



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

AMENDMENT G

COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY (CDBG-DR) GAP TO LOW-INCOME HOUSING TAX CREDITS PROGRAM

AMENDMENT G TO THE SUBRECIPIENT AGREEMENT BETWEEN THE

PUERTO RICO DEPARTMENT OF HOUSING

AND THE

PUERTO RICO HOUSING FINANCE AUTHORITY (PRHFA)

Contract No. 2019-000062

Amendment No. 2019-000062G



This **AMENDMENT G TO THE SUBRECIPIENT AGREEMENT (Amendment G)** is entered into this 31 day of MAY, 2025, by and between the **PUERTO RICO DEPARTMENT OF HOUSING (PRDOH)**, a public agency of the Government of Puerto Rico created under Act No. 97, of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*, known as the “Department of Housing Organic Act” (**Organic Act**), with principal offices at 606 Barbosa Ave., San Juan, Puerto Rico, represented herein by its Secretary, Ciary Y. Pérez Peña, of legal age, single, and resident of Las Piedras, Puerto Rico; and the **Puerto Rico Housing Finance Authority (Subrecipient)**, a public agency created under Act. 103, of August 11, 2001, as amended, 7 LPRA § 924 *et seq.*, known as the “Puerto Rico Housing Finance Authority Act”, with principal offices at with principal offices at 638 Aldebarán St., Urb. Altamira, San Juan, Puerto Rico, 00920, represented herein by its Executive Director, Ricardo Álvarez Barreto, of legal age, single, and resident of Toa Alta, Puerto Rico, collectively the “**Parties**”.

I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on November 29, 2018, the Parties entered into a Subrecipient Agreement for the Low-Income Housing Tax Credits (**LIHTC**) Program for the amount of **one hundred million dollars (\$100,000,000.00)**, registered as **Contract Number 2019-000062 (Agreement)**. The Parties agreed on a performance period of **thirty-six (36) months** from the day of its execution, ending on **November 29, 2021**.

WHEREAS, on September 18, 2019, the Agreement was amended through **Amendment A**, registered as Contract No. 2019-000062A, to modify and amend certain terms and conditions of the Agreement. Additionally, **Exhibit B** (Timeline and Performance Goals); **Exhibit C** (Key Personnel), and **Exhibit D** (Budget) were replaced. An **Exhibit E** (HUD General Provisions) was incorporated into the Agreement. The budget and term of the Agreement remained the same.

WHEREAS, on September 30, 2021, the Agreement was amended through **Amendment B**, registered as Contract No. 2019-000062B, to modify and amend certain terms and conditions of the Agreement. Additionally, **Exhibit A** (Scope of Work), **Exhibit B**

(Timeline and Performance Goals); **Exhibit C** (Key Personnel) **Exhibit D** (Budget); **Exhibit F** (HUD General Provisions- previously identified as Exhibit E) were replaced. **Exhibit E** (Certification of Funds), **Exhibit G** (Special Conditions), and **Exhibit H** (Subrogation and Assignment Provisions) were incorporated into the Agreement. The total budget increased to **nine hundred fifty-three million dollars (\$953,000,000.00)** and the term of the Agreement was extended for an additional **twenty-four (24) months**, ending on **November 29, 2023**.

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WHEREAS, on December 15, 2021, the Agreement was amended through **Amendment C**, registered as Contract No. 2019-000062C, to modify and amend certain terms and conditions of the Agreement. Additionally, **Exhibit H** (Subrogation and Assignment Provisions) was amended. The budget and term of the Agreement remained the same.

WHEREAS, on April 21, 2023, the Agreement was amended through **Amendment D**, registered as Contract No. 2019-000062D, to modify and amend certain terms and conditions of the Agreement. Additionally, **Exhibit C** (Key Personnel) and **Exhibit D** (Budget) were amended. Moreover, **Exhibit I** (Non-Conflict of Interest Certification) and **Exhibit E-I** (Certification of Funds) were incorporated into the Agreement. The total budget increased to **one billion two hundred four million one hundred nine thousand seven hundred fifty-six dollars (\$1,204,109,756.00)**. In addition, the term of the Agreement was extended for an additional period of **twenty-four (24) months**, ending on **November 29, 2025**.

WHEREAS, on September 18, 2023, the Agreement was amended through **Amendment E**, registered as Contract No. 2019-000062E, to modify and amend certain terms and conditions of the Agreement. **Exhibit D** (Budget), and **Exhibit F** (HUD General Provisions) were amended. Additionally, **Exhibit E-II** (Certification of Funds) was incorporated into the Agreement, and the total budget increased to **one billion two hundred sixty-four million one hundred nine thousand seven hundred fifty-six dollars (\$1,264,109,756.00)**. The term of the Agreement remained the same.

WHEREAS, on December 20, 2023, the Agreement was amended through **Amendment F**, registered as Contract No. 2019-000062F, to modify and amend certain terms and conditions of the Agreement. **Exhibit B** (Timeline and Performance Goals), **Exhibit C** (Key Personnel), and **Exhibit D** (Budget), were amended. Additionally, **Exhibit E-III** (Certification of Funds) was incorporated into the Agreement. The total budget increased to **one billion four hundred six million six hundred nine thousand seven hundred fifty-six dollars (\$1,406,609,756.00)**. The term of the Agreement remained the same.

WHEREAS, as per Section VIII (A) of the Agreement, the Agreement may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the Agreement, nor release the Parties from their obligations under the Agreement.

WHEREAS, this **AMENDMENT G** does not constitute an extinctive novation of the obligations of the parties under the Agreement.

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the Federal laws and regulations creating and allocating funds to the CDBG-DR Program and the current Action Plan, to enter into this **AMENDMENT G**.

WHEREAS, the subrecipient, in accordance with its enabling statute, Act 103, of August 11, 2001, as amended, 7 LPRA § 924 et seq., has the legal power and authority to enter into this **AMENDMENT G**, and by signing this Amendment, the Subrecipient assures PRDOH that Subrecipient shall comply with all the requirements described herein.

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the Subrecipient agree to execute this **AMENDMENT G** subject to the following:

II. TERMS AND CONDITIONS

A. SAVINGS CLAUSE

The information included in this **AMENDMENT G** serves the purpose of modifying and amending certain terms and conditions under the Agreement, as established in the following sections B and C of this **AMENDMENT G**. All other provisions of the original Agreement, including its exhibits, shall continue to be in full force and effect.

B. SCOPE OF THE AMENDMENT

The Parties acknowledge and agree that it is necessary to extend the **PERIOD PERFORMANCE** and **END DATE** for an additional **twenty-four (24) months**, ending on **November 29, 2027**. This extension reflects the LIHTC Program's evaluation of the current progress and the continued need to administer the allocated funds effectively.

In addition, **Exhibit B** (Timeline and Performance Goals) is being replaced to align with the actual operating needs of the LIHTC Program. **Exhibit D** (Budget) will be modify to adjust the Project Development Cost item in accordance with the 18th Amendment to the CDBG-DR Action Plan and reassignment of funds to address the current Program needs. As a result, the Set Aside (AVP) budget line will be allocate to the Project Development Cost budget line, and the Professional Services allocation is reduced to increase the Other Operating allocation.

Also, modifications to the **GENERAL AWARD INFORMATION** table in **SECTION I, SECTION II AMENDMENTS, SECTION V. EFFECTIVE DATE AND TERM**, and **SECTION VIII. NOTICES** of the Agreement are being incorporated via this **AMENDMENT G**.

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Finally, an updated version of **Exhibit I** (Non-Conflict of Interest Certification) is incorporated by reference into the Agreement. All other provisions of the original Agreement, including the total budget amount, remain unaltered.

C. AMENDMENTS

a. The Parties wish to amend the **GENERAL AWARD INFORMATION** table in **Section I** of the Agreement as follows:

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CDBG-DR Grantee Federal Award Identification Number:	B-18-DP-72-0001
CDBG-DR Grantee Federal Award Date:	February 21, 2020
CDBG-DR Grantee Unique Identifier :	Unique Entity ID #: FFMUBT6WCM1
Federal Award project description:	See Exhibit A ("Scope of Work")
Subrecipient Contact Information:	Ricardo Álvarez Barreto Executive Director Puerto Rico Housing Finance Authority 638 Aldebarán St., Urb. Altamira San Juan, Puerto Rico 00920
Subrecipient Unique Identifier:	Unique Entity ID #: GLWEXIT5V3A3
Subaward Period of Performance:	Start Date: Effective Date, as defined in Section V of the Agreement. End Date: November 29, 2027
Funds Certification:	<ul style="list-style-type: none">• Agreement No. 2019-000062, had a total budget of \$100,000,000.00.• Amendment B, 2019-000062B, had a total budget of \$953,000,000.00.• Amendment D, 2019-000062D, had a total of \$1,204,109,756.00.• Amendment E, 2019-000062E, had a total of \$1,264,109,756.00.• Amendment F, 2019-000062F, had a total of \$1,406,609,756.00 Date: December 13, 2023 Authorized Amount: \$1,406,609,756.00 Funds Allocation: r02h13lih-afv-lm Account Number: 6090-01-000 See Exhibit E-III ("Certification of Funds")

b. The **ATTACHMENTS** in the Agreement are being amended as follows:

Exhibit A	Scope of Work
Exhibit B	Timelines and Performance Goals
Exhibit C	Key Personnel
Exhibit D	Budget
Exhibit E	Certification of Funds
Exhibit E-I	Certification of Funds
Exhibit E-II	Certification of Funds
Exhibit E-III	Certification of Funds
Exhibit F	HUD General Provisions and Other Federal Statutes, Regulations, and PRDOH Requirements
Exhibit G	Special Conditions
Exhibit H	Subrogation and Assignment Provisions
Exhibit I ¹	Non- Conflict of Interest Certification

c. **Section VI. EFFECTIVE DATE AND TERM** of the Agreement is being amended as follows:

*This Agreement shall be in effect and enforceable between the parties from the date of its execution. The performance period of this Agreement extends from the date of its execution, ending on **November 29, 2027**.*

*The End of Term shall be the later of: (i) **November 29, 2027**; (ii) the date as of which the Parties agree in writing that all Close-Out Requirements² have been satisfied or, where no Close-Out Requirements are applicable to this Agreement, the date as of which the Parties agree in writing that no Close-Out Requirements are applicable hereto; or (iii) such later date as the Parties may agree to in a signed amendment to this Agreement.*

[...]

¹ This Exhibit is included in the Agreement and was not mentioned in the previous amendment after being incorporated.

² "Close-Out Requirements" means all requirements to be satisfied by each party in order to close-out this Agreement and the CDBG-DR funds provided herein in accordance with applicable Requirements of Law, including the execution and delivery by one or more of the Parties of all close-out agreements or other legal instruments and the taking of any actions by one or more of the Parties in connection with such close-out, in any case as required under applicable Requirements of Law.

d. **Section VIII. NOTICES** of the Agreement is being amended as follows:

[...]

CDBG-DR Grantee: *Ciary Y. Pérez Peña*
Secretary
Puerto Rico Department of Housing
606 Barbosa Ave.
Juan C. Cordero Dávila Bldg.
San Juan, PR 00918

Subrecipient: *Ricardo Álvarez Barreto*
Executive Director
Puerto Rico Housing Finance Authority
638 Aldebarán St. Urb. Altamira
San Juan, Puerto Rico 00920

e. **Exhibit B** (Timeline and Performance Goals) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement to align with the actual operating needs of the LIHTC Program (See **Attachment I**).

f. **Exhibit D** (Budget) of the Agreement is being replaced by an updated version hereto incorporated by reference into the Agreement (See **Attachment II**). The aforementioned exhibit is being modified to include the following changes:

- Reallocation: The Project Development Cost- Set Aside (AVP) budget line of \$310,000,000.00 will be allocate to the Project Development Cost budget line. The total budget for the Project Development Cost will remain in the amount of \$1,389,843,949.00.
- Adjust the Professional Services allocation of \$4,149,228.00 by reducing its budget to \$3,149,806.00 and increasing the Other Operating allocation of \$680,000.00 to \$1,679,422.00. The breakdown of this reallocation is as follows:
 - Office Rent & Utilities from \$342,000.00 to \$798,000.00 (an increase of \$456,000.00).
 - Allocate \$523,422.00 to cover indirect costs to align with the actual operating needs of the LIHTC Program.
 - Travel from \$10,000.00 to \$20,000.00 (an increase of \$10,000.00).
 - Workshops from \$10,000.00 to \$20,000.00 (an increase of \$10,000.00).

g. **Exhibit I** (Non-Conflict of Interest Certification) of the Agreement is being replaced by an updated version. (See **Attachment III**).

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III. SEVERABILITY

If any provision of this **AMENDMENT G** is held invalid, the remainder of the **AMENDMENT G** shall not be affected thereby, and all other parts of this **AMENDMENT G** shall nevertheless be in full force and effect.

IV. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this **AMENDMENT G** are included for convenience only and shall not limit or otherwise affect the terms of the Agreement, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this **AMENDMENT G**.

V. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this **AMENDMENT G** to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this **AMENDMENT G** and any subsequent amendment hereto. The services object of this **AMENDMENT G** may not be invoiced or paid until this **AMENDMENT G** has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

VI. ENTIRE AGREEMENT

The Agreement, as amended, constitutes the entire Agreement among the Parties for the use of funds received under the Agreement, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties concerning the Agreement, as amended.

VII. FEDERAL FUNDING

The fulfillment of the Agreement, as amended, is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under the Agreement, as amended, must be made in accordance with the Agreement, as amended, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the Subrecipient acknowledges that all funds are subject to recapture and repayment for non-compliance.

VIII. NON-CONFLICT OF INTEREST CERTIFICATION

The Subrecipient reassurances PRDOH of its willingness to comply with the applicable conflict of interest policies by signing the Non-Conflict of Interest Certification incorporated by reference into the Agreement by this **AMENDMENT G (ATTACHMENT III)**.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS THEREOF, the Parties hereto execute this **AMENDMENT G** in the place and on the date first above written.

PUERTO RICO DEPARTMENT OF HOUSING
CDBG-DR Grantee

By: Ciary Y. Pérez Peña
Ciary Y. Pérez Peña (May 31, 2025 16:54 EDT)

Name: Ciary Y. Pérez Peña
Title: Secretary

PUERTO RICO HOUSING FINANCE AUTHORITY
SUBRECIPIENT

By: R. Álvarez

Name: Ricardo Álvarez Barreto
Title: Executive Director



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

ATTACHMENT I

EXHIBIT B

TIMELINES AND PERFORMANCE GOALS
CDBG-DR GAP TO LOW-INCOME HOUSING TAX CREDITS
PROGRAM

PUERTO RICO HOUSING FINANCE AUTHORITY

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1. PROGRAM OBJECTIVE:

The CDBG-DR Gap to Low-Income Housing Tax Credits (**Gap to LIHTC**) Program will provide the funding required to spur development and replenish the current inventory of new or rehabilitated, resilient, and affordable rental housing. The **Gap to LIHTC** Program's objective is to leverage LIHTC to extend the impact of CDBG-DR funding with the aim of increasing the inventory of affordable single family, multifamily and elderly rental units. The Puerto Rico Department of Housing (**PRDOH**) intends to optimize the use of CDBG-DR funds by providing gap funding – by means of either a grant or loan – to leverage available LIHTC's to develop or rehabilitate affordable rental housing.

The Gap to LIHTC Program aims to benefit the island's Low- to Moderate Income (**LMI**) population (households whose total income is below **eighty percent (80%)** of the Area Median Family Income (**AMFI**) according to the HUD Modified Income Limits for CDBG-DR Puerto Rico). 24 C.F.R. § 570.483(b)(3). The National Objective will be realized when each Project is affordable to, and occupied by, at **least fifty one percent (51%) LMI households**, as defined by the adjusted income limits for Puerto Rico.

2. TERMS:

- **Developer:** Any individual, association, corporation, joint venture, or partnership undertaking a LIHTC development under the Gap to LIHTC Program. When referring to the operational aspect of a project the applicable entity may actually be the Owner.
- **Key Objective** – The major objectives of the Gap to LIHTC Programs.
- **Key Activity** – The activities necessary to carry out the Objective(s).
- **Indicator** – The quantitative method used to demonstrate that the Key Activities have been performed.
- **Source of Verification** – The documentation used to verify that the Indicators have been met, and thus the activities are complete.
- **Target** – The goal for each of the Indicators.
- **Timeline**- The expected completion date or timeframe for each Key Activity.

3. TIMELINES & PERFORMANCE GOALS

3.1 OBJECTIVE 1: DEVELOPMENT OF RENTAL HOUSING UNITS TO LMI BENEFICIARIES

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KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
Development of rental housing units to LMI beneficiaries	1.1 Developer applies to the LIHTC and Gap to LIHTC Programs and is evaluated by PRHFA	# of applications submitted for LIHTC 9% and # of applications with an initial reservation # of applications submitted for LIHTC 4% and # of applications with an initial reservation # of applications submitted for LIHTC PRPHA Set-Aside Projects and # of applications an initial reservation % of applications received notifications from PRHFA	PRHFA issued notice.	X applications X applications X applications 100% of Applicants receive in writing an initial notification of Tax Credits and CDBG-DR funds or lack thereof.	Notice of Funding Availability Cycle until funds exhaustion or end of GAP to LIHTC Program
	1.2 Applications go through the review and award process	# of contractual packages submitted to FOMB	Bi-weekly Evaluation Tracker	X applications	Monthly – until funds exhaustion or end of Gap to LIHTC Program

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KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
	1.3 Execution of CDBG-DR Agreement	# of executed agreements for LIHTC 9% # of executed agreements for LIHTC 4% # of executed agreements for LIHTC PRPHA Set-Aside Projects	Grant/Loan Agreement Signed	X of the applications that execute a Grant/Loan Agreement X of the applications that execute a Grant/Loan Agreement X of the applications that execute a Grant/Loan Agreement	Monthly – until funds exhaustion or end of Gap to LIHTC Program
	1.4 Unit Construction	Coordinate pre-construction meetings with each Developer All projects are expected to begin construction within forty-five (45) to sixty (60) days after the CDBG-DR Grant Agreement is signed. Per project # submitted workplan # under construction # completed for Gap to LIHTC 9% # submitted workplan # under construction	Meeting Minutes/Attendance Sheets Monthly Progress Reports	X pre-construction meeting held 981 units constructed 2,539 units constructed	Monthly – until funds exhaustion or end of Gap to LIHTC Program

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KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
		# completed for Gap to LIHTC 4% # submitted workplan # under construction # completed for Gap to LIHTC PRPHA Set Aside		752 units constructed	
	1.5 Construction End and Project Closeout	Avg # of days to provide Certification of Occupancy #Certificates of Occupancy for Gap to LIHTC 9% # Certificates of Occupancy for Gap to LIHTC 4% # Certificates of Occupancy for Gap to LIHTC PRPHA Set-Aside	Certification of Occupancy ¹ ("Permiso de Uso")	X projects completed 10 days upon receipt X of units with a Certificate of Occupancy	Within ten (10) days of receipt
		# of closeout packages for Gap to LIHTC 9% # of closeout packages for Gap to LIHTC 4%	Approved closeout package	1 per completed project	Within sixty (60) days upon completion

¹ Certification must be from a qualified registered architect or professional engineer stating that the units constructed are in full compliance with construction documents and federal and state applicable regulations.

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KEY OBJECTIVE #1	KEY ACTIVITY	INDICATOR	SOURCE OF VERIFICATION	TARGET	TIMELINE
		# of closeout packages for Gap to LIHTC PRPHA Set Aside			
	1.6-Affordability Period	# of units occupied	Land Use Restrictive Agreement (LURA) for Projects with executed Grant Agreements or Annex K (Declaration of Land Use Restrictive Covenants for Low-Income Housing Tax Credits) of the Project's NOFA Application Package	# as established in approved workplan	Annually as specified in the properties Carryover Allocation Agreement with PRHFA
		% of LMI occupancy	LIHTC's Quarterly Outcomes Report	At least 51% of the Projects' total units are occupied by LMI households.	Annually as specified in the properties Carryover Allocation Agreement with PRHFA

3.1.1 DEVELOPER APPLIES TO THE LIHTC AND GAP TO LIHTC PROGRAMS AND IS EVALUATED BY PRHFA

The PRHFA will announce the Qualified Allocation Plan funding cycle for LIHTCs. Contingent on available CDBG-DR funding, PRHFA will plan subsequent funding rounds and continue to address the increased need for affordable housing stock. CDBG-DR funds, in conjunction with LIHTCs and other financing, will be leveraged to maximize funding sources and create projects that accomplish multiple goals.

As part of the application process, all applicants must submit a complete application and all required supporting documentation required by the PRHFA to perform the project evaluation as outlined in the Gap to LIHTC Program Guidelines. PRHFA will provide PRDOH with copies of all required documentation and information as specified in Federal Register Vol. 83, No. 28 issued February 09, 2018 (83 FR 5844) for posting on PRDOH Disaster Recovery Website (www.cdbg-dr.pr.gov). The CDBG-DR initial funding reservation will be based upon the threshold review, point ranking evaluation, environmental review, technical and financial feasibility reviews, and any other applicable factors as determined by PRHFA and PRDOH.

3.1.2 APPLICATIONS GO THROUGH THE REVIEW AND AWARD PROCESS

PRHFA will diligently review all Gap to LIHTC Program applications submitted and will verify that the LIHTC project(s) complies with all applicable laws and regulations governing the use of CDBG-DR funds. Furthermore, to determine that the project meets the Gap to LIHTC Program's eligibility, PRHFA must conduct the following:

1. Work with PRDOH to ensure that Projects are environmentally reviewed and cleared.
2. Complete Technical Feasibility and Cost Evaluation Review of each Application, and sufficiently documented.
3. Facilitate tax-exempt financing.
4. Create Grant or Loan Agreement templates.
5. Verify insurance specifications and bond requirements.

Additional duties include but are not limited to:

- Gather, review, coordinate and execute closing agreements for each awarded Project, including submission of contractual packages to Financial Oversight and Management Board (**FOMB**) for Puerto Rico. Any information request from the FOMB must be responded to **within three (3) business days**.
- Provide percentage (%) of applications sent to Legal and FOMB.
- Develop and track budget.
- Create tracking systems and evaluate expenditure rates.
- Ensure CDBG-DR Awards meet LIHTC's rent and income limits, use, and compliance monitoring limitations.

3.1.3 EXECUTION OF CDBG-DR AGREEMENT

The CDBG-DR Grant Agreement is executed between the Puerto Rico Housing Finance Authority (**PRHFA**) and the Developer receiving CDBG-DR funds from the Gap to LIHTC Program. All existing LIHTC projects under this Program will be required to submit a new proposal as part of the CDBG-DR Agreement. This proposal shall include, but is not limited to, a revised development funding plan accounting for the costs and timeline of implementing the CDBG-DR requirements, an updated design and plan specifications, updated threshold review documentation (i.e. Designer's Preliminary Opinion Letter, Valid Construction Permit, etc.), and other documentation as requested by PRHFA.

Developers receiving CDBG-DR funds must ensure compliance with all applicable requirements according to the respective funding sources.

3.1.4 UNIT CONSTRUCTION

All projects are expected to begin construction **within forty-five (45) to sixty (60) days** after the CDBG-DR Grant Agreement is signed. The completion period will vary depending on the type of LIHTC approved for each project:

- **New construction projects with 9% LIHTC:** are expected to be placed in service no later than the close of the second calendar year following the calendar year in which the 9% LIHTC allocation is made.
- **New construction projects with 4% LIHTC and tax-exempt financing:** Section 42 of the Internal Revenue Code does not require a specific period for construction completion (placed-in-service in PR). Project owners will request the issuance of the **four percent (4%)** LIHTC allocation certificate after the construction is finalized.
- **All LIHTC Acquisition & Substantial Rehabilitation projects (9% and 4%-Tax Exempt):** 24-month period the project owner selects and placed-in-service at the end of such period (or shorter period at the project owner's election).

CDBG-DR funds, as per Federal Register must be expended within the term of the SRA.

Prior to the commencement of any construction activities, PRHFA shall coordinate pre-construction meetings with each Developer to ensure that the project plans and expectations are clearly established and communicated. The Developer must provide all required documentation prior to the commencement of construction.

Upon commencing construction, PRHFA will provide PRDOH with monthly progress reports as part of the submitted invoice packages from the Developer.

Submitted invoice packages must include all required supporting documents, e.g. monthly reports, time sheets, invoice and photo evidence, expense plan, work projections, etc. If PRHFA determines that the submitted invoice and supporting documents are acceptable, then the invoice will be approved for payment.

3.1.5 CONSTRUCTION END AND PROJECT CLOSEOUT

Upon completion of each Project, PRHFA will perform a final survey of the premises and

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submit to PRDOH for each Project. For the Project(s) to be considered “complete”, the following milestones must be achieved;

- Perform close-out of Grants and/or Loans.
- Submit Certificate of Occupancy (“Permiso de Uso”).

Developers will be responsible for providing proof that PRHFA's and PRDOH's closing conditions have been fulfilled.

The Project is considered complete upon issuance of the Notice of Completion. This document demonstrates satisfactory completion of construction and adherence to applicable closing conditions.

3.1.6 AFFORDABILITY PERIOD

Projects funded through the Gap to LIHTC Program must maintain affordable housing in accordance with the affordability period and levels required by 83 FR 40314, or the affordability period and levels upon which their LIHTC award was conditioned, whichever is more stringent. Affordability periods outlined in 83 FR 40314 are as follows:

- Rehabilitation or reconstruction of multi-family rental projects with **eight (8)** or more units must remain affordable for a period of no fewer than **fifteen (15) years**.
- New construction of multi-family rental projects with **five (5)** or more units must remain affordable for a period of no fewer than **twenty (20) years**.

LIHTC compliance periods and affordability levels are specified in the property's Carryover Allocation Agreement with PRHFA and are specific to each property.

To be considered an eligible housing activity under CDBG-DR funding, rental housing must be occupied by LMI households. The rents must be considered “affordable” to meet this criterion. PRHFA will monitor compliance with the affordability period and enforce provisions of the CDBG-DR Grant Agreement. In the case of noncompliance, PRDOH will take appropriate measures to address the noncompliance as outlined in the Program Guidelines and the executed CDBG-DR Grant Agreement.

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DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

ATTACHMENT II

EXHIBIT D – SECTION 1

BUDGET

CDBG-DR GAP TO LOW-INCOME HOUSING TAX CREDITS PROGRAM

PUERTO RICO HOUSING FINANCING AUTHORITY

DESCRIPTION

The CDBG-DR Gap to Low Income Housing Tax Credits (**LIHTC**) Program will have a budget of one billion, four hundred and twenty-three million dollars **(\$1,423,000,000.00)**. However, the Program has assigned the Subrecipient under this SRA an amount of one billion four hundred and six million six hundred and nine thousand seven hundred and fifty-six dollars **(\$1,406,609,756.00)**. Funding in this SRA will be primarily as Project Costs and will be distributed by the Puerto Rico Housing Finance Authority (**PRHFA**). There are no Planning or Administrative costs for PRHFA in this budget.

The budget for the LIHTC Program is primarily dedicated toward Project Costs to provide gap funding to expand other public and private financing for the construction of affordable rental housing units under the LIHTC Program with a current amount of one billion three hundred and eighty-nine million eight hundred and forty-three thousand nine hundred and forty-nine dollars **(\$1,389,843,949.00)**.

The PRHFA will utilize data from the LIHTC Program to create a file with sufficient supporting documentation that will allow PRHFA to submit a request to PRDOH for CDBG-DR funds. After funds are requested to PRDOH and provided by HUD, PRDOH may make available additional funds to PRHFA for LIHTC.

Administrative Costs - PRHFA and PRDOH have agreed that no Administrative Costs are needed for this Program.

Planning - No Planning Costs are provided for this Program.

Project Costs - PRHFA and PRDOH have agreed to adjust the Project Development Cost Item in accordance with the 18th Amendment to the CDBG-DR Action Plan. The amount allocated to the Project Development Costs – Set Aside (AVP) of three hundred and ten million dollars **(\$310,000,000.00)** of the CDBG-DR funds for the LIHTC Program will be directed toward Project Costs. The total budget for Project Development Costs will remain in the amount of one billion three hundred and eighty-nine million eight hundred and forty-three

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thousand nine hundred and forty-nine dollars **(\$1,389,843,949.00)**. PRDOH expects that this Program will primarily use one **(1)** HUD National Objectives: Low and Moderate Income.

Activity Delivery Costs - PRHFA and PRDOH have agreed upon a reassignment of funds to address the current Program needs; including indirect costs associated with the administration and implementation of the CDBG-DR Gap to LIHTC Program must be allocated as part of the reallocation. PRHFA may also use Activity Delivery Costs to reimburse indirect cost, only after PRDOH provides approval.

BUDGET

PROJECT		\$1,406,609,756.00
PROJECT		
Project Development Costs	Grant Funding	\$1,389,843,949.00
Project Development Costs Set Aside (AVP) - Reallocation	Grant Funding	\$(310,000,000.00)
Project Development Costs - Increase	Grant Funding - Increase	\$310,000,000.00
TOTAL COSTS		\$1,389,843,949.00
PROJECT ACTIVITY DELIVERY COSTS		
Staffing	Charges for salaries and wages, including a compensation fringe benefit for personnel required to administer the Program.	\$11,860,779.00
Professional Services	Procured services that will assist in the delivery and implementation of the CDBG-DR Gap to Low Income Housing Tax Credits Program.	\$3,149,806.00
Other Operating	Operational costs will include office lease and utilities, outreach expenses, office materials and supplies, travel, workshops, postage, and printing services.	\$1,679,422.00
Equipment	Tangible or intangible assets used in operation have a useful life of more than one year.	\$75,800.00
TOTAL COSTS		\$16,765,807.00
GRAND TOTAL		\$1,406,609,756.00

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BUDGET DETAIL

I. STAFFING

Position	Qty. of Resources [A]	Estimated Hours per month per Resource [B]	Estimated Hourly Rate [C]	Estimated Monthly Cost [D=AxBxC]
Auxiliary Executive Director*	1	162.5	\$61.98	\$10,072.00
Office System Administrator*	3	162.5	\$31.23	\$15,225.00
Auxiliary Executive Director Assistant*	2	162.5	\$57.77	\$18,776.00
CDBG-DR Gap to LIHTC Director	1	162.5	\$57.77	\$9,388.00
Senior Officer	3	162.5	\$40.46	\$19,723.00
Reporting Officer*	1	162.5	\$22.01	\$3,577.00
Legal Director*	1	162.5	\$57.77	\$9,388.00
Legal Advisor*	3	162.5	\$45.84	\$22,347.00
Technology Operation Director*	1	162.5	\$57.77	\$9,388.00
Communications & Graphic Design Specialist*	1	162.5	\$33.67	\$5,472.00
Database Specialist*	1	162.5	\$40.82	\$6,634.00
Systems Analyst*	1	162.5	\$40.82	\$6,634.00
Engineer	1	162.5	\$55.64	\$9,042.00
Fund Management Director*	1	162.5	\$57.77	\$9,388.00
Fund and Billing Analyst*	5	162.5	\$29.06	\$23,612.00
Accountant*	1	162.5	\$29.06	\$4,723.00
Assistance Executive Director**	1	162.5	\$73.04	\$11,869.00
Total Maximum Monthly Cost:				\$195,258.00
Subtotal Cost for Staffing in SRA per Contract Period:				\$11,715,480.00

Positions identified with an () belong to the CDBG-DR structure and provide services to all the CDBG-DR programs administered by PRHFA. Therefore, the Estimated Hours per Month dedicated to a given CDBG-DR program will depend on evolving Program needs.

Position identified with an () completed the process of transitioning their primary Program responsibilities to the Area of Administration for Disaster Recovery Funds personnel listed in the table and may continue to provide technical assistance as required by evolving Program needs.

***Estimated amounts in rate, hours, and monthly cost, could vary based on actual need and work performed on the program.

II. STAFFING - TRANSITION PRHFA EMPLOYEES

Position	Qty. of Resources [A]	Total Cost
Financial Support / Director Contabilidad y Pre-intervencion	1	\$1,000.00
Legal Support / Director de Servicios Legales	1	\$8,000.00
Operations Assistant / Secretaria	1	\$57,100.00

Lead Underwriter / Oficial Financiamiento y Crédito Contributivo Senior	2	\$54,000.00
Subtotal Cost:		\$ 120,100.00

A Staffing – Transition PRHFA Employees section is being added to divide PRHFA career employees who began the LIHTC Program with those in the CDBG-DR Disaster Recovery Management Area. These positions will not be used again. However, it is necessary to have them for Staffing budget purposes.

III. STAFFING – REMOVED BILLED POSITIONS

Position	Qty. of Resources [A]	Total Cost
Program Officer	1	\$25,199.00
Subtotal Cost:		\$25,199.00
Total Cost Staffing:		\$11,860,779.00

A Staffing - Removed Billed Positions section is being added to identify positions that were previously occupied but have become unnecessary and are now being removed. These positions will not be used again. However, it is necessary to have them for Staffing budget purposes.

IV. PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Advisory Services and Technical Assistance	Advisory Services and Technical Assistance to support implementation of the LIHTC Program and build capacity of program personnel.	\$3,149,806.00
Total Budget for Services to be Contracted:		\$ 3,149,806.00

V. OTHER OPERATING

Item Name	Item Description	Budget
Office Rent & Utilities	Office space lease agreement, common area maintenance, parking, and utilities for unique CDBG-DR office.	\$798,000.00
Office Supplies & Materials	Purchased materials and supplies needed to deliver the program, including but not limited: pens, pencil, paper, staplers, whiteboards, post it, and any others related materials and supplies for the CDBG-DR Staff.	\$68,000.00
Outreach & Communications Activities	Communications, marketing events, postage, advertisements, marketing materials and public notices of the Program.	\$250,000.00
Indirect Cost****	Indirect Cost as approved by PRDOH.	\$523,422.00
Travel	Travels expenses for the staff of the Program including but not limited: mileage, meals and toll fees.	\$20,000.00

Workshops	Meetings, seminars, symposiums, conferences, or events whose primary purpose is the dissemination of information that is necessary and reasonable for successful performance under the federal award.	\$20,000.00
Total Expenses Budget:		\$1,679,422.00

****Indirect costs (Overhead) are costs incurred for common or joint objectives and therefore cannot be readily and specifically identified with a particular activity. These costs are grouped into common pool(s) and distributed to benefiting activities by a cost allocation process.

VI. EQUIPMENT

Item Name	Item Description	Budget
Office Equipment	Computers, mice, keyboards, software licenses, telephones, hotspot, IT, multifunctional printers, Wi-Fi, and any other related office equipment for the CDBG-DR spaces for the Program.	\$60,800.00
Office Furniture	Office workstations and chairs, filing cabinets, conference table and chairs, whiteboard, and other any other related office furniture's for the CDBG-DR spaces for the Program.	\$15,000.00
Total Expenses Budget:		\$75,800.00

Budget Re-distribution

- a) PRHFA may request in writing to the PRDOH a re-distribution of the authorized budgets shown in this Exhibit and its attachments.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds and, if determined the re-distribution is in benefit of the Program and the balance of funds is validated, the PRDOH will provide written authorization to PRHFA. Until the written authorization is submitted by the PRDOH, the redistribution cannot be considered as authorized.
- c) This redistribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

END OF DOCUMENT



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

ATTACHMENT III

EXHIBIT I

NON-CONFLICT OF INTEREST CERTIFICATION

CDBG-DR GAP TO LOW-INCOME HOUSING TAX CREDITS PROGRAM

PUERTO RICO HOUSING FINANCING AUTHORITY

The Subrecipient certifies that:

1. No public servant of this executive agency has a pecuniary interest in this contract, subrecipient agreement, purchase, or commercial transaction.
2. No public servant of this executive agency has requested me or accepted from me, directly or indirectly, for him (her), for any member of his family unit or for any person, gifts, bonuses, favors, services, donations, loans or anything else of monetary value.
3. No public servant (s) requested or accepted any good of economic value, linked to this transaction, from any person of my entity as payment for performing the duties and responsibilities of their employment.
4. No public servant has requested from me, directly or indirectly, for him (her), for any member of his or her family unit, or for any other person, business, or entity, something of economic value, including gifts, loans, promises, favors or services in exchange for the performance of said public servant is influenced in my favor or of my entity.
5. I have no kinship relationship, within the fourth degree of consanguinity and second by affinity, with any public servant who has the power to influence and participate in the institutional decisions of this executive agency.

"I hereby certify under penalty of perjury that the foregoing is complete, true, and correct."

R. Álvarez

Signature

05/23/2025

Date

Ricardo Álvarez Barreto

Printed Name

Executive Director

Position