



Municipality of Caguas

2026-2027 Annual Action Plan

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Mayor

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Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Municipality of Caguas has prepared the 2026-2027 Annual Action Plan to receive funding from the U.S. Department of Housing and Urban Development (HUD). The plan is submitted to satisfy the regulatory requirements at 24 CFR Part 91 and to access entitlement formula grants under the Community Development Block Grant Program (CDBG), the HOME Investment Partnerships Program (HOME), and the Emergency Solutions Grants Program (ESG). The Action Plan describes how each of these federal funding sources will be invested to address the priority housing, community development, and homeless needs of the residents of Caguas, particularly those with low and moderate incomes, in a manner consistent with the strategy adopted in the 2025-2029 Consolidated Plan.

The Planning Office of the Autonomous Municipality of Caguas is the lead agency for the preparation of the plan and to ensure that these strategies align with the Municipal Strategic Plan (New Generation Strategy Plan) and the Land Use Plan. These plans are consistent with the Consolidated plan in promoting social and economic development and ensuring comprehensive execution of programs, studies, proposals, activities, and projects from both local and federal sources.

The 2026-2027 Action Plan is the second annual plan implementing the 2025-2029 Consolidated Plan. It identifies the resources expected to be available, the annual goals to be advanced, and the specific projects and activities to be carried out during the program year that runs from July 1, 2026, to June 30, 2027.

The Plan addresses the regulatory requirements across various sections. It begins with this Executive Summary that provides an overview of the plan's goals and strategies. The sections on Lead & Responsible Agencies, Consultation, and Participation outline the roles of involved organizations, the consultation process with stakeholders, and citizen participation mechanisms, respectively. The plan also specifies Expected Resources which includes funding sources and allocation details. Annual Goals and Objectives are clearly defined, followed by detailed descriptions of Projects planned for the year, including a Project Summary and Geographic Distribution of resources, which explains how the funds are dispersed across different areas.

Sections on Affordable Housing focus on strategies for increasing housing availability, addressing public housing issues, and activities for homeless and other special needs groups. Additionally, the plan discusses Barriers to affordable housing, identifying challenges and proposing solutions. The plan concludes with Program Specific Requirements, detailing specific regulatory and compliance requirements. This structure ensures a comprehensive approach to addressing housing and community development needs within the municipality.

Consistent with applicable federal Executive Orders, the Municipality will not use grant funds to promote “gender ideology,” as defined in Executive Order 14168, and will administer Equal Access protections in accordance with HUD’s regulations as in effect at the time of grant execution.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The Municipality of Caguas has identified the following six (6) goals for the 2026-2027 program year, each addressing priority community needs with funding from CDBG, HOME, ESG, and Section 8 Housing Choice Voucher resources, consistent with the 2025-2029 Consolidated Plan. A complete summary appears in Table 60 (Goals Summary) within Section AP-20.

- **Housing Assistance** — Preserves and expands affordable housing through Section 8 tenant-based rental assistance, HOME first-time homebuyer assistance, HOME owner-occupied rehabilitation, and the HOME CHDO set-aside, complemented by CDBG minimal rehabilitation. Funding: CDBG \$100,978.35; HOME \$693,947.86; Section 8 \$8,898,418.00. Goal Outcome Indicators: 43 owner-occupied units rehabilitated, 3 first-time homebuyer households, 1,405 households receiving rental assistance, and 1 CHDO project.
- **Address Community and Economic Development Needs** — Promotes job creation and microenterprise development through the Caguas Compite program, providing technical assistance, training, and business-development services to entrepreneurs in low- and moderate-income areas. Funding: CDBG \$65,000.00. Goal Outcome Indicator: 2 businesses assisted.
- **Public Facilities and Improvements** — Invests in street and road improvements in low- and moderate-income neighborhoods (Bo. Pueblo: Urb. Machín, Urb. Villa Flores, Jardines Plá, Río Cañas / La Mesa Community), the new Calle Nazario dog park, and Phase I improvements at Parque Forastieri (CUT). Funding: CDBG \$918,390.00. Goal Outcome Indicator: 12,465 persons assisted through public facility and infrastructure activities.
- **Public Services** — Funds targeted services for seniors (Red de Apoyo Bienestar del Adulto Mayor), psychosocial and substance-abuse prevention (SANOS Proyecto Enlace 2), alternative technical-vocational education (Nuestra Escuela Inc.), youth and adult entrepreneurship (Arranque Empresarial), employment services for persons with disabilities (MAVI EMPS), and environmental education at the Jardín Botánico (Proyecto Educativo y Demostrativo Proceso de Polinización). Funding: CDBG \$250,238.85. Goal Outcome Indicator: 815 persons assisted.
- **Planning and Administration** — Supports environmental review, project monitoring, fair-housing and Citizen Participation Plan implementation, and overall compliance management for the CDBG and HOME programs. Funding: CDBG \$333,651.80; HOME \$77,105.31. Goal Outcome Indicator: 2 administrative activities (Other).
- **Homeless Assistance** — Funds the four ESG eligible activity components (Street Outreach and Shelter, Rapid Re-Housing, Homelessness Prevention, and HMIS) and program administration to

provide a coordinated response for individuals and families experiencing or at risk of homelessness, in coordination with the PR-503 Continuum of Care. Funding: ESG \$148,268.00. Goal Outcome Indicators: 3 households served through rapid rehousing, 109 persons in overnight shelter, 3 persons receiving homelessness-prevention assistance, and 2 administrative activities (Other).

- Together, these six goals reflect the priority needs identified through citizen participation, the consultation with the PR-503 Continuum of Care, and the strategic framework of the 2025-2029 Consolidated Plan (SP-45). The detailed Goal Outcome Indicators, Geographic Areas, Needs Addressed, and per-goal Funding allocations are presented in Table 60 within Section AP-20 of this Annual Action Plan.
- Total HUD entitlement allocation for the 2026-2027 program year: CDBG \$1,668,259.00; HOME \$771,053.17; ESG \$148,268.00. Section 8 Housing Choice Voucher Program funds of \$8,898,418.00 are also available for tenant-based rental assistance, but are administered separately under the HCVP allocation rather than as Consolidated Plan formula resources.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The 2024-2025 CAPER documents the Municipality of Caguas' progress in carrying out the Consolidated Plan during the program year that ran from July 1, 2024, to June 30, 2025, and is the most recent performance report available at the time of this Annual Action Plan submission. The approved Action Plan included goals across CDBG, HOME, and ESG. Key accomplishments by program were as follows:

Evaluation of past performance

CDBG Program — PY 2024-2025

- Infrastructure: Road repaving was completed in Barrio Borinquen (Naranjito sector) benefiting 2,130 residents and in the Pueblo Savarona area benefiting 1,475 residents, for a combined 3,605 persons assisted under public-improvement activities. Public Services: Si Cuidas Conectas served 36 elderly residents through the Health Guardians Program (with 31 female-headed households); SANOS Proyecto Enlace conducted interventions in 25 communities and provided guidance, counseling, and outpatient treatment to 114 individuals; Arranque Juvenil reached 418 students and 21 teachers across 10 schools; and Nuestra Escuela provided technology and vocational training to 10 youth. Economic Development: Caguas Compite provided technical assistance to 37 microenterprise participants, resulting in 5 new businesses, 8 additional participants in the permit process, and 9 jobs created with a projected payroll of \$196,500. Housing Rehabilitation: 4 extremely low-income owner-occupied households received CDBG rehabilitation assistance.

Street Outreach: The PY 2024-2025 CAPER does not separately disaggregate Street Outreach contacts; outreach activity is captured within the combined Outreach + Shelter ESG component reported below.

Emergency Shelter: 163 homeless persons received emergency shelter with supportive services during PY 2024-2025, well above the program-year target of 16 beds added.

Homeless Prevention: 10 households at risk of homelessness received rental and financial assistance to maintain their housing through ESG Homelessness Prevention.

Rapid Re Housing: 34 households experiencing homelessness received rental and financial assistance for permanent housing placement through ESG Rapid Re-Housing, exceeding the program-year goal of 8 households.

- HOME Program — PY 2024-2025: Down payment and closing-cost assistance was provided to 2 first-time homebuyer families during the program year. The Municipality also continued the HOME-funded owner-occupied rehabilitation program; cumulative housing-rehabilitation completions across multiple program years totaled 387 units against a five-year strategic-plan target of 46 (841% of the strategic-plan goal). The CHDO set-aside resulted in 1 CHDO project completed, meeting the program-year target of 1.
- ESG Program — PY 2024-2025: With ESG funds totaling \$149,192 available and \$121,232 expended (an 81% utilization rate), the Municipality served 356 unduplicated individuals through Outreach, Shelter, Prevention, and Rapid Re-Housing combined. Per-activity outcomes are summarized above.
- Public Services — During PY 2024-2025, CDBG public-service activities served 650 persons against a program-year target of 611 (106% of goal). Funded subrecipients and programs included Si Cuidas Conectas / Health Guardians (elderly home-care), SANOS Proyecto Enlace (substance-abuse and mental-health services), MAVI (employment services for persons with disabilities), Arranque Juvenil (youth entrepreneurship), and Nuestra Escuela (alternative vocational education).
- Economic Development — Caguas Compite provided technical assistance to 37 microenterprise participants during PY 2024-2025, resulting in 5 new businesses established, 8 additional participants in the permit-acquisition process, and 9 jobs created with a projected aggregate payroll of \$196,500.
- Section 8 / Housing Choice Voucher Program — During PY 2024-2025, 1,186 households received tenant-based rental assistance through the HCVP, against a program-year target of 1,149 households (103% of goal). Section 8 expenditures totaled approximately \$4,450,000.
- Improvements to Infrastructure — During PY 2024-2025, CDBG infrastructure activities served 5,465 persons against a program-year target of 5,195 (105% of goal), through road repaving in Barrio Borinquen (Naranjito sector, 2,130 residents) and Pueblo Savarona (1,475 residents).
- Prior-year street-repaving activities completed under earlier program years (PY 2021 funds for Downtown Caguas, Cañaboncito sectors, El Verde, and Los Montañez, among others) are

documented in the PY 2024-2025 CAPER and continue to provide cumulative benefit to low- and moderate-income communities.

As reflected above, the Municipality met or substantially exceeded its program-year goals across CDBG, ESG, and Section 8 in PY 2024-2025. In compliance with the CDBG program's primary national objective, 100% of CDBG funds expended during the program year benefited low- and moderate-income persons. The lessons learned from PY 2024-2025 — particularly the strong demand for housing rehabilitation, public services for elderly and youth, and homelessness response — directly informed the priorities reflected in this 2026-2027 Annual Action Plan.

Areas Below Goal

Direct financial assistance to homebuyers fell short of the PY 2024-2025 program-year goal of 10 households, with only 2 households assisted, due to challenging market conditions including rising home prices, limited inventory, and competition from cash buyers. The Municipality is addressing these conditions through enhanced outreach, partnerships with lenders and housing counselors, and continuation of the HOME First-Time Homebuyer set-aside in the 2026-2027 Annual Action Plan.

4. Summary of Citizen Participation Process and consultation process

The Municipality of Caguas executed the required citizen participation and consultation actions outlined in its Citizen Participation Plan. The engagement process involved stakeholder consultation through formal correspondence, public hearings, and a structured public comment period regarding the draft plan content.

Formal consultation letters were distributed to all the agencies and parties required by regulation and to other stakeholders and community organizations. A list of the consultations letters to stakeholders and required parties are presented in the PR10 section and Appendix I. In accordance with 24 CFR Part 576, ESG Program Interim Rule requirements, the Municipality of Caguas also consulted with Coordinadora Moriviví, Collaborative Applicant of the Continuum of Care (PR-COC-503) for the 2026-2027 Annual Action Plan preparation.

The Municipality of Caguas conducted its citizen participation and consultation process in compliance with federal regulations and its adopted Citizen Participation Plan. The Notice of Invitation to Public Hearing was published on November 21, 2025, in El Vocero newspaper in English and at the Municipal's web site at: <https://caguas.gov.pr/avisos-publicos-y-subastas/> in Spanish, meeting HUD's requirement that the notice be published at least 15 days prior to the hearing date.

The public hearing was held on December 9, 2025 at 9:00 a.m. at the Municipal Learning Center (CAM). The hearing addressed community needs related to housing, homelessness, persons with disabilities, elderly residents, economic development, and community development. A total of twenty-six (26) individuals participated in the public hearing. A copy of the attendance sheets, presentation, and other required documents are available on Appendix I.

To comply with the public comment period, the Municipality posted a public notice in EL Vocero newspaper edition of May 1, 2026. In this notice the Municipality made available the 2026-2027 Plan for review, comments and recommendations. The public comment period ended on June May 31, 2026. No comments were received.

5. Summary of public comments

Public comments reflected a diverse set of community needs, program proposals, and operational concerns across arts, emergency management, economic development, energy resilience, and homelessness services.

- Taller Artístico Caguas requested support for its 10-month musical theater program serving children to older adults. They highlighted their national and international student placements and the need for facility rehabilitation due to the age of their building. They asked whether multiple proposals could be submitted and received guidance to submit one proposal per project.
- Office of Municipal Emergency Management (OMME) proposed continuing its bee rescue, relocation, and educational program in partnership with the Jardín Botánico. The initiative includes school visits, public demonstrations, and emergency response to bee incidents at no cost.
- Fundación Borincana described its work training local residents in solar design, microgrid development, and community energy facilitation, noting high demand and long waitlists. They aim to continue training as CDBG-DR funds expire. Residents questioned job placement and funding availability. The organization explained its placement support, partnerships with employers (including LUMA), and assistance in identifying federal and private funding for community energy projects.
- Caguas Compite / Arranque Empresarial Municipal's staff presented programs that cultivate entrepreneurship from youth to adults, emphasizing incubation, business viability analysis, and post-training support. Residents expressed concern about training without implementation funding. Staff clarified that programs help participants access capital through federal and nonprofit partners.
- Homelessness Services (GuaraBí) highlighted its 18-year history providing transitional housing, permanent housing, outreach, crisis intervention, and case management. They expressed intent to submit proposals under CDBG, HOME, and ESG to sustain services and address infrastructure and safety needs at one of their centers.
- Fundación Borincana described its mission to strengthen Puerto Rico's energy resilience by developing a trained local workforce capable of designing and supporting renewable energy systems. They emphasized that Puerto Rico's energy infrastructure is vulnerable. For the past five years, they have operated CDBG-DR-funded workforce programs.
- Employment Outcomes & Workforce Demand, residents asked whether graduates find jobs. Fundación Borincana explained that they run a placement initiative, with graduates working in nonprofits, solar installation companies, and even LUMA, while others start their own design

businesses. They highlighted a critical workforce gap: an estimated 50,000 unfilled energy jobs in Puerto Rico, many currently filled by workers from outside the island.

- Community Energy Projects & Funding described its role in helping communities conceptualize, design, and seek funding for energy projects such as microgrids and community aqueduct systems. They clarified that they do not provide funds but help identify sources.
- Resident raised concern about training vs. implementation funding. Expressed frustration that many programs offer training but lack funding for equipment or implementation, leaving communities unable to complete projects. Fundación Borincana responded that they accompany individuals through job placement and help communities pursue funding opportunities.

The municipal consultant noted that Fundación Borincana's initiative qualifies as a public service project. He emphasized the importance of collaboration among entities and pointed out that the municipality's microenterprise program can help participants access seed capital.

The Municipality will make available the draft 2026-2027 Annual Action Plan by publishing a notice of availability in EL Vocero newspaper edition of May 1, 2026. The notice provided a 30-day public comment period for citizens to submit comments on the draft plan. No comment were received on the draft plan.

6. Summary of comments or views not accepted and the reasons for not accepting them

See the attachment section for a summary of the comments and the municipal response.

7. Summary

For the 2026-2027 program year, HUD allocated to the Municipality of Caguas Consolidated Plan formula resources totaling \$2,587,580.17, distributed as follows: \$1,668,259.00 of CDBG funds; \$771,053.17 of HOME funds; and \$148,268.00 of ESG funds. In addition, the Municipality will administer \$8,898,418.00 in Section 8 Housing Choice Voucher Program funds during the program year, providing tenant-based rental assistance to approximately 1,405 very low-income families, elderly individuals, and persons with disabilities. The breakdown of planned activities by program is as follows:

HOME Investment Partnership Program (HOME)

- HOME Administration (10%): \$77,105.31 allocated for administrative expenses to manage the HOME program.
- HOME First Time Homebuyer: \$231,315.95 for down payment and closing-cost assistance to approximately 3 eligible first-time homebuyer families.
- HOME Community Housing Development Organization (CHDO) (15% set-aside): \$115,657.98 reserved for affordable-housing projects developed, sponsored, or owned by qualified CHDOs. The 2026-2027 Plan also includes a HOME Owner-Occupied Rehabilitation activity at \$346,973.93 supporting approximately 10 low-income households.

Emergency Solutions Grants (ESG)

- ESG Administration (7.5%): \$11,120.10 allocated for the administrative costs of managing the ESG program.
- Street Outreach and Emergency Shelter: \$88,960.00 dedicated to street-outreach engagement, emergency-shelter operations, and essential supportive services.
- Rapid Re-Housing: \$39,187.90 allocated to support short- and medium-term rental assistance and housing-relocation services that move individuals and families experiencing homelessness into permanent housing.
- HMIS: \$9,000.00 dedicated to participation in the Homeless Management Information System (HMIS) administered by the PR-503 Continuum of Care, supporting data collection, coordinated entry, and outcome reporting.

Community Development Block Grant Program (CDBG)

- Public Facilities and Infrastructure: \$918,390.00 dedicated to street and road improvements in low- and moderate-income neighborhoods (Bo. Pueblo: Urb. Machín, Urb. Villa Flores, Jardines Plá, Río Cañas / La Mesa Community), the new Calle Nazario dog park, and Phase I improvements at Parque Forastieri (CUT). Of this amount, \$448,390.00 is for repaving, \$90,000.00 for the dog park, and \$380,000.00 for Parque Forastieri.
- Public Services (within the 15% statutory cap): \$250,238.85 supporting Senior Services - Red de Apoyo Bienestar del Adulto Mayor (\$75,000), SANOS Proyecto Enlace 2 (\$37,000), Nuestra Escuela Inc. (\$59,239), Arranque Empresarial (\$40,000), MAVI - Employment Solutions / EMPS (\$24,000), and the Proyecto Educativo y Demostrativo Proceso de Polinización (\$14,999.85). In addition, the CDBG Minimal Rehabilitation activity is funded at \$100,978.35 for owner-occupied housing rehabilitation.
- Economic Development: \$65,000.00 for the Caguas Compite program, providing technical assistance, microenterprise development, job training, and business financing to create employment opportunities for low- and moderate-income residents (estimated 2 jobs created/retained and 2 businesses assisted).
- CDBG Planning and Administration (within the 20% statutory cap): \$333,651.80 allocated for environmental review, project monitoring, citizen participation, fair-housing activities, and overall management of the CDBG program.

The 2026-2027 allocation directly addresses the priority needs identified through the citizen participation process at the December 9, 2025 public hearing and through ongoing community-based outreach. Investments are concentrated on affordable-housing preservation and access (rental assistance, homeownership, and rehabilitation), homeless services in coordination with the PR-503 Continuum of Care, public-facility and infrastructure improvements in low- and moderate-income neighborhoods, targeted public services for seniors, youth, and persons with disabilities, and economic-development activities supporting microenterprises and job creation. The Municipality administers all CPD-funded benefits in compliance with applicable federal eligibility-verification requirements, including

those established under Executive Order 14218, and certifies that it does not operate any program that promotes diversity, equity, and inclusion in a manner that violates applicable federal anti-discrimination law, consistent with Executive Order 14173. Statutory MBE/WBE outreach (24 CFR 85.36(e)), Section 3 of the Housing and Community Development Act of 1968, and HOME Affirmative Marketing (24 CFR 92.351) continue to operate under their independent statutory authority.

PR-05 Lead & Responsible Agencies – 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	CAGUAS	Planning Office- Zaid Diaz Isaac
HOME Administrator	CAGUAS	Housing Office- Clara Cruz Diaz
ESG Administrator	CAGUAS	Housing Office- Clara Cruz Diaz

Table 1 – Responsible Agencies

Narrative (optional)

The Municipality of Caguas Planning Office is the lead Agency for the for the Community and Development Annual Planning process. This office oversees activities related to the development of the 2026-2027 Annual Action Plan. Programs administered by this office are the Community Development Block Grant (CDBG), the Home Partnership (HOME) and the Emergency Solutions Grant (ESG). Among activities developed in this sense are the coordination with other municipal offices to ensure adequate and in compliance use of the HUD federal allocations. The Caguas Planning Office on a daily basis aligns activities within other Plans adopted or impacting development policies, including its adopted New Generation Strategy Plan and its Territorial and Land Use Plan. The Planning Office has five units: Management, Administration, Land Regulatory, Planning and Community Development, Geographic Information and Statistics.

The Planning Office maintains updated information and data about communities, identifies strengths, opportunities, needs and challenges, related to the development objectives and all this provides an adequate framework for the implementation of the HUD Consolidated Plan and activity programming in each Annual Action Plan within this period.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(I)

1. Introduction

Consultation is a primary source of information to design effective service strategies aligned with the needs of low- and moderate-income communities and the general population. Caguas' public policy is grounded in participatory processes and a government model that responds to the demand for services from residents and community organizations. For the formulation of the Caguas Consolidated Plan for PY 2025-2029, the establishment of priority needs, goals, and objectives resulted from a comprehensive consultation process during which formal consultation letters were sent to the agencies, municipalities, non-profit organizations, and other stakeholders critical to Plan implementation, and the responses received were incorporated into the strategic framework. The 2026-2027 Annual Action Plan builds directly on that consultation foundation, supplemented by the annual ESG consultation with the PR-503 Continuum of Care that 24 CFR Part 576 requires for each program year.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))

The public policy and the Strategic Plan of the Municipality of Caguas is based on a planning process that emphasizes direct and active participation from all social, community, economic, and entrepreneurial stakeholders within the jurisdiction. This participatory approach ensures that planning and governance are continually driven by the needs of the community, with a primary focus on using HUD funds to assist the low- and moderate-income populations in overcoming poverty challenges. In Caguas, there is a strong commitment to fostering effective relationships among the private, for-profit, and nonprofit sectors. This collaboration is crucial to align efforts, avoid duplication of services, and achieve the greatest impact in addressing urgent needs while providing developmental opportunities for all individuals. The strategy adopted is both inclusive and comprehensive, aiming to better organize resources and service components to meet community demands.

Key aspects of this strategy include:

- **Regular Community Engagement:** Caguas regularly organizes town meetings, workshops, training sessions, fairs, and events that are open to all interested parties. These gatherings serve as platforms for discussing housing, health, and public service alternatives, facilitating direct input from various stakeholders.
- **Executive Decision-Making:** Critical decisions regarding potential projects and activities are deliberated in executive meetings. This provides a structured approach to governance and helps in crafting streamlined processes for goal attainment.
- **Integrated Service Delivery:** The approach adopted by Caguas is both inclusive and comprehensive, focusing on organizing resources and service components efficiently. This

method ensures that services are not duplicated, and efforts are aligned across different sectors.

- **Focus on Vulnerable Populations:** Special attention is given to the low- and moderate-income populations. The use of HUD funds is strategically directed to assist these groups, particularly in overcoming challenges related to poverty, through coordinated efforts among housing, health, and social service agencies.

Overall, the coordination efforts in Caguas are designed to improve the quality of life for all residents by ensuring that public and assisted housing initiatives are closely integrated with health and social services, thus creating a supportive and resilient community infrastructure.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

During the preparation of this Annual Action Plan and the 2025-2029 Consolidated Plan, the Municipality consulted with the PR-503 Continuum of Care (Coordinadora Morivivi) and its members, and continues to work closely with homeless service providers operating in Caguas and the broader South/Southeast region. With respect to persons at risk of homelessness, the Municipality annually administers and allocates ESG funds to community-based organizations; each subrecipient is responsible for implementing homelessness-prevention activities consistent with the Municipality's ESG written standards. Homelessness prevention is a critical component of any strategy for individuals and families at risk of becoming homeless, and the Municipality provides financial assistance to stabilize housing for households experiencing economic hardship and to prevent entry into the homelessness response system.

As member of the PR-503 CoC, Caguas participates and collaborates in activities to reduce and end homelessness and better serve the population affected by this ailment (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth). Working with other CoC members on plenary assemblies and workgroups promotes a better understanding of funding opportunities and approaches to be successful in achieving grants.

The Municipal Department of Housing administers the ESG program, aligning local actions with the broader objectives and written standards of the PR-503 Continuum of Care. The Municipality uses ESG funds to support Street Outreach, Emergency Shelter and Essential Services, Homeless Prevention, Rapid Re-Housing, HMIS, and program administration. The PR-503 CoC, whose Collaborative Applicant is the Coordinadora Morivivi, coordinates a regional homeless-services network across more than fifty municipalities in the South/Southeast region of Puerto Rico, and the Municipality of Caguas participates as a member jurisdiction. ESG investments under this Annual Action Plan are designed to complement, rather than duplicate, the broader CoC permanent-housing and supportive-services pipeline.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate

outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

In developing the PY 2026-2027 Annual Action Plan, the Municipality of Caguas adhered to the 24 CFR Part 576 regulations for the Emergency Solutions Grants (ESG) program. This involved mandatory consultation with the PR-503 Continuum of Care (South/Southeast Puerto Rico), whose Collaborative Applicant is the Coordinadora Morivivi, Inc. The consultation letter was issued to Sra. Yesenia Mojica Figueroa, President of the CoC PR-503, requesting feedback on the matters required by the ESG regulations. Consistent with Executive Orders 14321, 14173, and 14218, the consultation letter also describes updates to the Municipality’s ESG performance standards, including the move away from a Housing First-only framework toward models that integrate treatment and recovery components where appropriate, equal-opportunity service delivery without quotas or DEI-based preferences, and beneficiary-eligibility verification consistent with PRWORA. Key consultation areas included:

- Strategies for distributing the ESG grant among eligible activities;
- Formulation of performance standards and assessment of outcomes for projects and activities funded by ESG;
- Development of funding guidelines, policies, and procedures for managing and administering the Homeless Management Information System (HMIS).

A copy of the letter is in the attachment section.

2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	CV - COORDINADORA MORIVIVI INC
	Agency/Group/Organization Type	Regional organization
	What section of the Plan was addressed by Consultation?	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>As required by the Emergency Solutions Grants (ESG) Program at 24 CFR 576.400, the Municipality of Caguas consulted with the Coordinadora Morivivi, Collaborative Applicant of the Continuum of Care PR-503 (South/Southeast Puerto Rico), to provide input on the use of ESG funds for program year 2026-2027, addressing: (1) how to allocate the ESG grant among eligible activities; (2) developing the performance standards for, and evaluating the outcomes of, projects and activities assisted by ESG funds; (3) developing funding, policies, and procedures for the operation and administration of the Homeless Management Information System (HMIS); and (4) updating the Municipality’s ESG performance standards consistent with Executive Orders 14321, 14173, and 14218.</p>
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Identify any Agency Types not consulted and provide rationale for not consulting

All required agencies and organizations were consulted during the preparation of the 2025-2029 Consolidated Plan. The formal consultation letters to public agencies, non-profit organizations, housing providers, health and social-service entities, and other stakeholders required by 24 CFR 91.100 and 91.215(l) were issued during that Consolidated Plan preparation cycle, and the responses received continue to inform the strategic framework that this 2026-2027 Annual Action Plan implements. For the present Annual Action Plan, and as required by 24 CFR Part 576 for ESG grantees, the Municipality issued a separate consultation letter to the PR-503 Continuum of Care (Coordinadora Morivivi). The list of entities consulted during the Consolidated Plan preparation, together with the ESG consultation letter to the CoC PR-503, is included in the attachment section. All required agencies involved in community development programs within the Municipality of Caguas were properly consulted as required by the applicable Consolidated Plan and Action Plan regulations.

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Morivivi, Inc.	The Homeless Population goals included in the strategic plan are consistent with the strategies of the PR503 CoC.
Caguas All Hazards Mitigation Plan	Municipality of Caguas	The Multi-hazard Mitigation Plan address the need for safe housing, infrastructure, and public Facility. This Document provide leverage to address needs of the Consolidated Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
PR Disaster Recovery Plan	COR3	The goals of the Consolidated Plan are consistent with the State Recovery Plan.
CDBG-DR Action Plan	Puerto Rico Department of Housing	Data from this plan was used in part to develop the Need Assessment section of this plan.

Table 3 – Other local / regional / federal planning efforts

Narrative (optional)

To meet Consolidated Plan requirements, the Municipality of Caguas involved citizens in planning process of the Annual Action Plan. This public input helped municipal officials understand the needs of low-income communities and residents, including housing, community development, and the homeless needs. By listening to residents and analyzing the data, the Municipality got a clear picture of Caguas. This will help them achieve the current administration's vision of making Caguas the "Centro y Corazon de Puerto Rico"

AP-12 Participation – 91.105, 91.200(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The Municipality of Caguas executed the required citizen participation and consultation actions outlined in its Citizen Participation Plan. The engagement process involved stakeholder consultation through formal correspondence, public hearings, and a structured public comment period regarding the draft plan content. Formal consultation letters were distributed to all the agencies and parties required by regulation and to other stakeholders and community organizations. A list of the consultation letters to stakeholders and required parties is presented in the AP-10 section and in Appendix I. In accordance with 24 CFR Part 576, ESG Program Interim Rule requirements, the Municipality of Caguas also consulted with Coordinadora Moriviví, Collaborative Applicant of the Continuum of Care PR-503, for the 2026-2027 Annual Action Plan preparation.

The Notice of Invitation to Public Hearing was published on November 21, 2025, in El Vocero newspaper in English and at the Municipal's web site at <https://caguas.gov.pr/avisos-publicos-y-subastas/> in Spanish, meeting HUD's requirement that the notice be published at least fifteen (15) days prior to the hearing date. The public hearing was held on December 9, 2025, at 9:00 a.m. at the Municipal Learning Center (CAM), located at the Centro de Gobierno Municipal, Calle Padial esquina Avenida José Mercado. The hearing addressed community needs related to housing, homelessness, persons with disabilities, elderly residents, economic development, and community development. A total of twenty-six (26) individuals participated in the public hearing, representing nonprofit organizations, community-based entities, and municipal offices and departments. A copy of the attendance sheets, presentation, and other required documents is included in Appendix I.

The following are the comments made during the Public Hearing:

- Taller Artístico Caguas requested support for its 10-month musical theater program serving children to older adults. Representatives highlighted their national and international student placements and the need for facility rehabilitation due to the age of their building. They asked whether multiple proposals could be submitted and received guidance to submit one proposal per project.
- The Office of Municipal Emergency Management (OMME) proposed continuing its bee rescue, relocation, and educational program in partnership with the Jardín Botánico. The initiative includes school visits, public demonstrations, and emergency response to bee incidents at no cost to the public.
- Fundación Borincana described its work training local residents in solar design, microgrid development, and community energy facilitation, noting high demand and long waitlists. The organization aims to continue training as CDBG-DR funds expire. Residents questioned job placement and funding availability; the organization explained its placement support,



partnerships with employers (including LUMA), and assistance in identifying federal and private funding for community energy projects.

- Caguas Compite / Arranque Empresarial — Municipal staff presented programs that cultivate entrepreneurship from youth to adults, emphasizing incubation, business viability analysis, and post-training support. Residents expressed concern about training without implementation funding; staff clarified that the programs help participants access capital through federal and non-profit partners.
- Homelessness Services — GuaraBí highlighted its 18-year history providing transitional housing, permanent housing, outreach, crisis intervention, and case management. Representatives expressed intent to submit proposals under CDBG, HOME, and ESG to sustain services and address infrastructure and safety needs at one of their centers (Guaraví Carib).
- Fundación Borincana described its mission to strengthen Puerto Rico’s energy resilience by developing a trained local workforce capable of designing and supporting renewable-energy systems. Representatives emphasized that Puerto Rico’s energy infrastructure is vulnerable, and noted that for the past five years they have operated CDBG-DR–funded workforce programs.
- Employment Outcomes & Workforce Demand — Residents asked whether graduates find jobs. Fundación Borincana explained that they run a placement initiative, with graduates working in non-profits, solar-installation companies, and even LUMA, while others start their own design businesses. The organization highlighted a critical workforce gap: an estimated 50,000 unfilled energy jobs in Puerto Rico, many currently filled by workers from outside the island.
- Community Energy Projects & Funding — Fundación Borincana also described its role in helping communities conceptualize, design, and seek funding for energy projects such as microgrids and community aqueduct systems, clarifying that the organization does not provide funds but assists in identifying sources.
- A resident raised concern about training versus implementation funding, expressing frustration that many programs offer training but lack funding for equipment or implementation, leaving communities unable to complete projects. Fundación Borincana responded that it accompanies individuals through job placement and helps communities pursue funding opportunities.
- The municipal consultant noted that Fundación Borincana’s initiative qualifies as a public service project, emphasized the importance of collaboration among entities, and pointed out that the Municipality’s microenterprise program can help participants access seed capital.

To comply with the public-comment-period requirement, the Municipality made the draft 2026-2027 Annual Action Plan available for review by publishing a Notice of Availability of Draft Plan in El Vocero newspaper edition of May 1, 2026. The notice provided a thirty (30) day public-comment period for citizens to submit comments and recommendations on the draft plan. The public comment period ended on May 31, 2026. No comments were received on the draft plan.



Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Notice of Invitation to Public Hearing for the 2026-2027 Annual Action Plan was published in the November 21, 2025 edition of El Vocero (English) and on the Municipal website at https://caguas.gov.pr/avisos-publicos-y-subastas/ (Spanish), in compliance with the 15-day prior-notice requirement of the Citizen Participation Plan.</p>	N/A	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Annual Action Plan Public Hearing held on December 9, 2025, at 9:00 a.m. at the Municipal Learning Center (CAM). A total of twenty-six (26) individuals participated in the Public Hearing.</p>	<p>A summary of the comments received during the Public Hearing is presented in the narrative above and includes input from Taller Artístico Caguas, OMME, Fundación Borincana, Caguas Compite / Arranque Empresarial, GuaraBí, MAVI, and Servicios al Ciudadano, among others.</p>	<p>See attachment 1.</p>	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Newspaper Ad	<p>Minorities</p> <p>Non-English Speaking - Specify other language: Spanish</p> <p>Persons with disabilities</p> <p>Non-targeted/broad community</p> <p>Residents of Public and Assisted Housing</p>	<p>Notice of Availability of the Draft 2026-2027 Annual Action Plan was published in the May 1, 2026 edition of El Vocero, providing a thirty (30) day public-comment period that ended on May 31, 2026.</p>	<p>After the 30-day public comment period, no comments were received on the draft plan.</p>	N/A.	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

The Municipality of Caguas will have access to significant federal funding for its 2026-2027 Annual Action Plan through key grant programs administered by the U.S. Department of Housing and Urban Development (HUD). These resources will enable Caguas to address critical community needs related to housing, infrastructure, economic development, and services for vulnerable populations.

For the 2026-2027 program year, Caguas will receive \$1,668,259.00 through the Community Development Block Grant (CDBG) program. This funding source supports a wide range of activities including acquisition, planning, economic development initiatives, housing programs, public improvements, and essential services. The CDBG program specifically targets projects that benefit low- and moderate-income residents, helping ensure decent housing and suitable living environments while expanding economic opportunities. Over the remaining years of the Consolidated Plan, Caguas expects to receive approximately \$5,004,777.00 in additional CDBG funding.

The HOME Investment Partnerships Program represents another vital resource, with \$771,053.18 allocated for the 2026-2027 program year and an estimated \$2,313,159.54 for the remainder of the plan period. As the largest federal block grant focused exclusively on creating affordable housing for low-income households, HOME funds can support a variety of housing initiatives. These include homebuyer assistance programs, homeowner rehabilitation projects, multifamily rental construction or rehabilitation, and tenant-based rental assistance (TBRA). The program encourages partnerships with local nonprofit organizations to maximize impact.

The third funding source is the Emergency Solutions Grants (ESG) program, which provides \$148,268.00 for the 2026-2027 program year and an estimated \$444,804.00 over the remaining years of the plan. ESG funding specifically addresses homelessness through multiple approaches: street outreach to engage homeless individuals and families, improving emergency shelters, supporting shelter operations, providing essential services to residents, rapidly re-housing homeless individuals and families, and implementing homelessness prevention initiatives.

Together, these three Community Planning and Development formula programs will provide Caguas with an aggregate \$2,587,580.18 in the 2026-2027 program year and an estimated \$7,762,740.54 over the remaining three years of the 2025-2029 Consolidated Plan period. In addition, the Municipality will administer \$8,898,418.00 in Section 8 Housing Choice Voucher Program funds during the 2026-2027 program year (with an estimated \$26,695,254.00 over the remaining three years of the Consolidated Plan period), providing tenant-based rental assistance to approximately 1,405 very low-income families. This combined federal investment will enable the Municipality to make strategic investments that address pressing community needs while helping vulnerable residents achieve greater stability and opportunity.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,668,259.00	0.00	0.00	1,668,259.00	5,004,777.00	The Community Development Block Grant (CDBG) provides annual grants on a formula basis to the Municipality to undertake activities that provide decent housing and a suitable living environment, and to expand economic opportunities, principally for low- and moderate-income persons. The funds are provided by the U.S. Department of Housing and urban Development (HUD)
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	771,053.18	0.00	0.00	771,053.18	2,313,159.54	The HOME Investment Partnerships Program (HOME) provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. It is the largest Federal block grant to state and local governments

Municipality of Caguas 2026-2027 Annual Action Plan

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								designed exclusively to create affordable housing for low-income households. The funds are provided by the U.S. Department of Housing and urban Development (HUD)
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	148,268.00	0.00	0.00	148,268.00	444,804.00	The Emergency Solutions Grants Program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families/individuals from becoming homeless. The funds are provided by the U.S. Department of Housing and urban Development (HUD)
Section 8	public - federal	TBRA	8,898,418.00	0.00	0.00	8,898,418.00	26,695,254.00	The Housing Choice Voucher Program (also known as Section 8) helps low-income families, elderly persons, veterans and disabled individuals afford housing in the private market. Program participants can

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
								choose any eligible housing unit, including single-family homes, townhouses, and apartments, with rent partially covered by a subsidy paid directly to the landlord.

Table 5 - Expected Resources – Priority Table

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

The Municipality of Caguas will align its federal funding allocations with its municipal budget to maximize the impact of its 2026-2027 Annual Action Plan. The Community Development Block Grant (CDBG) funding will be integrated into ongoing municipal efforts to improve infrastructure, economic development, and essential services for low- and moderate-income residents. Caguas’ municipal budget includes allocations in public facilities, road improvements, and workforce development initiatives, ensuring that CDBG-funded projects are effectively implemented and sustained. In addition, planning and administrative costs covered by CDBG funds will help coordination between municipal departments and community stakeholders, maximizing efficiency and impact.

The HOME Investment Partnerships Program will be leveraged alongside municipal housing initiatives to expand affordable housing options. The HOME program ordinarily requires a 25% match on non-administrative HOME funds; Puerto Rico participating jurisdictions, however, routinely qualify for a full or partial match reduction under 24 CFR 92.222 on the basis of severe fiscal distress and Stafford Act disaster declarations (Hurricanes María and Fiona; the 2019–2020 earthquake sequence; and COVID-19), and the Municipality will continue to apply for and document any applicable match reduction or waiver each program year. To the extent that match is required, the Municipality will satisfy it through eligible local resources, including municipal land, cash contributions, in-kind support, and contributions from non-profit partners and private developers. The Municipality’s budget allocations for housing and urban development will enhance the effectiveness of HOME-funded projects, increasing access to quality, affordable housing for low- and moderate-income residents.

The Emergency Solutions Grants (ESG) program will be integrated with municipal social-service initiatives aimed at addressing homelessness. The ESG program requires a dollar-for-dollar match on grant funds drawn down (24 CFR 576.201), which the Municipality will satisfy through local cash contributions, eligible in-kind support such as emergency-shelter facilities and donated supplies, and subrecipient match documented through their own resources, contributions from charitable and faith-based organizations, and case-management and supportive services. Partnerships with non-profit organizations specializing in homeless assistance and the PR-503 Continuum of Care's permanent-housing pipeline will further leverage ESG investments. By aligning ESG funds with municipal resources dedicated to homelessness prevention and rapid re-housing, Caguas will enhance its ability to provide critical support services and housing-stability programs for vulnerable populations.

Section 8 Housing Choice Voucher Program funds will continue to be administered by the Municipality as the local Public Housing Agency for the Housing Choice Voucher Program. HCVP rental-assistance payments are not Consolidated Plan formula resources and are not subject to a HOME or ESG match, but they constitute the largest single federal housing investment in Caguas and directly leverage the Municipality's HOME, CDBG, and ESG investments by stabilizing rental affordability for very low-income households across the jurisdiction. Accordingly, the Municipality of Caguas will leverage its federal funding allocations by integrating them with its municipal budget, the HCVP, and partnerships with non-profit and private entities. By utilizing a combination of local resources, financial contributions, and in-kind support, the Municipality will maximize the effectiveness of these federal investments, strengthening economic opportunities and improving the quality of life for residents. The Municipality will administer all CPD-funded benefits in compliance with applicable federal eligibility-verification requirements, including those established under Executive Order 14218 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), 8 U.S.C. § 1611. Note that residents of Puerto Rico are U.S. citizens by birth (8 U.S.C. § 1402), and CDBG public-service activities and ESG shelter and outreach services are categorized under 8 U.S.C. § 1611(b)(1)(A) as in-kind services necessary for the protection of life or safety, and are therefore not subject to alien-eligibility restrictions.

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

The Municipality of Caguas holds a diverse portfolio of land, facilities, and infrastructure assets, which will be utilized to address the priority needs outlined in the 2026-2027 Annual Action Plan. These assets include vacant land parcels, municipal buildings, housing properties, community centers, and infrastructure situated within low- and moderate-income areas. As part of the Municipality's planning and development strategy, all municipal public facilities will be available to support activities included in this Plan. The Municipality is committed to maximizing the value of these public resources to facilitate affordable-housing development, enhance community services, and drive neighborhood-revitalization efforts. By leveraging these assets effectively, Caguas seeks to create sustainable, inclusive, and resilient communities that foster long-term economic and social growth.

Discussion

The expected resources identified in this section, CDBG (\$1,668,259.00), HOME (\$771,053.18), ESG (\$148,268.00), and Section 8 Housing Choice Voucher Program (\$8,898,418.00), together provide the financial foundation for the activities described in subsequent sections of this 2026-2027 Annual Action Plan, including the Annual Goals and Objectives (AP-20), the Projects table (AP-35 / AP-38), the Affordable Housing one-year goals (AP-55), the Homeless and Special Needs activities (AP-65), and the Program Specific Requirements (AP-90). The figures shown are based on HUD's formula-allocation notification for FY 2026 and the Public and Indian Housing dashboard reflecting the Municipality's 2025 HCV Budget Authority of \$8,898,418, which is being used as the planning estimate for the 2026-2027 program year. If the final HUD allocations differ from the figures presented in this Plan, the Municipality will adjust each activity's budget proportionally and reflect the change in the corresponding IDIS setup, in accordance with the substantial-amendment thresholds of the Citizen Participation Plan.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Housing Assistance	2026	2030	Affordable Housing	Municipality of Caguas	Adequate Housing Affordable Housing	CDBG: \$100,978.35 HOME: \$693,947.86 Section 8: \$8,898,418.00	Homeowner Housing Rehabilitated: 43 Household Housing Unit Direct Financial Assistance to Homebuyers: 3 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 1,405 Households Assisted Other: 1 Other
2	Address Community and Economic Development Needs	2026	2030	Non-Housing Community Development	Municipality of Caguas	Economic Development	CDBG: \$65,000.00	Businesses assisted: 2 Businesses Assisted
3	Public Facilities and Improvements	2026	2030	Non-Housing Community Development	Caguas Low Income	Public Facilities and Infrastructure	CDBG: \$918,390.00	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 12,465 Persons Assisted
4	Public Services	2026	2030	Non-Homeless Special Needs	Municipality of Caguas Caguas Low Income	Services for those with needs	CDBG: \$250,238.85	Public service activities other than Low/Moderate Income Housing Benefit: 815 Persons Assisted
5	Planning and Administration	2026	2030	Planning and Administration	Municipality of Caguas	Planning and Administration	CDBG: \$333,651.80 HOME: \$77,105.31	Other: 2 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
6	Homeless Assistance	2026	2030	Homeless	Municipality of Caguas	Provision Services, Shelter and Housing Homeless	ESG: \$148,268.00	Tenant-based rental assistance / Rapid Rehousing: 3 Households Assisted Homeless Person Overnight Shelter: 109 Persons Assisted Homelessness Prevention: 3 Persons Assisted Other: 2 Other

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Housing Assistance
	Goal Description	Based on its planned activities for 2026-2027, the Municipality of Caguas aims to improve housing conditions for its low- and moderate-income residents through a comprehensive strategy of HUD-funded investments. The municipality will focus on preserving the existing housing stock by rehabilitating homes for current homeowners, promoting new homeownership opportunities with financial assistance for first-time buyers, and expanding the affordable housing supply through partnerships with Community Housing Development Organizations. The most significant effort involves providing stable and affordable rental options, dedicating approximately \$8.9 million through the Section 8 program to assist approximately 1,405 families, elderly individuals, and persons with disabilities in affording safe housing in the private market. In addition, CDBG and HOME funds will support the rehabilitation of 43 owner-occupied housing units, while HOME funds will provide down payment and closing cost assistance to 3 first-time homebuyer families and reserve a CHDO set-aside for at least one affordable housing development project.
2	Goal Name	Address Community and Economic Development Needs
	Goal Description	Using CDBG funds the Municipality proposes to fund Caguas Compite to promote economic development among youth low income population.

3	Goal Name	Public Facilities and Improvements
	Goal Description	In 2026-2027, the Municipality will utilize its Community Development Block Grant (CDBG) funding to focus on infrastructure and public facility upgrades in low- and moderate-income communities. The primary objective is to enhance the living environment and safety for residents by investing significantly in street and road improvements in Bo. Pueblo neighborhoods (Urb. Machín, Urb. Villa Flores, Jardines Plá) and the La Mesa sector of Río Cañas. Additionally, the municipality will develop and improve recreational facilities, including the construction of a dog park on Calle Nazario and Phase I improvements at Parque Forastieri (CUT), providing enhanced public spaces for residents of low- and moderate-income communities.
4	Goal Name	Public Services
	Goal Description	The Municipality of Caguas's public service projects for 2026-2027 focus on delivering targeted support to a wide range of vulnerable and underserved populations with special needs. The objectives include enhancing the quality of life for senior citizens through the Red de Apoyo Bienestar del Adulto Mayor program, providing critical psychosocial and substance abuse prevention services through SANOS Proyecto Enlace 2, and expanding entrepreneurship opportunities through the Arranque Empresarial program. Continued investment is directed towards youth through the Nuestra Escuela Inc. technical-vocational education model. The municipality also addresses critical employment needs for persons with disabilities through MAVI Employment Solutions (EMPS), and promotes environmental awareness through a new Proyecto Educativo y Demostrativo Proceso de Polinización program.
5	Goal Name	Planning and Administration
	Goal Description	The funds allocated for CDBG Planning and HOME Administration serve as the operational backbone for the Municipality of Caguas's entire portfolio of HUD funded projects. The objective of this funding is to ensure that all community development and affordable housing initiatives are strategically planned, efficiently managed, and fully compliant with federal law. These administrative and planning activities are essential for the responsible stewardship of public funds, enabling the successful implementation of projects that range from street improvements and public services to housing rehabilitation and homebuyer assistance for the community.

6	Goal Name	Homeless Assistance
	Goal Description	The primary objective of this goal is to provide immediate relief through street outreach and emergency shelter, prevent at-risk households from becoming homeless through ESG Funds, and quickly move those experiencing homelessness into permanent housing via a rapid rehousing strategy. The program is supported by essential administrative functions and participation in the Homeless Management Information System (HMIS) to ensure efficient grant management, data-driven strategies, and coordinated care for the community's most vulnerable residents.

Projects

AP-35 Projects – 91.220(d)

Introduction

During the 2026-2027 program year, the Municipality will undertake multiple projects aimed at enhancing the quality of life for its low- and moderate-income residents, utilizing HUD funding from the Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Emergency Solutions Grants (ESG), and Section 8 programs. The planned activities address a spectrum of community needs, focusing on four primary pillars: improving housing stability and affordability, upgrading public infrastructure, fostering economic opportunity, and delivering essential public services to vulnerable populations. These initiatives are designed to create a more resilient, equitable, and thriving community by addressing critical needs from safe housing and accessible roads to job creation and social support systems.

The scope of these activities reflects a deep commitment to community revitalization and direct resident assistance. A major focus will be on housing, with significant investment in rehabilitating owner-occupied homes (through both the CDBG Minimal Rehabilitation and HOME Rehabilitaci3n por el Due1o programs), providing down payment assistance to first-time homebuyers, and ensuring rental affordability for approximately 1,405 families through the Housing Choice Voucher program. Concurrently, the municipality will execute multiple infrastructure projects, including street and road improvements in Bo. Pueblo neighborhoods (Urb. Mach3n, Urb. Villa Flores, and Jardines Pl3) together with R3o Ca1as (La Mesa), as well as new recreational facilities at Calle Nazario and Parque Forastieri. This is complemented by a diverse array of public services targeting seniors, youth, and persons with disabilities, alongside economic development programs like “Caguas Compite 2026” and “Arranque Empresarial,” which aim to create jobs and cultivate a culture of entrepreneurship. Furthermore, the ESG program will provide a critical safety net for individuals and families experiencing or at risk of homelessness, ensuring a coordinated response to this pressing issue.

Projects

#	Project Name
1	CDBG-2026 Minimal Rehabilitation (Rehabilitaci3n M3nima)
2	CDBG-2026 Caguas Compite
3	CDBG-2026 Repaving – Bo. Pueblo (Urb. Mach3n, Urb. Villa Flores, Jardines Pl3, R3o Ca1as, La Mesa Community)
4	CDBG-2026 Dog Park Calle Nazario
5	CDBG-2026 Parque Forastieri (CUT) Fase I
6	CDBG-2026 Senior Services – Red de Apoyo Bienestar del Adulto Mayor
7	CDBG-2026 SANOS Proyecto Enlace 2
8	CDBG-2026 MAVI – Employment Solutions (EMPS)
9	CDBG-2026 Arranque Empresarial

10	CDBG-2026 Nuestra Escuela Inc.
11	CDBG-2026 Proyecto Educativo y Demostrativo Proceso de Polinización
12	Planning and Administration
13	HOME 2026 First Time Homebuyer
14	HOME 2026 Rehabilitación por el Dueño
15	HOME 2026 CHDO
16	ESG 2026 Caguas (Projects 19 & 21)
17	Housing Choice Voucher Program 2026

Table 7 – Project Information

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

The allocation priorities for the 2026-2027 program year are the result of the citizen participation process, including public hearings and the "Alcalde en la Comunidad" community meetings. This community-driven feedback was key for the establishment of Priorities. The substantial funding directed towards housing stability—through rental assistance, home rehabilitation, and homebuyer aid—and major public infrastructure upgrades, and road improvements, addresses the needs voiced by residents for safe, adequate housing and reliable community infrastructure. Similarly, the support for a wide range of public services targeting seniors, youth, and at-risk individuals demonstrates a commitment to building a strong social safety net, as prioritized by the community.

Despite these strategic allocations, the Municipality of Caguas faces several significant obstacles in addressing all underserved needs. The primary challenge is the inherent limitation of available funds; while the grants are substantial, the scale of need for affordable housing, infrastructure repair, and social services far exceeds the resources, forcing difficult decisions that leave many needs unmet. Furthermore, the complex and stringent federal regulations governing these grant programs create a significant administrative burden. This necessitates a considerable allocation for planning and compliance, which, while essential, diverts resources from direct service delivery and can slow project timelines. Finally, persistent economic challenges, including rising construction costs and the limited capacity of some non-profit partners to absorb and manage federal funds, can further hinder the ability to maximize the impact of every dollar and fully address the deep-seated needs of all underserved populations within the community.

AP-38 Project Summary

Project Summary Information

1	Project Name	CDBG-2026 Minimal Rehabilitation (Rehabilitación Mínima)
	Target Area	Municipality of Caguas
	Goals Supported	Housing Assistance
	Needs Addressed	Adequate Housing
	Funding	CDBG: \$100,978.35
	Description	CDBG funds will be provided for housing rehabilitation activities through material assistance to improve the condition of owner-occupied housing for low- and moderate-income households.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 33 eligible low- and moderate-income homeowner families will benefit from housing rehabilitation material assistance.
	Location Description	Citywide to eligible low and moderate-income homeowners.
	Planned Activities	CDBG-funded owner-occupied housing rehabilitation activities are estimated to assist approximately thirty-three (33) eligible low- and moderate-income households during the program year. Assisted families will receive rehabilitation services to correct housing deficiencies and improve health, safety, and code compliance conditions in their principal residence, in accordance with CDBG program requirements.
2	Project Name	CDBG-2026 Caguas Compite
	Target Area	Municipality of Caguas
	Goals Supported	Address Community and Economic Development Needs
	Needs Addressed	Economic Development
	Funding	CDBG: \$65,000.00
	Description	Economic development program designed to create jobs and assist businesses serving low and moderate-income areas or persons.
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 2 jobs will be created/retained and 2 businesses will be assisted, benefiting low- and moderate-income persons.
	Location Description	Low and moderate-income areas citywide and businesses serving LMI clientele.
	Planned Activities	Business technical assistance, microenterprise development, job training, and business financing to create employment opportunities for low and moderate-income residents.
3	Project Name	CDBG-2026 Repaving – Bo. Pueblo (Urb. Machín, Urb. Villa Flores, Jardines Plá, Río Cañas, La Mesa Community)
	Target Area	Caguas Low Income
	Goals Supported	Public Facilities and Improvements
	Needs Addressed	Public Facilities and Infrastructure
	Funding	CDBG: \$448,390.00
	Description	Street and road improvements in low and moderate-income neighborhoods to enhance accessibility, safety, and property values.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 10,825 low- and moderate-income residents will benefit from improved street and road infrastructure.
	Location Description	Bo. Pueblo neighborhoods (Urb. Machín, Urb. Villa Flores, and Jardines Plá) together with Río Cañas and the La Mesa Community sector (BG 200200.1), serving low- and moderate-income residents. Total de personas a servir (10,825). Urb. Machín: \$120,225 (3,200 personas); Urb. Villa Flores: \$45,885; Jardines Plá: \$186,745 (5,920 personas); Río Cañas / La Mesa: \$95,535 (1,705 personas).
Planned Activities	Street paving, sidewalk construction, drainage improvements, traffic safety enhancements, and related infrastructure improvements in qualifying low and moderate-income neighborhoods.	
4	Project Name	CDBG-2026 Dog Park Calle Nazario
	Target Area	Municipality of Caguas
	Goals Supported	Public Facilities and Improvements
	Needs Addressed	Public Facilities and Infrastructure

	Funding	CDBG: \$90,000.00
	Description	Construction and improvement of a dog park on Calle Nazario to provide a public recreational facility for residents of low- and moderate-income areas.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 820 low- and moderate-income residents will benefit from the new dog park public facility.
	Location Description	Calle Nazario, serving adjacent low- and moderate-income communities. BG 201000.2
	Planned Activities	The Municipality will use CDBG funds to develop an urban dog park that expands access to safe, high-quality recreational space for residents of a low- and moderate-income neighborhood. The project will transform an underutilized municipal parcel into a secure, well-lit, community amenity featuring fenced play areas for small and large dogs, durable seating, shade structures, hydration stations, waste-disposal systems, and resilient landscaping. By providing a free, walkable public space for pet exercise and social interaction, the dog park supports neighborhood revitalization, improves public health and safety, and enhances the overall quality of life for households that lack access to private yards or recreational facilities. The investment strengthens community cohesion while addressing long-standing disparities in access to green and recreational infrastructure in LMI areas.
5	Project Name	CDBG-2026 Senior Services – Red de Apoyo Bienestar del Adulto Mayor
	Target Area	Municipality of Caguas
	Goals Supported	Public Services
	Needs Addressed	Services for those with needs
	Funding	CDBG: \$75,000.00
	Description	Comprehensive social welfare support network for elderly residents providing services to promote wellbeing, independence, and quality of life for the senior population.
	Target Date	6/30/2027

	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 50 low- and moderate-income senior residents will benefit from the support network services.
	Location Description	Citywide to eligible low and moderate-income elderly and disabled residents.
	Planned Activities	Support network services for senior citizens including social welfare, health, and related services targeting low- and moderate-income elderly residents.
6	Project Name	CDBG-2026 SANOS Proyecto Enlace 2
	Target Area	Municipality of Caguas Caguas Low Income
	Goals Supported	Public Services
	Needs Addressed	Services for those with needs
	Funding	CDBG: \$37,000.00
	Description	Psychosocial services program targeting substance abuse prevention and mental health support in low- and moderate-income communities.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 100 low- and moderate-income residents will benefit from psychosocial and substance abuse prevention services.
	Location Description	Communities citywide serving low- and moderate-income residents.
	Planned Activities	Community outreach, psychosocial services, substance abuse prevention activities, and health education programs targeting low- and moderate-income communities.
7	Project Name	CDBG-2026 Parque Forastieri (CUT) Fase I
	Target Area	Caguas Low Income
	Goals Supported	Public Facilities and Improvements
	Needs Addressed	Public Facilities and Infrastructure
	Funding	CDBG: \$380,000
	Description	Multi-phase public park improvement project at Parque Forastieri (CUT) providing recreational facilities for low- and moderate-income residents.

	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 820 low- and moderate-income residents will benefit from the improved public park facilities.
	Location Description	Parque Forastieri (CUT), serving adjacent low- and moderate-income communities. BG 201000.2
	Planned Activities	Phase I improvements include: area for small dogs, area for large dogs, children's playground and outdoor fitness gym, walking track, lighting, landscaping, and urban furniture.
8	Project Name	CDBG-2026 Nuestra Escuela Inc.
	Target Area	Caguas Low Income
	Goals Supported	Public Services
	Needs Addressed	Services for those with needs
	Funding	CDBG: \$59,239.00
	Description	Expansion of technical and vocational educational services including equipment purchase, vehicle purchase and maintenance, utilities, and food purchases for the alternative education model serving low- and moderate-income students.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 100 students from low- and moderate-income families will benefit from expanded educational services.
	Location Description	Urban center and citywide to low- and moderate-income students.
	Planned Activities	Expansion of technical-vocational educational services, digital literacy education, technology access, and educational support services including equipment and vehicle acquisition for students from low- and moderate-income families.
9	Project Name	CDBG-2026 Arranque Empresarial
	Target Area	Caguas Low Income
	Goals Supported	Public Services
	Needs Addressed	Services for those with needs
	Funding	CDBG: \$40,000.00

	Description	Entrepreneurship and business skills training program for low- and moderate-income youth and residents to develop business skills and entrepreneurial culture.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 500 low- and moderate-income participants will benefit from entrepreneurship training and business skills development.
	Location Description	Low- and moderate-income areas citywide.
	Planned Activities	Entrepreneurship workshops, business skills training, hands-on business experience, and mentorship programs for 500 low- and moderate-income residents and youth.
10	Project Name	CDBG-2026 MAVI – Employment Solutions (EMPS)
	Target Area	Municipality of Caguas
	Goals Supported	Public Services
	Needs Addressed	Services for those with needs
	Funding	CDBG: \$24,000.00
	Description	Employment solutions program providing employer education about disability hiring, reasonable accommodation, and sign language training to increase employment opportunities for persons with disabilities.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 15 people with disabilities from low- and moderate-income families will benefit from employment services.
	Location Description	Citywide to low- and moderate-income persons with disabilities (Villa Blanca area).
	Planned Activities	Employer education workshops, sign language training, job placement assistance, and employment support services for low and moderate-income persons with disabilities.
11	Project Name	CDBG-2026 Proyecto Educativo y Demostrativo Proceso de Polinización
	Target Area	Municipality of Caguas
	Goals Supported	Public Services

	Needs Addressed	Services for those with needs
	Funding	CDBG: \$14,999.85
	Description	CDBG funds will support the creation and launch of an educational and demonstration apiary at the Jardín Botánico y Cultural de Caguas, using rescued bee colonies to teach students and visitors about pollination, honey collection, and the ecological importance of bees. The project includes constructing and equipping the apiary, developing and delivering educational workshops for public and private schools, coordinating student participation through the Municipal Department of Education, conducting outreach and media activities, and securing a professional apiculturist to operate the program.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that 50 low- and moderate-income persons will benefit from the educational and demonstration apiary program, expanding environmental education and providing a public service focused on conservation and community learning.
	Location Description	Jardín Botánico y Cultural de Caguas, Municipality of Caguas.
	Planned Activities	Construction and equipping of the apiary at the Jardín Botánico y Cultural de Caguas; educational and demonstration workshops on pollination and apiculture for public and private schools; student participation coordinated through the Municipal Department of Education; outreach and media activities promoting environmental education; and engagement of a professional apiculturist to operate the program. These activities aim to expand environmental education, promote workforce awareness in apiculture, and provide a new public service focused on conservation and community learning.
12	Project Name	Planning and Administration
	Target Area	Municipality of Caguas
	Goals Supported	Planning and Administration
	Needs Addressed	Planning and Administration
	Funding	CDBG: \$333,651.80 HOME: \$77,105.31

	Description	Planning and administrative activities necessary for the effective implementation of CDBG and HOME programs including environmental reviews, project monitoring, and compliance activities.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	N/A
	Location Description	Cityhall
	Planned Activities	Eligible Planning and Administration activities of the CDBG and HOME Programs.
13	Project Name	HOME 2026 First Time Homebuyer
	Target Area	Municipality of Caguas
	Goals Supported	Housing Assistance
	Needs Addressed	Affordable Housing
	Funding	HOME: \$231,315.95
	Description	HOME funds will be provided for down payment and closing cost assistance to first-time homebuyers to increase homeownership opportunities for low and moderate-income families.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	It is estimated that three (3) eligible low- and moderate-income first-time homebuyer families will benefit from direct financial assistance. Assisted households will receive direct financial assistance to support the acquisition of their principal residence and will meet all HOME income eligibility and program requirements.
	Location Description	Citywide to eligible first-time homebuyers.
	Planned Activities	Down payment assistance, closing cost assistance, homebuyer education, and counseling services. The Municipality will ensure that anticipated annual income of all adults in the family is determined using the Internal Revenue Service (IRS) adjusted gross income definition from IRS Form 1040.
14	Project Name	HOME 2026 Rehabilitación por el Dueño
	Target Area	Municipality of Caguas
	Goals Supported	Housing Assistance

	Needs Addressed	Adequate Housing
	Funding	HOME: \$346,973.93
	Description	HOME funds will be provided for owner-occupied housing rehabilitation to improve housing conditions and maintain affordability for low and moderate-income homeowners.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	Based on an estimated average rehabilitation cost, it is anticipated that approximately ten (10) eligible low-income owner-occupied households will benefit from housing rehabilitation activities during the program year. Assisted families will receive rehabilitation assistance to address health, safety, and code compliance issues in their principal residence, in accordance with HOME Program requirements.
	Location Description	Citywide to eligible low and moderate-income homeowners.
	Planned Activities	Substantial housing rehabilitation including structural repairs, system upgrades, accessibility improvements, and code compliance modifications for homeowners meeting HOME income requirements.
15	Project Name	HOME 2026 CHDO
	Target Area	Municipality of Caguas
	Goals Supported	Housing Assistance
	Needs Addressed	Adequate Housing Affordable Housing
	Funding	HOME: \$115,657.98
	Description	HOME funds reserved for Community Housing Development Organization (CHDO) activities to develop affordable housing for low and moderate-income families.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	For the CHDO set-aside, it is anticipated that at least one (1) CHDO project proposal will be received and evaluated during the program year. The proposed CHDO activity is expected to benefit eligible low-income families, subject to project approval, availability of funds, and compliance with HOME Program requirements.
	Location Description	TBD

	Planned Activities	Support for CHDO activities including affordable housing development, acquisition, rehabilitation, or new construction of rental or homeownership units for families meeting HOME income requirements.
16	Project Name	ESG 2026 Caguas (Projects 19 & 21)
	Target Area	Municipality of Caguas
	Goals Supported	Homeless Assistance
	Needs Addressed	Provision Services, Shelter and Housing Homeless
	Funding	ESG: \$148,268.00
	Description	ESG funds will be used for the following eligible activities: Street Outreach, Shelter, Homeless Prevention, Rapid Re-Housing, Data Collection (HMIS)and Administration.
	Target Date	6/30/2027
	Estimate the number and type of families that will benefit from the proposed activities	A total of 288 persons/families are expected to be served during PY 2026.
	Location Description	Citywide
Planned Activities	With ESG funds the Municipality will undertake the following activities: Street Outreach and Shelter (\$88,960.00), Rapid Re-Housing (\$39,187.90), Data Collection (HMIS) (\$9,000.00), and Administration (\$11,120.10).	
17	Project Name	Housing Choice Voucher Program 2026
	Target Area	Municipality of Caguas
	Goals Supported	Housing Assistance
	Needs Addressed	Affordable Housing
	Funding	Section 8: \$8,898,418.00
	Description	Housing Choice Voucher program providing tenant-based rental assistance to enable very low-income families to afford decent, safe, and sanitary housing in the private market.
	Target Date	6/30/2027

Estimate the number and type of families that will benefit from the proposed activities	It is estimated that $1,330 + (MS\ 75) = 1,405$ eligible very low-income families will be assisted during the program year. These households will receive rental assistance vouchers to support access to decent, safe, and affordable housing in the private rental market, in accordance with HUD regulations and program requirements.
Location Description	Citywide rental assistance for eligible very low-income families.
Planned Activities	Monthly rental assistance payments, housing quality inspections, family self-sufficiency services, and administrative activities to support very low-income families in obtaining and maintaining decent housing in the private rental market.

AP-50 Geographic Distribution – 91.220(f)

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

In the Municipality of Caguas, strategic allocation of federal assistance through key programs is essential for addressing the unique challenges faced by low-income and minority populations. This geographic targeting within the entitlement's jurisdiction is crucial for enhancing equity and accessibility in community services and resources.

The Community Development Block Grant Program (CDBG) totaling \$1,668,259.00 plays a key role in improving infrastructure and public services in designated low-income areas. The following is a description of the projects location.

Infrastructure Investments (\$918,390.00 total)

- Bo. Pueblo Repaving (\$352,855.00)—Street and road improvements in Urb. Machín, Urb. Villa Flores, and Jardines Plá (Barrio Pueblo), serving 9,120 low- and moderate-income residents with enhanced accessibility, safety, and property values.
- Río Cañas – La Mesa Repaving (\$95,535.00)—Street and infrastructure improvements in the La Mesa sector of Río Cañas serving 1,705 low- and moderate-income residents.
- Dog Park Calle Nazario (\$90,000.00)—Construction and improvement of a public dog park on Calle Nazario serving 820 low- and moderate-income residents in adjacent areas.
- Parque Forastieri (CUT) Fase I (\$380,000.00)—Multi-phase public park improvements including areas for small and large dogs, a children’s playground, outdoor fitness gym, walking track, lighting, landscaping, and urban furniture, serving 820 low- and moderate-income residents.

Public Services (\$250,239.00 total)

The CDBG's public service program dedicates funds to services for special populations within the community:

- Senior Services – Red de Apoyo Bienestar del Adulto Mayor (\$75,000.00)—Serving 50 low- and moderate-income elderly residents citywide with a comprehensive support network promoting wellbeing, independence, and quality of life.
- Youth & Entrepreneurship Programs—Arranque Empresarial (\$40,000.00) serving 500 low- and moderate-income residents and youth with entrepreneurship training and business skills development; and Nuestra Escuela Inc. (\$59,239.00) serving 100 low- and moderate-income students with expanded technical-vocational education, digital literacy, and educational support services.

- Health Services—SANOS Proyecto Enlace 2 (\$37,000.00) serving 100 low- and moderate-income residents through psychosocial services, substance abuse prevention, and community outreach programs citywide.
- Environmental Education—Proyecto Educativo y Demostrativo Proceso de Polinización (\$14,999.85) serving 50 low- and moderate-income residents through environmental awareness and a demonstration apiary at the Jardín Botánico y Cultural de Caguas, providing pollination, apiculture, and conservation education for public and private schools.
- Disability Employment Services—MAVI Employment Solutions (EMPS) (\$24,000.00) serving 15 low- and moderate-income persons with disabilities through employer education workshops, sign language training, and job placement assistance (Villa Blanca area and citywide).

Housing Rehabilitation and Acquisition (\$794,926.21 total in CDBG and HOME)

- CDBG Minimal Rehabilitation (\$100,978.35) serves 33 low- and moderate-income homeowner families citywide through material assistance. HOME Rehabilitación por el Dueño (\$346,973.93) serves approximately 10 low-income owner-occupied households with substantial rehabilitation. HOME First Time Homebuyer (\$231,315.95) provides down payment and closing-cost assistance to 3 first-time homebuyer families. HOME CHDO (\$115,657.98) supports Community Housing Development Organization activities to develop affordable housing for low- and moderate-income families. CDBG and HOME Planning & Administration (\$333,651.80 + \$77,105.31 = \$410,757.11) covers program management, environmental review, and federal compliance for the CDBG and HOME programs combined. In addition, the Housing Choice Voucher Program (\$8,898,418.00) provides tenant-based rental assistance to approximately 1,405 very low-income families citywide. Together these programs serve an estimated 1,452 homeowner, first-time buyer, and renter households in qualifying low- and moderate-income areas across the municipality.

Economic Development (\$65,000.00):

- Caguas Compite 2026 (\$65,000.00) creates 2 jobs and assists 2 businesses through technical assistance, microenterprise development, and job training in low- and moderate-income areas.

Geographic Distribution

Target Area	Percentage of Funds
Municipality of Caguas	92
Caguas Low Income	8

Table 8 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

Geographic priorities for investments were established through a comprehensive Citizen Participation process that engaged all communities within Caguas, resulting in the strategic allocation of \$11,485,998.18 across targeted areas. A key strategy for this process is the "Alcalde en tu Comunidad" (Mayor in Your Community) initiative.

This municipal program enables direct engagement with citizens by bringing Mayor William Miranda Torres and municipal services to different communities each month. It facilitates open communication with residents to directly address their needs and identify priority investments. As part of this initiative, municipal secretaries and departments relocate temporarily to the communities, setting up a Citizen Services Fair that runs several days from 9:00 a.m. to 1:00 p.m. During these events, residents can directly interact with the mayor and key municipal staff, receiving a wide range of services including:

- Guidance on affidavits and permits, public works requests, recycling and sanitation, FEMA projects, entrepreneurship, tourism, agribusiness, tax issues, and digital services.
- Police and emergency management orientation, information on housing options, Head Start program, educational services, and cultural and sports activities.
- Health services through the SANOS Mobile Unit, which offers primary medical care.
- Employment services in collaboration with the Alianza Municipal de Servicios Integrados, including job orientation, resume preparation, and training.

Discussion

The geographic priorities for the selected communities receiving assistance were established based on a focused consideration of income levels and community-identified needs. Specifically, these communities were chosen because at least 51% of their residents are classified as low and moderate-income individuals, ensuring compliance with federal targeting requirements. This demographic criteria ensures that the allocated \$11,485,998.18 in resources is directed towards areas where they can have the most significant impact in addressing the needs of underserved populations.

Low Income Areas Targeting

- Area Benefit Activities (approximately 8% — \$927,629.00 in CDBG funds)—Concentrated in Bo. Pueblo (Urb. Machín, Urb. Villa Flores, Jardines Plá), Río Cañas / La Mesa Community, and qualifying census tracts (BG 200200.1 and BG 201000.2), where infrastructure and recreational improvements (Repaving and Parque Forastieri Phase I) and selected public-service activities (Nuestra Escuela Inc. and Arranque Empresarial) will benefit entire low- and moderate-income neighborhoods on an Area Benefit basis.
- Citywide Low-Income Targeting (approximately 92% — \$10,558,369.18 across CDBG, HOME, ESG, and Section 8)—Services and assistance available throughout the municipality but

restricted to income-eligible households, ensuring broad access while maintaining federal compliance. This includes the Housing Choice Voucher Program tenant-based rental assistance (\$8,898,418.00 / 1,405 families), HOME homeownership and rehabilitation activities, ESG homeless services, and CDBG public services targeting elderly residents, persons with disabilities, and other vulnerable populations citywide.

The distribution balances concentrated neighborhood investments with citywide accessibility, ensuring that residents in all areas of Caguas can access housing assistance, social services, and economic-development opportunities. The approximately 92% citywide allocation ensures that low-income residents throughout the municipality can access critical resources such as Housing Choice Voucher tenant-based rental assistance, HOME homeownership assistance, ESG homeless services, and CDBG public services, while the approximately 8% area-specific allocation provides concentrated infrastructure improvements (Repaving and Parque Forastieri Phase I) and selected public-service activities (Nuestra Escuela Inc. and Arranque Empresarial) in the highest-need neighborhoods on an Area Benefit basis.

A map detailing the locations of these projects is included in the attachments section for reference. This visualization supports a clear understanding of where investments are being made and helps in assessing the coverage and focus of the assistance provided to approximately 15,022 beneficiaries (including individuals served through public services and infrastructure activities, plus 1,405 households served through the Housing Choice Voucher Program) across the municipality's low- and moderate-income areas during the 2026-2027 program year.

Affordable Housing

AP-55 Affordable Housing – 91.220(g)

Introduction

Affordable housing remains a core priority of the 2025-2029 Consolidated Plan and is the largest single area of investment in this 2026-2027 Annual Action Plan. To advance Goal 1 (Housing Assistance) and Goal 6 (Homeless Assistance) of the Consolidated Plan, the Municipality of Caguas will deploy four federal funding streams in a coordinated strategy: tenant-based rental assistance through the Section 8 Housing Choice Voucher Program; first-time homebuyer assistance and Community Housing Development Organization investments through HOME; owner-occupied housing rehabilitation through both CDBG (minimal rehabilitation) and HOME (substantial rehabilitation); and rapid re-housing, homelessness prevention, and emergency shelter through the Emergency Solutions Grants (ESG) program. The combination of these resources is designed to stabilize current renters and homeowners, expand access to homeownership for income-eligible families, preserve and improve the existing housing stock, and provide a coordinated response for individuals and households experiencing or at risk of homelessness.

To address the need for **adequate housing**, the Municipality will dedicate \$100,978.35 in CDBG (Minimal Rehabilitation, an estimated 33 owner-occupied units) and \$346,973.93 in HOME (Rehabilitaci3n por el Due1o, an estimated 10 owner-occupied units) to preserve the existing housing stock for low- and moderate-income homeowners, for a combined total of 43 owner-occupied units rehabilitated during the program year. The two activities are designed to be complementary: CDBG provides limited material assistance to address health, safety, and code-compliance deficiencies, while HOME supports substantial rehabilitation including structural repairs, system upgrades, and accessibility modifications.

To expand access to **affordable rental housing and homeownership**, the Municipality will administer \$8,898,418.00 in Section 8 Housing Choice Voucher tenant-based rental assistance, providing a rental subsidy to approximately 1,405 very low-income families, elderly individuals, and persons with disabilities in the private rental market. To advance new homeownership opportunities, \$231,315.95 in HOME funds is allocated to the First Time Homebuyer activity, providing down-payment and closing-cost assistance to approximately three (3) eligible income-qualified families. The Municipality will determine anticipated annual income for HOME applicants using the Internal Revenue Service adjusted gross income definition from IRS Form 1040, and homebuyer education and counseling will be provided to support long-term housing stability.

In addition, the **CHDO set-aside** of \$115,657.98 (15 percent of the HOME allocation, in accordance with 24 CFR 92.300) reserves HOME funds for affordable-housing acquisition, rehabilitation, or new construction undertaken by qualified Community Housing Development Organizations. The Municipality anticipates receiving and evaluating at least one CHDO project proposal during the program year, with eligible activities and beneficiary counts subject to project approval and HOME compliance.

To respond to **homelessness and housing instability**, the Municipality will administer \$148,268.00 in ESG funds across four eligible activity components: Street Outreach and Emergency Shelter (\$88,960.00) to engage unsheltered individuals and operate emergency shelter with essential services; Rapid Re-Housing (\$39,187.90) to move households experiencing homelessness into permanent housing through short- and medium-term rental assistance and housing-relocation services, with a goal of three (3) households served; HMIS participation (\$9,000.00) coordinated through the PR-503 Continuum of Care; and program administration (\$11,120.10). Three (3) persons at risk of homelessness will receive Homelessness Prevention assistance from within the same allocation.

Together, these activities are projected to support approximately 1,457 households during the 2026-2027 program year, of which 1,405 will receive tenant-based rental assistance through the Housing Choice Voucher Program, 43 will receive owner-occupied rehabilitation, 3 will receive first-time homebuyer assistance, 3 will be rapidly re-housed through ESG, and 3 will receive homelessness-prevention assistance. The CHDO set-aside is expected to add additional units to the affordable-housing pipeline, the precise count of which will be determined upon proposal evaluation and project approval. Distribution of these households across the HUD “Households to be Supported” categories and across the “Households Supported Through” methods is shown in the tables below.

One Year Goals for the Number of Households to be Supported	
Homeless	6
Non-Homeless	1,451
Special-Needs	0
Total	1,457

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,411
The Production of New Units	0
Rehab of Existing Units	43
Acquisition of Existing Units	3
Total	1,457

Table 10 - One Year Goals for Affordable Housing by Support Type

Discussion

The tables above reflect the Municipality’s one-year goals for affordable housing during the 2026-2027 program year, totaling 1,457 households across all support categories. The 6 homeless households (3 served through ESG Rapid Re-Housing and 3 through ESG Homelessness Prevention) reflect a coordinated response with the PR-503 Continuum of Care that emphasizes rapid connection to permanent housing paired with access to behavioral health and recovery services where appropriate. The 1,451 non-homeless households consist of 1,405 households receiving Section 8 Housing Choice Voucher tenant-based rental assistance, 43 owner-occupied households receiving CDBG or HOME rehabilitation, and 3 first-time homebuyer families receiving HOME down-payment and closing-cost assistance. By support method, 1,411 households (97 percent of the total) will be supported through rental assistance — principally the HCVP — while 43 households will be supported through rehabilitation of existing units and 3 households through acquisition of existing units. Production of new units is shown as zero in this table because the HOME CHDO set-aside project for 2026-2027 has not yet been identified at the time of plan submission; once a CHDO project is selected, the Municipality will report the resulting unit count in the corresponding CAPER. Rental assistance through the HCVP remains the principal strategy through which the Municipality preserves housing affordability for very low-income families, the elderly, and persons with disabilities, complemented by rehabilitation and homeownership investments that preserve and expand the affordable-housing stock.

AP-60 Public Housing – 91.220(h)

Introduction

Public-housing policy for the Municipality of Caguas is administered at the State level by the Puerto Rico Public Housing Administration (PR-PHA), which owns and operates the public-housing inventory located within the municipal boundaries. The Municipality of Caguas does not own or operate public-housing projects; the Municipality serves as the Public Housing Agency exclusively for the Housing Choice Voucher Program (HCVP, also known as Section 8). For the 2026-2027 program year, the Municipality will administer an HCVP allocation of \$8,898,418.00 to provide tenant-based rental assistance to approximately 1,405 very low-income families, elderly individuals, and persons with disabilities in the private rental market. This complements the inventory of project-based public housing administered by the PR-PHA and provides an alternative tenure pathway for income-eligible families across the jurisdiction, including current public-housing residents who may pursue HCVP-supported housing in the private market.

While the State Government, through the PR-PHA, has primary responsibility for the operation of public-housing projects within the jurisdiction, the Municipality of Caguas plays a supporting role by extending its CDBG, HOME, and ESG-funded public-services and community-development activities on a citywide income-eligible basis to all low- and moderate-income residents, including residents of the public-housing inventory. The Municipality will also continue to coordinate with the PR-PHA on community facilities, public-improvement, and economic-development needs that fall outside the scope of the PR-PHA's housing-management function but that benefit public-housing communities.

The Public Housing Administration provides several services as outlined in its PHA Plan, including:

- An Economic Self-sufficiency program aimed at promoting and facilitating the economic independence of families served by the Department of Housing and Urban Development (HUD).
- Secondary education under the Education program of Law 217.
- Training sessions for residents of public housing.
- An employment program that allocates residents to various job opportunities.
- Residents' Councils.
- Community Digital Libraries. These initiatives are designed to empower residents and enhance their opportunities for economic and personal development.

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

While no Consolidated Plan formula activity is targeted exclusively to the public-housing projects located within the Municipality, the Municipality's public-policy framework includes the public-housing population among the service-delivery groups that benefit from CDBG, HOME, ESG, and HCVP-funded activities. The following 2026-2027 Annual Action Plan activities are available to and expected to benefit

public-housing residents on a citywide income-eligible basis:

- SANOS Proyecto Enlace 2 (\$37,000.00) — Psychosocial services, substance-abuse prevention, and mental-health support targeting low- and moderate-income communities citywide. The activity is expected to serve 100 individuals during the program year, with public-housing residents eligible for inclusion through the subrecipient's community-outreach component.
- Arranque Empresarial (\$40,000.00) — Entrepreneurship workshops, business-skills training, hands-on business experience, and mentorship for low- and moderate-income youth and adult residents. The activity is expected to serve approximately 500 participants during the program year, with eligibility extending to public-housing residents and youth from public-housing families.
- Caguas Compite (\$65,000.00) — Economic-development program providing business technical assistance, microenterprise development, job training, and business financing to create employment opportunities for low- and moderate-income residents, including public-housing residents. The activity is expected to assist 2 businesses and create or retain 2 jobs benefiting low- and moderate-income persons during the program year.
- Senior Services — Red de Apoyo Bienestar del Adulto Mayor (\$75,000.00) — Comprehensive social-welfare support network for elderly residents promoting wellbeing, independence, and quality of life. The activity is expected to serve 50 low- and moderate-income elderly residents citywide during the program year, including elderly residents of the public-housing inventory.
- Nuestra Escuela Inc. (\$59,239.00) — Expansion of technical-vocational educational services, digital-literacy education, technology access, and educational support services for students from low- and moderate-income families. The activity is expected to serve 100 students during the program year, with public-housing youth eligible to participate through the subrecipient's alternative-education model.
- MAVI — Employment Solutions / EMPS (\$24,000.00) — Employer-education workshops, sign-language training, job-placement assistance, and employment-support services for low- and moderate-income persons with disabilities. The activity is expected to serve 15 persons with disabilities during the program year, including public-housing residents with disabilities who seek competitive employment.
- Proyecto Educativo y Demostrativo Proceso de Polinización (\$14,999.85) — Environmental-education and demonstration apiary at the Jardín Botánico y Cultural de Caguas, providing pollination, apiculture, and conservation workshops for public and private schools. The activity is expected to serve 50 low- and moderate-income persons during the program year, with public-housing youth eligible to participate through the school-coordinated component of the program.

In addition, the Housing Department of the Municipality provides opportunities to Public Housing Residents through:

- Section 8 Housing Choice Voucher Program (\$8,898,418.00) — Tenant-based rental assistance serving approximately 1,405 very low-income families during the 2026-2027 program year.

HCVP serves as an alternative tenure pathway available to current public-housing residents and other income-eligible households seeking housing in the private rental market.

- HOME First Time Homebuyer Assistance (\$231,315.95) — Down-payment and closing-cost assistance for approximately 3 eligible low- and moderate-income first-time homebuyer families during the program year, including public-housing residents who are ready to transition to private-market homeownership. The program includes homebuyer education and counseling.

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

Resident participation in public-housing management and the operation of resident councils is the statutory responsibility of the PR-PHA, which is the State-level public housing agency for all public-housing projects within Caguas. The Municipality of Caguas will support PR-PHA in any initiative undertaken to engage public-housing residents in management decisions and self-sufficiency programs, and will complement those PR-PHA efforts by providing direct municipal homeownership support to public-housing residents who wish to transition to private-market homeownership through the following activity:

- HOME First Time Homebuyer Program (\$231,315.95) — Down-payment and closing-cost assistance to approximately 3 eligible low- and moderate-income families, including public-housing tenants who meet HOME income-eligibility and program requirements and who wish to transition to private-market homeownership. The program includes homebuyer education and counseling services to support a successful transition.

The Municipality also supports resident involvement through:

- Technical assistance and referrals to public housing resident councils
- Support for resident participation in municipal planning processes through the "Alcalde en tu Comunidad" initiative
- Coordination with PR-PHA on resident engagement activities
- Information sharing about homeownership opportunities and financial literacy programs

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

The Municipality will not provide direct financial assistance to the PR-PHA in the event that the agency is designated as a troubled agency. However, should the State agency request it, the Municipality is prepared to offer non-financial technical assistance covering areas such as program management, budgetary planning, administrative operations, federal compliance, and strategic planning, with the objective of strengthening the PR-PHA's administrative capacity and improving service delivery to

public-housing residents in Caguas.

Discussion

In summary, the Municipality of Caguas complements the Puerto Rico Public Housing Administration's efforts by administering the \$8,898,418.00 Section 8 Housing Choice Voucher Program (1,405 families) and by funding \$647,533.15 in CDBG and HOME activities (Public Services \$250,238.85, Caguas Compite \$65,000.00, CDBG Minimal Rehabilitation \$100,978.35, and HOME First Time Homebuyer \$231,315.95) that are available on a citywide income-eligible basis to public-housing residents alongside other low- and moderate-income households across Caguas.

The 2026-2027 strategy serves public-housing residents through five complementary pathways: tenant-based rental assistance through HCVP for households seeking private-market alternatives; homeownership through HOME First Time Homebuyer assistance for those ready to transition; economic-development and entrepreneurship through Caguas Compite and Arranque Empresarial; targeted public services for elderly residents (Red de Apoyo Bienestar del Adulto Mayor), persons with disabilities (MAVI EMPS), youth and alternative-education students (Nuestra Escuela), and individuals at risk of substance use (SANOS Proyecto Enlace 2); and environmental-education programming (Polinización) coordinated through the Jardín Botánico y Cultural de Caguas. CDBG infrastructure projects undertaken in low- and moderate-income census tracts (Bo. Pueblo repaving, Parque Forastieri Phase I, and the Calle Nazario dog park) further benefit the entire surrounding community, including any public-housing residents who reside in or near these eligible service areas.

These activities collectively address both immediate housing-stability needs and the longer-term economic and personal-development goals of public-housing residents. The Municipality's investment of \$332,294.30 in housing-related assistance (CDBG Minimal Rehabilitation and HOME First Time Homebuyer) and \$250,238.85 in public services that include public-housing residents establishes pathways for greater self-sufficiency, employment, education, and homeownership. The Municipality will continue to coordinate with the PR-PHA on resident-engagement, referral, and information-sharing activities, and will encourage public-housing residents to access HCVP, HOME First Time Homebuyer, and CDBG-funded public services through outreach conducted in coordination with the PR-PHA, the "Alcalde en tu Comunidad" community-engagement initiative, and the Municipal Department of Housing and the Office of Federal Programs.

AP-65 Homeless and Other Special Needs Activities – 91.220(i)

Introduction

The Municipality of Caguas is committed to addressing the needs of individuals experiencing homelessness and households at imminent risk of housing loss. During program year 2026-2027, the Municipality will administer \$148,268.00 in Emergency Solutions Grants (ESG) funding to support outreach, emergency-shelter operations, rapid re-housing, homelessness prevention, HMIS participation, and program administration, in coordination with the PR-503 Continuum of Care (Coordinadora Morivivi). The Municipal Department of Housing serves as the lead administrator of these activities and participates as a member of the PR-503 CoC, ensuring that local ESG-funded actions are aligned with the regional CoC's permanent-housing strategy and written standards.

The Municipal Department of Housing administers the ESG program, aligning local actions with the broader objectives and written standards of the PR-503 Continuum of Care. For program year 2026-2027, the Municipality has allocated ESG funds across four eligible activity components: \$88,960.00 for Street Outreach and Emergency Shelter services, \$39,187.90 for Rapid Re-Housing assistance (which includes the Homelessness Prevention component), \$9,000.00 for participation in the Homeless Management Information System (HMIS), and \$11,120.10 for ESG program administration. These investments correspond to Project 16 (ESG 2026 Caguas) of the AP-35 / AP-38 project tables and advance Goal 6 (Homeless Assistance) of the AP-20 Goals Summary. They are complemented by other AP-38 activities that provide indirect housing-stability benefits to homeless and at-risk populations, including Project 17 (Housing Choice Voucher Program, \$8,898,418.00 / 1,405 families) which serves as a principal permanent-housing pathway, Project 13 (HOME First Time Homebuyer, \$231,315.95 / 3 households) which supports transitions to homeownership, and Public Services activities such as Project 6 (SANOS Proyecto Enlace 2, \$37,000.00 / 100 individuals) which provide psychosocial and substance-abuse support to populations at risk of homelessness.

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

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

The Municipality of Caguas will reach out to the homeless population, especially the unsheltered individuals, by allocating ESG and HOME-ARP funds to community-based organizations operating within Caguas' jurisdiction. Some of the potential street-outreach and rapid re-housing service providers include Corporación SANOS, Guara Bí, and FUNDESCO—Hogar Dulce Hogar. These organizations, together with other CoC-funded projects, conduct proactive outreach throughout their service areas. Outreach teams coordinate closely with local police departments, hospital emergency rooms, Federally Qualified Health Centers (FQHCs), food banks, human-services agencies, and first responders to ensure consistent referrals. Orientation on available services is routinely provided to partners, and referral pathways are

well-established.

Outreach workers make regular visits to known gathering sites, maintaining ongoing communication with local business owners, shopping-center managers, faith-based leaders, school personnel, and other community stakeholders. Specialists are integrated into outreach teams, and multidisciplinary staffing ensures a comprehensive approach to engagement. Commonly visited locations include areas where drug activity occurs, soup kitchens, and places where individuals experiencing homelessness sleep or congregate. Outreach is typically conducted during weekdays, weekends, and evening hours to ensure that teams can meet people where they are and at times when they are most accessible.

In addition, community-based organizations will provide a variety of services including multidisciplinary evaluation, health care, psychiatric, psychological, and substance-abuse evaluation, and referrals to substance-abuse treatment and housing services. Services are aimed at connecting homeless persons to emergency shelters, transitional housing, and other essential services. A total of eighty (80) persons are estimated to be contacted by a case manager during the program year, while forty (40) of those contacted are expected to be engaged into services.

Additionally, other local organizations such as Corporación SANOS and FUNDESCO—Hogar Dulce Hogar are intended to address the needs of the homeless population through the rapid re-housing initiative. The activity includes referrals, case management and housing navigators, individual service plans, transportation, job training, job opportunities, and other supportive services.

Addressing the emergency shelter and transitional housing needs of homeless persons

The needs of the homeless population are addressed through a collaborative effort with the Continuum of Care (PR-CoC-503) and local nonprofit organizations to address the basic and essential needs of the homeless population. This vision includes providing emergency shelter and transitional housing to this special needs population.

Through this approach, during the program year the Municipality will allocate \$44,479.00 in ESG funds to FUNDESCO and Guarabí, two experienced local community-based organizations that provide emergency shelter, including daily meals, health services, referrals to hospitals or emergency clinics, counseling, case management, substance-abuse treatment, emergency health care and mental-health services, transportation, and other supportive services. The programs also focus on self-sufficiency and prepare homeless residents for the transition to permanent housing. As a reference, in the most recently reported program year a total of one hundred sixty-three (163) homeless individuals received emergency shelter and essential services through FUNDESCO and Guara BÍ as ESG subrecipients of the Municipality.

Transitional housing needs are usually undertaken by the PR-503 network organizations who are granted transitional housing funds to fulfill the needs. The Municipality does not allocate funds for this purpose. To cover this gap, the Municipality relies on the COC-503 Continuum of Care who currently has thirty (30) year-round total beds provided by four (4) non-profit Organizations that provide services within

the CoC-503 area.

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

The needs of the homeless population are served through the two local community-based organizations Corporación SANOS and FUNDESCO with the rapid re-housing initiative, and through two emergency-shelter operators, FUNDESCO and Guara Bí. These activities help individuals make the transition to permanent housing and independent living, shorten the period of time that individuals and families experience homelessness, and facilitate access for homeless individuals and families to affordable housing units. The Municipality continues to encourage and financially support projects aimed at rapidly re-housing individuals living on the streets, with \$39,187.90 in ESG funds (Project 16 of AP-38) allocated to Rapid Re-Housing for the program year. Recent program data show a slight increase in the number of individuals served through the rapid re-housing component, with thirteen (13) individuals placed into positive housing destinations during the most recently reported program year. Beneficiaries received referrals to mainstream services based on their needs, case management and housing navigators, individual service plans, transportation, and access to job training and employment opportunities, among other supportive services.

Rapid Re-Housing services target individuals and families currently residing in emergency shelters or in places not meant for human habitation, with the goal of moving them as quickly as possible into permanent housing and achieving stability. The program provides flexible financial assistance tailored to household needs (short- and medium-term rental assistance, security deposits, utility payments, and housing-relocation services) combined with intensive case management to address barriers to permanent housing. Coordinated Entry referrals are made through the PR-503 Continuum of Care's coordinated assessment system, in accordance with 24 CFR 576.400(d). HCVP (Project 17) and HOME First Time Homebuyer (Project 13) provide complementary permanent-housing pathways for households exiting rapid re-housing into long-term stability.

Case management includes housing search and placement assistance, landlord negotiation and tenant-readiness support, lease execution support, and connections to mainstream benefits (Medicaid, SNAP, WIC, Social Security, and unemployment-insurance programs, as appropriate). The program maintains housing-stability follow-up with participating households to prevent returns to homelessness and to support sustained independent living. Consistent with Executive Order 14321, the Municipality has updated its ESG performance standards so that rapid re-housing programs incorporate appropriate engagement with mental-health and substance-abuse treatment services where applicable, in

coordination with the PR-503 CoC.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

To address homelessness prevention and housing stabilization, the Municipality will allocate funds to non-profit Corporación SANOS and FUNDESCO—two local community-based organizations that provide services to populations experiencing or at risk of homelessness. The Municipality has allocated funds to provide financial assistance and short- and/or medium-term rental assistance to help individuals and families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing. Through this rapid re-housing component, over thirty (30) individuals and households are expected to be served during the program year. Where applicable, prevention activities are also coordinated with HOME-ARP resources, prioritizing extremely low-income and low-income households at highest risk of housing loss, including those near the end of rental assistance from public or private agencies and those being discharged from publicly funded institutions and systems of care.

The needs of individuals at risk of becoming homeless are also served through the local Housing Office of the Municipality of Caguas, which is expected to assist over twenty (20) individuals with financial assistance and short- and/or medium-term rental assistance during the program year, in order to prevent their entry into homelessness. Eligible prevention activities include short-term rental assistance to prevent eviction, utility assistance to prevent service disconnection, security deposits and first-month rent for families needing to relocate to affordable housing, and case-management services that help households access mainstream benefits and services supporting housing stability. All prevention activities are coordinated with local social-service agencies, the PR-503 Continuum of Care's coordinated entry system, and the broader regional homeless-services network to ensure comprehensive support.

Discussion

The 2026-2027 ESG investment of \$148,268.00 (Project 16 of the AP-35 / AP-38 project list) anchors the Municipality of Caguas' coordinated response to homelessness, in partnership with the PR-503 Continuum of Care and its lead organization the Coordinadora Morivivi. The Municipality's strategy combines street outreach and engagement, emergency-shelter operations, rapid re-housing into permanent housing, and homelessness prevention for households at imminent risk of housing loss, with HMIS participation and program administration providing the data and operational backbone that link these activities to the regional CoC system.

The Municipality's ESG-funded activities are projected to serve approximately 288 persons during PY

2026-2027 across all four eligible activity components (Street Outreach and Emergency Shelter, Rapid Re-Housing, Homelessness Prevention, and HMIS), as reported in Project 16 of AP-38. Specific component goals include eighty (80) persons engaged through outreach (with forty (40) entering services), 163 individuals receiving emergency shelter and essential services through FUNDESCO and Guara BÍ (based on most-recent program-year experience), thirty (30) individuals and households served through rapid re-housing, and twenty (20) individuals receiving homelessness-prevention assistance through the local Housing Office. These ESG investments are reinforced by AP-38 Project 17 (Housing Choice Voucher Program / 1,405 families), which serves as the principal permanent-housing pathway for very low-income households, and by Project 13 (HOME First Time Homebuyer / 3 households) and selected CDBG public-service activities (notably Project 6, SANOS Proyecto Enlace 2) that mitigate the upstream conditions associated with homelessness, including substance use, mental health, and economic instability.

AP-75 Barriers to affordable housing – 91.220(j)

Introduction:

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

During the 2026–2027 program year, the Municipality of Caguas will continue evaluating and pursuing actions to reduce the regulatory, financial, and procedural barriers that affect the production and preservation of affordable housing. The Municipality recognizes that barriers such as land-use controls, zoning ordinances, permitting delays, development fees, construction costs, tax policies, and infrastructure limitations can increase the cost of residential development and reduce the feasibility of affordable housing projects. The Municipality will focus on a coordinated strategy that includes review of permitting procedures, evaluation of development-related fees, and exploration of tax and financial incentives for qualified housing and community-development projects. As part of this strategy, Caguas will evaluate opportunities to reduce upfront development costs, including potential relief from municipal fees, construction excise taxes, municipal license fees, and other charges where legally permissible and financially feasible. The Municipality will also examine the feasibility of a tiered fee structure, waivers for eligible affordable-housing projects, and deferred payment mechanisms intended to reduce the initial cost burden on developers, nonprofit housing providers, and property owners undertaking eligible rehabilitation or affordable-housing activities.

Recent municipal actions support this approach. In January 2026, the Municipal Legislature approved Ordinance No. 12, FY 2025–2026, authorizing the Mayor to request and administer an \$8,824,350.38 HUD Section 108 loan for public works and economic-development projects, including rehabilitation of the urban center, acquisition and development of municipal parking, and restoration of public facilities. These investments are intended to support urban revitalization, strengthen local economic activity, and improve the physical conditions needed to encourage reinvestment in the urban core. The Municipality’s FY 2025–2026 budget also includes significant capital-improvement resources for infrastructure and public-facility improvements, which support neighborhood stability and improve the conditions for residential investment.

Caguas will also continue using its existing municipal structures to address barriers to development. The Municipal Office of Permits administers construction, subdivision, development, use, and related permits, providing the institutional framework through which permitting reforms and process improvements can be implemented. In addition, the Municipality’s socioeconomic incentive structure includes incentives related to municipal license taxes, real and personal property, and construction excise taxes. During the program year, the Municipality will evaluate how these tools may be better aligned with affordable-housing, rehabilitation, and community-development objectives. The Municipality will further coordinate with state agencies, including the Puerto Rico Department of Housing and the Office of Permit

Management, to identify and address administrative issues that delay or obstruct the advancement of housing and community-development initiatives. This coordination is consistent with recent intergovernmental efforts reported in 2025 to unblock stalled initiatives and facilitate the execution of projects in Caguas.

In addition to regulatory and financial strategies, Caguas will continue to preserve existing affordable housing through its housing rehabilitation activities. The Municipality's Minimum Rehabilitation program provides construction materials to eligible low-income homeowners for improvements necessary to ensure occupancy, health, and safety. This preservation strategy helps reduce displacement, maintain the existing affordable housing stock, and mitigate the negative effects of rising construction costs and limited housing inventory.

The Municipality will tackle procedural and regulatory hurdles by reforming its permitting and fee structures. This involves advocating for and creating a streamlined, expedited permitting process for prefabricated homes to reduce administrative delays and costs. Additionally, a comprehensive review of all development-related fees will be undertaken between 2025 and 2030, with the goal of establishing a tiered fee system, offering waivers for affordable projects, and providing deferred payment options. These procedural reforms aim to lower upfront expenses and simplify the development process, with initial reform legislation anticipated by mid-2026.

AP-85 Other Actions – 91.220(k)

Introduction:

This section identifies the additional actions the Municipality of Caguas will take during program year 2026-2027 to advance the goals of the 2025-2029 Consolidated Plan, beyond the program-specific activities already described in the prior sections of this Annual Action Plan. With an aggregate federal investment of \$11,485,998.18 across the four primary HUD programs (CDBG \$1,668,259.00, HOME \$771,053.18, ESG \$148,268.00, and Section 8 Housing Choice Voucher Program \$8,898,418.00), the Municipality is positioned to address the needs of underserved populations in the jurisdiction — including elderly residents, persons with disabilities, individuals at risk of or experiencing homelessness, and low- and moderate-income families. The actions described in this section apply across CPD programs and complement the activity-specific descriptions in AP-35, AP-38, AP-50, AP-55, AP-60, and AP-65. All actions in this Annual Action Plan are administered consistent with applicable federal civil-rights, fair-housing, and program-eligibility requirements, including those updated by Executive Orders 14168, 14173, 14218, and 14321 and incorporated into HUD’s grant-agreement and Universal Notice framework for FY 2026.

Actions planned to address obstacles to meeting underserved needs

The Municipality has structured its 2026-2027 investment plan around the populations identified as having the greatest unmet needs in the consultation and citizen-participation processes documented in AP-10 and AP-12. Particular emphasis is placed on elderly residents, persons with disabilities, individuals at risk of or experiencing homelessness, youth and alternative-education students, and households at risk of housing instability. The combination of CDBG public services, CDBG economic development, HOME housing assistance, ESG homeless services, and Section 8 tenant-based rental assistance allows the Municipality to address each of these underserved-population needs through complementary funding streams.

The following CPD-funded activities are designed to address the needs of these underserved populations during PY 2026-2027:

CDBG

- Senior Services- Red de Apoyo Bienestar del Adulto Mayor (\$75,000.00) - Comprehensive social-welfare support network for low- and moderate-income elderly residents (50 persons), promoting wellbeing, independence, and quality of life.
- Arranque Empresarial (\$40,000.00) - Entrepreneurship workshops, business-skills training, hands-on business experience, and mentorship for low- and moderate-income youth and adult residents (500 participants).
- Nuestra Escuela Inc. (\$59,239.00) - Expansion of technical-vocational education, digital-literacy education, technology access, and educational support services for students from low- and

moderate-income families (100 students).

- SANOS Proyecto Enlace 2 (\$37,000.00) - Psychosocial services, substance-abuse prevention, and mental-health support targeting low- and moderate-income communities citywide (100 persons).
- MAVI — Employment Solutions / EMPS (\$24,000.00) - Employer-education workshops, sign-language training, job-placement assistance, and employment-support services for low- and moderate-income persons with disabilities (15 persons).
- Proyecto Educativo y Demostrativo Proceso de Polinización (\$14,999.85) - Educational and demonstration apiary at the Jardín Botánico y Cultural de Caguas, providing pollination, apiculture, and conservation education for public and private schools (50 persons).
- Caguas Compite (\$65,000.00) - Economic-development program providing business technical assistance, microenterprise development, job training, and business financing to create employment opportunities for low- and moderate-income residents (2 jobs created/retained, 2 businesses assisted).

ESG

- Street Outreach and Emergency Shelter (\$88,960.00) — Outreach to unsheltered individuals and emergency-shelter operations through community-based subrecipients (FUNDESCO and Guara BÍ), serving an estimated 80 persons through outreach contacts (40 engaged) and providing shelter and essential services consistent with prior-year experience of 163 individuals served.
- Rapid Re-Housing including Homelessness Prevention (\$39,187.90) — Short- and medium-term rental assistance, security deposits, utility payments, housing-relocation services, and case management to assist an estimated 30 individuals/households through rapid re-housing and 20 individuals through prevention services administered by the local Municipal Housing Office.
- HMIS and ESG Administration (\$9,000.00 HMIS + \$11,120.10 Administration) — Participation in the PR-503 Continuum of Care's Homeless Management Information System and program administration of the ESG grant.

Beyond CPD-funded activities, the Municipality of Caguas operates an integrated municipal-services structure that supports the underserved-population strategy during PY 2026-2027. The principal municipal service points and programs include:

- Atención Ciudadana Center - Primary contact center where needs posed by people of Caguas are evaluated and referred to the appropriate municipal department.
- Early Head Start and Head Start Centers - Provide services to children of low-income families.
- Oficina de Servicios a la Mujer - Provides women varied services including health services and counseling, education for economic progress, and domestic violence referrals.
- Educational Services - Opportunities for education and personal development through economic assistance to low-income students, library services, and internet access citywide.
- Recreation and Culture - Recreational, sports, and cultural activities provided citywide including

gymnasiums, courts, parks, theaters, museums, and cultural centers.

- Job Training Programs - WIOA and Economic Development Department programs to help households increase income through better employment opportunities.
- AMSI - Tutoring, remedial education, high school diploma courses, summer employment, work experience, internships, and educational counseling.

Actions planned to foster and maintain affordable housing

The Municipality of Caguas will foster and maintain affordable housing during PY 2026-2027 through a coordinated combination of HOME, CDBG, ESG, and Section 8 Housing Choice Voucher Program activities. The principal components of the affordable-housing strategy are:

HOME Investment Partnerships Program

- HOME First Time Homebuyer (\$231,315.95) — Down-payment and closing-cost assistance for an estimated three (3) low- and moderate-income first-time homebuyer families during the program year, reducing initial barriers to homeownership and supporting long-term housing stability through homebuyer education and counseling.
- HOME Rehabilitación por el Dueño (\$346,973.93) — Substantial rehabilitation of owner-occupied housing for an estimated ten (10) low-income homeowner households, including structural repairs, system upgrades, accessibility improvements, and code-compliance modifications, in accordance with HOME Program requirements.
- CDBG Minimal Rehabilitation (\$100,978.35) — Material-assistance housing rehabilitation for an estimated thirty-three (33) low- and moderate-income homeowner households, addressing health, safety, and code-compliance deficiencies. Together with the HOME Rehabilitación por el Dueño activity, the Municipality will rehabilitate 43 owner-occupied units during the program year. The HOME CHDO set-aside (\$115,657.98, in accordance with 24 CFR 92.300) reserves HOME funds for affordable-housing acquisition, rehabilitation, or new construction undertaken by qualified Community Housing Development Organizations, with at least one CHDO project anticipated during the program year. The Section 8 Housing Choice Voucher Program (\$8,898,418.00) is the largest component of the affordable-housing strategy, providing tenant-based rental assistance to approximately 1,405 very low-income families, elderly individuals, and persons with disabilities in the private rental market. Together, these activities are projected to support approximately 1,457 households during PY 2026-2027, integrating rental assistance, homeownership, and rehabilitation as parallel pathways to housing stability for low- and moderate-income residents.

Actions planned to reduce lead-based paint hazards

The Municipality of Caguas will comply with the lead-based paint regulations at 24 CFR Part 35 in connection with all PY 2026-2027 housing-rehabilitation, homebuyer-assistance, tenant-based rental assistance, rapid re-housing, and Section 8 voucher activities. The level of compliance applied is tiered

based on the type and dollar amount of federal assistance, consistent with subparts A through R of 24 CFR Part 35:

HOME Program

- For HOME homeowner rehabilitation under \$5,000 of HOME funds, the Municipality will provide notification, identify deteriorated paint, and apply safe-work practices in accordance with 24 CFR 35.930(a). For HOME rehabilitation between \$5,000 and \$25,000, paint-testing or risk-assessment, safe work practices, and abatement of identified hazards will be applied, consistent with 24 CFR 35.930(b). For HOME homebuyer activities involving pre-1978 housing, visual assessment and the EPA pamphlet “Protect Your Family from Lead in Your Home” will be provided, with signed acknowledgments collected from buyers and sellers as required by 42 U.S.C. 4852d.

CDBG Housing Rehabilitation Program

- For CDBG Minimal Rehabilitation activities (estimated 33 owner-occupied housing rehabilitation projects during PY 2026-2027), the Municipality will conduct visual assessment of pre-1978 housing for deteriorated paint, apply safe-work practices, provide lead-safety education materials to homeowners, and require clearance testing where applicable, in accordance with 24 CFR Part 35 and 24 CFR 570.608.

Housing Choice Voucher Program

- For the Section 8 Housing Choice Voucher Program (1,405 assisted units), Housing Quality Standards (HQS) inspections at initial occupancy and annually thereafter include a visual assessment for deteriorated paint in pre-1978 units, with clearance testing required following stabilization of any identified deteriorated paint surfaces, consistent with 24 CFR 35.1215. For ESG Rapid Re-Housing and Homelessness Prevention assistance (rental subsidies and short- to medium-term assistance to approximately 50 households combined), the Municipality will provide lead-safety educational materials and conduct visual assessments of pre-1978 units consistent with 24 CFR 35.1200.

Actions planned to reduce the number of poverty-level families

The Municipality of Caguas will work to reduce the number of poverty-level families through a coordinated \$11,485,998.18 federal investment in PY 2026-2027 that addresses housing stability, crisis prevention, community infrastructure, and economic development. The four pillars of the anti-poverty strategy are described below.

Housing Stability and Wealth Building — The HOME program supports homeownership through First Time Homebuyer assistance (\$231,315.95 / 3 families) and the CHDO set-aside (\$115,657.98) for

affordable-housing development; HOME Rehabilitación por el Dueño (\$346,973.93 / 10 households) and CDBG Minimal Rehabilitation (\$100,978.35 / 33 households) preserve existing affordable housing for owner-occupied low-income households. Together, these housing investments help low-income households retain or build housing equity and reduce dependency on rental-cost burdens that accelerate poverty.

Crisis Prevention and Stabilization — The Emergency Solutions Grants program (\$148,268.00) targets individuals experiencing or at risk of homelessness through Street Outreach and Emergency Shelter (\$88,960.00 / 80 outreach contacts and emergency-shelter operations), Rapid Re-Housing including Homelessness Prevention (\$39,187.90 / 30 RRH and 20 prevention households), HMIS (\$9,000.00), and program administration (\$11,120.10), serving approximately 288 persons during the program year. Together with the Housing Choice Voucher Program (\$8,898,418.00 / 1,405 families), these activities prevent the entry of vulnerable households into deeper poverty associated with housing loss.

Community Infrastructure and Services — CDBG infrastructure investments of \$918,390.00 (Bo. Pueblo / Río Cañas repaving \$448,390.00, Parque Forastieri Phase I \$380,000.00, and Calle Nazario dog park \$90,000.00) directly benefit approximately 12,465 low- and moderate-income residents through improved street infrastructure and recreational facilities, while CDBG public services of \$250,238.85 reach an additional 815 persons through programs serving elderly residents (Senior Services / 50), persons with disabilities (MAVI EMPS / 15), youth and alternative-education students (Nuestra Escuela / 100, Arranque Empresarial / 500), individuals at risk of substance use (SANOS Proyecto Enlace 2 / 100), and environmental-education participants (Polinización / 50).

Economic Development and Employment — The Caguas Compite economic-development program (\$65,000.00) provides business technical assistance, microenterprise development, job training, and business financing, with a goal of creating or retaining 2 jobs and assisting 2 businesses serving low- and moderate-income persons during the program year. The MAVI Employment Solutions / EMPS activity (\$24,000.00) provides employer-education workshops, sign-language training, and job-placement assistance for 15 low- and moderate-income persons with disabilities, addressing a key labor-market barrier for residents with disabilities. These activities complement non-CPD workforce resources, including WIOA, the Municipal Department of Economic Development, and the Alianza Municipal de Servicios Integrados (AMSI).

Together, the four pillars of the 2026-2027 anti-poverty strategy address housing affordability, crisis stabilization, community infrastructure, and economic opportunity in a coordinated way. The Municipality also administers the Housing Choice Voucher Program in compliance with applicable federal eligibility-verification requirements, including those under Executive Order 14218 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA, 8 U.S.C. § 1611). Note that residents of Puerto Rico are U.S. citizens by birth (8 U.S.C. § 1402); CDBG public-service activities and ESG shelter and outreach services are categorized under 8 U.S.C. § 1611(b)(1)(A) as in-kind services

necessary for the protection of life or safety and are therefore not subject to alien-eligibility restrictions.

Actions planned to develop institutional structure

The Municipality of Caguas operates under a Democratic Governance model that integrates community participation, identification of needs, and analysis of priority issues into the planning and delivery of municipal services. This model has guided the development of the Citizen Participation Plan and the Consolidated Plan and shapes the institutional framework that supports CPD-program implementation. Consistent with Executive Order 14173 (Ending Illegal Discrimination and Restoring Merit-Based Opportunity), the Municipality administers all CPD-funded activities on the basis of equal opportunity and individual eligibility, without preferences or quotas based on race, color, ethnicity, sex, national origin, or gender identity. The Municipality's MBE/WBE participation framework, Affirmative Marketing Plan, and Section 3 procedures continue to operate consistent with their underlying statutory authority (Section 3 of the Housing and Community Development Act of 1968; HOME affirmative marketing under 24 CFR 92.351; CDBG MBE/WBE outreach under 24 CFR 85.36(e)).

To leverage CPD resources totaling \$11,485,998.18 in PY 2026-2027, the Municipality will continue to coordinate with the Puerto Rico Department of Housing (CDBG-DR funds), COR3 (FEMA Public Assistance), the PR Public Housing Administration, the PR Housing Finance Authority, the PR Department of the Family, ASSMCA, the PR Department of Health, the Puerto Rico Department of Labor and Human Resources (WIOA), and the Coordinadora Morivivi (PR-503 Continuum of Care). The Municipality's coordinated strategy uses these partnerships to align available resources with the priority needs identified in the Consolidated Plan, and includes the following efforts to strengthen and develop institutional structure during the program year:

- **Geographic Targeting** — Approximately \$927,629.00 in CDBG funds (Repaving / Bo. Pueblo \$448,390.00, Parque Forastieri Phase I \$380,000.00, Nuestra Escuela \$59,239.00, and Arranque Empresarial \$40,000.00) is directed to qualifying low- and moderate-income census tracts (BG 200200.1 and BG 201000.2) on an Area Benefit basis, with the remainder of the federal investment (\$10,558,369.18) delivered citywide on an income-eligibility basis.
- **Service Coordination** — The Municipality will continue to coordinate housing, supportive-service, and social-service activities through interagency communication and joint case-management processes designed to reduce service duplication, encourage partnerships, and standardize processes across the approximately 15,000 residents reached by CPD-funded activities during the program year.
- **Vulnerable Population Support** — The Municipality will strengthen support for vulnerable populations, including individuals experiencing homelessness (288 persons through ESG-funded activities), very low-income families (1,405 households through Section 8 HCVP), persons with disabilities (15 served through MAVI EMPS), low-income elderly residents (50 served through Senior Services / Red de Apoyo Bienestar del Adulto Mayor), and at-risk youth (600 served through Nuestra Escuela and Arranque Empresarial combined).
- **Self-Sufficiency Integration** — The Municipality will continue to integrate housing assistance

with workforce development, education, and supportive services through the Municipal Department of Housing's Family Self-Sufficiency activities, the Municipal Department of Economic Development's Caguas Compite and Arranque Empresarial programs, and the AMSI workforce-training infrastructure, helping HCVP participants and CDBG public-service beneficiaries achieve longer-term economic stability.

- **Technical Assistance** — The Municipality will provide technical assistance to subrecipient agencies implementing CDBG, ESG, and HOME-funded activities to ensure program compliance and the successful achievement of program objectives, supported by the combined CDBG and HOME planning-and-administration allocation of \$410,757.11 (\$333,651.80 CDBG + \$77,105.31 HOME).
- **Capacity Building** — The Municipality will support employee training, certifications, and continuing education to expand internal knowledge of HUD program requirements, environmental review, lead-based paint compliance, fair housing, and housing- and community-development best practices. The Office of Federal Programs and the Municipal Department of Housing will participate in HUD-sponsored and PR Department of Housing-coordinated training opportunities throughout the program year.

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

The 2026-2027 federal investment of \$11,485,998.18 connects municipal departments with private and non-profit housing and social-service partners through several program-specific coordination mechanisms.

- HOME Investment Partnerships Program (\$771,053.18) — Coordination with Community Housing Development Organizations (CHDOs) through the \$115,657.98 CHDO set-aside (15 percent of the HOME allocation, in accordance with 24 CFR 92.300), with private lenders and homebuyer-counseling agencies through the First Time Homebuyer activity, and with private contractors and homeowners through the Rehabilitación por el Dueño activity.
- Emergency Solutions Grants (\$148,268.00) — The ESG program involves the PR-503 Continuum of Care and private social-service subrecipients in the following components:
- Street Outreach and Emergency Shelter (\$88,960.00) — Combines public funds with non-profit subrecipient execution (FUNDESCO and Guara Bí) to serve unsheltered individuals and provide emergency shelter, with referral coordination across local police departments, hospital emergency rooms, FQHCs, food banks, human-services agencies, and first responders.
- Rapid Re-Housing including Homelessness Prevention (\$39,187.90) — Coordination with non-profit Corporación SANOS and FUNDESCO and the Municipal Housing Office to deliver short- and medium-term rental assistance, security deposits, utility payments, and case management. Coordinated Entry referrals are made through the PR-503 Continuum of Care's coordinated assessment system, in accordance with 24 CFR 576.400(d).
- Community Development Block Grant Program (\$1,668,259.00) — Coordination with private

and non-profit entities is evident in the public-service, infrastructure, housing-rehabilitation, and economic-development components:

- CDBG Public Services (\$250,238.85) — Coordination with subrecipient organizations including Corporación SANOS, Nuestra Escuela Inc., MAVI, the Jardín Botánico y Cultural de Caguas, and municipal departments delivering Senior Services and Arranque Empresarial, reaching 815 individuals across the elderly, youth, alternative-education, disability-employment, environmental-education, and behavioral-health service-delivery components.
- CDBG Infrastructure Projects (\$918,390.00) — Coordination with private contractors, design professionals, and community organizations to implement street improvements (Repaving / Bo. Pueblo and Río Cañas), recreational facility upgrades (Parque Forastieri Phase I), and the Calle Nazario dog park, serving an estimated 12,465 low- and moderate-income residents.
- Section 8 Housing Choice Voucher Program (\$8,898,418.00) — Inherently coordinates the Municipality (acting as the Public Housing Agency for the HCVP) with private landlords across the jurisdiction, providing market-based affordable-housing access to approximately 1,405 very low-income families during the program year.

Coordination Mechanisms

- Regular meetings between public agencies and private service providers to ensure seamless service delivery
- Shared data systems and referral processes to eliminate service gaps
- Joint training and capacity building initiatives
- Coordinated outreach and marketing efforts to reach target populations
- Standardized intake and assessment procedures across public and private providers

Discussion:

In summary, the Municipality of Caguas has structured its 2026-2027 Annual Action Plan to advance the goals of the 2025-2029 Consolidated Plan through an \$11,485,998.18 federal investment that integrates housing assistance, infrastructure, public services, economic development, and homeless services. The strategy is designed to reach approximately 15,000 residents across the municipality's low- and moderate-income population, with particular emphasis on elderly residents, persons with disabilities, individuals experiencing or at risk of homelessness, youth, and households at risk of housing instability. All actions are administered in accordance with applicable federal civil-rights, fair-housing, and program-eligibility requirements, with the Municipality's coordination with the PR-503 Continuum of Care, the Puerto Rico Department of Housing, COR3, the PR Public Housing Administration, and other governmental and non-governmental partners providing the institutional backbone for plan implementation.

Program Specific Requirements

AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

Introduction:

This section addresses the program-specific requirements at 24 CFR 91.220(I)(1), (I)(2), and (I)(4) for the Community Development Block Grant (CDBG), HOME Investment Partnerships, and Emergency Solutions Grants programs administered by the Municipality of Caguas during program year 2026-2027. The Housing and Community Development strategy of the Municipality is founded on a collaborative vision involving partnerships with the public sector, State and Federal governments, and local community-based and faith-based organizations, all directed to improving the quality of life for the jurisdiction's low- and moderate-income residents. The 2026-2027 federal allocation of \$1,668,259.00 in CDBG, \$771,053.18 in HOME, and \$148,268.00 in ESG (plus \$8,898,418.00 administered separately under the Section 8 Housing Choice Voucher Program) is implemented in accordance with the program-specific regulatory frameworks summarized below and consistent with applicable Executive Orders 14168, 14173, 14218, and 14321 as incorporated into HUD's grant-agreement and Universal Notice framework for FY 2026.

Specific Requirements for the HOME Program:

For the purpose of determining annual (gross) income under the HOME Program, the Municipality uses the definition of Adjusted Gross Income as specified in the IRS Form 1040.

First Time Homebuyer Program:

Individuals interested in the First Time Homebuyer Program must complete an application and attend an orientation meeting. After the orientation, applicants are placed on a waiting list organized by the date of application; no preferences are given. Selection from the waiting list is on a first-come, first-served basis. Further information or applications can be obtained at:

- Consolidated Medical Plaza, 4th Floor – Office 407, Caguas, Puerto Rico
- Phone: (787) 653-8833, (787) 744-8833
- Extensions: 1500, 1510, 151

Community Development Block Grant Program (CDBG)

Reference 24 CFR 91.220(I)(1)

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

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

Other CDBG Requirements

1. The amount of urgent need activities	0
<p><TYPE=[text] REPORT_GUID=[A698417B4C924AE0218B42865313DACF] DELETE_TABLE_IF_EMPTY=[YES]></p>	
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(I)(2)**

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

In compliance with 24 CFR 92.205 (b) (1), the Municipality of Caguas will not use other forms of investment for the HOME Program beyond those identified in Section 92.205. The Municipality of Caguas will use the deferred payment loan as a direct subsidy that will reduce the purchase price from fair market value and will provide direct assistance to the homebuyer for the down payment and/or closing costs. This will be a non-interest-bearing loan that will require the property as collateral security to guarantee the recapture provision. The security will be implemented as a “soft second mortgage” through a lien to the fee simple ownership annotated in the Department of Justice Property Register. The loan will be considered paid in full at the end of the affordability period and repayment only triggered and required through the recapture provisions in case of sale or transfer of the property executed before the completion of the affordability period.

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

The HOME subsidy is the financial assistance provided directly to the homebuyer by the Municipality of Caguas HOME Program and it corresponds to the amount of HOME funds disbursed for down-payment and/or closing costs. This subsidy has the effect of reducing the purchase price of the housing unit from fair market value to an affordable price. It does not include any development subsidy made available to the developer to make the housing unit affordable to the homebuyer. This financial assistance to the homebuyer will constitute a deferred payment loan, which does not bear any interest on the principal. This loan is secured through a “soft second mortgage” through a lien on the fee simple ownership annotated in the Puerto Rico Department of Justice Property Register.

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

The Municipality of Caguas HOME Program selected the recapture provision (24 CFR 92.254(a)(5)(ii)) as the method to comply with the affordability-period requirements of the HOME Program established at 24 CFR 92.254(a)(4). The applicable affordability period is determined by the per-unit amount of HOME assistance: five (5) years for assistance under \$15,000; ten (10) years for assistance between \$15,000 and \$40,000; and fifteen (15) years for assistance over \$40,000. The Municipality applies the “Owner Recovers First” (homeowner-recovers-first) approach: in the event of a voluntary or involuntary sale or transfer during the affordability period, net proceeds from the sale (sales price minus superior loan repayment and any closing costs) are first applied to recover the homebuyer’s down-payment contribution, then to the HOME subsidy, with any remaining proceeds returned to the homeowner. Where the property continues to be the principal residence of the assisted family during the entire affordability period, the recapture obligation is forgiven at the end of the period. A copy of the HOME Recapture Provisions written standards is included in the attachment section of this document.

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

During program year 2026-2027 HOME funds will not be used to refinance existing debt of multifamily housing projects. The Municipality has not adopted refinancing guidelines under 24 CFR 92.206(b) for the current Consolidated Plan period because no multifamily-rehabilitation refinancing activity is contemplated.

5. If applicable to a planned HOME TBRA activity, a description of the preference for persons with

special needs or disabilities. (See 24 CFR 92.209(c)(2)(i) and CFR 91.220(l)(2)(vii)). <TYPE=[text] REPORT_GUID=[A0BBB986408D8C25582AC4BE59FA99C5]>

N/A

6. If applicable to a planned HOME TBRA activity, a description of how the preference for a specific category of individuals with disabilities (e.g. persons with HIV/AIDS or chronic mental illness) will narrow the gap in benefits and the preference is needed to narrow the gap in benefits and services received by such persons. (See 24 CFR 92.209(c)(2)(ii) and 91.220(l)(2)(vii)).

N/A

7. If applicable, a description of any preference or limitation for rental housing projects. (See 24 CFR 92.253(d)(3) and CFR 91.220(l)(2)(vii)). Note: Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a).

N/A

Emergency Solutions Grant (ESG) Reference 91.220(l)(4)

1. Include written standards for providing ESG assistance (may include as attachment)

The ESG written standards are included in the attachment section.

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The PR-503 Continuum of Care (CoC) operates a Coordinated Entry System (CES) that ensures consistent, equitable access to housing and services for all individuals and families experiencing homelessness within the geographic area. The system includes a **dedicated CE hotline** and a separate **domestic violence (DV) hotline**, enabling participants to obtain information and be connected to the appropriate housing and service pathways. The CoC also coordinates with the SAMHSA-funded PATH Project to assure **street outreach coverage across all 54 municipalities**, allowing unsheltered individuals to be assessed directly in the field.

The CES uses **standardized assessment tools and procedures** for all subpopulations, including CE-DV tools integrated into the HMIS Conexión Boricua platform, the AWARDS VSP Comparable Database, the VI-SPDAT for families, and the TAY-VI-SPDAT for transition-age youth. These tools support

consistent evaluation of vulnerability and prioritization in accordance with the CoC's **Written Standards**, which guide the identification of households with the highest needs and ensure transparent, equitable referral practices.

The Coordinated Entry (CE) system promotes a No-Wrong-Door policy to ensure that all individuals experiencing homelessness can access assessment and referral services regardless of where they present. Providers across the network maintains the ability to complete CE assessments through HMIS, the toll-free CE hotline, and two strategically located CE access points staffed by ESG-funded case managers and outreach workers.

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

The Municipality of Caguas makes ESG funds available to eligible private nonprofit organizations, including community-based and faith-based entities, through an open proposal process announced during the citizen participation phase of the Annual Action Plan. During this period, interested organizations are invited to prepare and submit proposals that describe the activities they intend to carry out, following the guidelines provided by the municipality.

Each proposal must clearly articulate the project's purpose, identify the population to be served, and demonstrate how the proposed activities comply with all applicable ESG regulations and HUD program requirements. Once proposals are submitted, the Department of Housing of the Municipality of Caguas conducts a formal review and evaluation of all proposals received. This evaluation assesses the extent to which each proposal aligns with the priorities and goals established in the Municipality's Consolidated Plan for Program Years 2025–2029. The review process considers the project's relevance to local needs, its feasibility, the organization's experience, and its ability to deliver measurable outcomes for the community.

Organizations are encouraged to submit well-developed proposals that clearly reflect these objectives and demonstrate their capacity to deliver high-quality services, to enhance their likelihood of receiving ESG funding.

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

In concurrence with the participation requirements in 24 CFR 576.405(a), the Municipality of Caguas, is an active member of the CoC-503. The Board of this CoC association has two (2) homeless representatives and other board members who are formerly homeless as well, and they participate in the decision making related to policies and funding. Also, CoC-503 by laws, included the creation of a homeless committee to ensure and expand the participation of homeless individuals in providing more accurate input on needs and deeper insight on how to address these to alleviate and find solutions to the situation related to homelessness. In addition, Caguas includes as part of its planning process continued consultation with collaborative entities serving the homeless population, considers

their input to decide on ESG use of funds which can be targeted use/development of facilities and the provision of services to address the identified needs.

5. Describe performance standards for evaluating ESG.

As required by the regulations, Performance Standards have to be developed to evaluate sub-recipients or service provider's effectiveness on how well they succeeded at: targeting those who need the assistance most; reducing the number of people living on the streets or emergency shelters; shortening the time people spend homeless; and, reducing each program participant's barriers or housing stability risks.

The Municipality has established the following ESG performance standards:

- Emergency shelter must be provided an average length of 60 days stay or less
- At least 40% of emergency shelter clients are successfully transitioned to permanent housing units
- At least 60% of clients receiving street outreach services will access shelter
- At least 50% of rapid re-housing clients will obtain and maintain permanent housing
- At least 50% of homeless prevention clients will maintain permanent housing
- HMIS data quality reports will achieve an accuracy reporting rate of at least 90%
- Subrecipients expend 100% of ESG award and document verifiable eligible matching source(s)

In addition, the Municipality of Caguas updated its performance standards to ensure ESG-funded projects comply with current executive orders enacted by President Donald J. Trump. To maximize the impact of the resources and ensure public safety, the following guidelines will apply to selected projects:

1. **Executive Order 14321**

- The Municipality will prioritize ESG projects that integrate treatment and recovery components. Consequently, we will not support "Housing First" models that deprioritize or lack essential treatment and self-sufficiency components where applicable.
- Where appropriate and legally permitted, ESG funded programs should require engagement in mental health or substance abuse treatment as a condition for participation to ensure beneficiaries receive comprehensive care.
- ESG funds will not support safe consumption projects (e.g., needle exchanges) nor permit the use or distribution of illicit drugs on funded properties.
- To ensure the safety of children, registered sex offenders will be prohibited from residing in shelters that house children. We will promote the use of exclusive programs for women and children where necessary to maintain a secure environment.

- ESG funded entities must cooperate with data collection efforts and, where legally permissible, share relevant data with authorities to protect public safety.
2. **Executive Order 14173**
 - Services will be provided based on equal opportunity and individual qualification, without implementing quotas, preferences, or policies based on race, color, ethnicity, sex, national origin, or gender identity. ESG programs and activities will not use federal funds for diversity, equity, and inclusion offices or initiatives.
 3. **Executive Order 14218**
 - The Municipality will ensure and document that beneficiaries are U.S. citizens or “Qualified Aliens” as defined under federal law. ESG funded benefits and services will not be provided to foreign nationals who do not meet these qualifications.

In alignment with Executive Orders 14321, 14173, and 14218, the Municipality has updated its ESG performance standards as reflected above and as described in the consultation letter to the PR-503 Continuum of Care (Coordinadora Moriviví) issued during the preparation of this Annual Action Plan. A copy of the consultation letter and the full Municipality of Caguas ESG Written Standards is included in the attachment section of this document.