Project Sponsors that include Municipal Governments and Non-Profit Organizations.</p> <p>Funds for PY 2025 will continue to be administered by the Municipality of San Juan. The Municipality will be responsible for its management, and distribution to subrecipients. Due to the law restrictions, administrative funds will not be distributed to sub recipients.</p> <p>HOPWA funds may be used for a wide range of services such as housing, social services, program planning, and development costs. These included, but not limited to acquisition, rehabilitation or new construction of housing units; costs for facility operations; rental assistance; and short-term payments to prevent homelessness. HOPWA funds may be used for health care and mental health services, drug dependence treatment, nutritional services, case management, assistance with daily living, and other supportive services. If remainder funds are available after distribution, distribution of funds will not require a new competitive process but will be distributed among organizations and municipalities that previously submitted their proposals.</p> <p>For this Plan the Puerto Rico EMSA will include the 78 municipalities for unobligated funds and the PR-EMSA Municipalities for the HOPWA grant.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The following evaluations factors will be used to evaluate the proposals presented by potential sub recipients. An evaluation committee selected by the Municipality of San Juan will evaluate the applications with a standard instrument that will take into consideration: HIV/AIDS population within the proposed service area, level of experience of the proponent party, use of funds history by the proponent party and performance history of the proponent party. All criteria have the same weight in the evaluation process. The maximum value for a proposal is one hundred and twenty (120) points. The following are the areas of evaluation and its relative weight:</p> <p>NON-Profit subrecipients</p> <ul style="list-style-type: none"> <li>• Cover Page - 2 Points</li> <li>• Proposal Summary - 3 Points</li> <li>• Organizational Structure and Administrative Capacity - 35 Points</li> <li>• Services Description – 8 Points</li> <li>• Funds Received by the Organization - 6</li> <li>• Project Description - 22 Points</li> <li>• Budget - 44 Points</li> <li>• Total: 120</li> </ul> <p>Municipal subrecipients</p> <ul style="list-style-type: none"> <li>• Transmittal Letter - 3 Points</li> <li>• General Information Municipality -7 Points</li> <li>• Financial and Programmatic Background - 30 Points</li> <li>• Funds Received by the Municipality - 2</li> <li>• Project Description - 30 Points</li> <li>• Budget -28 Points</li> </ul>
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		<ul style="list-style-type: none"> <li>• Delivery Cost – 2 Points</li> </ul> <p>Total: 102</p>
	<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to the HOPWA Program- see CDBG section.</p>
	<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Not applicable to the HOPWA Program- see ESG section.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>For PY 2025 the Municipality of San Juan will accept island-wide applications, including potential sub recipients from the San Juan Eligible Metropolitan Statistical Area (SJ-EMSA). Priority will be given to potential sub recipients that are not included in the SJ-EMSA. Applicants located in the San Juan EMSA that are currently receiving HOPWA funds from the Municipality of San Juan cannot receive State HOPWA funds for the same purpose and uses.</p> <p>All the applications will be evaluated by the same standards and criteria.</p> <p>Support services eligible costs include:</p> <ul style="list-style-type: none"> <li>• Nutritional Services</li> <li>• Day care</li> <li>• Case Management</li> <li>• Mental Health</li> <li>• Medical services</li> <li>• Permanent housing costs</li> <li>• Any supportive service combined with housing</li> </ul> <p>All sub-recipients are required to register with Dun and Bradstreet to obtain a DUNS number, if they have not already done so. In addition, they need to be registered on the System for Award Management (SAM).</p>
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<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The HOPWA Program funds will be distributed in the following categories:</p> <ul style="list-style-type: none"> <li>• Administrative Activities: 10%</li> <li>• TBRA Activities and related: 33%</li> <li>• Housing related Activities: 37%</li> <li>• Supportive Services Activities: 20%</li> </ul> <p>The final distribution by individual activity is:</p> <ul style="list-style-type: none"> <li>• Administration Salud \$76,229</li> <li>• Administration San Juan \$172,531</li> <li>• TBRA \$811,514</li> <li>• Delivery Cost TBRA \$32,461</li> <li>• Operation Costs Transitional Housing and STRMU \$941,105</li> <li>• Supportive Services \$507,111</li> </ul>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>No grant size limits are established for the HOPWA Program funds distribution.</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	<p>The following are the HOPWA Program Outcome Measures:</p> <ul style="list-style-type: none"> <li>• Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family - 70 Households</li> <li>• Tenant-based rental assistance - 115 Households</li> <li>• Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds - 80 housing units</li> <li>• Transitional short-term housing facilities developed, leased, or operated with HOPWA funds – 270 Households</li> <li>• Supportive Services – 455 Households</li> </ul>
5	<b>State Program Name:</b>	Housing Trust Fund
	<b>Funding Sources:</b>	HTF

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The <b>PRHFA</b> received <b>\$688,461.35</b> in HTF funds for PY 2025. The resources will be allocated for Multifamily Rental New Construction/Rehabilitation. The funds will be distributed as follow:</p> <p><b>GRANT FUNDS BY ACTIVITY ALLOCATION FOR PY 2025:</b></p> <p><b>Assigned Budget: \$688,461.35</b></p> <p>Distribution by Category:</p> <ul style="list-style-type: none"> <li>• State Administration <b>\$68,846.13</b></li> <li>• Rental and homeownerships eligible activities <b>\$619,615.22</b> .</li> </ul> <p>Description of the Method to Distribute HOME and HTF Funds for Construction and Rehabilitation of Rental Housing:</p> <p>For the purposes of distributing the funds, the PRHFA may incorporate HTF funds into competitive rounds for other programs such as HOME, LIHTC or may use an invitation method based on need. Funds will be allocated to provide incentives for meeting developing and supporting affordable rental housing units and homeownership. The first will be achieved through new construction or rehabilitation of non-luxury housing with suitable amenities for rent.</p> <p>Eligible Applicants</p> <p>The <b>PRHFA</b> is not limiting the potential pool of applicants for the HTF program. Thus, <b>PRHFA</b> will allow developers, non-profits, and other organizations to apply for HTF funds. 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).</p> <p>The full explanation of the Method of Distribution based on competition to be used during this program year is included in the Appendix Section. As mentioned, PRHFA may also use an invitation method based on need for available funds during the year that were not distributed in competitive rounds or come from previous years.</p>
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<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Applications requesting <b>HTF</b> funds will be evaluated according to criteria based on HTF regulations, and the needs for such projects. Criteria may include: Project location; project characteristics; project owner/developer characteristics; financing characteristics; special needs projects; Housing needs and additional criteria for rental housing projects.</p> <p>See the appendix for a description of the scoring <b>method</b> and selection criteria of the competitive process. The criteria are presented below to facilitate the <b>description of the priority funding factors</b>. The QAP and <b>PRHFA</b> criteria guidelines will be used to determine the final scores and funding recommendations.</p> <p>The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section. As mentioned, PRHFA may also use an invitation method based on need for available funds during the year that were not distributed in competitive rounds or come from previous years.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Not applicable to the HTF Program- see CDBG section.</p>

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

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The HTF Program funds will be distributed in the following categories:</p> <p>Distribution of HTF Funds</p> <ul style="list-style-type: none"> <li>• Rental and homeownerships eligible activities <b>\$619,615.22</b> – (in the case of homeownership provided they do not exceed 10% of the allocation).</li> <li>• Administration \$68,846.13- 10%</li> <li>• Total \$688,461.35 -100%</li> </ul> <p>The HTF resources will be allocated for projects that serve HTF tenant population; these could include special needs population.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p><b>PRHFA</b> will use the maximum per unit subsidy standards adopted by the State <b>HOME</b> 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.</p> <p>The initial basic qualifications will be evaluated by the State HOME program personnel. If the project does not meet requirements for completeness, the applications will not be received.</p> <p>The project location and the targeted population will be key factors in determining the grant size limit.</p>

	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The following are the HTF Program Outcome Measures:</p> <p>Multifamily Rental Dev. \$619,615.22– A total of 3 housing units.</p>
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**Discussion:**

## AP-35 Projects – (Optional)

### Introduction:

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

During FY 2025, CDBG-DR funds will be disbursed to prioritize the following activities: Housing, Economic Development Activities, Public Services, Public improvements, Homebuyer Assistance. Links to the CDBG-DR Action Plans:

<https://recuperacion.pr.gov/en/action-plan/>

<https://cdbg-dr.pr.gov/en/power-grid-action-plan/>

CDBG-MIT funds will be disbursed to prioritize Housing activities. The estimated disbursement for the next fiscal year is \$289,800,000. Link to the CDBG-MIT Action Plan:

<https://recuperacion.pr.gov/en/action-plan/>

#	Project Name

Table 5 – Project Information

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

As previously described, the reasons for allocation priorities during the PY 2025 Annual Action Plan are based on the information obtained through citizen participation and consultation process and the Consolidated Plan Needs Assessment analysis. The assessment resulted in the need of affordable housing activities to address the needs of the low- and moderate-income persons and in the investment of available funding in activities toward the needs of non-housing community improvement projects.

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

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

## AP-38 Project Summary

### Project Summary Information

Project Name	Target Area	Goals Supported	Needs Addressed	Funding	Description	Target Date	Estimated and tha from acti
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## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

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

Yes

### **Available Grant Amounts**

Loan Guarantees (LGA) under Section 108 of Title I of the Housing and Community Development Act of 1974, as amended, is not subject to the method of distribution of funds as set forth for the CDBG program. Section 910, of the National Affordable Housing Act of 1991 (NAHA), as amended, extended the Section 108 Loan Guarantee program to non-entitlement communities nationwide. As required in Section 104(a) of the Act, we are including the guidelines, regarding the determination to assist non-entitlement municipalities, in applying for guaranteed loan fund under 24CFR Subpart M. Non-entitled municipalities will be eligible to apply for Section 108 Loans as long as they comply with all regulatory requirements and PRDOH program guidelines.

### **Estimated Availability of Funds for PY 2025- \$108,942,450**

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

Section 108 funds should be requested for economic development activities, or activities in support of economic development (24 CFR 570.703), including:

- Property acquisition
- Rehabilitation of publicly owned properties
- Housing rehabilitation eligible under the CDBG program



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

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

## **Acceptance process of applications**

### **Application Requirements**

- The first requirement prior to the submission of a LGA application is the transmittal of a letter of intention to submit a 108 LGA Application to PRDOH. The Federal Programs Division at PRDOH will receive the letter of intent and commence the administrative requirement review first. Once the administrative review is completed, the non-entitlement municipality will be authorized to submit an application for Section 108 Loan Guarantee. Applications for the Section 108 Loan Guarantee Program may be submitted throughout PY 2025.
- The non-entitlement municipalities should comply with several administrative requirements, in order to receive the authorization to submit an application for participation in the LGA program.
- Requirements include: Status of monitoring reports, up to date Single Audit Reports, closing of previous program years (only last 5 PY can be open), no open findings, timeliness, among others.
- Municipalities can request up to a maximum of 5 times their CDBG allocation with a ceiling of \$2,000,000 per municipality.

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

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State's Process and Criteria for approving local government revitalization strategies**

## **AP-50 Geographic Distribution – 91.320(f)**

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

As the PR-State Consolidated Plan leading agency, the PRDOH is responsible to address the non-housing community development needs of the Non-Entitlement municipalities within the State jurisdiction. Thus, PRDOH is responsible for overseeing that all CDBG program investment related to non-housing community development are made in eligible economically low-income geographic areas.

By eligible low-income geographic areas, PRDOH defines those geographic areas where, at least fifty-one percent of the population (in accordance with HUD CPD's Updated LMISD or low-income surveys), are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families. Exception could be made by HUD to establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

As per the concentration of minorities within the State geographic areas, the ACS Demographic and Housing Estimates for 2023 shows that 99.0% of the statewide population are from hispanic or latino origins and that from this percentage, and more than 95% percentage are from Puerto Rican origins.

### **DISPROPORTIONATELY GREATER NEED**

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

### **Compliance with 70% Requirement**

The regulations require the State to use no less than 70 percent of the CDBG funds received during a period specified by the state, not to exceed three years, will be used for activities that benefit persons of low- and moderate-income persons. The PRDOH will require all non-entitlement municipalities that receive CDBG funds allocation during the PY 2025 to invest the non-housing community development funds in economically eligible low-income areas. Also, the PRDOH will require the municipalities to certify that not less than seventy percent of the individuals benefited with CDBG funded activities

complies with the low-income eligibility.

For details in each program go to appendix section.

### Geographic Distribution

Target Area	Percentage of Funds
CDBG- Non-entitlement communities	51
Statewide	49

**Table 6 - Geographic Distribution**

### Rationale for the priorities for allocating investments geographically

As previously presented in the Annual Action Plan, the projects included for the PY 2025 are created to address the priority needs and specific objectives identified in the 5-Yr. Consolidated Plan. In addition, all projects are associated with one or more priority needs and one or more goals. Therefore, the priorities for the investment related with targeted geographic areas are related with non-housing community development activities that address the goals and objectives of the Consolidated Plan. The non-entitlement municipalities proposing this type of projects must invest the CDBG monies in eligible low-income areas, as defined by HUD.

### Discussion

The overarching goal of the Department of Housing and Urban Development's Community Planning and Development (CPD) programs covered by the Consolidated Plan is "to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities," principally for low- and moderate-income persons. In order to achieve the provision of suitable living environments within the low- and moderate-income communities, the PRDOH encourages non-entitlement municipalities to undertake non-housing community development activities.

These activities are designed to create, expand and/or improve the physical conditions of community's public facilities located within the benefited low- and moderate-income communities. As previously stated, an eligible low-income community is a geographic area where, at least fifty-one percent of the population, are members of families whose incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

The following Communities Municipalities has been identified by the states as priority areas with disproportionately greater need and minority concentration are included in the appendix.

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

## Affordable Housing

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

#### Introduction:

The 2025-2029 5-Yr. Consolidated Plan of the PR-State includes the provision of decent housing as one of the main objectives to be achieved through the activities included in the referred plan. This particular objective includes a series of goals that at large includes the following:

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

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

The following table includes a description of the number of households that will be benefited from the housing assistance activities proposed in this PY 2025 Annual Action Plan:

One Year Goals for the Number of Households to be Supported	
Homeless	2,560
Non-Homeless	2,000
Special-Needs	442
Total	5,002

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

One Year Goals for the Number of Households Supported Through	
Rental Assistance	104
The Production of New Units	0
Rehab of Existing Units	24
Acquisition of Existing Units	36
Total	164

**Table 8 - One Year Goals for Affordable Housing by Support Type**

#### Discussion:

The HOME and CDBG Program provides the highest share of housing assistance, hence will provide the

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

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

For more details go to appendix section.

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

### **Introduction:**

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

This section describes the actions that the PR-State will take to address the needs of the public housing population groups during the planned PY 2025.

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

No CPD funded activity will exclusively serve Public Housing projects. Nevertheless, the local public policy service strategy includes public housing population among the service delivery groups that could benefit of public services and community development activities contained in this plan.

Various activities included in the 2025 action plan can benefit the public housing residents, among them:

#### **CDBG**

##### **Public Services activities**

- Security
- Health
- Prevention
- Education
- Energy conservation
- Services to homeless
- Services to veterans

##### **Public Facilities**

- Park and recreational facilities
- Parking lots
- Community centers and/or technological
- Facilities for special populations (elderly, people with disabilities, Youth, childcare, homeless, people with HIV / AIDS, battered people)
- Health facilities
- Any other facility eligible according to HUD regulations (see 24 CFR 570.201-570.202).

##### **Infrastructure**

- Re-pavement of Municipal roads
- Streets, sidewalks, curbs, walls of containment or gabions
- Water projects (rain systems, sewer or system sanitary and other activities related)
- Efficiency energetic projects or renewable energy
- Water collection systems
- Mitigation projects

#### **Economic development activities**

- Assistance to micro-enterprises

#### **HOME**

- Residents are offered the opportunities to acquire affordable housing units

#### **HOPWA**

- Supportive services are provided to PH residents with HIV/AIDS

#### **Other Services**

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

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

As part of the PHA Plan actions proposed to improve the living conditions of the public housing residents and projects, the following activities will be undertaken by the Puerto Rico Public Housing Authority during the PY 2025:

- Initiatives to increase the inventory of public housing units for an increasing demand.
- Initiatives to ensure access of the elderly to housing opportunities.
- Redevelopment of projects based on sustainable community standards.



- Rehabilitation of vacant units that are not available for occupancy.
- Economic Self-Sufficiency Program - The PR-PHA will promote economic and social self-sufficiency initiatives with the objective of fostering the residents to develop their occupational skills, to improve their educational level, and to assist them in obtaining a job opportunity as a strategy to achieve economic independence.
- Social Self-Sufficiency / Support Program focused on improving the quality of life of residents through different activities related to arts, environmental conservation, education, sports, technological educational centers, housing assistance for the elderly, service fairs, among others.
- Continuing development of technology education centers (TECs) - To provide residents with the opportunity to be assisted by residents the opportunity to be assisted by current technology. In addition, to foster the integral development of residents from early childhood through adulthood.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

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

As per the participation of homeownership actions, the PR PHA will continue to promote affordable housing opportunities to low-income homeless individuals and/or families. Part of the Section 8 Program's initiative is to promote the independence of assisted families through the Family Self-Sufficiency (FSS), Family Unification and Homeownership programs.

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

Does not apply. The PHA is not designated as troubled.

### **Discussion:**

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

### **Introduction**

The Puerto Rico' statewide strategy to address homelessness is based on a collaborative network approach that emphasizes coordination, integration, and strategic partnerships. This model aims to prevent, reduce, and ultimately end homelessness through the effective and aligned use of local, state, and federal resources. By fostering collaboration among municipalities, non-profit organizations, and other community stakeholders, the Government of Puerto Rico seeks to maximize impact and ensure a continuum of care for individuals and families experiencing or at risk of homelessness.

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

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

According to the 2024 Point-in-Time (PIT) Census, there are 2,096 individuals experiencing homelessness in Puerto Rico; 74.7% are unsheltered, and 21.7% are considered chronic homeless. Seventy-three point eight percent (73.8%) of the homeless population are men, while twenty-five point eight percent (25.8%) are women. Homeless individuals are mainly located within the municipalities of San Juan, Ponce, Arecibo, Caguas, Mayagüez, Guayama, Bayamón, Vega Baja, Guaynabo, Humacao, and Aguadilla.

In PY 2025, the Puerto Rico Department of the Family (PRDF) will continue funding outreach and initial assessment services for unsheltered individuals through ESG Program allocations to local governments and nonprofit organizations. Services will include case management, behavioral health support, transportation, and housing search and placement.

Outreach projects are required to operate at least three times per week and include a case management component from the first point of contact. These efforts will not only address basic needs but also promote emotional and housing stability, in alignment with the Housing First approach. The PRDF is committed to increasing the number of individuals served through outreach and reducing time spent on the streets.

In addition, ESG will continue supporting innovative outreach initiatives targeting chronically homeless populations and supporting emergency shelters in municipalities with the greatest need.

#### **Addressing the emergency shelter and transitional housing needs of homeless persons**

In compliance with local Act No. 130-2007, which mandates the development of services and facilities for homeless individuals, the PRDF supports the operation of low-barrier emergency shelters throughout

the island. These facilities provide a safe and dignified alternative to street homelessness, while offering case management, health assessments, and service referrals.

According to the PIT 2024, only twenty-five point three percent (25.3%) of the homeless are sheltered. To increase the number of persons who are placed in emergency shelters, this PY2025 the PRDF will continue to support low barriers emergency shelters. Shelters supported with ESG funds must maintain a minimum bed utilization rate of 70% and implement Housing First-based admissions protocols. Individuals should not remain in shelters for more than 90 days without a documented plan for housing placement.

ESG funds may be used for the operation, rehabilitation, or essential service provision in emergency shelters, including childcare, legal assistance, mental health care, employment services, substance abuse treatment, and transportation.

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

Puerto Rico's strategy to end chronic homelessness includes:

- Expanding collaborative planning among stakeholders in high-need areas.
- Securing mayoral commitments to prioritize homelessness reduction.
- Promoting access to permanent housing via public housing units, housing vouchers, and supportive housing.
- Providing supportive services to enhance housing retention and encourage self-employment through micro-enterprises.
- Reducing stigma and criminalization through education and policy.
- Increasing public and private funding for housing and support services.
- Strengthening municipal capacity to partner with community-based organizations.
- Expanding HMIS implementation and data accuracy across CoCs.
- Partnering with housing developers to prioritize units for homeless individuals.
- Establishing discharge protocols across public institutions to prevent recurring homelessness.
- Promoting the expansion of permanent supportive housing across the island.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities,**

**foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The State is firmly committed to preventing individuals and families from falling into homelessness, especially those being discharged from publicly funded systems such as foster care, healthcare, correctional facilities, and mental health institutions. Therefore, ESG funds will be allocated for homelessness prevention and rapid rehousing activities, including:

- Short- and medium-term rental assistance.
- Housing relocation and stabilization services.
- Early intervention for at-risk households.
- Support for extremely low-income.

## **Discussion**

The provision of housing and supportive services to the homeless population constitute a fundamental objective within the community development and housing strategies of the jurisdiction. Through the administration of the ESG Program, the PRDF spearheads initiatives aimed at eradicating homelessness within Puerto Rico. This is achieved by awarding grants to municipalities and nonprofit organizations for the operation and enhancement of emergency shelters, essential services, street outreach, prevention, and rapid rehousing interventions. These coordinated efforts are critical to attaining long-term housing stability and fostering self-sufficiency.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	75
Tenant-based rental assistance	110
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	80
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	160
Total	425

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

### **Introduction:**

Enacting public statutes, ordinances, regulations, administrative procedures and/or processes could negatively affect the local market's cost to produce and/or maintain affordable housing stock. In its continuously public responsibility, the State must deal with taking actions to ameliorate the effects that existing policies could have in promoting affordable housing initiatives.

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

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

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

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

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

It is well known that, in Puerto Rico, the permits process is one of the multiple reasons for the economic stagnation experienced by the Island. To address the policies that are considered barriers for affordable housing actions, PR State Government established the Single Business Portal that streamlined the permits process and create a friendly and effective mechanism that assist in improving the business

environment in the Island.

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

In addition, the State Government policy has established affordable housing policies to benefit low income and special needs population groups.

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

**Discussion:**

## **AP-85 Other Actions – 91.320(j)**

### **Introduction:**

In this Section of the Annual Action Plan for PY 2025, the PRDOH will include a description of the actions that the PR-State government it will undertake to foster and maintain a stable affordable housing stock; to reduce the risk of exposure to lead-based paint hazards; to reduce the number of poverty-level families; to develop the institutional structure and to enhance coordination between public and private housing and social service agencies.

### **Actions planned to address obstacles to meeting underserved needs**

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

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

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



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

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 which are granted 15% in additional funding. Based on their local knowledge, these units of local government decide the activities they want to support.

### **Actions planned to foster and maintain affordable housing**

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

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

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

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

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

### **Actions planned to reduce lead-based paint hazards**

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

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

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

Target Housing is generally, housing constructed before 1978. Housing for the elderly, and housing for persons with disabilities, are not target housing, unless a child under 6 years old resides or is expected to reside in that housing, in which case, the housing is target housing. All zero-bedroom dwellings are not target housing. In jurisdictions which banned the sale or use of lead-based paint before 1978, HUD may use an earlier date for determining target housing. Refer to Lead Compliance Toolkit, Housing Choice Voucher Program, HUD's Lead-Based Paint Regulations (24 CFR Part 35).

### **Actions planned to reduce the number of poverty-level families**

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

- Continue to create training and workforce development opportunities through the investment of funds of the Workforce Innovation and Opportunities Act (WIOA) Program. These funds are committed to assist low-income individuals in acquiring the technical knowledge and developing the work skills needed to effectively be transitioning to the job market;
- Continue educating regarding other opportunities and programs targeted to address poverty, such as the CDBG-DR Workforce Capacity Program which is intended to help unemployed and underemployed residents find employment commensurate with their job training in skill areas related to recovery efforts.
- Continue to support the Universities and Technical College community in providing educational opportunities to low- and moderate-income students with the objective of improving their

academic skills and achieved to be hire in the local and/or regional job market;

- Provide financial housing subsidies to low- and moderate-income households in order to alleviate the cost burden effect that housing has in the economic status of the families;
- Continue to support private investment in the development of affordable housing projects;
- Continue to provide Tenant Based Rent Assistance to HIV/AIDS individuals and family members;
- Continue to invest Section 8 funds in assisting eligible households in their rental needs;
- Promote the creation of Public-Private Alliances, as a business model to promote economic development activities, to create and maintain jobs opportunities and expand the business activities base around the Island;
- Support the active participation of the Cooperatives Sector within strategic regional projects as a tool to create job opportunities, promote local investment and promote an increase in the regional business activities throughout the Island.

### **Actions planned to develop institutional structure**

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

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

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

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

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

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

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

**Discussion:**

## Program Specific Requirements

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

#### Introduction:

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

Instructions regarding the reporting and expenditure of program income are available at PRDOH. The municipalities are required to send their program income estimates and reports through e-mail or fax.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

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

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	77,988
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>77,988</b>

#### Other CDBG Requirements

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

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

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

N/A. The HOME program will use HUD-acceptable forms of investment described in 24 CFR Section 92.205(b)(1) for grants and loans. No alternative forms of investment will be used.

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

#### **Resale and Recapture Provisions**

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

For details go to the Appendix section.

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

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

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

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

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)).
6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).
7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

### **Emergency Solutions Grant (ESG) Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)  
  
*See Appendix for written standards.*
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

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

The PR CoC-502 Coordinated Entry System named "Derecho a Techo" is fully implemented in its geographic region. The PR CoC-502 uses a comprehensive coordination of the services available throughout the CoC PR-502 community and other leaders within the geographic area, including 24 Municipalities. Through their outreach program they identify the homeless individuals and offer services conducive to obtaining housing. The CES is a hybrid system since it has an easy-access office with the following hours of operation: Monday through Friday from 8:00AM to 4:30PM, a toll-free number, a mobile case management office, and three access point partners. Participants' needs are prioritized considering crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services. Individuals are evaluated with a standardized intake assessment form to ensure access and confirm the immediate needs of the individual.

The PR CoC-503 Coordinated Entry System (CES) named "Sistema Coordinado de Entrada" is also implemented. The CES uses a comprehensive coordination of the services available throughout the

CoC PR-503 community, network of homeless and mainstream housing and supportive service providers and other leaders within the geographic area, including of 54 municipalities. By implementing a comprehensive “Housing First-Assertive Community Treatment Intervention”, which includes outreach workers, community advocates, housing navigators, a community “Alternative Integrated Clinic” with primary, behavioral and substance abuse services, and case management. The CES identify homeless individuals and offers services conducive to obtaining housing. The CES operates an emergency hotline available 24 hours a day 7 days a week, case management office and two access points located in Caguas and Ponce. Participants’ needs are prioritized considering their level of prioritization based on chronicity and urgency, crisis situations and conditions such as chronic homelessness, domestic violence, mental illness and substance abuse, resulting in a better match of services and housing options. Individuals are evaluated with a standardized intake assessment form to ensure access and confirm the immediate needs of the individual.

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

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

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

The PRDF is the ESG funds state recipient. Since, compliance with 24 CFR Section 576.405 requirements does not apply. The required homeless representation is met through the following actions:

The PRDF’s ESG Program holds a position on the Board of Directors of both the CoC PR-502 and CoC PR-503.

Pursuant to federal regulations, the PR CoC-502 has one position on its board reserved for representatives of the homeless population, or individuals who have experienced homelessness. In addition, the CoC has a separate committee formed by formerly homeless individuals.

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

5. Describe performance standards for evaluating ESG.

*See Appendix for written standards.*



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

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

☒ Applications submitted by eligible recipients

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

N/A

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

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

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. 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).

Please note that it should be at PRHFA's sole discretion to award HTF funds to any Participant (which has requested or not HTF funds), based on the merits of the project, available funds, specific needs of the

cycle, economic conditions, in order to promote the new construction/rehabilitation of low-income housing projects.

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

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 the appendix for a description of the scoring method and selection criteria that was specifically developed for the HTF Program. The criteria is presented below to facilitate the description of the priority funding factors. The QAP and PRHFA NOFA will be used to determine the final scores and funding recommendations. The full explanation of the Method of Distribution of funds to be used during this program year is included in the Appendix Section (HTF Selection Criteria). Also, Section (e) below provides additional requirements for eligible recipients.

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

See Appendix. HTF Selection Criteria.

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

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 (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.

The HTF allocation for PY 2022 will be distributed to benefit very low and extremely low income families (see HTF Funding Priorities 91.320(k)(5)(i) for the definition).

See Appendix [HTF Selection Criteria] for additional geographic considerations in the scoring system.

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

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 applicant's 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 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 an 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."

See Appendix [HTF Selection Criteria] for the specifics of the scoring system. (NOFA Ranking Self-Evaluation).

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable

to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

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.

See Appendix [HTF Selection Criteria] for additional details.

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

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 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 Federal Funds 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.

See Appendix.

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

See Appendix.

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

See Appendix. HTF Selection Criteria.

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

N/A

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

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

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

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

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

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

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

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

**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.

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.

The Government of Puerto Rico is adopting the maximum HOME/HTF 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 (see appendix for table).

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.

Bedrooms Non-Elevator Elevator HCP Maximum Per Unit Subsidy in the Appendix section.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient

detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

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

See appendix section.

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

Not Applicable.

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

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

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



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

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

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

**Discussion:**