



**ADDENDUM NO.3
Notice of Funding Availability**

Social Interest Housing Program

**Community Development Block Grant-Disaster Recovery
Puerto Rico Department of Housing**

CDBG-DR-NOFA-2020-03

This addendum consists of six (6) digital size pages (8.5"x11").

This Addendum is hereby included in, and made part of, the Notice of Funding Availability CDBG-DR-NOFA-2020-03 for the Social Interest Housing Program (SIH Program) dated April 30, 2020 (NOFA). All requirements and provisions of the amended NOFA for the Social Interest Housing Program under CDBG-DR shall remain in full force and effect except as amended by this Addendum. This Addendum only provides answers to questions related to the SIH Program. If there are questions related to other programs and NOFAs, please refer directly to those programs and NOFAs.

In accordance with the NOFA, the Puerto Rico Department of Housing (PRDOH) is issuing this Addendum to address questions posed by prospective Applicants regarding the NOFA and provide responses related thereto.

Questions and Answers

NOFA Section 2.2

Question # 1: Will the program allow for individual home ownership or the creation of housing for sale?

Answer: No, the Program creates housing for vulnerable populations that is owned and operated by the applicant non-profit organization for the required intended use period. Review the Program Guidelines Section 5.2 Eligible Projects for more information.

Question #2: Are projects to rebuild pieces of homes eligible for the program?

Answer: No, projects to rebuild pieces of existing homes for individuals are not eligible for

this Program. The SIH Program provides funds for the creation of social interest housing for vulnerable populations that is owned and operated by the applicant non-profit organization. Through the program, organizations may renovate property owned and operated by the applicant organization. Review the Program Guidelines Section 5.2 Eligible Projects for more information.

NOFA Section 3.1

Question #1: Are applicants required to have been in business for a specified period of time?

Answer: No, there is not a specific amount of time that an organization must be established to apply. However, NGOs must currently work with a vulnerable population in Puerto Rico to be eligible.

Question #2: How is funding distributed through the program, as a refund or in advance of work on projects?

Answer: As provided in the Program Guidelines and the NOFA, funding for this Program will be distributed on a reimbursement basis for the eligible expense of grant funds, as supported by substantial supporting documentation.

Question #3: Is there a maximum amount of money to be used per family or is the funding based on the discretion of the need that they have?

Answer: There is no maximum amount of money identified per family or person served in the Program. Funding up to two million five hundred thousand dollars (\$2,500,000) is available for each project under the SIH Program; however, it is possible that not all Applicants will receive the maximum amount as funding will be based on the project proposed in the Application. Organizations may submit for multiple projects, but each project will be evaluated separately.

Question #4: Does the Program grant loans to develop housing?

Answer: No, the Program does not grant loans.

Question #5: Can an Applicant receive more than one award?

Answer: Yes, applicants may submit for multiple projects and receive multiple awards,

but each project will be evaluated separately.

Question #6: Does the Applicant submit one application for various projects or one application per project?

Answer: Applicants submit one application through the web application. Within that application they can apply for multiple projects, but each project will be evaluated separately. Please review the web application instruction guide available on the Social Interest Housing webpage.

Question #7: Is the Maximum Initial Award Amount of \$2,500,000 allocated per project or for the total projects submitted by the Applicant?

Answer: Funding up to two million five hundred thousand dollars (\$2,500,000) is available for each project under the SIH Program; however, it is possible that not all Applicants will receive the maximum amount as funding will be based on the project proposed in the Application. Organizations may submit for multiple projects, but each project will be evaluated separately.

NOFA Section 3.2

Question #1: Are applicants required to have any specific financial amount to apply?

Answer: No, applicants do not need to have a specific amount of money to apply to the program.

NOFA Section 3.4

Question #1: Can the projects include interior improvements, such as furniture, plumbing, etc.?

Answer: Cost specifically for permanent fixtures and furnishings for the facility are eligible use of funds under the SIH Program. However, not all interior improvements are considered eligible. Please review the Eligible Use of Funds section under the NOFA for more information on this topic.

NOFA Section 3.5

Question #1: Can funds from the program be used for carpenters payroll and / or operational costs for projects?

Answer: All construction and design costs are eligible in the SIH program. However operating costs associated with day-to-day functions of the NGO, that are not associated with the approved social interest housing project, are ineligible.

NOFA Section 3.10

Question #1: What is the environmental review?

Answer: Environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with Federal funds, and all activities associated with such projects, are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as to the HUD environmental review regulations at 24 C.F.R. part 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Review the Program Guidelines Section 9 Environmental Requirements for more information.

NOFA Section 6.2

Question #1: Are applicants required to have both federal and local tax exemption?

Answer: The Mandatory Requirements Section of the NOFA provides that Applicants must submit organizational documents, such as proof that the organization is tax-exempt under section 501(c)(3) of the Internal Revenue Code as amended, 26 U.S.C. § 501(c)(3), or section 1101.01 of Act No. 1-2011, as amended, known as the "Puerto Rico Internal Revenue Code of 2011", 13 LPRA § 30011, ..."

However, we encourage you to consult the organization's tax advisor regarding its federal tax exempt status as it would be receiving federal funds in the event of selection and award.

Question#2: What is an example of the documents required to prove NGO status?

Answer: Examples of proof of non-profit status are merchant registration if said document certifies the non-profit status, certificate of Incorporation, or organization tax return.

NOFA Section 6.3

Question #1: What types of projects are eligible for this program?

Answer: Review the Program Guidelines Section 5.2 Eligible Projects. A full application is needed to officially determine proposed project eligibility.

Question #2 : What groups can be served through this program?

Answer: The Program creates housing for highly vulnerable populations such as, but not limited to: homeless, senior citizens, domestic violence victims, persons with intellectual disability, persons with developmental and/ or physical disability, persons living with HIV/AIDS, individuals recovering from addiction and individuals with other functional or access needs.

Question #3: Are projects eligible for funding that build housing for low income populations who do not specifically serve vulnerable populations?

Answer: No. To be eligible for the program the NGO applying must currently work specifically with vulnerable populations in Puerto Rico.

Question #4: How specific should applicants be in identifying persons served when submitting proposal? Can it be a number of families to be impacted and communities?

Answer: Applicants must be as specific as possible in their response to the NOFA required information of "Indicate how many persons are/will be housed via the proposal and the number of beds and/or units required". This requirement calls for a number of persons. Do not include number of families or communities.

Question #5: Must new construction of housing units be tied to a commercial structure (mixed use)?

Answer: No. New construction projects do not need to be tied to a commercial structure, although mixed used structures are allowable in the Program.

Question #6: Can new construction of housing units be developed on vacant land?

Answer: Yes, new construction projects of housing units can be developed on vacant land.

Question #7: Group homes are listed as eligible projects. Are projects limited to a single property or may the project include multiple group homes?

Answer: Projects are not limited to a single structure, however the complete project cannot exceed the maximum amount of funding per project of two million five hundred thousand dollars (\$2,500,000). Organizations may submit for multiple projects, each project will be evaluated separately.

Question #8: Can NGOs apply with pre-planned or pre-permitted projects?

Answer: Yes, applicants may apply with pre-planned or pre-permitted projects. All of the information must be included in the application. Organizations may use the web application to submit this supporting documentation.

Question #9: The following appears within the NOFA: "Identify all other sources of funding which are currently used to maintain the operations. Indicate the amount requested from each source and whether the funding is secured or pending." Is this specific to funds to support the operation of the building or to the current resources required to operate the functions of the organization?

Answer: The following language "Identify all other sources of funding which currently used to maintain the operations. Indicate the amount requested from each source and whether the funding is secured or pending." makes reference to all of the organization's current funding. Applicants must identify all sources of funding including both what will be used to operate facilities, including project proposed, and day to day functions of the organization.

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