

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

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# MUNICIPALITY OF CAGUAS

5 Year Plan for Fiscal Years 2000 - 2004  
Annual Plan for Fiscal Year 2000

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN ACCORDANCE WITH  
INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

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HUD 50075  
OMB Approval No: 2577-0226  
Expires: 03/31/2002

**PHA Plan  
Agency Identification**

**PHA Name:** Municipality of Caguas

**PHA Number:** RQ007

**PHA Fiscal Year Beginning: (mm/yyyy)** 07/2000

**Public Access to Information**

**Information regarding any activities outlined in this plan can be obtained by contacting:  
(select all that apply)**

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

**Display Locations For PHA Plans and Supporting Documents**

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)



**5-YEAR PLAN**  
**PHA FISCAL YEARS 2000 - 2004**

[24 CFR Part 903.5]

**A. Mission**

State the PHA's mission for serving the needs of low-income, very low income, and extremely low-income families in the PHA's jurisdiction. (select one of the choices below)

- The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.
- The PHA's mission is: (state mission here)  
The mission of the Municipality of Caguas is supplied affordable housing, economic opportunity and a suitable living environment free for discrimination to low and very low income families and as an active participant in its own progress towards self-sufficiency not as a "client" dependent on governmental services.

**B. Goals**

The goals and objectives listed below are derived from HUD's strategic Goals and Objectives and those emphasized in recent legislation. PHAs may select any of these goals and objectives as their own, or identify other goals and/or objectives. Whether selecting the HUD-suggested objectives or their own, **PHAS ARE STRONGLY ENCOURAGED TO IDENTIFY QUANTIFIABLE MEASURES OF SUCCESS IN REACHING THEIR OBJECTIVES OVER THE COURSE OF THE 5 YEARS** (Quantifiable measures would include targets such as: numbers of families served or PHAS scores achieved.) PHAs should identify these measures in the spaces to the right of or below the stated objectives.

**HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.**

- PHA Goal: Expand the supply of assisted housing
  - Objectives:
    - Apply for additional rental vouchers: Apply for an additional 150 Vouchers
    - Reduce public housing vacancies:
    - Leverage private or other public funds to create additional housing opportunities: To develop affordable housing for homeownership for a families that qualifies under the income limits as follows:
      - Avenida Troche 42 units
      - Hostal La Paz 134 units
      - Paseo Las Catalinas 140 units
      - Vistas El Campito 225 units
      - Finca Halais 30 units
      - Boriquen 48 units
      - Idamaris I 25 units
      - Idamaris II 45 units
      - Bunker 12 units
      - Acquire or build units or developments
    - Other (list below)
  
- PHA Goal: Improve the quality of assisted housing
  - Objectives:
    - Improve public housing management: (PHAS score)
    - Improve voucher management: (SEMAP score)
    - Increase customer satisfaction: Conduct 4 annual meeting with tanants.
    - Concentrate on efforts to improve specific management functions: (list; e.g., public housing finance; voucher unit inspections)
    - Renovate or modernize public housing units:
    - Demolish or dispose of obsolete public housing:
    - Provide replacement public housing:
    - Provide replacement vouchers:
    - Other: (list below)

- PHA Goal: Increase assisted housing choices
- Objectives:
  - Provide voucher mobility counseling:
  - Conduct outreach efforts to potential voucher landlords Publish Notice to prospective landlords in general circulation newspaper.
  - Increase voucher payment standards Conduct a market study for rent in local area.
  - Implement voucher homeownership program:
  - Implement public housing or other homeownership programs:
  - Implement public housing site-based waiting lists:
  - Convert public housing to vouchers:
  - Other: (list below)

**HUD Strategic Goal: Improve community quality of life and economic vitality**

- PHA Goal: Provide an improved living environment
- Objectives:
  - Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
  - Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
  - Implement public housing security improvements:
  - Designate developments or buildings for particular resident groups (elderly, persons with disabilities) The Municipality of Caguas facilitate the construction of the project Hostal La Paz. This project will include 125 units destine to elderly families and persons with disabilities.
  - Other: (list below)

**HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals**

- PHA Goal: Promote self-sufficiency and asset development of assisted households
- Objectives:
- Increase the number and percentage of employed persons in assisted families:
  - Provide or attract supportive services to improve assistance recipients' employability:  
The Department of Housing has a unit called "Iniciativas Residentes" which has been developing programs to the section 8 tenants. It works in coordination with the educational and employment services. This unit uses the cooperation of the private and Municipal Agencies.
  - Provide or attract supportive services to increase independence for the elderly or families with disabilities.
  - Other: (list below)

**HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans**

- PHA Goal: Ensure equal opportunity and affirmatively further fair housing
- Objectives:
- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability: The Department of Housing will give weekly orientation to the families that visits our office. It will also give them all the brochures of the different program that the Department has regardless of race, religion, national origin, sex, familial status and disability.
  - Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
  - Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
  - Other: (list below)

**Other PHA Goals and Objectives: (list below)**

- 1. Coordinated workshops for the development of micro-management, educational workshops and occupational training to help achieve self sufficiency.**
- 2. Provide financial counseling to help in the acquisition of a proper home, using external resources such as non profit institutions banks, Section 203K, HUD Program and other institution that provide such services.**
- 3. Facilitate the resident's access to the different economic opportunities available.**
- 4. Coordinated financial aids with educational institution with the purpose to improve the quality of life of participant and achieve their economic independent.**
- 5. Promote an auto-effort in residents to search for a job and keep it.**

**These goals are established in the action plan of the Initiative Residents Units of the Municipality of Caguas. We hope to promote two Job and E Educational Exposition according to each participant's needs.**

## Annual PHA Plan

### PHA Fiscal Year 2000

[24 CFR Part 903.7]

#### **i. Annual Plan Type:**

Select which type of Annual Plan the PHA will submit.

**Standard Plan**

#### **Streamlined Plan:**

- High Performing PHA**
- Small Agency (<250 Public Housing Units)**
- Administering Section 8 Only**

**Troubled Agency Plan**

#### **ii. Executive Summary of the Annual PHA Plan**

[24 CFR Part 903.7 9 (r)]

Provide a brief overview of the information in the Annual Plan, including highlights of major initiatives and discretionary policies the PHA has included in the Annual Plan.

### **iii. Annual Plan Table of Contents**

[24 CFR Part 903.7 9 (r)]

Provide a table of contents for the Annual Plan, including attachments, and a list of supporting documents available for public inspection.

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#### **Attachments**

Indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. Note: If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

Required Attachments:

- Admissions Policy for Deconcentration  
 FY 2000 Capital Fund Program Annual Statement

- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

Optional Attachments:

- PHA Management Organizational Chart  
 FY 2000 Capital Fund Program 5 Year Action Plan  
 Public Housing Drug Elimination Program (PHDEP) Plan  
 Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text)  
 Other (List below, providing each attachment name)

**Supporting Documents Available for Review**

Indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI)) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and	Annual Plan: Eligibility, Selection, and Admissions

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
	Assignment Plan [TSAP]	Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
	Public housing rent determination policies, including the methodology for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

## **1. Statement of Housing Needs**

[24 CFR Part 903.7 9 (a)]

### **A. Housing Needs of Families in the Jurisdiction/s Served by the PHA**

Based upon the information contained in the Consolidated Plan/s applicable to the jurisdiction, and/or other data available to the PHA, provide a statement of the housing needs in the jurisdiction by completing the following table. In the "Overall" Needs column, provide the estimated number of renter families that have housing needs. For the remaining characteristics, rate the impact of that factor on the housing needs for each family type, from 1 to 5, with 1 being "no impact" and 5 being "severe impact." Use N/A to indicate that no information is available upon which the PHA can make this assessment.

<b>Housing Needs of Families in the Jurisdiction by Family Type</b>							
<b>Family Type</b>	<b>Overall</b>	<b>Afford- ability</b>	<b>Supply</b>	<b>Quality</b>	<b>Access- ibility</b>	<b>Size</b>	<b>Loca- tion</b>
Income <= 30% of AMI	3,935	5	5	3	5	3	3
Income >30% but <=50% of AMI	1,420	5	5	3	5	3	3
Income >50% but <80% of AMI	686	5	5	3	3	3	3
Elderly	783	5	5	3	3	5	3
Families with Disabilities	887	5	5	5	5	5	5
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford-ability	Supply	Quality	Access-ibility	Size	Loca-tion
Race/Ethnicity	N/A	N/A	N/A	N/A	N/A	N/A	N/A

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s  
Indicate year:
- U.S. Census data: the Comprehensive Housing Affordability Strategy (“CHAS”) dataset
- American Housing Survey data  
Indicate year:
- Other housing market study  
Indicate year:
- Other sources: (list and indicate year of information)

## B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

State the housing needs of the families on the PHA’s waiting list/s. **Complete one table for each type of PHA-wide waiting list administered by the PHAPHAs** may provide separate tables for site-based or sub-jurisdictional public housing waiting lists at their option.

<b>Housing Needs of Families on the Waiting List</b>
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### Housing Needs of Families on the Waiting List

Waiting list type: (select one)

- Section 8 tenant-based assistance  
 Public Housing  
 Combined Section 8 and Public Housing  
 Public Housing Site-Based or sub-jurisdictional waiting list (optional)

If used, identify which development/subjurisdiction:

	# of families	% of total families	Annual Turnover
Waiting list total	81		4
Extremely low income <=30% AMI	44	55%	
Very low income (>30% but <=50% AMI)	12	15%	
Low income (>50% but <80% AMI)	26	32%	
Families with children	73	91%	
Elderly families	7	9%	
Families with Disabilities	4	5%	
Race/ethnicity	N/A	N/A	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			

### Housing Needs of Families on the Waiting List

Is the waiting list closed (select one)?  No  Yes

If yes:

How long has it been closed (# of months)? 48 Months

Does the PHA expect to reopen the list in the PHA Plan year?  No  Yes

Does the PHA permit specific categories of families onto the waiting list, even if generally closed?  No  Yes

### C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR** and the Agency's reasons for choosing this strategy.

The PHA's strategies for addressing the housing needs of families in the jurisdiction are the following:

1. Find additional funds to place families with special needs in adequate housing.
2. Constant monitoring of housing applications with the sole purpose to disregard such cases with lack of interest. Thus, giving opportunity to families in actual housing need to apply.

The reasons of the Municipality of Caguas to establish these strategies are to maximize the overflow of the waiting list.

#### (1) Strategies

**Need: Shortage of affordable housing for all eligible populations**

**Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:**

Select all that apply

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below)

**Strategy 2: Increase the number of affordable housing units by:**

Select all that apply

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- Other: (list below)

**Need: Specific Family Types: Families at or below 30% of median**

**Strategy 1: Target available assistance to families at or below 30 % of AMI**

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: Families at or below 50% of median**

**Strategy 1: Target available assistance to families at or below 50% of AMI**

Select all that apply

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: The Elderly**

**Strategy 1: Target available assistance to the elderly:**

Select all that apply

- Seek designation of public housing for the elderly
- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Other: (list below)

**Need: Specific Family Types: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

Select all that apply

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Other: (list below)

**Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**

**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

Select if applicable

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- Other: (list below)

**Strategy 2: Conduct activities to affirmatively further fair housing**

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- Other: (list below)

**Other Housing Needs & Strategies: (list needs and strategies below)**

**(2) Reasons for Selecting Strategies**

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing

- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- Results of consultation with advocacy groups
- Other: (list below)

## **2. Statement of Financial Resources**

[24 CFR Part 903.79 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2000 grants)</b>	3,885,623	3,885,623
a) Public Housing Operating Fund	N/A	
b) Public Housing Capital Fund	N/A	
c) HOPE VI Revitalization	N/A	
d) HOPE VI Demolition	N/A	
e) Annual Contributions for Section 8 Tenant-Based Assistance	3,804,096.	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	N/A	
g) Resident Opportunity and Self-Sufficiency Grants	N/A	

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
h) Community Development Block Grant	81,527	81,527
i) HOME	N/A	
Other Federal Grants (list below)	N/A	
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b>		
<b>3. Public Housing Dwelling Rental Income</b>	N/A	
<b>4. Other income (list below)</b>	N/A	
<b>4. Non-federal sources (list below)</b>	N/A	N/A
<b>Total resources</b>	3,885,623	3,885,623

### **3. PHA Policies Governing Eligibility, Selection, and Admissions**

[24 CFR Part 903.79 (c)]

#### **A. Public Housing**

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

##### **(1) Eligibility**

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- When families are within a certain number of being offered a unit: (state number)
- When families are within a certain time of being offered a unit: (state time)
- Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity
- Rental history
- Housekeeping
- Other (describe)

c.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

d.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

e.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

**(2)Waiting List Organization**

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list
- Sub-jurisdictional lists
- Site-based waiting lists
- Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office
- PHA development site management office
- Other (list below)

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based list waiting lists will the PHA operate in the coming year?

2.  Yes  No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

If yes, how many lists?

3.  Yes  No: May families be on more than one list simultaneously  
If yes, how many lists?

4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?

- PHA main administrative office
- All PHA development management offices
- Management offices at developments with site-based waiting lists
- At the development to which they would like to apply
- Other (list below)

### **(3) Assignment**

a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)

- One
- Two
- Three or More

b.  Yes  No: Is this policy consistent across all waiting list types?

c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

### **(4) Admissions Preferences**

a. Income targeting:

Yes  No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?

b. Transfer policies:

In what circumstances will transfers take precedence over new admissions? (list below)

- Emergencies
- Overhoused
- Underhoused
- Medical justification

- Administrative reasons determined by the PHA (e.g., to permit modernization work)
- Resident choice: (state circumstances below)
- Other: (list below)

c. Preferences

1.  Yes  No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)
  
2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority,

and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

#### Date and Time

#### Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden

#### Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

#### 4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

### **(5) Occupancy**

#### a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- The PHA-resident lease
- The PHA’s Admissions and (Continued) Occupancy policy
- PHA briefing seminars or written materials
- Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- Other (list)

**(6) Deconcentration and Income Mixing**

a.  Yes  No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b.  Yes  No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

- Adoption of site-based waiting lists  
If selected, list targeted developments below:
- Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments  
If selected, list targeted developments below:
- Employing new admission preferences at targeted developments  
If selected, list targeted developments below:
- Other (list policies and developments targeted below)

d.  Yes  No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

## B. Section 8

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.

**Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

### (1) Eligibility

a. What is the extent of screening conducted by the PHA? (select all that apply)

- Criminal or drug-related activity only to the extent required by law or regulation
- Criminal and drug-related activity, more extensively than required by law or regulation
- More general screening than criminal and drug-related activity (list factors below)
- Other (list below)

- b.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- c.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- d.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)
- e. Indicate what kinds of information you share with prospective landlords? (select all that apply)
- Criminal or drug-related activity
- Other (describe below) Persons prior address information.

**(2) Waiting List Organization**

- a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)
- None
- Federal public housing
- Federal moderate rehabilitation
- Federal project-based certificate program
- Other federal or local program (list below)
- b. Where may interested persons apply for admission to section 8 tenant-based assistance? (select all that apply)
- PHA main administrative office
- Other (list below)

**(3) Search Time**

- a.  Yes  No: Does the PHA give extensions on standard 60-day period to search for a unit?

If yes, state circumstances below:

Only when the families proof that the rental housing process is presented and shows the low market offers that exist for the program affordable housing.

**(4) Admissions Preferences**

a. Income targeting

Yes  No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1.  Yes  No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no, skip to subcomponent **(5) Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a "1" in the space that represents your first priority, a "2" in the box representing your second

priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

1 Date and Time

Former Federal preferences

- 1 Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- 2 Victims of domestic violence  
Substandard housing
- 1 Homelessness  
High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for “residents who live and/or work in the jurisdiction” (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers

- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

**(5) Special Purpose Section 8 Assistance Programs**

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan  
 Briefing sessions and written materials  
 Other (list below)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- Through published notices  
 Other (list below)

**4. PHA Rent Determination Policies**

[24 CFR Part 903.79 (d)]

**A. Public Housing**

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

**(1) Income Based Rent Policies**

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0  
 \$1-\$25  
 \$26-\$50

2.  Yes  No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below:

c. Rents set at less than 30% than adjusted income

1.  Yes  No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

- For the earned income of a previously unemployed household member  
 For increases in earned income  
 Fixed amount (other than general rent-setting policy)  
If yes, state amount/s and circumstances below:

Fixed percentage (other than general rent-setting policy)  
If yes, state percentage/s and circumstances below:

- For household heads  
 For other family members

- For transportation expenses
- For the non-reimbursed medical expenses of non-disabled or non-elderly families
- Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

- Yes for all developments
- Yes but only for some developments
- No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

- For all developments
- For all general occupancy developments (not elderly or disabled or elderly only)
- For specified general occupancy developments
- For certain parts of developments; e.g., the high-rise portion
- For certain size units; e.g., larger bedroom sizes
- Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95<sup>th</sup> percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold)\_\_\_\_\_
- Other (list below)

g.  Yes  No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

## **(2) Flat Rents**

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

## **B. Section 8 Tenant-Based Assistance**

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

### **1) Payment Standards**

Describe the voucher payment standards and policies.

a. What is the PHA's payment standard? (select the category that best describes your standard)

- At or above 90% but below 100% of FMR

- 100% of FMR
- Above 100% but at or below 110% of FMR
- Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard?  
(select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below)

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually
- Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

- Success rates of assisted families
- Rent burdens of assisted families
- Other (list below)

**(2) Minimum Rent**

a. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25

\$26-\$50

b.  Yes  No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

## **5. Operations and Management**

[24 CFR Part 903.79 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

### **A. PHA Management Structure**

Describe the PHA's management structure and organization.

(select one)

An organization chart showing the PHA's management structure and organization is attached.

A brief description of the management structure and organization of the PHA follows:

### **B. HUD Programs Under PHA Management**

List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use "NA" to indicate that the PHA does not operate any of the programs listed below.)

<b>Program Name</b>	<b>Units or Families Served at Year Beginning</b>	<b>Expected Turnover</b>
Public Housing	N/A	N/A
Section 8 Vouchers	1,083	2
Section 8 Certificates	38	2
Section 8 Mod Rehab	2	1

Special Purpose Section 8 Certificates/Vouchers (list individually)	N/A	N/A
Public Housing Drug Elimination Program (PHDEP)	N/A	N/A
Other Federal Programs(list individually)	N/A	N/A

### **C. Management and Maintenance Policies**

List the PHA’s public housing management and maintenance policy documents, manuals and handbooks that contain the Agency’s rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

(1) Public Housing Maintenance and Management: (list below)

(2) Section 8 Management: (list below)

24 CFR Parts 888, 982 Section 8 Tenant Based Assistance  
Statutory Merger of Section 8 Certificates and Voucher Programs  
Housing Choice Voucher Program Final Rule  
Handbook 7420.7 Chapter 5 Housing Quality Standard  
SEMAP  
Section 8 Administrative Plan  
Analysis of Impediments

### **1. PHA Grievance Procedures**

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6. Section 8-Only PHAs are exempt from sub-component 6A.

**A. Public Housing**

1.  Yes  No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)
- PHA main administrative office
  - PHA development management offices
  - Other (list below)

**B. Section 8 Tenant-Based Assistance**

1.  Yes  No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)
- PHA main administrative office
  - Other (list below)

**7. Capital Improvement Needs**

[24 CFR Part 903.79 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

**A. Capital Fund Activities**

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

**(1) Capital Fund Program Annual Statement**

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

**(2) Optional 5-Year Action Plan**

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a.  Yes  No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment (state name)

-or-

The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

**B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)**

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- Yes  No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:
2. Development (project) number:
3. Status of grant: (select the statement that best describes the current status)
  - Revitalization Plan under development
  - Revitalization Plan submitted, pending approval
  - Revitalization Plan approved
  - Activities pursuant to an approved Revitalization Plan underway

- Yes  No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?  
If yes, list development name/s below:

- Yes  No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?  
If yes, list developments or activities below:

- Yes  No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?  
If yes, list developments or activities below:

## **8. Demolition and Disposition**

[24 CFR Part 903.7.9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1.  Yes  No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If "No", skip to

component 9; if “yes”, complete one activity description for each development.)

2. Activity Description

Yes  No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

<b>Demolition/Disposition Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>	
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>	
4. Date application approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>	
5. Number of units affected:	
6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development	
7. Timeline for activity: a. Actual or projected start date of activity: b. Projected end date of activity:	

**9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities**

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1.  Yes  No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

<b>Designation of Public Housing Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	
Occupancy by only the elderly <input type="checkbox"/>	
Occupancy by families with disabilities <input type="checkbox"/>	

Occupancy by only elderly families and families with disabilities <input type="checkbox"/>
3. Application status (select one) Approved; included in the PHA's Designation Plan <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission: (DD/MM/YY)
5. If approved, will this designation constitute a (select one) <input type="checkbox"/> New Designation Plan <input type="checkbox"/> Revision of a previously-approved Designation Plan?
6. Number of units affected: 7. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

## **10. Conversion of Public Housing to Tenant-Based Assistance**

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

### **A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act**

1.  Yes  No: Have any of the PHA's developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If "No", skip to component 11; if "yes", complete one activity description for each identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

#### 2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If "yes", skip to component 11. If "No", complete the Activity Description table below.

<b>Conversion of Public Housing Activity Description</b>
1a. Development name:
1b. Development (project) number:
2. What is the status of the required assessment?

<input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)
4. Status of Conversion Plan (select the statement that best describes the current status) <input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one) <input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved: ) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved: ) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)

**B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937**

**C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937**

**11. Homeownership Programs Administered by the PHA**

[24 CFR Part 903.7 9 (k)]

**A. Public Housing**

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1.  Yes  No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

<b>Public Housing Homeownership Activity Description (Complete one for each development affected)</b>
1a. Development name: 1b. Development (project) number:
2. Federal Program authority: <input type="checkbox"/> HOPE I <input type="checkbox"/> 5(h) <input type="checkbox"/> Turnkey III <input type="checkbox"/> Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one) <input type="checkbox"/> Approved; included in the PHA’s Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)
5. Number of units affected: 6. Coverage of action: (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

## B. Section 8 Tenant Based Assistance

1.  Yes  No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to component 12; if “yes”, describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

### 2. Program Description:

#### a. Size of Program

- Yes  No: Will the PHA limit the number of families participating in the section 8 homeownership option?

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- 25 or fewer participants  
 26 - 50 participants  
 51 to 100 participants  
 more than 100 participants

#### b. PHA-established eligibility criteria

- Yes  No: Will the PHA’s program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?  
If yes, list criteria below:

## **12. PHA Community Service and Self-sufficiency Programs**

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

**A. PHA Coordination with the Welfare (TANF) Agency**

1. Cooperative agreements:

- Yes  No: Has the PHA has entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? DD/MM/YY

2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals  
 Information sharing regarding mutual clients (for rent determinations and otherwise)  
 Coordinate the provision of specific social and self-sufficiency services and programs to eligible families  
 Jointly administer programs  
 Partner to administer a HUD Welfare-to-Work voucher program  
 Joint administration of other demonstration program  
 Other (describe)

**B. Services and programs offered to residents and participants**

**(1) General**

a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas? (select all that apply)

- Public housing rent determination policies  
 Public housing admissions policies  
 Section 8 admissions policies  
 Preference in admission to section 8 for certain public housing families  
 Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA  
 Preference/eligibility for public housing homeownership option participation  
 Preference/eligibility for section 8 homeownership option participation  
 Other policies (list below)

b. Economic and Social self-sufficiency programs

Yes  No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use. )

<b>Services and Programs</b>				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
<i>Initiative Resident</i>	<i>654</i>	<i>Specific criteria</i>	<i>PHA Main Office</i>	<i>Section 8 Participant</i>

**(2) Family Self Sufficiency program/s**

a. Participation Description

<b>Family Self Sufficiency (FSS) Participation</b>		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing		
Section 8		

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- b.  Yes  No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?  
If no, list steps the PHA will take below:

**C. Welfare Benefit Reductions**

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)
- Adopting appropriate changes to the PHA’s public housing rent determination policies and train staff to carry out those policies
  - Informing residents of new policy on admission and reexamination
  - Actively notifying residents of new policy at times in addition to admission and reexamination.
  - Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
  - Establishing a protocol for exchange of information with all appropriate TANF agencies
  - Other: (list below)

**D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937**

**13. PHA Safety and Crime Prevention Measures**

[24 CFR Part 903.7 9 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

**A. Need for measures to ensure the safety of public housing residents**

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- Residents fearful for their safety and/or the safety of their children
- Observed lower-level crime, vandalism and/or graffiti
- People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- Other (describe below)

2. What information or data did the PHA used to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed "in and around" public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

**B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year**

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design

- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

**C. Coordination between PHA and the police**

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- Other activities (list below)

2. Which developments are most affected? (list below)

**D. Additional information as required by PHDEP/PHDEP Plan**

PHAs eligible for FY 2000 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- Yes  No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?
- Yes  No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?
- Yes  No: This PHDEP Plan is an Attachment. (Attachment Filename: \_\_\_\_)

**14. RESERVED FOR PET POLICY**

[24 CFR Part 903.7 9 (n)]

**15. Civil Rights Certifications**

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

## **16. Fiscal Audit**

[24 CFR Part 903.7 9 (p)]

1.  Yes  No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?  
(If no, skip to component 17.)
2.  Yes  No: Was the most recent fiscal audit submitted to HUD?
3.  Yes  No: Were there any findings as the result of that audit?
4.  Yes  No: If there were any findings, do any remain unresolved?  
If yes, how many unresolved findings remain? \_\_\_\_\_
5.  Yes  No: Have responses to any unresolved findings been submitted to HUD?  
If not, when are they due (state below)?

## **17. PHA Asset Management**

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component.  
High performing and small PHAs are not required to complete this component.

1.  Yes  No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock, including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
  
2. What types of asset management activities will the PHA undertake? (select all that apply)
  - Not applicable
  - Private management
  - Development-based accounting
  - Comprehensive stock assessment
  - Other: (list below)

3.  Yes  No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

## **18. Other Information**

[24 CFR Part 903.7 9 (r)]

### **A. Resident Advisory Board Recommendations**

1.  Yes  No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?

2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)

Attached at Attachment (File name)

Provided below:

1. Construction of projects for elderly people are needed.
2. The implementation of " One Strike Out " in the majority of cases causes homelessness in families.
3. Families of low income should have access to affordable rent housing.
4. Due to the lack of housing with affordable rent, it is difficult for a family to find a home within a period of 120 days.
5. There is little viability of a security deposit payment, which is a minimum of one month, on behalf of low income families.
6. Employment instability limit making a loan to acquire a proper home and achieve their self sufficiency.
7. There is deficient maintenance on privately administered projects.
8. Public Housing Resident feel discouraged due to their social background when looking for a job, seeking help from government agencies, schools, mortgage loan applications and university.

3. In what manner did the PHA address those comments? (select all that apply)

Considered comments, but determined that no changes to the PHA Plan were necessary.

The PHA changed portions of the PHA Plan in response to comments  
List changes below:

Other: (list below)

**B. Description of Election process for Residents on the PHA Board**

1.  Yes  No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2.  Yes  No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- Candidates were nominated by resident and assisted family organizations
- Candidates could be nominated by any adult recipient of PHA assistance
- Self-nomination: Candidates registered with the PHA and requested a place on ballot
- Other: (describe)

b. Eligible candidates: (select one)

- Any recipient of PHA assistance
- Any head of household receiving PHA assistance
- Any adult recipient of PHA assistance
- Any adult member of a resident or assisted family organization
- Other (list)

c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- Representatives of all PHA resident and assisted family organizations
- Other (list)

**C. Statement of Consistency with the Consolidated Plan**

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: (provide name here)

Municipality of Caguas

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
  
- Other: (list below)

The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

The Department of Permits and Planning of the Municipality of Caguas is in charge of preparing the Consolidated Plan. They gave us the following suggestion and determination that will contribute to improve the different programs that the Department of Housing has.

To create a program in which allows the families of the Public Housing that pays between \$199 through \$400 in rent, the opportunity to obtain a proper home. This issue came forth in a meeting that was held February 25, 2000, with the presence of the Advisory Board. We believe that the CDBG Program will develop a program that could help these families with a subsidy grant between \$15,000 through \$20,000. It will be a program similar to the HOME Program, to help a families with the down payment of the property.

In general the Consolidated Plan is guided to our families achieve their economic independence and to obtain their own property.

#### **D. Other Information Required by HUD**

Use this section to provide any additional information requested by HUD.

## Attachments

- a. *PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.*
- b. *State/Local Government Certification o Consistency with the Consolidated Plan*
- c. *Consolidated Plan for the jurisdiction/s in which the PHA in located (with includes the Analysis of Impediments to Fair Housing Choice (AI) and any additional backup data to support statement of housing needs in the jurisdiction*
- d. *Section 8 Administrative Plan*
- e. *The most recent fiscal audit of the PHA conducted under section 5(h) (2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h), the results of that audit and the PHA's response to any findings.*
- f. *PHA Management Organizational Chart*

# PHA Plan Table Library

## Component 7 Capital Fund Program Annual Statement Parts I, II, and II

### Annual Statement

### Capital Fund Program (CFP) Part I: Summary

Capital Fund Grant Number      FFY of Grant Approval: (MM/YYYY)

Original Annual Statement

Line No.	Summary by Development Account	Total Estimated Cost
1	Total Non-CGP Funds	
2	1406 Operations	
3	1408 Management Improvements	
4	1410 Administration	
5	1411 Audit	
6	1415 Liquidated Damages	
7	1430 Fees and Costs	
8	1440 Site Acquisition	
9	1450 Site Improvement	
10	1460 Dwelling Structures	
11	1465.1 Dwelling Equipment-Nonexpendable	
12	1470 Nondwelling Structures	
13	1475 Nondwelling Equipment	
14	1485 Demolition	
15	1490 Replacement Reserve	
16	1492 Moving to Work Demonstration	
17	1495.1 Relocation Costs	
18	1498 Mod Used for Development	
19	1502 Contingency	
20	<b>Amount of Annual Grant (Sum of lines 2-19)</b>	
21	Amount of line 20 Related to LBP Activities	
22	Amount of line 20 Related to Section 504 Compliance	
23	Amount of line 20 Related to Security	
24	Amount of line 20 Related to Energy Conservation Measures	

**Annual Statement**  
**Capital Fund Program (CFP) Part II: Supporting Table**

Development Number/Name HA-Wide Activities	General Description of Major Work Categories	Development Account Number	Total Estimated Cost

**Annual Statement**  
**Capital Fund Program (CFP) Part III: Implementation Schedule**

Development Number/Name HA-Wide Activities	All Funds Obligated (Quarter Ending Date)	All Funds Expended (Quarter Ending Date)

## Optional Table for 5-Year Action Plan for Capital Fund (Component 7)

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

Optional 5-Year Action Plan Tables				
Development Number	Development Name (or indicate PHA wide)	Number Vacant Units	% Vacancies in Development	
Description of Needed Physical Improvements or Management Improvements			Estimated Cost	Planned Start Date (HA Fiscal Year)
<b>Total estimated cost over next 5 years</b>				



**Table Library**

**PHA Certifications of Compliance with the PHA Plans  
and Related Regulations  
Board Resolution to Accompany the PHA Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year Plan and Annual Plan for PHA fiscal year beginning 4/1/00, hereinafter referred to as the Plan of which this document is a part and make the following certifications and agreements with the Department of Housing Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
7. For PHA Plan that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).

8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low- or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA has submitted with the Plan a certification with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA has submitted with the Plan a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
13. For PHA Plan that includes a PHDEP Plan as specified in 24 CFR 761.21: The PHDEP Plan is consistent with and conforms to the "Plan Requirements" and "Grantee Performance Requirements" as specified in 24 CFR 761.21 and 761.23 respectively and the PHA will maintain and have available for review/inspection (at all times), records or documentation of the following:
  - Baseline law enforcement services for public housing developments assisted under the PHDEP plan;
  - Consortium agreement/s between the PHAs participating in the consortium and a copy of the payment agreement between the consortium and HUD (applicable only to PHAs participating in a consortium as specified under 24 CFR 761.15);
  - Partnership agreements (indicating specific leveraged support) with agencies/organizations providing funding, services or other in-kind resources for PHDEP-funded activities;
  - Coordination with other law enforcement efforts;
  - Written agreement(s) with local law enforcement agencies (receiving any PHDEP funds); and
  - All crime statistics and other relevant data (including Part I and specified Part II crimes) that establish need for the public housing sites assisted under the PHDEP Plan.
14. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
15. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
16. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
17. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
18. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
19. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
20. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
21. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

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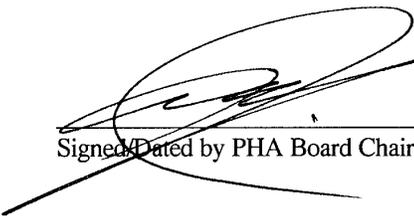
22. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and attachments at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.

Municipality of Caguas

RQ007

PHA Name

PHA Number



Signed \_\_\_\_\_  
Dated by PHA Board Chair or other authorized PHA official







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## **CITIZEN'S SUMMARY**

*The Municipality of Caguas lies in a valley 22 miles southeast of San Juan, encircled by ranges of mountains responsible for its alluring verdure. It is known as the city of the "Criollos". Its original meaning is the name by which the earliest residents of the region were known. Is not until 1775 that the community becomes officially the Town of Caguas in honor of the Taino chieftain, Caguax.*

*The community needs continue to evolve and that is why the Municipality of Caguas' 1995 Consolidated Plan constitutes a strategic vision for housing and community development. The following is a summary of that plan:*

### **Action Plan**

The Consolidated Plan includes an Action Plan for the use of the 1996 funds under three (3) different HUD formula grants, for a total of \$6,118,000, including \$5,136,000 under the Community Development Block Grant Program (CDBG); \$198,000 under the Emergency Shelter Grant Program, and \$784,000 under the HOME Program. The Action Plan also includes the proposed use of program income generated by CDBG activities from previous years, totalling \$335,569.

### **Citizen Participation**

The elements of the Plan were developed with active citizen participation, including individual consultation with some twenty (20) different agencies and nonprofit organizations; and two (2) public hearings, the first of which took place in December 1, 1994, to gather input on needs from citizens, nonprofits and other organizations. The Consolidated Plan was published for public review in El Vocero, a general circulation newspaper on April 13, 1995. A Citizen's Summary in Spanish was made available to interested persons, by the municipal administration.

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## **COMMUNITY PROFILE**

The Municipality of Caguas is located at the Central-East Region of the island, about twenty-five(25) miles south of the city of San Juan. Because of its location, closeness to San Juan, and good transportation network, Caguas has grown into an industrial, commercial, services and manufacturing center.

During the last thirty (30) years Caguas doubled its population to 133,447 inhabitants in 1990; which is projected to increase at a 10.05% rate by the year 2000.

According to the 1990 Census data, 52 % of the Caguas population fell below poverty level. Of the 40,104 total households in the Municipality 82.5% had annual incomes under \$25,000 (58.1% under \$12,500); which is below the HUD -adjusted Median Family Income for Caguas of \$26,900.



## **HOUSING AND COMMUNITY DEVELOPMENT NEEDS**

### **Conditions**

Caguas is ranked fifth in the order of fast growing metropolitan areas among the mayor cities of PR. This growth is being challenged by a 15.1 % unemployment rate for 1994 and a slow developing infrastructure. Over 30 percent of employment is in the service area. In housing, of a total of 2,867 housing units, only 52 percent were suitable for rehabilitation.

### **Housing Needs**

In the Municipality of Caguas, there is a high proportion of our low, very low and moderate income households that have not satisfied their housing needs because they either live in overcrowding conditions, in substandards units or have a very heavy cost burden.

Cost burden above 30% of income affects 9,670 (5,407 owners and 4,263 renters) very low, low and moderate income households.

There are 292 active AIDS cases reported in the jurisdiction. There is an urgent need to expedite housing application in different housing assistance programs.

Among the most needy groups that have been identified are elderly renters and owners in the very low income groups..

The Municipality of Caguas estimates that a total of 2,309 families are in need of housing of which 701 are already in the waiting list.

### **Housing Market Conditions**

A steady climb in population presents a low to moderate-income housing demand that varies from a modest 11.9 percent to as high as 16.3 percent for units in the range of \$44,264-\$59,799. The market for new housing is responding to the medium and high income families which have moved from the San Juan Metropolitan area.

## **Affordable Housing Needs**

The demand for affordable housing is defined by the percentage of units, 41.7% or 2,704 units, which fall within the price range of \$44,264 or less and well within the definition of affordable housing. This housing demand contrasts with the approximately 20,000 very low, low and moderate income households in Caguas (37 percent renters and 63% homeowners) that have housing problems ranging from overcrowded conditions, substandard units to very heavy cost burdens.

## **Homeless Needs**

The estimated of homeless persons in Caguas is between 664 to 1,242.

The main factors that contribute to homelessness are the inability of the government to satisfy low income population housing needs; drug and alcohol abuse, and mental illness; abuse and neglect of children and adolescents; domestic violence; adolescent pregnancy and; a high prevalence of HIV/AIDS. Low income and unemployment are common factors to almost all subgroups.

There is a high mobility of homeless persons towards the Municipality of Caguas, since the municipality is a center for main governmental health and social services in the region.

The most urgent needs for this group is the development of an information system, strengthening of coordination of services and emergency shelter for women and family fleeing from domestic violence, dropouts and runaway children and adolescents and, for unsheltered adults (mainly males), job training and placement housing and transitional supporting services, and permanent housing for the rehabilitated homeless. We need to satisfy immediate needs of the homeless population and maximize the development of the homeless potential for independent life.

## **Public and Assisted Housing Needs**

Among the most needy groups are the elderly households, first time home buyers, small families who tend to double-up with relatives, and AIDS-affected persons, of which there are some 292 active cases recorded.

## **Barriers to Affordable Housing**

The actual housing regulations do influence the final costs of affordable housing. For example, as the requirements now stand, these divide into four groups the units with a price ranging from \$42,000 to \$52,175. These are basic units with 788 square feet of living space, segregated into 250 square meters lots. In Caguas, the housing demand in the sixty plus range can be as high as 58 percent. Thus, this puts a damper on affordable housing development projects, unless attractive incentive packages can be offered to investors and developers. Although, the demand for housing is mostly concentrated within the affordable housing price range, 81 percent of new construction is fixed on a housing market with prices which exceed the \$76,000 tab. Other barriers that affect supply of affordable housing are:

- a. high cost of land to developers
- b. high cost of construction materials
- c. infrastructure limitations (especially water and sewer facilities)
- d. very limited tax incentives
- e. slow permit process
- f. uncertainty among developers as to implementation of Municipal Autonomy Law of (Law No. 81, 1991, as amended) with regard to property, franchise and construction taxes, and
- g. internal migration of higher income households to Caguas which attracts attention of developers to meet the housing needs of this market.

One of the main barriers that affect demand for affordable housing is the negative credit history of most of the low and very low income householders that apply for assistance, which disqualifies them for assuming a mortgage loan.

### **Fair-Housing**

The City proposes to comply with the Municipality's Fair Housing Ordinance and Affirmative Marketing procedures and analyze impediments or obstacles to fair housing.

### **Lead-Based Paint**

The Plan includes actions to detect and reduce lead-based paint hazards and prevent childhood lead poisoning. It is estimated that around 23,900 or 74% of caguas housing stock contains lead-based paint.

### **Other Issues**

There is an increase on drug dependency, school desertion, teenagers' suicides, and high crime incidence in the Municipality, with the consequent increase in the need for assisted housing, safety, health, and economic aid programs.

### **Community Development Needs**

There is a need for a wide variety of neighborhood facilities such as day care centers for children and the elderlies, and human services aimed at improving the quality of life of low/moderate income residents; recreational facilities, infrastructure redevelopment, economic development, and Central Business District revitalization.

### **Coordination**

The Municipality of Caguas established communication and informal coordination with public agencies, (municipal and central government), other municipalities, private agencies (nonprofit and for profit) for the development of the consolidated Plan. These entities were consulted mainly in relation to services being provided, socio-economic and demographic data and gaps in the provision of services. The main agencies that were consulted were the Department of Health, the Puerto Rico Planning Board, the Department of Social Services, Administration of Mental Health and Addiction Services; Homeless Coalition, MJ Consulting, private agency that administers public housing units in Caguas. Coordination work with other agencies and citizens organizations took place mainly by telephone, written and personal communication, and participation in public hearing.

This communication efforts led to the provision of services to the homeless through two nonprofit institutions, Hogar Los Peregrinos and Casa San Gerardo, Inc; participation of the Municipality of Caguas in the study of the homeless population that will be conducted by the Homeless Coalition; proposed development of a CHDO by Fundación Socio Educativa de Caguas, enhancement of the state health services to adolescents and other public service activities to be performed by the Department of Citizen Affairs.



# **HOUSING AND COMMUNITY DEVELOPMENT STRATEGY**

## **Vision for Change**

Promote the quality of life, particularly for very low income and low income persons, by assisting the communities in the development of suitable living environments, by providing safe and livable neighborhoods, revitalizing deteriorated areas, preserving properties of special historic architectural or aesthetic value, and strengthening partnerships among all levels of government and the private sector to provide decent housing.

## **Housing and Community Development Objectives and Priorities**

Discussed in housing priorities and non-housing communities development priorities.

## **Housing Priorities**

Among the goals proposed are the following: increase the housing supply for low/moderate income first-time homebuyers; attract the rental homeowners to the HOME Program; rehabilitate owner-occupied housing units; and assist families in obtaining homeownership titles.

Housing goals related to homeless persons will address: technical assistance to a certified CHDO in the development of rental housing for the elderlies and homeless; economic and

technical assistance to other nonprofits for their certification as CHDO's; and assistance to homeless providers for housing, essential services, and training programs.

## **Non-Housing Community Development Priorities**

### **1. Economic Development and Infrastructure**

Water and street improvements and parking facilities are proposed, which are basic for economic development. Also proposed is the offer of technical skills/training for the unemployed under the JTPA Program; financial assistance for technical and vocational schools; and the development of microenterprises in low-income communities.

### **2. Revitalization of the Central Business District**

The CBD revitalization is proposed through the development of community-based relationships among the private/public institutions at the CBD - civic, religious, educational - to promote economic development and marketing, minimize deterioration, carry out the restoration and rehabilitation of historical structures, and promote cultural activities. In addition, the City is scheduling a 24-hour police force in the area to prevent crime.

## **Anti-Poverty Strategy**

Among the priorities of the Municipality of Caguas is to develop goals and programs to reduce the number of households with income below the poverty level. For this reason the administration intends to continue supporting existing programs which are suitable in affordable housing such as: grants and loans for rehabilitation of housing, development of land for segregation of lots and the financing for the construction of housing for very low and low income families as well as the distribution of title deeds. Also it is pursuing assistance for homeless, prevention of suicide in adolescent, counseling and therapy for families in crisis, shelter for unwed adolescent mothers and for patient with HIV/AIDS.

## **Housing and Community Development Resources**

The resources available to the Municipality of Caguas for addressing housing and community development needs come from federal, state and local sources. Housing needs are mainly satisfied through the Section 8 Program; CDBG funds (which provide for minimal rehabilitation, community revitalization, land acquisition and infrastructure); HOME funds (for the development of CHDO, assistance to first time homebuyers, homeowners rehabilitation of units in the Central Business District (CBD)). State funds provide for the administration and maintenance of public housing in Caguas.

Homeless needs are addressed through Emergency Shelter Grant (E.S.G.) funds and CDBG funds; Community development needs are addressed by means of CDBG funds, Job Training Partnership Act, Health and Human Services; local funds and state funds, (such as government loan, Public Law #2 and other funds obtained through Resolution (RC)) and other local funds from investments and miscellaneous revenues.

## **Coordination of Strategic Plan**

The Municipality of Caguas is responsible for the Consolidated Plan Activities, but various private and public entities are involved in the administration and implementation of plan components.

The Municipal Department of Housing is mainly responsible for Housing Programs: HOME and Minimal Rehabilitation (CDBG). This Department partners with private entities in the implementation of HOME program.

Community Development Programs area mainly the responsibility of several municipal departments, Housing, Sports and Recreation, Culture, Citizens, Affairs, Police and Economic Development.

The Homeless Coalition (nonprofit entity) will receive CDBG funds for a study of the homeless population.

The State Department of Health will expand its services to adolescents with CDBG funds.

Hogar Los Peregrinos and Casa San Gerardo Inc. (nonprofit entities) will provide services to the homeless in Caguas with ESG funds.

The Municipal government has noted gaps in the coordination process and has included as Consolidated Plan Strategies the coordination with public agencies for development of infrastructure, the coordination with other agencies for developing mechanisms to increase stability for low and moderate income families; and the establishment of formal coordination mechanisms among institutions that serve the homeless population to strengthen the continuum of care strategy. Monitoring standards and procedures have been developed to improve performance and proper management of federal funds according to 24 CFR 570, Circular OMB-A-110, OMB A-128, 24 CFR 85.42, OMB A-187, OMB-122.



# **ONE-YEAR ACTION PLAN**

## **Description of Key Projects**

The Action Plan lays out the proposed uses of the \$6.4 m from the 1995 allocations for the three (3) formula grants CDBG, ESG, and HOME - and from "program income" generated from previously funded CDBG activities. Some 46 activities are listed in the Plan.

- \$285,000 for rehabilitation of single-unit housing as well as preservation in the Batista Santo Domingo and Brooklyn neighborhood areas.

- \$300,000 for acquisition of land at La Granja Community for the development of housing units.
- \$117,600 Purchase of building to development in the Central Business District ten (10) apartment building for rent.
- \$500,000 Non-substantial material and housing rehabilitation program for home owners.
- \$175,000 First-time homebuyer-grants of \$5,000 for down payments for 35 first-time homebuyers.
- \$295,400 Loan/grant that will enable approximately 50 low and very low income households to qualify as first time homebuyers.
- \$117,600 Provide grants for moderate rehabilitation of approximately twenty owners occupied units (\$6,000 each) with special attention to Central Business District.
- \$10,000 Study of Homeless Population and services facilities.
- \$685,062 Central Business District Rehabilitation Project.

## **Locations**

Almost 44 percent of the key projects included in our listing of proposed projects is planned to assist housing. Most of these funds address the need to gap the housing demand for affordable housing, especially for first-time homebuyers. Three very low-income areas located around the Central Business District were allocated funds for housing rehabilitation and preservation.

## **Lead Agencies**

Throughout the preparation of the Consolidated Plan the works were divided in different phases with the lead agencies as follows: the Planning and Community Development Office was in charge of citizen participation, planning and urban project design; the Municipal Department of Public Works led the project development phase; the Municipal Housing Agency was in charge of the area of housing; and the Department of Economic Development coordinated the area of employment and economic development.

## **Housing Goals**

Funds have been allocated from the HOME program to provide grants for moderate rehabilitation. This will be a direct homeowner-ship assistance. Emergency shelter funds are also being directed for facility repairs to add structural soundness and safety to two homeless shelters. CDBG funds will go into acquisition of vacant property for land development into segregated lots in order to increase housing choices for low to moderate income house totals.

First time homebuyers will have the opportunity to qualify as such by providing loan and grants to 50 low and very low income households.

<b>Project ID</b>	<b>Project Title</b>
1	Park, Recreational Facilities - Vistas del Turabo
2	Park & Recreational Facilities - La Granja
3	Park & Recreational Facilities - Villa del Rey (IV Sec.)
4	Park and Recreational Facilities - Villa Blanca
5	Park & Recreational Facilities - Borinquen Pradera
6	Park & Recreational Facilities - Villas de Castro
7	Removal of Architectural Barriers
8	Non-Residential Historic Preservation - Ruíz Belvis St.
9	Sidewalks - Villa Esperanza
10	Program Administration
11	Street Improvement - Georgetti St. with Padial St.
12	Street Improvement - Campio Alonso st with Muñoz Grillo St.
13	Acquisition of Real Property - Bunker & Brooklyn community
14	Acquisition of Georgetti St.
15	Acquisition of Real Property - Padial St.
16	Acquisition of Real Property - Campio Alonso St.
17	Public Services
18	Loan Guarantee for Economic Development
20	Park & Recreational Facilities - Pta. Community
21	Brooklyn Community Revitalization
22	Batista Community Revitalization
23	Santo Domingo Community Revitalization
24	Machin Community Revitalization
25	Program Administration
26	Street Improvement - Borinquen ward
27	Street Improvement - Cañabon ward
28	Street Improvement - Bairoa ward
29	Street Improvement - Beatriz ward
30	Street Improvement - Cañaboncito ward
31	Street Improvement - San Antonio ward
32	Street Improvement - San Salvador ward
33	Street Improvement - Turabo ward
34	Street Improvement - Tomas de Castro (I & II) ward
35	Community Housing Development Organization (CHDO)
36	Rehabilitation of Single Families Residential - mínima
37	First - Time Homebuyer - Grant for Extremely Low Income House
38	First - Time Homebuyer - Grant
39	Homeowners Rehabilitation
40	Planning

41	Essential Services for the Homeless - Casa San Gerardo & Hogar Los Peregrinos
42	Operational Expenses - Casa San Gerardo & Hogar Los Peregrinos
43	Rehabilitation of Shelter Facilities
44	Administration of ESG Program
45	Planning & Capacity Building
46	Street Improvement - Santo Domingo Communities

## Maps

**Error! Bookmark not defined.** depicts points of interest in the jurisdiction.

**Error! Bookmark not defined.** depicts points of interest and low-moderate income areas.

**Error! Bookmark not defined.** depicts unemployment levels.

**Error! Bookmark not defined.** (without associated map) provides information about the project(s).

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*To comment on Gadsden's Consolidated Plan, please contact:*

*Eng. Ricardo Echevarria*

*Director*

*Office of Planning and Community Development*

*(809) 744-9290*

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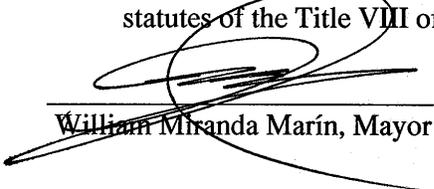
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## CERTIFICATION

The grantee hereby certifies that he has conducted an analysis to determine the impediments to fair housing choice in its Housing and Community Development Program and related activities.

The recipient has taken lawful steps consistent with 570.904, relating to housing and community development to overcome the effects of conditions that limit fair housing choice within the recipient jurisdiction. Such actions include:

- That the fair housing choice of each individual will be protected and the law will be enforced so as to provide or make available the same housing choices regardless of race, color, religion, sex, national origin or income levels to all concerned.
- That the public policies (under municipal ordinance and proclamation) affecting the building sites and other building requirements will be made part of the daily and routinely disposition of the housing programs under the city's jurisdiction.
- That all administrative policies concerning community development and related housing activities and programas (as evidenced in our Consolidatd Plan) will be executed in a fashion which will not affect the opportunities of minority and/or low income families to select housing inside or outside their area of minority concentration, and;
- That the city administration and its housing and Community Development Program will enact and enforce the federal fair housing law, provide for fair housing consistent with the law, develop voluntary partnerships with external institutions and organization to promote "fair housing choice", and will remedy unlawful segregation or discrimination within the program and legal statutes of the Title VIII of the Civil Rights Act of 1968.

  
William Miranda Marín, Mayor

Apr 13, 2000  
Date

**FAIR HOUSING ANALYSIS AND  
ACTIONS TO ELIMINATE BARRIERS**

Municipality of Caguas  
April 2000

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# INTRODUCTION

## INTRODUCTION

The Municipality of Caguas is located at the Central-East Region of the island, about 25 miles south of the city of San Juan. Caguas has grown into an industrial, commercial, services and manufacturing center because of its closeness to San Juan and excellent transportation network.

Caguas doubled its population from 1960 to 133,447 inhabitants in 1990. This figure is projected to increase at a 10.05 % rate by the year 2000.

The estimate of homeless persons in Caguas is between 675 and 1,300. There is a high mobility of homeless persons to the city since Caguas heads the region's main governmental health and social services centers.

The 1968 Civil Rights Act (P.L. 90-284) requires that the administration and the programmatic implementation of all Community Development Block Grant Programs be carried-out in an "affirmative fashion". The Municipality of Caguas has developed strategies and initiatives which strive to promote and assure fair housing for its low and moderate income residents.

Activities such as on-going, case by case counseling services; community education programs, maximum utilization of qualifiable housing units; as well as a closely monitored compliance process are part of the city's action plan.

Housing is one of the basic needs of all human beings. It is one of the most important areas of need to be addressed within city governance due to the fact that for 2000, 47.8% of all families will be eligible to participate in subsidized housing programs according to the definition of low-income persons addressed in section 8.

To date, 4,598 families are participating of some sort of housing assistance, where 1,123 are enrolled in the city's sponsored program. There are approximately 860 families within the city which are not receiving any assistance nor do have the financial purchasing power to buy or rent a decent, safe and sanitary dwelling.

Current housing related statistics show the following.:

- The low and moderate income population do not rent a housing unit because they cannot afford it.
- The median price of a home in Caguas is approximately **\$92,500.00** while the median family income is **\$12,532.00**. This income would permit the purchase of a house worth approximately **\$40,855.00** if a down-payment is not required or **\$59,151.00** if the government grants a **\$15,000.00** down payment and the family gets FHA financial aid.

Under the U.S. Department of HUD, lower income is established at \$16,000.00 thus the great majority of the “working poor” in the City will be in a critical position to obtain a home in the near future.

**Barriers that affect the supply  
of affordable housing units in Caguas**

## **BARRIERS THAT AFFECT THE SUPPLY OF AFFORDABLE HOUSING UNITS IN CAGUAS**

- The lack of an appropriate housing stock
- High mortgage interest rates
- High cost of renting
- High cost of land, especially lots considered highly desirable for housing construction
- High cost of living, low salaries
- High cost of land to developers
- High cost of construction materials
- Infrastructure limitation (specially water and sewer facilities)
- Slow permit approval process
- Limited tax incentives to owners and builders
- Uncertainty among developers as to implementation of Municipal ordinances in regard to property, franchise and construction taxes.
- The development of housing clusters for those who have a high margin to save and thus, to purchase a home.
- The negative credit history of most of the low and very low income householders applying for assistance disqualifying them for assuming a mortgage loan.
- It is estimated that around 13,225 or 50% of Caguas housing stock is still

contaminated with lead-base paint, and therefore, unavailable for occupancy until corrected.

- The housing units for the handicaps are inaccessible. According to institutions established in Caguas to assist this community, handicaps residing in Caguas oscillates between 25,000 to 30,000.

# **Actions to affirmative Fair Housing**

## SECTION 8

According to our housing department, services, counseling and information were provided to 2,748 Section 8 applicants for the period 1995-1997 as follows:

<i>Homeless</i>	9
<i>Handicapped</i>	31
<i>Single Mothers</i>	30
<i>Elderly</i>	45
<i>Pensioned</i>	1
<i>Agregate</i>	360
<i>Others</i>	2,272

**ACTION:** The above persons visited the office because of their housing needs. Ninety five percent of these are within low income budget . Due to the high demand for the services requested and all the families in the waiting list, the Municipality of Caguas is carrying out several projects to promote and improve better housing for low and moderate income families.

**RESULT:** People who participated in the Housing Departments Program should enjoy satisfactory living conditions with rent payments based on the family's income and composition. The Department's goal is to develop a housing program that will maximize the opportunity for families in Caguas to live in sanitary and safe housing.

**ACTION:** Advice is provided to families about their rights and procedures available to file application for housing assistance, against housing discrimination from our housing office, from the other governmental agencies and private owners involved in the housing field. This is accomplished by:

- The provision of a waiting list in non-discriminatory manner for the Section 8, Moderate and Voucher programs.

- The staff is instructed to apply and follow up all pertinent Fair Housing Laws.
- An appeal procedure has been established and is kept by the department.

**RESULT:** Ten percent of these cases have been referred to private projects, Housing Urban Renewal Corporation and Economic Assistance, with the purpose of providing a solution to their housing problem.

The procedures to notify all that have shown interest in participating in our housing programs will be published in a local newspaper. A holder's packet is provided to all new clients of Section 8, Certificate, Vouchers and Moderate's program. A certification is signed by all recipients of the information package and counseling.

**ACTION:** In projects requiring acquisition and relocation, information and counseling was provided about displacement, relocation assistance and requirements of Housing Quality Standards for decent, safe and sanitary housing and their rights within the law.

**RESULTS:** Structures were acquired for those requiring relocation. In all cases, the families received the information and were instructed about the relocation assistance provided to displaced home-owners and tenants.

## **HOUSING REHABILITATION PROGRAM**

This program provides construction materials to low and moderate income families to rehabilitate their homes.

The process begins with an orientation to the participants and a list of documents necessary to open a file for assistance. Upon submission of the documents, the families are qualified based on their houses rehabilitation needs (verified by an

inspector) and their family income. This program provided assistance to an average 308 households per year for the years 1991-1996.

## **HOME INVESTMENT PARTNERSHIP PROGRAM**

This program serves the families of low and very low income giving them the opportunity to acquire, rehabilitate or build a safe, hygienic and sanitary home. To receive the assistance they need to qualify with the requirements established for the program. The assistance may take the form of a grant or a low-interest loan.

# Needs Assessment

## NEEDS ASSESSMENT

In order to determine the level and degree of imposing impediments of the low and moderate income population in the identification and securing of appropriate and affordable housing, the city has studied and analyzed the following factors:

Housing background information delineates and accounts of violation segregation or integration within the city's census tracks versus the general community norm. Many factual data information has been compiled for the Housing Assistance Plan. It should be noted that the housing stock available for renters (subsidized rent) in the 1990 Census is 1,506 approximately. This represents a short fall of approximately 150 available housing units for the previous year. In addition, neither the economic profile of the Caguas low and moderate income constituency nor the availability of safe, decent, and sanitary housing to 'house' said clientele will contribute in the future to the resolution of the current city's housing crisis.

Caguas faces a constituency profile of an economic standard below the poverty level, a shortfall of "available" housing stock for renters, an inadequate quantity of vouchers or certificates and on operation "old and transient" housing stock within the urban areas which may be facing an up surge in urban blight if it's not confronted soon.

### - *Population Profile*

The jurisdiction, The Municipality of Caguas, P.R. doubled it's population during the last 30 years from 65,098 in 1960 to 133,449 habitants in 1990. This represents an increase of 68,349 habitants or 51.2% percent population growth.

According to the Puerto Rico Planning Board's population projections for 1995, its estimate is 140,988. **For the year 2,000 it's projected to be 146,858.** This estimate projects a decade rate of population increase of **10.05% or 13,411** habitants, much lower than the 1980-90 decade.

# FAMILY STATISTICAL PROFILE 1990-2000

**Table I**

## Family Income

	1990*	2000 Projection
Median family Income in Caguas	\$11,432.00	\$12,532.00
Monthly Income	\$952.67	\$1,044.33
30% of Monthly Income	\$282.80	\$313.29
Interest Rate	8%	7.75%
Mortgage Term	30	30
Closing Costs	4.2%	3.0%
Affordable House (0 down)	\$37,313.93	\$40,854.32
FHA Interest Rate	7.5%	7.75%
Home Grant	\$15,000.00	\$15,000.00
Closing Cost	4.64%	3.0%
Affordable House (FHA, HOME)	\$53,977.86	\$59,151.00

\* According to the 1990 Census

## FAMILY STATISTICAL PROFILE 1990-2000

### Table II

#### *FAMILY COMPOSITION*

	1990*	2000 Projection
Persons in households	132,734	146,183
Family Households	34,938	46,389
Married-Couple Family	25,046	32,398
Person by Family	3.62	3.98
Female Householder, no husband present	8,257	9,086
Non-Family Households	5,337	5,873
House Holder living alone	4,959	5,457
65 Years and over	2,043	2,248
Median Income in Families	\$11,432.04	\$12,352.00
Per Capita Income	\$4,547.00 (1989)	\$4,925.00
Median Income in Households	\$10,420	\$11,467.00
Families with income in 1989 below poverty level	17,046 = 48.8%	19,354 = 47.9

\* According to the 1990 Census

*According to the 1990 Census and projections:*

52% of the Caguas population falls below the poverty level. According to a special tabulation of the Census Data, 33,141 households (82% of total households) had income under \$25,000 and 23,349 household had income below \$12,507 - 58.1% of total households. This is below the HUD adjusted median family for Caguas.

Population Estimate	2000	146,858
Census Population	1990	133,447-(92,429 urban zone – 41,368 rural zone)
Percent Change	1990-2000	10.05
Persons in households		146,183

Components of change, 1990 to 2000:

Births	23,768
Deaths	11,330
Natural Increase	12,438
Residual Change	973

*Persons 16 years and over*

*Projections for 2000:*

Person 16 years and over	107,864	(under 16) 38,994
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Labor Force:

Percent in Labor Force (of total)	58.8 (63,424)	Females 42.3 (in labor force)
Civilian Labor Force		53,680
Percent unemployed		9.2
Workers		60,440

Means of Transportation to work:

Percent using car, truck or van	80.3
Percent in Carpools	6.2
Percent using public transportation	13.5
Worked in 1999	59,758
Worked 40 or more weeks in 1999	48,404
Usually worked 35 or more hours per week, 50 to 52 weeks	36,452

Females with own children under 6 years:

Total 10,139 (9.4%)	Percent in labor force	50.5 (5,120)
Own children under 6 years in families and subfamilies, all parents in household in labor force 6,894		

*Civilian non-institutionalized persons 16 to 64 years residing in Caguas*

Civilian noninstitutionalized persons 16 to 64 years		91,689
Percent with a work disability	12.0 (11,035)	Prevent from working 8.7 (960)
Percent with a mobility of self-care limitation		6.8
Mobility limitation		5.6
Self-care limitation		3.8
Civilian noninstitutionalized persons 65 years and over		12,919
Percent with a mobility or self-care limitation		31.5
Mobility limitation		28.8
Self-care limitation		16.0

Percent in labor force of civilian noninstitutionalized persons 16 to 64 years with:

A work disability	20.4
No work disability	62.7
A mobility limitation	14.1
No mobility limitation	59.9

Transportation constitutes an indispensable resource to accomplish economic growth. It is assumed that there is a deficit of an appropriate and efficiently operated parking area within the city, thus discouraging potential renters or homeowners from making a decision to become residents in the existing housing stock.

Caguas is the Municipality with the highest percent in the utilization of Public Transportation. The cities around to Caguas use our public transportation. Those cities are Juncos, Aguas Buenas, San Lorenzo, Cidra and Gurabo because they do not have direct transportation to the Metropolitan Area. This represents 22% of the population.

A four year program has been developed and programmed to complete the transportation primary system under the construction improvement program. The City’s Consolidated Plan provides a shared transportation system for improvement of the quality of life of all jurisdiction’s residents.

According to the 1990 Census, 79.2% of the workers use their own automobile, truck or van to commute to-from work as shown below.

Workers means of transportation to work (projection for 2000)	
Car, truck or van	79.2%
Carpools	6.5%
Public Transportation	14.3%

The Municipality of Caguas is aware of its responsibility to the handicapped and the elderly and has implemented a public transportation program for these citizens.

The public transportation plan for the handicapped is know as “Complementary Paratransit System Plan Of The American With Disabilities Act (ADA) For The Municipality Of Caguas. The purpose of this plan was to initiate transportation for the handicapped and the elderly based on the operation of four vehicles totally equipped for these purposes.

- *Employment*

A recent study by Estudios Técnicos Inc., reflects that over 35% of the gainfully employed within the city are employees of the manufacturing industry. The second largest group falls within the government/public sector.

It should be noted that the potential earning power and their relative purchasing power of a residential unit in Caguas is totally encumbered by the financial prospectus required by most secondary lending institutions. The city shall engage in a “future new construction policy with an innovative financial twist which will permit those in the working class” to purchase a home and /or rent a housing unit.

The Labor Force represents the active economic force, and generates the dynamic economic development. In the Caguas Municipality, City Government labor force is approximately 2,500 employees.

The total employees in 1990, were 48,778; which represents a 17.4% unemployment rate.

The principal employment sectors are:

- Industrial Professional and related Services
- Manufacturing, Sales, Public Administration and Government
- The agriculture represents only 1.3% of employed persons

- *Housing Profile*

Reflective of the condition of housing stock is the proportional difference of rental vs ownership and cost ranges. An independent study conducted by the city's planning staff reflects that:

The current barriers which limit a low and moderate income resident to live in a safe, decent and sanitary dwelling are:

- a. Limited purchasing power, because it has some degree of potentially earning some monies and does not qualify for any type of subsidy to alleviate the rent conditions of a landlord, and even though they would qualify for subsidized housing, the city government does not have the resources to assist them in the provision of a housing unit and/or rent.
- b. The housing inventory is not sufficient (in terms of options according to legal specification) so as to satisfy the housing need that many renters are in need of irrespective of full-rent or subsidized rent.
- c. The lack of a network of multi-disciplinary services to all those citizens that qualify and are currently participating in subsidized housing programs and or those citizens which also qualify but are not able to participate in the program for lack of resources at hand.

- ***Public Policies***

Need assessment of the existing and future impact of achieving fair housing for all concerned. Of special interest is the newly implemented revitalization strategies for the Caguas Central Business District which clearly delineates, within a specific zone/sector, the housing and urban homesteading plan to be undertaken. Most importantly, these actions/activities will be achieved without causing undue displacement or relocation hardships to low and moderate income constituents. Our Consolidated Plan for years 2000-2005 delineates our low and moderate income plan for our inner City for that period. Several sectors will be revitalized or reconstructed based on a 25-year development plan by internationally-known architect Antonio DiManbro.

- *Institutional Practices*

The lending practices of Commercial Banks and Mortgage Institutions are about the same except for the percentage of debt financed. Mortgage Institutions finances up to 97% of the loan and the banks provide only 80% of FHA loans.

Persons who want to acquire housing through a Bank must fill an application, reporting their income and debt. Based on the provided information the bank pre-qualifies the applicants. The average cost of a house is approximately \$92,500.00 at present.

The bank will then request additional documents to fully qualify the applicants.

These documents are:

1. The housing assessed value
2. The housing deed
3. Debt certification of the property
4. Employment verification
5. Letter explaining the purpose of the loan and the source of the down payment.
6. A check for \$300.00 for appraisal, credit study and any additional documents that they understand will be required.

When the applicant presents all required documents the authorized official evaluates them in a term of no more of 90 days. Then they notify the applicant if approval was granted. This evaluation includes the sum agreed for financing (FHA is 80%, conventional 97% and veterans 100%). The terms for financing will be 30, 20 or 15 years depending on the prevailing marketing loan interest which as of to date is 7.75 to 7.0 (up to 7.98 APR and 7.59 APR). If the Bank approves the mortgage loan, the applicant will present a down-payment and pay the closing costs. They will then proceed to sign the deed and the bank will provide a copy to the applicant.

- *Community Institutions*

The main services and facilities for the homeless in the Municipality of Caguas are:

1. Emergency Shelter for Men
  - a. Los Peregrinos
  - b. Hogar Resurrección
  - c. Villas Del Peregrino
  - d. Programa REDES
2. Hogar de Crianza for Children (since 3/95)
3. Institution for Children - shelter (since 3/95)  
- La Cuna San Cristóbal
4. Substitute Homes for the elderly (since 3/95)
5. Institution for the Elderly (since 3/95)
6. Substitute home for the mentally Ill (since 9/93)
7. Groups housing for the mentally Ill (since 9/93)
8. Geriatric Aid for the mentally Ill (since 9/93)
- 9 Shelter/Services for drug and alcohol abusers  
-Centro Nuevas Actitudes
10. Shelter for HIV/AIDS patients and substance abusers
  - a. Remanso La Esperanza
  - b. Sueño De Amor
11. Emergency shelter for women
  - a. Hogar La Piedad
  - b. Casa San Gerardo
12. General assistance programs - Several civic and religious programs

The Department of Citizens Affairs will continue to strengthen, develop and protect the handicapped, the elderly and the veteran population. The program for the

handicapped, plans to continue providing services to the severely handicapped such as home services, medical, transportation to medical facilities supplies and equipment to improve their living conditions. All services will be provided along with the State Council for Developmental Disabilities and with the Municipal Office of Services to the Handicapped. The program will also continue coordinating with community organizations for ramp installation and access to sporting facilities.

The Veterans Program plans to continue bringing orientation services on a free basis in relation to disability benefits education, health, home loans and others.

The Geriatrics Program plans to continue providing health information services, nutrition, recreation, and housekeepers services to the elderly population.

All of these institutions may positively impact fair housing.

**STRUCTURAL CONDITIONS OF HOUSING  
MUNICIPALITY OF CAGUAS 1990**

	Standard		Sub-Standard			
Tenure	Total Housing Stock	Standard	Total	% Total Housing Stock	Suitable for Rehab.	% of total substandard units
Total Housing Stock	43,293	40,426	2,867	6.6%	1,506	52.5
Occupied Units	40,104	37,452	2,652	6.6	1,418	56.8
Owner Occupied	29,045	27,243	1,802	6.2	977	54.2
Renter Occupied	11,059	10,209	850	7.7	441	51.8
Vacant Units	3,189	2,974	215	6.07	88	25.3

**Source:** *P.R. Planning Board, Bureau of the Census, 1990 of Census of Population Planning - SFT3A, Caguas*

## STRUCTURAL CHARACTERISTICS \*

All housing Units	43,293
All occupied housing units	40,104
Urban Zone	28,491
Rural Zone-Town	8,717

### Bedrooms per unit:

None or one	7.5%
4 or more	14.5%
Condominium	1.8%
All owner -occupied housing units	29,045
Urban Zone	19,499
Rural Zone-Town	5,259

### Specified owner-occupied housing:

Adequate original construction	41,941
Construction rated sound	40,426
Built with concrete walls and concrete slabroof	36,861
Units with a mortgage	12,377
Not Mortgaged	14,512
All renter - occupied housing units	11,059
Percent with householder moved into unit	35.1 (1989 to march 1990)
Specified renter paying cash rent	175 (Median gross rent (dollars))
Median gross rent as a percentage of household income in 1989	23.7%

\* According to the 1990 census

**Caguas**  
**Distribution of Income**  
**as Reported in the Census**  
**Projection For 2000**

Personal Income Brackets		Households	Percent of Total
<i>From</i>	<i>To</i>		
\$0	\$1,000	580	1.6%
\$1,000	\$2,500	1,586	4.1%
\$2,500	\$5,000	2,686	6.7%
\$5,000	\$7,500	3,431	8.7%
\$7,500	\$10,000	4,443	11.2%
\$10,000	\$12,500	4,186	10.5%
\$12,500	\$15,000	3,125	7.9%
\$15,000	\$25,000	8,721	22.0%
\$25,000	Or more...	10,826	27.5%
<b>Total</b>		<b>39,584</b>	<b>100.00%</b>

**Caguas**  
**Effective Demand for Housing**  
**1994-1998**

Income Brackets		Number of Households	Price of Housing Unit		Effective Demand	In Market	Accumulated	Average per year
<i>From</i>	<i>To</i>		<i>From</i>	<i>To</i>				
\$0	\$4,318	6,836	\$0	\$19,645	950	0	0	0
\$4,318	\$8,637	7,089	\$19,645	\$33,734	986	0	0	0
\$8,637	\$12,236	5,528	\$33,734	\$44,264	768	311	311	39
\$12,236	\$17,994	7,599	\$44,264	\$59,799	1,056	1,056	1,056	132
\$17,994	\$25,191	5,954	\$59,799	\$77,746	828	828	828	103
\$25,191	\$35,987	5,391	\$77,746	\$102,683	749	749	749	94
\$35,987	\$50,382	3,923	\$102,683	\$133,500	545	545	545	68
\$50,382	\$71,974	2,470	\$133,500	\$176,321	343	343	343	43
\$71,974	\$86,368	717	\$176,321	\$203,266	100	100	100	12
\$86,369	\$107,961	606	\$203,266	\$241,910	84	84	84	11
\$107,961	or more	466	\$241,910	or more	65	65	65	8
<b>Total</b>		46,579			6,475	4,082	4,082	510

**MAP OF POPULATION  
BY WARD  
CAGUAS 1990**

**POPULATION PROJECTIONS  
YEARS 1990-2025  
MUNICIPALITY OF CAGUAS**

**HOUSING AND  
COMMUNITY DEVELOPMENT  
STRATEGY**

## **HOUSING AND COMMUNITY DEVELOPMENT STRATEGY**

It constitutes our main goal to promote the quality of life, particularly for very low income and low income persons, by assisting the communities in the development of suitable living environments, by providing safe and viable neighborhoods, revitalizing deteriorated areas, preserving properties of special historic architectural or aesthetic value and strengthening partnerships among all levels of government and private sectors to provide decent housing.

*Note: The Municipal Department of Housing is mainly responsible for several federal Housing Programs: Home, Minimal Rehabilitation (CDBG), Section 8 Program, and Residents Initiatives for Section 8 participants. This Department partners with private entities in the implementation of The Home Program.*

Community Development Programs are mainly the responsibility of several Municipal Departments as Housing, Sports and Recreation, Culture, Citizen Affairs, Police, and Economic Development. Homeless Program is coordinated mainly with private non-profit institutions.

The Municipality of Caguas established communication with M.J. Consulting, the private agency that administers public housing in Caguas, in order to give follow-up to the needs expressed by public housing residents. The Municipality of Caguas is also in the process of developing links with non-profit private organizations to formalize referral process to satisfy the needs of the Caguas Population.

**- Housing needs will be addressed mainly by:**

- a) Maintaining operation of Section 8 Rental Assistance Program.
- b) Assisting Section 8 participants to become firsttime homebuyers.
- c) Attracting participation of rental homeowners to Section 8 and Home Program.
- d) Providing for development of a public housing project.
- e) Rehabilitating owners-occupied housing units.
- f) Assisting low income families to obtain ownership titles.
- g) Assisting development of Community Housing Development Organization Services (CHDOS) and monitoring Fair Housing Choice.

AFFIRMATIVE FAIR HOUSING  
PROGRAM AND  
ACTION PLAN

## AFFIRMATIVE FAIR HOUSING PROGRAMS

Based on the analysis presented in the previous section and taking into consideration public and institutional policies, demographic trends, possible and emerging impediments; the City of Caguas will promote the following Affirmative Fair Housing objectives:

1. Community Education  
Civic/Social Groups  
Religious organizations  
Self-Help Support Network

Expected result: Outreach to the community to improve the quality of life of low and moderate income families

2. Outreach to Private Sector  
Banking and secondary mortgage institutions, public-private foundations and corporations

Expected result: To develop an outreach dialogue with non-profit institutions to deal with innovative, non-traditional housing and insure the satisfaction of the Fair Housing public

3. Organizational Life of the business, Civic/Cultural, Religious community  
Develop neighborhood pilot programs

Expected result: Assist neighborhood or resident organizations in pursuing an affirmative housing choice for all concerned

4. Program Monitoring  
Design and recommend new policies and program activities that would better serve the low and moderate income families of the City

Expected result: Enable the City to receive a better apportionment of programs and serve the emerging “homeless” class in Caguas

5. Formulation of public policy

Target new ordinances and proclamations to improve the utilization of existing and future housing stock

Expected result: Development of innovative housing programs to extend and solidify minimal rehabilitation procedures for below-poverty level families

6. Support Fair Housing policy

To observe the policy of “Fair Housing Choice”

Expected result: Watch for compliance with Municipal Ordinance Number 38, Series 1991-92 of November 6, 1991, “Fair Housing”. Perform the necessary actions to overcome obstacles to fair housing in Caguas.

7. Reduce the risk of lead-based paint to a minimum

Give follow-up to State agency activities in terms of problem detection and main priorities

Expected result: Identify sources and request funds to abate lead-based contamination

# FAIR HOUSING ACTION PLAN

The City's action plan to ensure a legally-binding and program-responsive strategy to ensure "Affirmative Fair Housing" under 24 CFR Section 570.904 © will take into consideration the following elements:

- The "fair housing choice" of each individual will be protected and the law will be enforced so as to provide or make available the same housing choices regardless of race, color, religion, sex, national origin or income levels to all concerned
- All administrative policies concerning community development and related housing activities and programs will be executed in a fashion which will not affect the opportunities of minorities and/or low income families to select housing inside or outside their area of minority concentration
- Comply with the requirements of the FHA specified in Part 570.904 © of the CFR (CDBG) and supervise the mechanism that the Municipality of Caguas has to empower them
- Present resolutions that provide laws for executin the equal housing program and create equal opportunities in the Municipality Administrative policies
- Insure compliance with all policioes regarding HUD and State housing programs
- Supervise and encourage the application of anti-discriminatory laws in activities under HUD funded programs particularly in those cases where the rehabilitation law of 1973 applies
  
- Provide a communication system for the hearing-impaired (TDD) and services for the blind bt braille and oral interpreters. The Family Services

Department will provide the services in coordination with other municipal agencies

- Execute Part 570.904 of the Fair Housing Review Criteria (CDBG) to verify that the recipient has carried out its CDBG-funded program according to civil rights certification and requirements act relating to Equal Employment Opportunity, equal opportunity in services, benefits, and participation; and that he is affirmatively furthering fair housing

Additionally, the City administration will continue to provide, in an affirmative and “program-responsive” fashion, its subsidized housing programs for low and moderate income constituents. Will also pursue the identification and implementation of other housing programs which will target their resources to the City’s most needy groups.

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Municipal Housing Department

## *Selection of Applicants From the Waiting List*

*An Application Center will be located in the Department of Housing at the Municipality of Caguas, may admit an applicant for participation in the Program either:*

*a. Special Admissions:*

- 1. The Department of Housing may admit a family that is not on the waiting list or without considering the family's waiting list position, if the is the family is living in a specifics situations:
  - Involuntary displacement (disaster, governmental action, action of housing owner, inaccessibility, property disposition).*
  - Victims of domestic violence*
  - Homelessness*
  - A family residing in a multifamily rental housing project when HUD sells; forecloses or demolishes the project.*
  - For housing covered by the low income housing preservation and Resident Homeownership Act of 1990.*
  - A family residing in a project covered by project based section 8 HAP contract at or near the end of the HAP contract term.**

*Other preferences:*

- Working families and those unable to work because of age or disability*
  - Victims of reprisals or hate crimes*
- 1. The Department of Housing at the Municipality of Caguas, uses the waiting list admission. Except for special admissions participants must be selected from the waiting list. The waiting list*

*contains the following information for each applicants:*

- 1. Applicants name*
- 2. Date and time of application*
- 3. Family Unit Size*
- 4. Address*
- 5. Racial or ethnic designation for the head of the household.*
- 6. Qualification for any local preference.*

*The order of admission from the waiting list may not be based on family size, or on the family unit size for which the family qualifies under the department occupancy policy.*

*The policy of removing applicant names from the waiting list is the following:*

- 1. The applicant did not respond to the Department of Housing request for information or updates.*

*The Department of Housing may reinstate the applicants in the family's former position. If the family members disability and the information is corroborated by department's staff.*

- 2. Family refuses a Voucher*
- 3. The head of the household or other member of the family commits - drugs - related criminal activity or violent criminal activity and the other disposition based in the (24 CFR Sec. 982.553).*

*The Municipality of Caguas uses a single waiting list for admission to its tenant-based voucher programs. When the Department of Housing opens the waiting list it gives a public notice in the local weekly newspaper La Semana and the dailies El Vocero or El Nuevo Día in that notice it is*

*established where and when to apply and comply with HUD fair housing requirements.*

*In the Public notice the Department of Housing will define the concept of family that qualifies for assistance.*

*When the Department of Housing closes the waiting list, it is given a public notice in the same newspaper that was used for the opening. The Department of Housing will stop accepting new applications, because of the waiting list contains an adequate pool for use of available program funding, the PHA may stop accepting new applications, or may accept only applications that meet the criteria adopted by the PHA.*

*At least 75% of new admissions during a PHA's fiscal year shall be targeted to extremely-low income families (families at or below 30% of median income).*

*The Public Housing Agency approves a tenancy for initial occupancy of a dwelling unit by a family with assistance under the voucher program, and where the gross rent of the unit exceeds the applicable payment standard for the family, the family share of gross rent must not exceed 40% of the family's monthly adjusted income. The initial rent burden restriction will not apply to a family that rents a unit for a gross rent (rent to owner plus tenant paid utilities) at or below the payment standards for the family.*

### ***Issuance and denial procedures***

*The Public Housing Agency, explains the requirements including Equal Opportunity as well as local, State and Federal Fair Housing laws that is taken when the participants are issued a Voucher. During the briefing session a Voucher or Moderate Holder's Package is issued in conforming with (982.301(b) & p. 34668 of 7/3/95 reg preamble). The PHA must give a family oral briefing and holders package information. The briefing must include the following subjects:*

- 1. The term of the voucher and the PHA policy on any extensions or suspensions of the term. The information must explain, how the family request an extension.*
- 2. A description of how the program works.*
- 3. Which are the family and the landlord responsibilities.*
- 4. Where the family may be lease a unit, including renting a dwelling unit inside the PHA jurisdiction.*
- 5. What is portability and how it works.*
- 6. If the family is currently living in a high poverty census tract in the PHA's jurisdiction, the briefing must also explain the advantages of moving to an area that does not have a high concentration of poor families.*
- 7. If a family includes any disabled person, the PHA must take appropriate steps to ensure effective communication in accordance with 24 CFR. 8.6.*
- 8. How the PHA determinate the housing assistance payment for a family. For the voucher program,*

*information on the payment standard and the PHA utility allowance schedule.*

9. *How the PHA determines the maximum rent for an assisted unit.*
10. *The form "Request for Lease Approval", and an explanation and how the PHA approve the lease.*
11. *The PHA policy and provide information about a family, to prospective owners.*
12. *The HUD brochures on how to select a unit.*
13. *The HUD required lead-based paint (LBP) brochure.*
14. *The information on federal state and local equal opportunity laws, and copy of the housing discrimination complaint form.*
15. *A list of landlords or other parties known the PHA who may be willing to lease a unit to the family or help the family find a unit.*
16. *Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the PHA that may be available.*
17. *The grounds on which the PHA may terminate assistance to a participant family because of family action or failure to act.*
18. *PHA informal hearing procedures. This information must describe when the PHA required to give a participant family, the opportunity for an informal hearing, and how to request it.*
19. *What the family should consider in deciding whether to lease a unit, including:*
  - a. *The condition of the unit*
  - b. *Whether the rent is reasonable*
  - c. *The cost of any tenant-paid utilities and whether the unit is energy-efficient*
  - d. *The location of the unit including proximity to public transportation, centers of employment, schools and shopping malls*
20. *The requirement of HUD "lease addendum"*
21. *PHA subsidy standards, including when consider granting exceptions to the standards*

22. *Family obligation and reasons for program termination*

*The Public Housing Agency in Caguas, do not remove family's name from the Vouchers waiting list because the family declines a vacant moderate rehabilitation unit.*

*We remove the name from the waiting list if:*

- ❖ Family refuses a Voucher*
- ❖ Fraud or drugs*
- ❖ Not responding to Public Housing Agency request for information or periodic update to show continued interest in remaining on waiting list*

*The PHA maintain entirely closed the waiting list, only accepts applications from special admissions holders applicants. Except in limited situations, PHA must not provide a local ranking or special admissions to an applicant if any family member was evicted in the past three years from Public /Indian, Section 23 or Section 8 housing for drug use or distribution.*

*When a family is selected, the PHA issues a voucher to the family. The family may search for a unit. If the family finds a unit, and the owner is willing to lease the unit under the program, the family may request the PHA approval to lease the unit. The PHA permits a family to submit one request at a time. The family will submit to the PHA a request for lease approval during the term of the voucher.*

*The PHA allows the families to search for housing a 60 days period to submit an adequate housing unit. After 45 days of this initial period the PHA sends a reminder letter to the families to ensures that the process of submitting the documents to the agency is still progressing. In this initial period the families can always return to the agency to get updated housing*

*units lists and additional orientation. If the participant family can not submit an adequate housing unit within the 60 days period this PHA allows them an additional 30 days period. The participant family must request this in written. If the participant family fails to submit a housing unit within 30 days period the PHA sends them a letter allowing them an additional 30 days period. The letter also reminds the participant family that this is the last period to submit a housing unit and that if they fail to do this the Voucher will be canceled.*

*The PHA may at anytime deny program assistance to an applicant, or terminate program assistance to a participant, for any of following grounds:*

- ❖ If the family violates any family obligations under the program.*
- ❖ If any member of the family has ever been evicted from a public housing.*
- ❖ If a PHA has ever terminated assistance under the voucher program for any member of the family.*
- ❖ If any member of the family commits drug related criminal activity, or violent criminal activity.*
- ❖ If any member of the family commits fraud, bribery or any other corrupt or criminal act in any connection with any federal housing program.*
- ❖ If the family currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or Public Housing Assistance under the 1937 Act.*
- ❖ If the family has not reimbursed any PHA the amount paid to the owner under HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.*
- ❖ If the family breaches an agreement with the PHA to paid amounts owed to a PHA, or amounts paid to a owner by the PHA.*

- ❖ *If the family is engaged in, or threatened abusive, violent behavior toward PHA personnel.*

*The Housing Agency Discretion to consider the following circumstances:*

*The PHA has discretion to consider all of the circumstances in each case. The PHA may impose, as a condition of continued assistance for other family members, a requirement that family member who participate in where guilty for the action or failure will not resided in the unit. The PHA may permit the other members of a participant family to continue receiving assistance. The PHA may not deny or terminate assistance for such use or possession by family member, if the family member can demonstrate that he or she is recovering or has recovered from such addiction and does not currently uses or possess any controlled substances.*

*The PHA may deny or terminate assistance if the preponderance of evidences indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.*

*Restriction on assistance to non-citizens: The family must submit required evidence of citizenship or eligible immigration status (24 CFR 812.9) statement of circumstances in which the PHA must deny or terminate assistance because a family member does not establish citizenship or eligible immigration status, and the applicable informal hearing procedure.*

## ***INFORMAL REVIEW PROCEDURES FOR APPLICANT***

*The PHA will give the applicant participation prompt notice of the decision denying assistance. It will contain a brief statement of the reasons for the PHA decision and also state that the applicant may request and informal review of the decision and must describe how to obtain the informal hearing.*

*The PHA will give an applicant an opportunity for an informal review of the PHA decision denying assistance to the applicant. The informal review procedures will comply with the following:*

- 1. The review will be conducted by a lawyer of the Municipality.*
- 2. The applicant will have the opportunity to present written and oral objection to the PHA decision.*
- 3. The PHA will notified the applicant the final decision after the informal review, including a brief statement of the reasons of the final decision.*

## **INFORMAL REVIEW NOT REQUIRED**

*The PHA is not required to provide the applicant an opportunity for an informal review for any of the followings:*

- 1. Discretionary administrative determination by the PHA.*
- 2. General policy issues or class grievances.*
- 3. Determination of the family unit size under the PHA subsidy standards.*
- 4. A PHA determination not to approve and extension or suspension of a voucher term*
- 5. A PHA determination not to grant an approval to lease a unit under the program or to approve a proposed lease.*
- 6. A PHA determination that the unit selected by the applicant is not in compliance with HQS*
- 7. A PHA determination that the unit is not in accordance with HQS because of the family size or composition.*

## **SPECIAL RULES FOR USE OF AVAILABLE FUNDS WHEN HUD PROVIDES FOR SPECIAL PURPOSES**

*The PHA in this section do not have any Special Rules at this moment, because we do not have available funds for Special Purposes.*

## **OCCUPANCY POLICIES**

*The PHA occupancy policies:*

- ❖ *Family - the PHA uses the definition on family that is established in the 24 CFR Part 812.2 and in the 982.201*
- ❖ *Family assisted applicant is continuously under the 1937 Housing Act if the family is already receiving assistance under any 1937. Housing Act program when the family is admitted to the voucher program.*

*The other occupancy policies are included in the issuance of Vouchers. It could be found in the Selection of Applicants and Procedures of the Administrative Plan. It's also included in the Subsidy Standard.*

## **ENCOURAGING PARTICIPATION BY OWNERS**

*We are using local media to promote the program, real estate brokers association and other organizations contacted. In addition to this we offer oral briefing to the owners that respond to the PHA Office and by means of phone calls orientation.*

### ***ASSISTING THE FAMILY THAT PREVENT ILLEGAL DISCRIMINATION***

*A family may claim illegal discrimination because of race, color, religion, sex, national origin, age, familial status or disability prevents the family from finding or leasing a suitable unit with assistance under the program. The PHA must give a housing discrimination complaint form.*

*Aside from this, the Fair Housing/Equal Opportunity officer is also responsible for reviewing and monitoring the procedure and providing new information concerning changes in federal housing discrimination regulations to PHA personnel.*

### ***POLICY TO PROVIDING INFORMATION ABOUT A FAMILY TO PROSPECTIVE OWNERS***

*The PHA must give the owner:*

- ❖ The family's current address (as shown in the PHA records)*
- ❖ The name and address of the landlord at the family's current and prior address*

*The PHA offers additional information about the family, including information about the tenancy history of family members, or about drug-trafficking by family members.*

*All of this statement must be included in the information package that is given to a family selected to participate in the program. This policy must provide that the PHA will give the same types of information to all families and to all owners.*

### ***DISAPPROVAL OF OWNERS***

*The PHA must not approve a unit if the PHA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denied or participation under 24 CFR Part 24.*

*When directed by HUD, the PHA must not approve a unit if:*

- 1. The federal government has issued an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending*
- 2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.*

*It is an administrative discretion, that the PHA may deny approval to lease a unit from an owner for any of the following reasons:*

- 1. The owner has violated obligations under the Housing Assistance Payments contract under section 8 of the 1937 Act (42 USC 1437 f).*
- 2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.*
- 3. The owner has engaged in drug-trafficking.*
- 4. The owner has a history or practice of non-compliance with the HQS for unit leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.*
- 5. The owner has a history or practices of renting unit that fails to meet State or local housing codes.*
- 6. The owner has not paid State or local real estate taxes, fines or assessments.*

*Nothing in this rules is intended to give any owner any right to participate in the program.*

*For purposes of this section, “owner” includes a principal or other interested party.*

## ***SUBSIDY STANDARDS***

*The PHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions.*

*The PHA issues the family a voucher for the family unit size when the family is selected for participation in the program.*

*The following requirements apply when the PHA determines family unit size under the PHA subsidy standards:*

1. *The subsidy standard must provide for the smallest number of bedrooms needed to house a family without overcrowding.*
2. *The subsidy standard must be consistent with space requirements under the housing quality standard.*
3. *The subsidy standard must be applied consistently for all families of similar size composition.*
4. *A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.*
5. *A family that consist of a pregnant woman (with no other persons) must be treated as a two persons family.*
6. *Any live-in-aide must be counted in determining the family unit size.*
7. *Unless a live-in-aide resides with the family, the family unit size for any family consisting of age person must be either a zero or one-bedroom unit as determined under the PHA subsidy standard.*
8. *The PHA may grant an exception to its established subsidy standard if the PHA determines that the exception is justified by age, sex, health, handicap, or relationship of family members or other personal circumstances.*

*The family unit size, as determined for a family under the PHA subsidy standards, is used to determined the maximum rent subsidy for the family voucher program.*

### ***FAMILY ABSENCE FROM THE DWELLING UNIT***

*The family may be absent from the unit for brief periods. The family may not be absent from the unit for a period of more than 180 consecutive calendar days in any circumstance, or for any reason.*

*The Housing Assistance Payments is terminated if the family is absent for longer than maximum period permitted. The term of HAP contract and assisted lease also terminates.*

*The PHA will request any information or certification to verify that the family is residing in the unit or relating to family absence from the unit.*

*The family must cooperate with the PHA for this purpose. The family must promptly notify the PHA the absence of the unit including any information requested on purpose of family absences. The PHA give to the family the initial term of sixty days. After that term the family must notify to PHA the intention to extend the term of days, no more than 120 days.*

*The PHA will adopt appropriate techniques to verify family occupancy or absence, including letters to the family at the unit, phone calls, visits or questioned the landlord or the neighbors.*

*The PHA absence policies are the followings:*

- ❖ The PHA will establish policies or absences because of vacation, hospitalization, imprisonment, medical treatment family emergencies and in case of death.*

*If the family demonstrate evidence of absences from the unit the PHA can decide to readmits or resumption of assistance to family.*

### ***DETERMINE WHO REMAINS IN THE PROGRAM IF A FAMILY BREAKS UP***

*The PHA policies to determine who remains in the program if a family breaks up are the following:*

- ❖ If a court determines the disposition of property between members of the assisted family in a divorce or separation under settlement or judicial decree, the PHA is bound by*

*court's determination of which family members continue to receive assistance in the program.*

- ❖ *In case of death the assistance remains to the member of family that have the custody or tutor the minor children, ill, elderly or disabled family member.*
- ❖ *In case of physical violence against family members by a spouse or other member of the household, the PHA remains the assistance to the victim of this violence.*

### ***PROCESS FOR ESTABLISHING AND REVISING PAYMENT STANDARD IN VOUCHER PROGRAM***

*The PHA establishes payment standards by number of bedrooms. The voucher subsidy is based on lower or payment standards for family unit size, or payment standard for unit size rented by the family. The family may lease an otherwise acceptable dwelling unit with fewer*

*bedrooms than the family unit size. The dwelling unit must meet the applicable HQS space requirements. The family may lease an otherwise acceptable dwelling unit with more bedrooms than the family unit size.*

*The PHA's minimum rent (from \$25) as determined by the PHA. Under the last three branches of this formula, the TTP (which is not covered by the voucher subsidy payment) for a family may exceed 40% of adjusted monthly income. HUD previously advised that such families may not rent a unit for a gross rent that exceeds the 40% initial rent burden limit.*

*The PHA's payment standard is above 100% but at or below 110% of FMR.*

*If the payment standard is lower than FMR the PHA has chosen to serve additional families by lowering the payment standard or reflects market or sub-market. If the payment standard is higher than FMR, FMR are not adequate to ensure success among assisted families in the PHA's segment of the FMR area, reflects market or sub-market and to increase housing options for families.*

### ***POLICIES CONCERNING TO SPECIAL HOUSING TYPES***

*The PHA will adopt the policy based on the federal requirements established in the Part 982 Subpart M. In that moment the PHA do not have any special housing.*

### ***POLICIES CONCERNING PAYMENT BY THE FAMILY***

*When the participant family falls in debt with the PHA by failing to report any incomes the Agency will offer the family the alternative of a monthly payment plan to overcome the debt are the following:*

- ❖ The form for the payment plan is signed by the participant, the Section 8 technician, the Section 8 Coordinator, the PHA Director, the Finance Department Director and the City's Mayor.*

- ❖ *The PHA informs the participant that the payment will be paid at the Finance Department.*
- ❖ *This Department prepares monthly reports of any payment plan which are sent to the PHA Office for monitoring.*
- ❖ *If the participant family fails to continue the payment plan they are advised that they may lose their participation.*
- ❖ *The PHA has the option in these cases to send to the Credit Bureau and follow up orientations, take place to avoid further payment delays.*
- ❖ *There is only a reason that allows the participant family to abandon the housing unit while on a payment plan: sickness, nursing for a sick relative, visiting confines.*
- ❖ *If the HAP payment was zero for the applicable period of time for termination from the program (6 months under the new HAP contract or 12 months under the old HAP contract).*

### ***INFORMAL HEARING PROCEDURES FOR PARTICIPANT***

*The PHA use the following procedure to hold an informal hearing:*

- ❖ *All necessary information about the case is gathered*
- ❖ *The tenant is advised about his/her right to request in written an informal hearing.*
- ❖ *When the written request is received, the Municipality's Legal Advisor is notified to set a date for the hearing. The Legal Advisor serves as Examination Officer of the case.*
- ❖ *The PHA writes to the family to notify them of the date for the hearing and to let them know their right of a legal counselor to represent them.*
- ❖ *The PHA must give the opportunity to examine at PHA offices before the PHA hearing any family documents that are directly relevant to the hearing.*
- ❖ *The PHA and the family must be given the opportunity to present evidence, and may ask any questions to any of the witnesses. Evidence may be considered without regard to admissibility the rules of evidence to judicial proceedings.*

- ❖ *The date of the hearing the following persons will be present: The Municipality Legal Advisor, PHA Officers, Participant or its Legal Counselor.*
- ❖ *The PHA Officer will explain the case against the tenant. The tenant gets a chance to defend his or her position and explain the facts of the case.*
- ❖ *After this, the Municipality Legal Advisor makes a decision over the case and must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.*
- ❖ *The PHA Director take the final decision, based upon the Legal Advisor decision, writes to the participant family to notify either the cancellation of the contract or to continue with the assistance.*

***ADMINISTRATIVE PLAN  
MUNICIPALITY OF CAGUAS  
DEPARTMENT AND HOUSING  
SECTION 8 VOUCHER PROGRAM  
REVISED MARCH 2000***

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INDEPENDENT AUDITORS'  
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Hon. William Miranda Marin  
Mayor  
Commonwealth of Puerto Rico  
Municipality of Caguas

We have audited the financial statements of the Municipality of Caguas as of and for the year ended June 30, 1998 and have issued our report thereon dated September 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Municipality of Caguas's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal control over financial reporting

In planning and performing our audit, we considered the Municipality of Caguas's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Municipality of Caguas's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as findings 98-1 through 98-7.

INDEPENDENT AUDITORS' REPORT  
ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Hon. William Miranda Marin  
Mayor  
Commonwealth of Puerto Rico  
Municipality of Caguas

Compliance

We have audited the compliance of the Municipality of Caguas with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Municipality of Caguas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Municipality of Caguas's management. Our responsibility is to express an opinion on the Municipality of Caguas's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Municipality of Caguas's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Municipality of Caguas's compliance with those requirements.

As described in item 98-8 in the accompanying schedule of findings and questioned costs, the Municipality did not comply with requirements regarding equipment and real property management that are applicable to its Head Start program. Compliance with such requirements are necessary, in our opinion, for the Municipality of Caguas to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the Municipality of Caguas complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Hon. William Miranda Marin  
Mayor  
Commonwealth of Puerto Rico  
Municipality of Caguas

Internal control over compliance

The management of the Municipality of Caguas is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Municipality's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the Municipality of Caguas's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. The Reportable condition is described in section 3 of the accompanying schedule of findings and questioned costs as finding 98-9.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Schedule of expenditures of federal awards

We have audited the general purpose financial statements of the Municipality of Caguas as of and for the year ended June 30, 1998, and have issued our report thereon dated September 30, 1998. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Hon. William Miranda Marin  
Mayor  
Commonwealth of Puerto Rico  
Municipality of Caguas

This report is intended for the information of the Mayor, the Municipal Assembly, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



*Rannell Kenneth Fowler*  
Licence No. 22  
Expires on December 1, 1998

September 30, 1998



## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section I – Summary of auditor’s results:

Financial Statements:

Type of auditor’s report issued: Unqualified

## Internal control over financial reporting:

- |   |     |
|---|-----|
| 1. Material weakness identified?  | Yes |
| 2. Reportable condition(s) identified not considered to be material weakness? | No  |
| 3. Noncompliance material to financial statements noted?                      | No  |

Federal Awards:

## Internal control over major programs:

- |   |     |
|---|-----|
| 1. Material weakness(es) identified?  | No  |
| 2. Reportable condition(s) identified not considered to be material weaknesses? | Yes |

Type of auditor’s report issued on compliance for major programs? Qualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510 (a)? Yes

## Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.855,856,857	Housing Assistance Program
93-600	Head Start Program
14.221	Urban Development Action Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$709,579

Auditee qualified as a low-risk auditee? No

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings:

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-1	N/A	<p><u>Condition:</u></p> <p>The general fund vouchers' payable subsidiary report as of 6/30/98 included \$903,769 in vouchers payable balances that were paid already at such date.</p> <p><u>Criteria:</u></p> <p>The Puerto Rico Municipality Law (Law 81) requires in its Article Number 8.010 that the municipalities' accounting systems provide fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles, including effective internal controls to safeguard assets and assure their proper use.</p> <p><u>Cause:</u></p> <p>The Municipality does not perform monthly reconciliation of the vouchers' payable subsidiary ledger with the general fund vouchers' payable control account.</p> <p><u>Effect:</u></p> <p>The Municipality vouchers' payable subsidiary ledger balance is misleading.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-1	N/A	<p><u>Recommendation:</u></p> <ol style="list-style-type: none"> <li>1. The Municipality must perform reconciliation of the vouchers' payable subsidiary ledger with the general fund vouchers' payable control account as part of its monthly accounting closing routine.</li> <li>2. Any differences between the subsidiary ledger and the general ledger control account must be investigated and/or adjusted as required by the circumstances.</li> </ol>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

**MUNICIPALITY OF CAGUAS**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-2	N/A	<p><u>Condition:</u></p> <p>The Municipality does not accrue accumulated vacations and sick leave as a liability in its accounting records as the benefits are earned by the employees.</p> <p><u>Criteria:</u></p> <p>The GASB-16 (Compensated Absences) establishes that vacation leave and other compensated absences with similar characteristics should be accrued as liability as the benefits are earned by the employees.</p> <p><u>Cause:</u></p> <p>The attendance and license area does not prepare the necessary vacation and sick leave listings in order for the Municipality accounting personnel to make the accrual in the accounting records.</p> <p>The attendance and license area does not prepare the listing because:</p> <ol style="list-style-type: none"> <li>1. The supervisor of the attendance and license area does not understand the accounting importance of such listings.</li> <li>2. The supervisor of the attendance and license area does not delegate properly the preparation of the listings to the employees under his supervision.</li> </ol> <p><u>Effect:</u></p> <p>The Municipality is not accruing the vacation and sick leave compensated absences attributable to services already rendered as required by GASB.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-2	N/A	<p><u>Recommendation:</u></p> <ol style="list-style-type: none"> <li>1. We recommend the implementation by the attendance and license area of a subsidiary ledger for the accruing of vacations and sick leave compensated absences. Such subsidiary ledger should account the vacation and sick leave accrual per employee. The accrual per employee should be calculated based on the pay or salary in effect at the balance sheet date in which the accrual will be included.</li> <li>2. Based on such listing the accounting personnel should accrue as a liability the vacations and sick leave compensated absences at the balance sheet date in which the accrual will be included.</li> </ol>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-3	N/A	<p><u>Condition:</u></p> <p>The Municipality does not make the record keeping of the expenditures related to the construction of capital assets (buildings) in the general fixed assets account group as construction in progress when the expenditures are incurred in the capital project fund.</p> <p><u>Criteria:</u></p> <p>NCGAS 1, paragraph 38 establishes that fixed assets other than those accounted for in the proprietary funds or trust funds are general fixed assets. General fixed assets are accounted for in the General Fixed Assets Account Group (CFAAG) rather than in the governmental funds.</p> <p><u>Cause:</u></p> <p>The buildings constructed by the Municipality are recorded in the General Fixed Asset Account Group when its construction is finished based on the costs accumulated in the construction subsidiary ledger maintained by the Public Works Department instead of been recorded as construction in progress when the costs are incurred and paid through the capital project fund.</p> <p><u>Effect:</u></p> <p>1. The Municipality accounting records does not reflect its investment in capital assets (buildings) until its construction is finished; which may take more than one fiscal year to happen.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-3	N/A	<p>2. There is no way to verify if the construction subsidiary ledger maintained by the Public Works Department is accurate since it can not be reconciled against the Municipality accounting records.</p> <p><u>Recommendation:</u></p> <p>1. The Municipality should make the record keeping of the expenditures related to the construction of capital assets (buildings) in the general fixed assets account group as construction in progress when the expenditures are incurred in the capital project fund.</p> <p>2. On a monthly basis the construction in progress account in the general ledger should be reconciled against the construction subsidiary ledger maintained by the Public Works Department and any differences investigated and/or adjusted as per the circumstances.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-3	N/A	<p>2. There is no way to verify if the construction subsidiary ledger maintained by the Public Works Department is accurate since it can not be reconciled against the Municipality accounting records.</p> <p><u>Recommendation:</u></p> <p>1. The Municipality should make the record keeping of the expenditures related to the construction of capital assets (buildings) in the general fixed assets account group as construction in progress when the expenditures are incurred in the capital project fund.</p> <p>2. On a monthly basis the construction in progress account in the general ledger should be reconciled against the construction subsidiary ledger maintained by the Public Works Department and any differences investigated and/or adjusted as per the circumstances.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-4	N/A	<p><u>Condition:</u></p> <p>During fiscal year 1997-98 the disposals of Municipality property were not recorded neither in the property subsidiary ledger nor in the general ledger control account.</p> <p><u>Criteria:</u></p> <p>The Revised Regulations of Basic Puerto Rico Municipalities Standards issued by the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) establishes in its chapter VII (Custody, Control and Accounting of the Municipality Property), section 21 ( Property Disposal) that after the disposal of property the employee in charge of the municipal property should remit to the Municipality Finance Director a copy of the authorized disposal request form in order to perform the corresponding accounting entries. Also, section 22 of the revised regulations (Annual Physical Inventory) establishes that every municipality should maintain an adequate control of its property by the taking of periodic physical inventories. As soon as the inventories are taken the employee in charge of the municipality property should trace the listing totals against the accounting records. If differences exist between the listings and the accounting records a reconciliation and investigation must be performed in order to place the appropriate responsibilities.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-4	N/A	<p><u>Cause:</u></p> <ol style="list-style-type: none"> <li>1. The employee in charge of the Municipal property did not remit to the Municipality Finance Director a copy of the authorized disposal request form in order to perform the corresponding accounting entries.</li> <li>2. The employee in charge of the Municipal property did not record the property disposal in the property subsidiary ledger.</li> <li>3. The employee in charge of the municipal property did not perform periodic reconciliation between the physical property, the property subsidiary ledger and the fixed assets group control account.</li> </ol> <p><u>Effect:</u></p> <p>The general ledger control account and the property subsidiary ledger were overstated by the aggregated cost of the disposed property</p> <p><u>Recommendation:</u></p> <p>Property control procedures should be evaluated and modified in order to ensure adequate recording of property transactions either in the property subsidiary ledger as in the general ledger control account on a timely and accurate manner.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-5	N/A	<p><u>Recommendation:</u></p> <p>We recommend that the Municipality follow its policy and approve all employee hours worked before the processing of the payroll and the issuance of the payroll checks.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-6	N/A	<p><u>Condition:</u></p> <p>The Municipality do not always book in its accounting records all cash receipts on a daily basis.</p> <p><u>Criteria:</u></p> <p>The Revised Regulations of Basic Puerto Rico Municipalities Standards issued by the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) establishes in its chapter III (Municipal Income), section 4 (General Cashier) that the municipality general cashier must remit to the accounting department the daily cash receipt report reconciled against the bank deposit slip on a daily basis.</p> <p><u>Cause:</u></p> <p>Cash receipt reports related to volume of business, rentals and other miscellaneous income are not remitted to the accounting department for proper recording on a daily basis.</p> <p><u>Effect:</u></p> <p>Cash receipts are not always posted on a daily basis in the Municipality's accounting records (income module) resulting in differences between the accounting records and the daily cash receipts report.</p> <p><u>Recommendation:</u></p> <p>All cash receipts must be booked on the Municipality's accounting records on a daily basis and any difference between the daily cash receipts report and the accounting records must be investigated on a timely basis.</p>	None	<p>Material Weaknesses</p> <p>Internal Control</p>

MUNICIPALITY OF CAGUAS  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 1998

Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-7	N/A	<p><u>Condition:</u></p> <p>The cost of the Municipal Fine Arts Center (enterprise activity) and the Governmental Center (governmental activity) buildings are combined together in the Fixed Assets Account Group.</p> <p><u>Criteria:</u></p> <p>The Puerto Rico Municipality Law (Law 81) requires in its Article Number 8.010 that the municipalities' accounting systems provide fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles, including effective internal controls to safeguard assets and assure their proper use.</p> <p><u>Cause:</u></p> <p>The construction of these buildings were contracted through the same procurement procedure resulting in the combining of both buildings construction costs.</p> <p><u>Effect:</u></p> <ol style="list-style-type: none"> <li>1. The cost of the Municipal Fine Arts Center of approximately \$8.8 million was overstated on the General Fixed Account Group and on the other hand the enterprise fund fixed asset amount was understated by the same amount.</li> <li>2. Depreciation expense of the Municipal Fine Arts Center Building has not been recorded and thus is not considered in the determination of total expenses, net income, and changes in fund equity of the enterprise fund.</li> </ol>	None	<p>Material Weakness</p> <p>Internal Control</p>

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 2. Financial statement findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-7	N/A	<u>Recommendation:</u> The Municipal Fine Arts Center building must be capitalized in the municipality enterprise fund because the Center is used in an enterprise activity.	None	Material Weakness  Internal Control

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 3. Federal Awards findings:

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-8	Head Start Program 93.600 02CH0263 13 02CH0263 14	<p><u>Condition:</u></p> <p>During our review of the Head Start Program Property Register we noted various instances in which the register did not included the physical location and acquisition date of the equipment enumerated in the register.</p> <p><u>Criteria:</u></p> <p>45 CFR. part 92.32 establishes that property records must include the following information: (1) description of the property, (2) serial number or other identification number. (3) source of property, (4) who holds title, (5) acquisition date, (6) cost, (7) percentage of Federal participation in the cost of the property, (8) location, (9) use and condition, and (10) ultimate disposition date including the date of disposal and sale price of the property.</p> <p><u>Cause:</u></p> <p>The employee in charge of the register does not understand the importance of such information.</p> <p><u>Recommendation:</u></p> <ol style="list-style-type: none"> <li>1. We recommend the inclusion of the information missing in the Property Register to ensure that it complies with the 45 CFR cited above.</li> <li>2. We recommend that monthly reconciliation between the Property Register and the Municipal Property Subsidiary Ledger be performed and any difference investigated and/ or adjusted as per the circumstances.</li> </ol>	None	Compliance  Equipment and Real Property Management

## MUNICIPALITY OF CAGUAS

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 1998

## Section 3. Federal Awards findings (continued):

Finding No.	Program CFDA No. Grant No.	Description	Questioned Cost	Type of Reportable Condition
98-9	Section 8 Cluster	<p><u>Condition:</u></p> <p>The Municipality's Housing Department did not remit the Financial Status Report's (balance sheet and operating statement) of the Section 8 Cluster Programs to the Municipality Finance Director for his approval prior to submitting the reports to HUD.</p> <p><u>Criteria:</u></p> <p>The Puerto Rico Municipality Law (Law 81) establishes in its Article Number 6.005(c) that the Municipality's Finance Director is responsible for the preparation and filing of financial reports.</p> <p><u>Cause:</u></p> <p>The Housing Department was unaware about such Finance Director's responsibility.</p> <p><u>Effect:</u></p> <p>The Municipality Finance Director is assuming the responsibility for financial reports issued to a federal agency (HUD) that he did not revised and/or approved.</p> <p><u>Recommendation:</u></p> <p>The Housing Department must remit to the Municipality's Finance Director the Financial Status Reports (balance sheet and operating statement) of the Section 8 Cluster Programs for his review and approval prior to such reports been submitted to HUD.</p>	None	Internal Control Over Compliance Reporting

## MUNICIPALITY OF CAGUAS

Auditors' Report on the Status of Uncorrected Material Findings and  
Recommendations from Prior Audits that Affect the Financial Statement Audits  
As Required by Governmental Auditing Standards  
For the Year Ended June 30, 1998

Finding 97-1

## Audit finding description:

The fund and cash accounts balances as of June 30, 1997 as per the general ledger (OCAM system) have misleading balances.

## Audit finding status:

Corrective action is in process. During fiscal year 1997-98 the Municipality took the following corrective action steps:

1. Requested from the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) the authorization to implement another accounting system instead of the one developed by them.
2. Started of the implementation of a new accounting system that provides fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles. The Municipality's management understanding is that the new accounting system will be fully implemented before December 31, 1999.

Finding 97-2

## Audit finding description:

The accounting of several special revenue and capital project funds are combined together in two funds (funds 02 and 20) in the Municipality's accounting.

## Audit finding status:

Corrective action was taken as follows:

1. During fiscal year 1997-98 the Municipality maintained manually self balancing sets of accounts for each individual special and capital project activities included in funds 02 and 20 in order to assure that the specific activities are carried out and the objectives are attained in accordance with the special regulations, restrictions or limitations for such transactions.
2. During fiscal year 1997-98 the Municipality requested from the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) the authorization to implement another accounting system instead of the one developed by them.
3. During fiscal year 1997-98 the Municipality started the implementation of a new accounting system that provides fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles. The Municipality's management understanding is that the new accounting system will be fully implemented before December 31, 1999.

## MUNICIPALITY OF CAGUAS

Auditors' Report on the Status of Uncorrected Material Findings and  
 Recommendations from Prior Audits that Affect the Financial Statement Audits  
 As Required by Governmental Auditing Standards  
 For the Year Ended June 30, 1998

2. During fiscal year 1997-98 the Municipality requested from the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) the authorization to implement another accounting system instead of the one developed by them.
3. During fiscal year 1997-98 the Municipality started the implementation of a new accounting system that provides fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles. The Municipality's management understanding is that the new accounting system will be fully implemented before December 31, 1999.

Finding 97-5

## Audit finding description:

The building, land and improvements costs of the Consolidated Mall (enterprise activity) were recorded as a single amount.

## Audit finding status:

Corrective action was taken. During fiscal year 1997-98 the Municipality segregated in the OCAM system the costs of the Consolidated Mall in its components which are land, building and improvements.

Finding 97-6

## Audit finding description:

The OCAM accounting system encumbrance control account as of June 30, 1997 for the general fund does not agree with the total encumbrance column in the Report of Expenses, Encumbrances and Appropriations which is generated also by the OCAM accounting system.

## Audit finding status:

Corrective action is in process. During fiscal year 1997-98 the Municipality took the following corrective action steps:

1. Requested from the Office of the Commissioner of Municipal Affairs (OCAM by its abbreviation in the spanish language) the authorization to implement another accounting system instead of the one developed by them.
2. Started the implementation of a new accounting system that provides fiscal controls and accounting procedures that are in accordance with generally accepted accounting principles. The Municipality's management understanding is that the new accounting system will be fully implemented before December 31, 1999.

## MUNICIPALITY OF CAGUAS

Auditors' Report on the Status of Uncorrected Material Findings and  
Recommendations from Prior Audits that Affect the Financial Statement Audits  
As Required by Governmental Auditing Standards  
For the Year Ended June 30, 1998

Finding 97-7

## Audit finding description:

At June 30, 1997 there was a difference of approximately \$30 million between the General Fixed Assets Account Group control account and the property subsidiary ledger.

## Audit finding status:

Corrective action was taken. During fiscal year 1997-98 a physical inventory of the Municipality's property was taken and the results reconciled against the property accounting records.

Finding 97-8

## Audit finding description:

Ten (10) paid vendor invoices out of a sample of twenty four (24) were not cancelled to validate that the payment was issued.

## Audit finding status:

Corrective action was taken. During fiscal year 1997-98 the Municipality's management only signed vendors checks after all payment supporting documents included in the payment voucher were stamped as paid.

MUNICIPALITY OF CAGUAS  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 1998

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
US Department of Housing and Urban Development	Community Development Block Grant Entitlement	14.218	B-97-MC-72-001	\$6,827,966
	Emergency Shelter Grant	14.231	S-97-MC-72-005	158,044
	Housing Assistance	14.856	RQ-46-K-007-003	316,029
	Payment Programs for Low Income Families	14.856	RQ-46-K-007-001	226,097
		14.856	RQ-46-K-007-002	63,169
		14.855	RQ-46-V-007-012	723,987
		14.857	RQ-46-E-007-004	3,217,910
	Home Program	14.239	M-97-MC-72-0203	1,004,701
	Urban Development Action Grant	14.221		998,526
	US Department of Health and Human Services	Head Start-Administration For Youth and Children	93.600	02-CH-0263-13 02-CH-0263-14
HIV Emergency Relief Project Grant		93.914 93.915	BRH-890037-02 BRX-630037-97	1,566,231
Pass-through Department of Family of Puerto Rico	Child Care and Development Block Grant	N/A	123-98-132	229,617
US Department of Agriculture Pass-through Department of Education	Child and Adult Care Food Program	10.558	C-003	688,962
	Rural Economic and Community Development, Domestic Water System Loan and Grant	N/A	63-05-690066- 0026	9,850
US Department of Justice Office of Justice Programs	Community Oriented	16.710	96-UM-WX-1321	335,449
	Policing Services	16.711		

MUNICIPALITY OF CAGUAS  
 Schedule of Expenditures of Federal Awards (continued)  
 For the Year Ended June 30, 1998

<u>Federal Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Federal Emergency Management Agency Pass-through Civil Defense of Puerto Rico	Disaster Assistance	83.516	N/A	<u>391,774</u>
Total Expenditures				<u>\$23,652,646</u>

## MUNICIPALITY OF CAGUAS

Notes to the Schedule of Expenditures  
of Federal Awards  
June 30, 1998Note 1 – General

The accompanying schedule of expenditures of federal awards presents the expenditures, for the fiscal year ended June 30, 1998, of all the federal assisted programs of the Municipality of Caguas.

Note 2 – Accounting basis

The schedule was prepared following the modified accrual basis of accounting, which is further explained in note 1 of the general purpose financial statements of the Municipality of Caguas for the fiscal year ended June 30, 1998.

## MUNICIPALITY OF CAGUAS

Summary Schedule of Prior Audit Findings as Required  
by OMB Circular A-133  
For the Year Ended June 30, 1998Prior Audit Finding No. 97-9Audit finding description:

Records for equipment and property purchased with monies from federally assisted programs are maintained by a central property management department.

Audit finding status:

Corrective action was taken.

Prior Audit Finding No. 97-10

Audit finding description: During our test of participants eligibility, two (2) participants records were not available for our examination.

Audit finding status:

Audit finding is partially corrected. Original participants records are being kept in a restrictive area; yet Head Start personnel are still searching for the missing two (2) records.

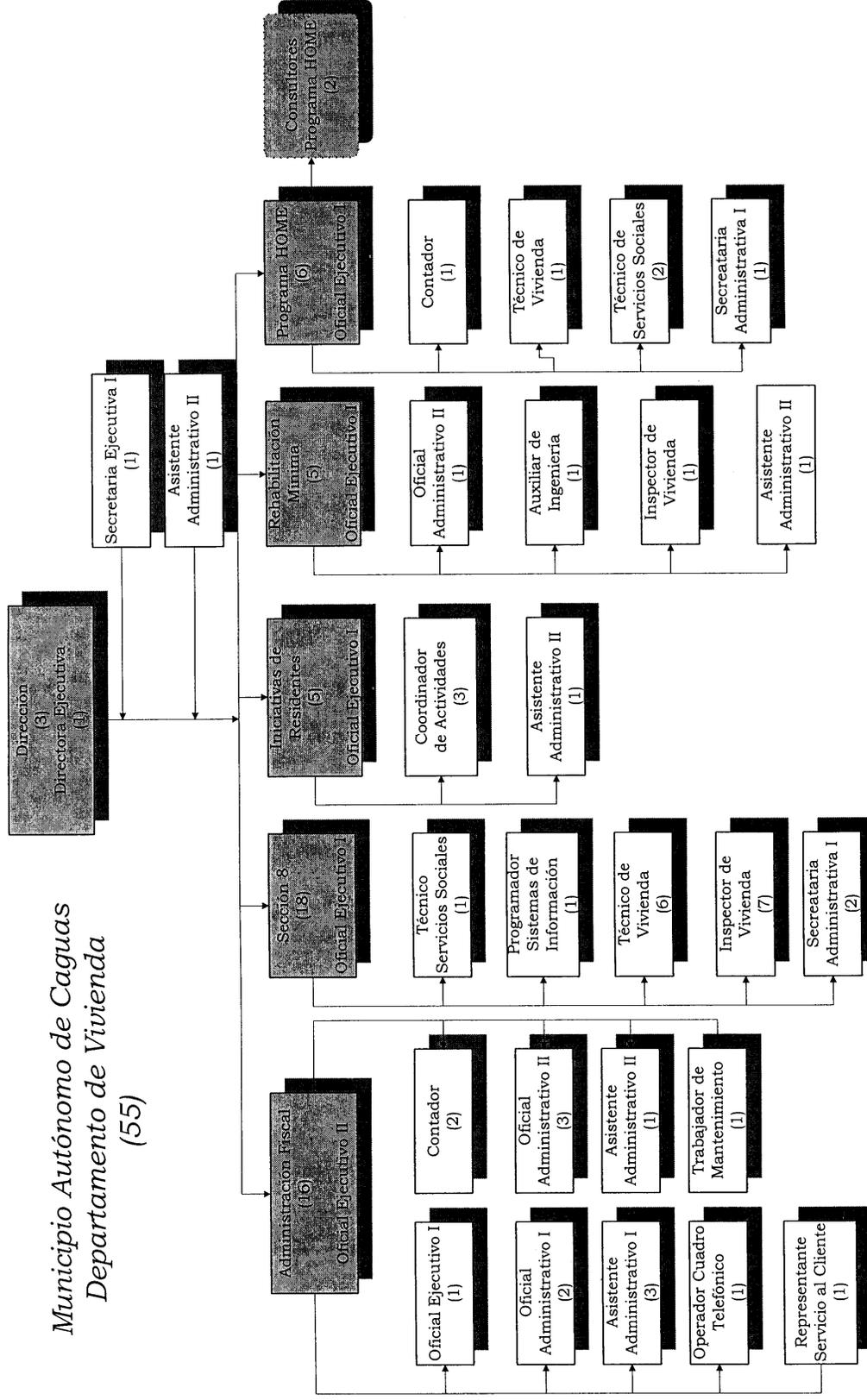
**MUNICIPALITY OF CAGUAS**

Corrective Action Plan  
For the Fiscal Year Ended June 30, 1998

Contact person: Carlos J. Crespo Massa, CPA  
Telephone No: (787) 258-6419/6481  
Fax No. (787) 258-6482

Finding No.	Corrective Action	Completion Date
98-1	The Director of Finance instructed people in charge of accounting and accounts payable to perform the related reconciliations as part of the closing routine.	Immediately
98-2	The Director of Human Resources is implementing a computerized system to process and record the accruing of vacations and sick leave balances.	30-Jun-99
98-3	The Director of Finance instructed the accounting personnel to record the expenditures related with construction of capital assets in the general fixed assets account group as construction in progress when the expenditures are incurred in the capital projects fund.	31-Dec 99
98-4	The Director of Finance instructed the employee in charge of the property to record the disposals in the subsidiary ledger. Also, as a standard operating procedure, instructions were brought to the accounting personnel to request monthly from the Property division the information related with the property disposals	Immediately
98-5	The Municipal Administrator will instruct the Director of Human Resources to request from the Departments' directors and supervisors the approval of the attendance time reports.	Immediately
98-6	The director of finance instructed in writing to the Supervisor of the area about the daily submittance of the cash receipts to the Accounting division. Also, as a standard operating procedure, the Accounting Division was instructed to request daily the cash receipts for the proper recording.	Immediately
98-7	The corrective action was properly taken during the financial statement audit. The related building was already capitalized in the enterprise fund. The related balances were properly adjusted.	n/a
98-8	The Municipal Administrator instructed the Director of Services to the Family in order to include the information missing in the Property Register. Also, instructions were made in order to reconcile as per recommendation no. 2	immediately
98-9	The Municipal Administrator instructed the Director of the Housing Department to remit the Financial Status Reports to the Director of Finance for the proper approval.	immediately

*Municipio Autónomo de Caguas  
Departamento de Vivienda  
(55)*

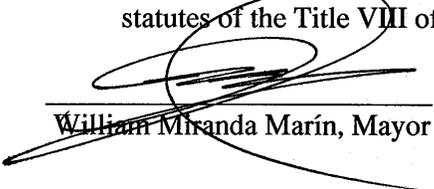


## CERTIFICATION

The grantee hereby certifies that he has conducted an analysis to determine the impediments to fair housing choice in its Housing and Community Development Program and related activities.

The recipient has taken lawful steps consistent with 570.904, relating to housing and community development to overcome the effects of conditions that limit fair housing choice within the recipient jurisdiction. Such actions include:

- That the fair housing choice of each individual will be protected and the law will be enforced so as to provide or make available the same housing choices regardless of race, color, religion, sex, national origin or income levels to all concerned.
- That the public policies (under municipal ordinance and proclamation) affecting the building sites and other building requirements will be made part of the daily and routinely disposition of the housing programs under the city's jurisdiction.
- That all administrative policies concerning community development and related housing activities and programas (as evidenced in our Consolidatd Plan) will be executed in a fashion which will not affect the opportunities of minority and/or low income families to select housing inside or outside their area of minority concentration, and;
- That the city administration and its housing and Community Development Program will enact and enforce the federal fair housing law, provide for fair housing consistent with the law, develop voluntary partnerships with external institutions and organization to promote "fair housing choice", and will remedy unlawful segregation or discrimination within the program and legal statutes of the Title VIII of the Civil Rights Act of 1968.

  
William Miranda Marín, Mayor

April 13, 2000  
Date