

I. Organization Background Information

Name of Organization:

Programa de Educacion Comunal de Entrega y Servicio Inc.

Mission Statement:

Please limit to 1000 characters. Please be aware that your content may be truncated if you are pasting from another source.

The mission of the Program for Community Education through Commitment and Service, Inc. (P.E.C.E.S.) is to promote the educational, economic, and social development of Puerto Rico's southeastern region. P.E.C.E.S.'s vision is to be recognized for excellence in the development of leaders, community service, and education with an emphasis on youth development.

Overview of Organization:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

P.E.C.E.S. is a federally/locally tax-exempt non-profit/community-based organization. Its four critical program areas are education, youth intervention, economic development, and community development. It is in Punta Santiago (Humacao) a coastal community ravaged in 2017 by Hurricane María.

P.E.C.E.S. targets 40 low-income communities in 18 municipalities. Its post-disaster services (2018) reached over 110,043 persons and 30,084 families, through an estimated philanthropic investment of \$2 million and the mobilization of over 500 volunteers. According to CBS News: it (P.E.C.E.S.) became a distribution center, helping get donated and government-supplied goods to the community and continuing the work even when officials have said the worst is over.

P.E.C.E.S. focuses in regional, community and post-disaster economic development; in developing leaders committed to community social development; in improving youth educational opportunities (particularly out-of-school youth); in strengthening families by reducing high-risk behaviors; in preventing and addressing child abuse/neglect through counseling, orientation and social work services; in reducing and preventing drug and tobacco use, alcohol abuse, HIV/AIDS, violence, and juvenile delinquency; and in providing youth with role models, positive alternatives, and service and leadership opportunities.

P.E.C.E.S. created the first licensed and accredited high school for school dropouts. It administers Humacao's Natural Reserve through a 15-year contract with the PR Department of Natural Resources; a model of eco-friendly community economic development combining ecological/tourism entrepreneurship and environmental protection. It's over 34 years of service are responsible for the development of over 1,500 community youth leaders. A local pioneer in community economic development, P.E.C.E.S. strategic planning process recognized the need to go beyond individual needs. Its successful participants were moving from low-income Punta Santiago, leaving behind those without options. P.E.C.E.S. realized that through grassroots economic development and small business incubation the community could create the economic activity and jobs needed to retain its productive youth and prosper. Recognitions include the prestigious Tina Hills Award (Angel Ramos Foundation) for excellence as a non-profit organization; the Sor Isolina Award (Miranda Foundation) and the first-ever Community Impact Award (United Way of Puerto Rico).

Website:

www.pecesinc.org

II. Proposal Contacts - Please enter information for the Primary and Secondary Proposal Contacts

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III. Proposal Information

Proposal Title:

The Missing Link for Community Economic Reconstruction: Creation of the Puerto Rico Community Predevelopment Fund (PRCPF)

Support Request (check all that apply):

Loan, Investment/Grant

Requested Dollar Amount:

\$2,000,000

Please list other Significant Partners in the Proposal:

Asociacion Puertorriquena de Planificadores

Center for Puerto Rican Studies at Hunter College-- CUNY (Centro)

Community Development & Planning Program, Clark University

Community Economic Development Assistance Corporation

Hogar Hispano

Ponce Neighborhood Housing Services, Inc.

CORPORACION PARA EL DESARROLLO ECONOMICO DE TRUJILLO ALTO

Ceiba Housing and Economic Development Corporation

FUNDESCO

INSTITUTO PARA EL DESARROLLO SOCIO ECONOMICO Y VIVIENDA DE PUERTO RICO INC.

FUNDACION DE DESARROLLO COMUNAL DE PUERTO RICO

Proposal Description:

Please limit to 2500 characters. Please be aware that your content may be truncated if you are pasting from another source.

In Puerto Rico (PR), there is a unique window of opportunity to capitalize on federal reconstruction funding to support the development of a more robust community development industry. A recent study of Community Development Corporations (CDCs) in Puerto Rico identified financing the predevelopment stages of projects as the most significant barrier to housing and community development.

A partnership of PR and US CDCs, private and nonprofit financial intermediaries, investors, and housing professionals will create the PR Community Predevelopment Fund (PRCPF). The revolving fund will provide high-risk pre-development loans, grants and equity investments to CDCs engaged in housing reconstruction, rehabilitation and construction, and to promote commercial development in the downtown of municipalities. The fund will cover predevelopment costs such as architectural fees, environmental mitigation, acquisition, legal and other consulting fees. Moreover, PRCPF will support CDCs through a network of certified and tested peer-to-peer technical advisors from stateside CDCs. The peer-to-peer network will assure compliant project planning, hands-on collaboration, and diversify funding sources.

At inception, the project will draw technical support from some key partners. Led by Programa de Educación Comunal de Entrega y Servicio, Inc. (PECES) as managing partner, XXX CDCs in Puerto Rico have formally joined as partners to participate in setting the fund and leveraging some of their assets to capitalize projects for the fund. In addition, Roger Herzog, Executive Director of the Community Economic Development Assistance Corporation (CEDAC, MA) will offer his expertise with setting the operational structure of the fund. CEDAC is a highly successful predevelopment fund processing \$20 million annually. Other non-profit intermediaries, such as Hogar Hispano, along with other well-established U.S.-based CDCs will support the peer-to-peer technical advising functions and help broker relations with financial markets. Hogar Hispano has rehabilitated over fifty units post-Hurricane Maria financed entirely by private social investors. In addition, the Center for Puerto Rican Studies at Hunter College-- CUNY (Centro) and its GIS-based data digital hub, in alliance with the Asociacion Puertorriquena de Planificadores will be instrumental for needs analysis, compliance with zoning, mitigation and flooding regulations, titles and other regulatory barriers.

MORE INFO W/ FINANCES

Issues Addressed (check all that apply):

Affordable Housing, Community Development Finance

If your project affects multiple states or counties, please use the CTRL key to multi-select.

Geographic Impact

National

U.S. States & Territories:

Puerto Rico

Population Served:

Please limit to 500 characters. Please be aware that your content may be truncated if you are pasting from another source.

CDCs serve very low-income and highly disadvantaged communities in critical need of revitalization, such as rundown downtown municipal business districts. The fund will aim at increasing affordable and secure housing opportunities for low-income households, which in the aftermath of Hurricane María, are currently suffering from a spike in foreclosures, inadequate housing stock, tenure problems, and an exacerbated incidence of abandoned and dilapidated housing and commercial units.

Population Income by Area Median Income (AMI) and other identifiers (percentage of Free and Reduced Lunch for youth or designated "Disaster Area" or designated "Distressed or Underserved" served by proposal:

Puerto Ricans bring home less money than the general population in the United States as a whole, and they also pay more for their housing. Households in Puerto Rico have a median annual income of \$19,343, which is less than the median annual income of \$60,336 across the entire United States. This is in comparison to a median income of \$20,078 in 2016, which represents a -3.66% annual growth. Prior to Hurricane Maria, out of 449,377 Puerto Rican homeowners with a mortgage, 48.5 percent spend more than 30 percent of their income on mortgage costs while 38 percent of the population as a whole pay more than 30 percent. Such figures have deteriorated after the natural disasters. As of May 11, 2018, FEMA reported 357,492 damaged homes caused by Hurricane Maria; 94 percent of these damaged homes were homeowners and the 6 percent were home renters. Overall, Hurricane Maria affected about 23 percent of the housing stock of the island.

Anticipated Outcomes/Impact:

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The project will have four anticipated outcomes:

1) Establish the PRCPDF to provide low-cost high-risk loans for pre-development for the rehabilitation of at least one hundred housing units. More specifically, this would include incorporation and bylaws, operational plan, setting management and governance structure, and initial seed capitalization.

Impact: 6 CDCs, rehabilitation of 100 units of housing

2) Create the peer-to-peer CDC technical support program to foster at least one project-based collaborations for syndication and equity investments for each participating CDC, including compliant project planning, hands-on learning for PR CDC professionals, and for enhancing CDC exposure to a variety of financial instruments currently underutilized by CDCs in PR.

Impact: technical support to 6 CDCs, 18 professionals

3) Create and support a monthly newsletter and at least one annual conference for knowledge-exchanges and other communication mechanisms to provide information about the community development industry and economic reconstruction opportunities, support learning from effective practices in the field, sharing of financial and project opportunities, and assessing changes in the policy and regulatory environment.

Impact: 1000 nonprofit organizations, 2000 professionals

4) Adapt RebuildPR digital platform for enhancing the activity of the fund. In response to the natural disasters, the Centro launched Rebuild Puerto Rico (RebuildPR). RebuildPR includes the most comprehensive GIS platform for community planning and rebuilding Puerto Rico. In partnership with APA and other professional organizations, the platform will be enhanced for needs analysis, compliance with mitigation and flooding, zoning, titles and other regulatory barriers. All participating CDCs staff will benefit from training to use the platform for project development and community planning and visioning.

Impact: 6 CDCs, 36 professionals from CDCs and APP

Describe evaluation methods used to measure success:

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Led by Professor Ramon Borges-Mendez, Ph.D. (Coordinator of the Graduate Program in Community Development and Planning at Clark University) a formative evaluation approach will determine the success of the project during its three-year duration.

The first year, a process evaluation will assess if the partnership has been effective in establishing the fund, its legal and operational structure, including partnering with an established CDFI or other financial institution, and meeting other regulatory standards in the industry. We will have the support of CEDAC in Massachusetts in order to apply recognized industry standards.

The second year, the fund's management and governance team, and an external evaluator will produce a financial analysis of the capital base of the fund, its loan performance systems, and of its technical support systems in order to determine the strength of the business model and readiness to implement the full lending program. By the second year, the evaluation team will assess if the PRCPDF has been successful in establishing at least one potential project for each participating CDC, with assessed readiness and needs, and with an established implementation plan to scale up operations.

The third year, the evaluation team will assess if the CDCs who are part of the partnership have developed and completed at least one project with assistance from the fund. The evaluation team will also assess the effectiveness of the fund in securing and assisting with predevelopment funds, facilitating financial assistance from CRA-compliant institutions, fostering peer-to-peer collaborations, and securing project completion.

Periodic evaluations will provide the project with feedback for adjustments and modifications to achieve continuous improvement, if and when necessary. Findings and recommendations from the evaluation will be presented and discussed with all partners and established the foundation for the program in subsequent years.

Project time frame - Is your request for an existing or new program?

New Program

IV. Submit Supporting Documentation - Please attach your most recent audited or reviewed financials in PDF format to this proposal application. Your proposal application will be considered incomplete until the appropriate financial documentation is provided. By submitting a proposal application you agree to share with the Federal Reserve information regarding connections that were made with funders regarding the proposal or other work your organization conducts that was identified by a funder that used the Investment Connection platform. After you submit a proposal application, we will follow up with you to see if Investment Connection was helpful with your informational and business needs.

Upload your most recent audited or reviewed financials

(for internal uses only)

Auditoria Junio 2018 (2).pdf

V. Other Supporting Documentation - You may submit a photo (jpeg) and/or a video (mp3 or mp4) that helps describe your proposal. (information available to funders)

Upload a picture or video that helps describe your proposal or organization

(information available to funders)

Upload additional picture or video

(information available to funders)

Add any additional links to supporting documentation

(information available to funders)

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