



CDBG-DR

PROGRAM GUIDELINES

**RE-GROW PR URBAN-RURAL
AGRICULTURE PROGRAM**



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

April 10, 2026

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PUERTO RICO DEPARTMENT OF HOUSING
 CDBG-DR PROGRAM GUIDELINES
RE-GROW PR URBAN RURAL AGRICULTURE PROGRAM
 VERSION CONTROL

VERSION NUMBER	DATE REVISED	DESCRIPTION OF REVISIONS
1	August 14, 2020	Original Version.
2	February 2, 2021	Edited Eligible Entities section to include agricultural businesses as a priority group. Added a Closeout section. Added USDA links about non-food crops and Program Based Reconsideration/Administrative Review language.
3	March 18, 2021	Edits were made throughout the document. For convenience and ease of reference, all edits are marked in gray.
4	April 20, 2021	Edited Section 6.1.4 and Section 7.
5	December 14, 2021	Edits were made throughout the document. For convenience and ease of reference, all edits are marked in gray.
6	May 15, 2023	Edited the Program Description section to include the increase in the total allocation of funds for the Program. In addition, changes were made throughout the document. For convenience and ease of reference, all edits are marked in gray.
7	April 10, 2026	Edited the Program Description section to include the changes in the total allocation of funds for the Program. In addition, changes were made throughout the document. For convenience and ease of reference, all edits are highlighted in gray.

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1 Overview

In September 2017, Hurricanes Irma and María (the **Hurricanes**) produced sustained winds and intense rainfall, decimating agricultural production across Puerto Rico. The Hurricanes caused losses of eighty percent (80%) of crop value island-wide, exacerbating challenges to food security and agricultural business development. The Puerto Rico Department of Agriculture (**PRDA**) estimated seven hundred eighty million dollars (\$780 million) worth of damages from the Hurricanes to the agricultural sector of the economy.

Agricultural activity in Puerto Rico has experienced a declining trend for much of the last **fifty (50) years**. Global markets have reduced commodity prices, and the draw of higher wages offered by incentivized industrialization in urban areas has steadily pulled people out of agrarian professions.¹ Studies show a lack of younger people pursuing careers in agriculture. According to the most recent agricultural census, the average age of Puerto Rican farmers is fifty-nine (59) years. Furthermore, nearly three-quarters (3/4) of island-wide agricultural producers fall into the category of businesses with annual sales of ten thousand dollars (\$10,000) or less.² These pressures have resulted in a food system characterized by a heavy dependence on imports.

Before the Hurricanes, eighty-five percent (85%) of all agricultural products consumed on the Island were imported; after the Hurricanes, those estimates have increased to over ninety percent (90%).³ The underdeveloped agricultural sector, combined with heavy reliance on imported food, has made the Island vulnerable when facing extreme climatic events like Hurricanes Irma and María. Food and water shortages in the aftermath of the Hurricanes highlighted major inequalities and inadequacies within the food system. Many agricultural producers operate in informal economies and on slim margins. Complexities exist with land titles, access and understanding of certification processes, and distribution networks, keeping many farmers cut off from past and current agricultural programmatic benefits.⁴ While rural farmers have informal access to land, urban producers struggle to find economically viable land-use options.⁵

¹ Riley, Eamon J.P., Yovanoff, David J., Reyes-Colon, Jonathan J. "Yo Soy Boricua": Tapping into the Strength of the Puerto Rican Community to Reclaim Control Over its Political, Social, and Economic Future. (2019).

² Gladys Gonzalez and Alexandra Gregory. Economic Development Plan for the Agricultural Sector. (University of Puerto Rico. Puerto Rico Planning Board 2016).

³ Ileana Diaz and Carol Hunsberger, Can agroecological coffee be part of a food sovereignty strategy in Puerto Rico? (Geoforum 97. 84-94. 2018).

⁴ Rapid Assessment: Impact of Hurricane Maria on Forest Cover, Farmers, and Stakeholders. (World Central Kitchen and J/P HRO in partnership with Centro para la Conservación del Paisaje 2019).

⁵ Ortiz-Rivera, M. C., Crespo-Acevedo, W., Avilés-Vázquez, K., Guzmán-Colón, B., Pagán-Roig, I., Gierbolini-Avilés, G. Morales-Rodríguez, D. Guideline for the development of urban orchards in Puerto Rico. (Center for Sustainable Development Studies, Universidad Metropolitana, Ana G. Méndez University System 2018).

Building capacity throughout the agricultural sector as a response to the Hurricanes, will reduce vulnerability to future events and simultaneously revitalize an important sector of Puerto Rico's economy.

1.1 Objective

The Re-Grow Puerto Rico Urban and Rural Agriculture Program (**Re-Grow Program** or the **Program**) aims to build agricultural capacity and meet the needs created by the Hurricanes through a substantial investment of Community Development Block Grant – Disaster Recovery (**CDBG-DR**) funds in a wide variety of viable and sustainable agricultural activities. Citizens served by the Program will be diverse, spanning from urban to rural areas and across all ages. The Program will focus on small and medium agricultural businesses and non-governmental organizations engaged in sustainable agricultural activities that contribute to strengthening the agricultural economy since the Hurricanes. Challenges with urbanization, population migration, and land use change will be addressed through urban agriculture and technology deployment. Battered agricultural infrastructure will be improved to withstand future climatic uncertainties. The Program will expose individuals to agricultural opportunities while simultaneously helping established producers create employment opportunities across the sector.

Re-Grow is focused on:

1. Promoting and increasing food security island-wide; and
2. Enhancing and expanding agricultural production related to economic revitalization and sustainable development activities.

1.2 Tie to the Hurricanes

The United States Department of Housing and Urban Development (**HUD**) requires that CDBG-DR programs have a tie to the Hurricanes. With every municipal government in Puerto Rico being determined by the HUD Federal Register Vol. 83, No. 28 (February 9, 2018), 83 FR 5844, to be "most impacted and distressed," funding is available to all communities across Puerto Rico. In accordance with 83 FR 5844, 5851, "all CDBG-DR funded activities must clearly address the impact of the disaster for which funding was allocated". Since the Hurricanes affected the whole Island, there is an imperative to bolster and rebuild its agricultural economic sector. Agricultural capacity and strong food systems are fundamental to the resiliency of economies and, as Puerto Rico's entire agriculture sector was devastated by the Hurricanes, this Program is designed to revitalize this industry. The focus on small and medium agricultural businesses further contributes to stabilizing agricultural professions and organizations

associated with the hardest hit low- and moderate-income (**LMI**) populations on the Island. The Re-Grow Program is an integral part of the long-term expansion of jobs in the sector, food security, and contributes to overall economic recovery of disaster-impacted populations.

2 National Objective

All activities of CDBG-DR programs must meet one (1) of the three (3) national objectives defined in the authorizing statute of the CDBG Program at 104(b)(3) of the Housing and Community Development Act of 1974 (**HCDA**), as amended, 42 U.S.C. § 5304. The Puerto Rico Department of Housing (**PRDOH**) anticipates that each Program's eligible activities will meet one of the below listed national objectives. PRDOH will work with entities funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483:

- Benefit to LMI persons ⁶ (24 C.F.R. § 570.483(b))⁷
 - Job Creation/Retention;
 - Area Benefit; and
 - Limited Clientele
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))

PRDOH has set a goal to expend fifty percent (50%) of Re-Grow Program funds on projects that benefit LMI individuals or demonstrably serve LMI areas.

The Re-Grow Program will request additional documentation to validate the National Objectives, which could include payroll information and/or the owner's personal tax returns. However, these documents are not and will not be evaluated as eligibility requirements.

3 Program Description

The total allocation for the Re-Grow Program is one hundred sixty-five million five hundred thousand dollars (\$165,500,000) but is subject to change with additional

⁶ Applicants will be requested to complete an "LMI Household Form" for all business owners that have any type of ownership over the business. Applicants will be requested to provide "Personal Income Tax Return" for all business owners to validate the LMI Household Form information. The "Personal Income Tax Return" and "LMI Household Form" will not influence or impact the eligibility evaluation, since it is not an eligibility criterion; it is only used for HUD National Objective reporting purposes.

⁷ Applicants may be requested to complete an "LMI Jobs Form" to report potential job creation. Applicants may be requested to provide "business employee payroll" information to validate the LMI Jobs Form information. The "business employee payroll" and "LMI Jobs Form" will not influence or impact the eligibility evaluation, since it is not an eligibility criterion; it is only used for HUD National Objective reporting purposes.

CDBG-DR Action Plan amendments. PRDOH recognizes that small and medium agricultural businesses need monetary aid as well as access to essential services and resources. PRDOH may work with various subrecipients who will administrate the Program or work on other tasks defined in the Subrecipient Agreement. Subrecipients may be responsible for disbursing grants and providing technical assistance to small and medium agricultural businesses. The Program may engage additional subrecipients as needed.

Grants to small and medium agricultural businesses will be administered by the Subrecipient and disbursed directly to eligible applicants for program-eligible costs (see Grants section). Applicants must complete an online application, including submitting all required information and documentation for consideration and grant award calculations (see Applications section).

In addition to providing grants, the Program will provide a wide range of technical assistance activities across the agricultural sector (see Technical Assistance section). These activities will allow farms and farmers access to essential services and resources and build additional capacity in organizations and agencies that bolster the agricultural sector of the economy.

3.1 PRDOH's Role

PRDOH, as the Grantee, will serve as the Program's primary oversight entity. PRDOH's responsibilities⁸ in this role include, but are not limited to, the following:

- Creation of Program Guidelines.
- Development of the web application.
- Legal document generation and review.
- Information Technology systems development and management.
- Monitoring and oversight of Subrecipients.
- CDBG-DR compliance, recordkeeping, reporting, and monitoring.

3.2 Subrecipient's Responsibilities

Participating Subrecipients of the Program may include non-governmental organizations, community-based development organizations, educational organizations, units of general local government jurisdictions, and other governmental entities. Subrecipients will be selected by PRDOH and will provide support on Program administration for the provision of grants and technical assistance to eligible entities

⁸ PRDOH may, at its sole discretion, assume Subrecipients' responsibilities when deemed appropriate or necessary.

outlined below.

The Subrecipients' responsibilities in this role include, but not limited to, the following:

Grants

- Application intake and eligibility reviews.
- Duplication of Benefits calculations.
- Grant underwriting and award calculations.
- Assistance to applicants throughout the grant application process.
- CDBG-DR compliance, recordkeeping, reporting, and monitoring.
- Coordination and execution of grant agreements with awarded participants.
- Grant funds disbursement to awardees.

Technical Assistance

- Aid in application processes for accessing certification and other benefits available to farmers.
- Farmer support services and mentoring.
- Agricultural educational workshops related to agricultural methods, techniques, and skill building.
- Programmatic services contributing to capacity building within a qualified agriculture or farming operation.
- CDBG-DR compliance, recordkeeping, reporting, and monitoring.

4 Eligible Use of Funds

All projects funded by HUD must meet a national objective, be performed by an eligible entity, meet at least one (1) eligible activity, and be documentable as an eligible cost; all listed in these Guidelines.

4.1 Eligible Entities

Entities eligible to apply for and receive grant awards and technical assistance through the Program will be -small and medium- agricultural businesses. The Program will prioritize agricultural businesses engaged in food production during the application intake period. Other non-food-producing entities⁹ will receive a Non-Priority Notification and be considered upon availability of funds.

Eligible entities can be existing, re-starting, or starting-up¹⁰. This includes, but is not

⁹ Entities whose income from non-food production are fifty one percent (51%) or more of the total production.

¹⁰ A start-up or re-starting business is in the initial stages of operations and has not generated any revenue from operations.

limited to, the following:

- Small and medium agricultural businesses that meet the definition of “small family farm,” as defined by the United States Department of Agriculture (**USDA**), including:
 - Small and medium agribusinesses that support the activities and production of small farms and farmers.
 - Small and medium food producers, manufacturers, distributors, or suppliers engaged in local food production or distribution.
 - Community-based organizations involved in food production or distribution.
 - Agricultural microenterprises¹¹ (5 employees or less).
 - Units of General Local Government and Municipal Government.
- Eligible entities can be agricultural businesses that are:
 - Still open and operating;
 - Have opened a different business, meaning a newly registered business under the same owner(s); or
 - Starting up a new business. These entities need to demonstrate financial capacity by proving they have access to capital, assets, or investments already made in operation, as well as any other available information not limited to income generation and any other information that may be included in the Business Plan to demonstrate financial feasibility.

Eligible entities are required to provide evidence that meets the size threshold established by the USDA classification of “small family farm”, as defined below.¹²

The USDA Economic Research Service (**ERS**) farm typology defines “small family farms” as operations with an annual gross cash farm income¹³ (**GCFI**¹⁴) of less than three hundred and fifty thousand dollars (\$350,000). GCFI includes sales of crops and livestock, payments made under agricultural federal programs, and other farm-related cash income. This classification encompasses ninety percent (90%) of farms and enables the Program to impact the agricultural economy of Puerto Rico most

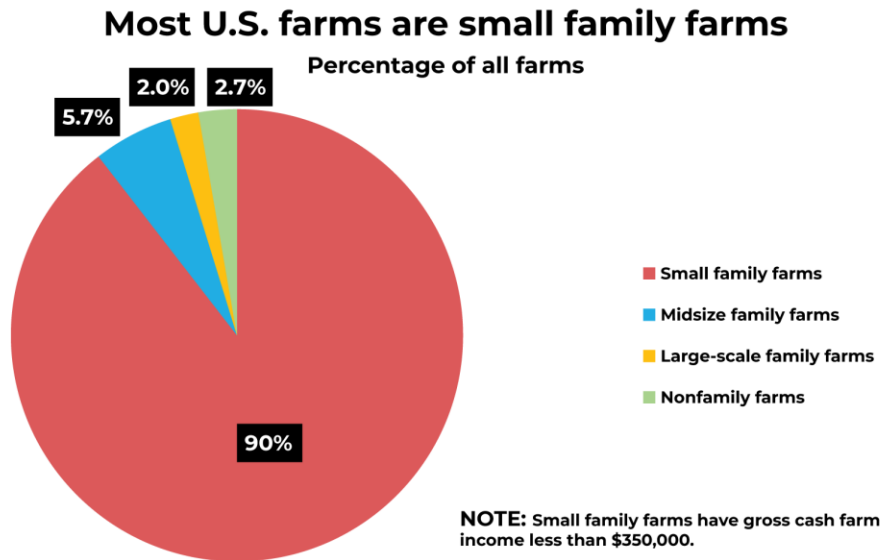
¹¹ The term “microenterprise” means a commercial enterprise that has five (5) or fewer employees, one (1) or more of whom owns the enterprise. 42 U.S.C. § 5302(a)(22).

¹² The Program may use up to four (4) tax returns to determine the annual gross cash farm income.

¹³ Income will be defined as determined by the individual in their Puerto Rico or federal tax return.

¹⁴ Farm size is measured by GCFI—a measure of the farm’s revenue (before deducting expenses) that includes sales of crops and livestock, payments made under agricultural federal programs, and other farm-related cash income including fees from production contracts. U.S. Department of Agriculture. <https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure-and-contracting/>

effectively. The only exception to this rule will be income from sales made at “Mercado Familiar” events, organized by PRDA and the Puerto Rico Department of Family. This income must be detailed in the Applicant’s tax returns.



Source: USDA, National Agricultural Statistics Service and Economic Research Service¹⁵

Farm-level average net cash income by sales class and typology, 2011-2020F
 Nominal (current dollars)

	Share of US farms
	Percent
All farms	100.0
Farm size by gross sales value	
\$1,000,000 or more	3.9
\$500,000 - 999,999	3.5
\$250,000 - 499,999	4.3
\$100,000 - 249,999	6.5
Less than \$100,000	81.8

Footnotes
 Data as of February 5, 2020

¹⁵ Details may not add up to 100 percent (100%) due to rounding.

Source: USDA, National Agricultural Statistics Service and Economic
Research Service

Furthermore, these entities must be engaged in “Farming Operations” as defined at 7 C.F.R. § 1400.3:

“Farming operation means a business enterprise engaged in the production of agricultural products, commodities, or livestock, operated by a person, legal entity, or joint operation that is eligible to receive payments, directly or indirectly, under one or more of the programs specified in §1400.1.¹⁶ A person or legal entity may have more than one farming operation if the person or legal entity is a member of one or more joint operations.”

4.2 Eligible Activities

Eligible activities for this Program, per the Housing and Community Development Act of 1974, 42 U.S.C. § 5305 (Activities eligible for assistance), are:

1. Section 105(a)(22) – Microenterprise Assistance.
2. Section 105(a)(17) – Economic development assistance that creates or retains jobs;
3. Section 105(a)(14) – Activities conducted through Nonprofit Development Organizations;
4. Section 105(a)(15) – Assistance to neighborhood-based nonprofit organizations, local development corporations, and nonprofit organizations; and
5. Section 105(a)(21) – Assistance to Institutions of Higher Education.

4.3 Eligible Costs

Eligible costs¹⁷ for the Re-Grow Program are listed in the tables below. Note these lists are not all-inclusive but include most of the costs and should give applicants a clear picture of the kinds of eligible costs. Eligible costs will be evaluated based on farming discipline and proposed use. Furthermore, proposed costs shall fall into one of the categories established in the Eligible Costs Table.

4.3.1 Grants

Eligible costs can be requested in the application and receive funds from the Program as a grant to an eligible entity. The following table represents the details of eligible

¹⁶ https://www.ecfr.gov/cgi-bin/text-idx?node=pt7.10.1400&rgn=div5&se7.10.1400_11

¹⁷ Transportation and shipping costs incidental to eligible purchases are eligible. See 2 C.F.R. § 200.474.

costs that can be requested.

Table 1: Eligible Costs

Farm Infrastructure	<ul style="list-style-type: none"> • Fencing: permanent, moveable, and electric • Livestock holding and management equipment • Irrigation systems: above-ground, underground <ul style="list-style-type: none"> ○ Pumps, solenoids, flow control devices, and sensors ○ Ponds, liners, and tanks • Nutrient Control Systems <ul style="list-style-type: none"> ○ Fertilizer (various application methods) ○ Dosing and in system syphoning technologies ○ Compost creation methods and nutrient harvest technologies • Climate Control Automation Systems <ul style="list-style-type: none"> ○ Computerized climate controls ○ Fans ○ Thermostats ○ Evaporative and electronic cooling ○ Humidity control devices • Purchase and installation of greenhouses or other similar agricultural propagative structures: permanently affixed or moveable. <ul style="list-style-type: none"> ○ Bench systems ○ Shade houses ○ Polycarbonate coverings (panel systems) ○ High tunnels ○ Light deprivation structures • Quonset or similar buildings for the purpose of nursery stock and equipment storage or protection during inclement weather events. • Cold storage and/or on farm refrigeration storage solutions <ul style="list-style-type: none"> ○ Walk-in Coolers • Hydroponic and/or aquaponics production systems equipment • Climatic resiliency equipment <ul style="list-style-type: none"> ○ Rainwater collection and storage systems ○ Cisterns ○ Pipe ○ Filters ○ Groundwater collection systems (wells) ○ Surface water collection systems ○ Power resilience and autonomy systems ○ Solar panels
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	<ul style="list-style-type: none"> ○ Small scale hydroelectric ○ Inverters ○ Generator
Farm Equipment	<ul style="list-style-type: none"> • Hand tools • Hoes • Weed whackers • Chainsaws • Power Drills • Pruners • Seeders • Harvest Carts • Computers • Farm management software • Tractors: walk behind or full-size <ul style="list-style-type: none"> ○ Implements ○ Tillers ○ Mowers ○ Cultivators ○ Bailers ○ Planters ○ Seeders • Aquaculture-enabling equipment or supplies • Fishing equipment
Production Supplies	<ul style="list-style-type: none"> • Seeds • Saplings • Trees • Plant plugs • Row covers • Mulches
Land	<ul style="list-style-type: none"> • Purchase or Lease of agricultural land that does not financially inhibit profitability of agricultural project proposed.¹⁸ • Land purchased or leased through the Program will be subject to special CDBG-DR conditions.¹⁹ • Land movement and preparation, or similar services.
Vehicles²⁰	<ul style="list-style-type: none"> • Product transportation • Refrigerated box trucks • Other harvesting vehicles

4.3.2 Technical Assistance

Eligible activities may be authorized and funded by the Program or its Subrecipient entity. The following table represents a detailed list of eligible activities. This list is not an all-inclusive but rather provide applicants a clear picture of the types of eligible

¹⁸ The Program will pay up to six (6) months for land leases.

¹⁹ Land leases and purchases under the Program are subject to the regulations of the HCDA, which requires the lease length of a property to be a minimum of fifteen (15) years for it to be considered a permanent interest over the property. <https://www.hudexchange.info/sites/onecpd/assets/File/CDBG-State-National-Objectives-Eligible-Activities-Chapter-2.pdf>

²⁰ Vehicles for commercial use purchased with Program funds will be considered an eligible activity **only** when the Applicant can justify the need, through the Use of Funds the Program Justification Letter, for the business to acquire such a vehicle. The Applicant must also certify the vehicle will only serve commercial purposes that further program objectives as described in these Guidelines. The Program reserves the right to validate the need and its intended use during the Underwriting Review process.

activities under the Program.

Table 2: Eligible services

Agricultural Skill Building Educational Activities	<ul style="list-style-type: none"> • Workshops in: <ul style="list-style-type: none"> ○ Assessing farmland ○ Farm marketing essentials ○ Basic food safety practices and certifications ○ Understanding soil testing basics ○ Small farm equipment operation safety ○ Business planning and land access ○ Transplant production ○ Seed production ○ Fertilization and composting ○ Integrated pest management ○ Nursery management ○ Value-added products training ○ Agricultural technology utilization training
Farmer Support Services	<ul style="list-style-type: none"> • Assistance in farm management or operations efficiencies • Assistance in obtaining farmer certifications, tax breaks, and additional locally available producer benefits • Assistance in programmatic application processes • Assistance and provision of access to laboratory services • Capacity building tools for agro-tourism/ecotourism

Applicants must clearly outline the requested use of grant funds in the Program’s application. Furthermore, awarded participants must document and track all expenditures throughout the Program’s life.

4.4 Awards Structure

4.4.1 Grants

Grant award amounts will range from \$25,000 to \$150,000. Award amounts will be determined after the evaluation of the submitted information on an online grant application and further refined through an underwriting process. Program awards will be structured in three (3) tiers outlined in the next table. The Applicants’ tier is determined by the information submitted on the application.

Table 3: Three-tiered award amounts

Grant Tiers	Grant Award Amount
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Applicants with an established or projected annual gross income of \$50,000 or less	Eligible for a grant of \$25,000 to \$50,000
Applicants with an established or projected annual gross income of \$50,000 to \$150,000	Eligible for a grant of up to \$100,000
Applicants with an established or projected annual gross income of more than \$150,000	Eligible for a grant award of up to \$150,000

Applicants must establish, on their application, the eligibility of the requested award amount. Supporting documents and describe details will provide size of an existing operation, income projections (three (3) years), a business plan, and proven agricultural managerial ability²¹ (see Applications section), along with any other document applicants may provide to comply with the detailed criteria. For example, to justify projected annual gross income, applicants with established operations may provide historical tax returns along with the most recent Puerto Rico Tax Return, meaning the latest tax return year in place at the time of eligibility review.

The following list provides an overview of the content usually included in a traditional business plan. This is only an example that may change depending on each business' needs.

- Executive Summary with a brief description of the business' vision, mission, product or service, leadership team, staffing, location, and growth plans;
- Brief description of the business's financial information and projected income;
- Analysis of the target market, trends, and competitors;
- Organization and Management. An overview of how the business is or will be structured;
- Description of the product or service;
- Marketing strategy;
- Detailed description of other available funding and projected uses for the next three (3) years;
- Financial projections with sufficient details to demonstrate that the business is stable and financially feasible;
- Supporting documents.²²

Applicants who receive a Notice of Award will be required to select which items to

²¹ The Program may schedule an agronomist visit and evaluation to validate the Applicant's need, justify the requested intended use of funds, and validate the operations' financial and commercial feasibility.

²² For more information about the content of a traditional business plan, visit: <https://www.sba.gov/business-guide/plan-your-business/write-your-business-plan>.

accept funding for, up to the applicable caps, using the Preliminary Intended Use of Funds Form and the Intended Use of Funds Form. Case Managers will use the Preliminary Intended Use of Funds Form during the Eligibility and Underwriting process as an informative document for applicants to specify beforehand to the Program about the equipment they foresee to request. The importance of the Intended Use of Funds Form is that outlines the agreed-upon uses for the Program funds and ensures the business expends funding on the eligible uses as explained in the form.

5 Program Eligibility

5.1 Threshold Eligibility Requirements

Threshold eligibility is the first level of review and will be assessed with the information provided on the applications. The threshold eligibility's review focuses on basic application completeness and baseline entity eligibility. This review must be conducted before the applications are considered for further review, determinations, and award calculations. Once this initial review has been conducted, applicants will be notified of a determination through an Eligibility or Ineligibility Notice. Existing, re-starting, and new/start-up farms and agricultural-related businesses are eligible to receive grant awards and/or technical assistance services. Threshold eligibility will include, but is not limited to, the following:

- Application completed and signed;
- All documentation submitted and/or uploaded with the application;
- The entity meets the size requirements to be considered in accordance with the Eligible Entities section;
- Be registered to do business in Puerto Rico;
- Establish evidence of Agricultural Managerial Ability per the Agricultural Managerial Ability section (documented);
- Be physically located in Puerto Rico;
- Demonstrate that more than fifty-one percent (51%) of production or services are consumed and/or produced locally (documented);
- Proof the business is current on all Puerto Rico tax obligations or current on one or more payment plans; and
- Proof the business is current on property taxes, should the business own the location.²³

See Grant Application Submission Requirements section for further application and

²³ On a case-by-case basis, certain *bona fide* certified farmers may be excluded from property taxes based on Puerto Rico's Incentive Code, Act 60-2019, as amended. Applicant must demonstrate evidence when applicable.

documentation requirements instructions.

5.2 Ineligible Applicants

Businesses, individuals, or organizations that provide the following products and/or services are ineligible for Re-Grow Program grant assistance:

- Any that are listed on the HUD Debarred List;
- Any that are listed on the System for Award Management **Debarred List** of the U.S. Government (**SAM**);
- Entities engaged in lobbying or political activities;
- Entities engaged or involved in religious activities, except where expenses are clearly distinguishable between the organization's religious and secular activities;
- Entities that have received federal assistance in the past and have not maintained required flood insurance;
- Entities and/or owners (with at least twenty-five percent (25%) ownership) currently in foreclosure or bankruptcy;
- Entities that propose to promote or develop products with no currently accepted medical use under the Controlled Substances Act (**CSA**), such as cannabis products;
- Entities that propose to use program funds to buy out or reimburse the owner(s) or its family members. That is, their spouse, parents, grandparents, siblings, children, grandchildren, or in-laws;
- Entities engaged in the production of alcohol and/or alcoholic beverages;
- Entities operating in zoning areas not authorized for agricultural and/or commercial use; and
- Entities that propose an activity deemed ineligible, as detailed in the Ineligible Activities section of these Guidelines.

5.3 Ineligible Activities

As a general rule, any activity not authorized under the provisions of 24 C.F.R. § 570.201-570.206 is ineligible to be assisted with CDBG-DR funds.

Specifically, the following activities are ineligible for Re-Grow Program grant assistance:

- Buildings or portions thereof used for the general conduct of government;
- General government expenses;
- Political activities;

- Reimbursement of business expenses incurred before the date of submission of the Application;
- Acquisition of residential structures in agricultural lands;
- Refinance of existing debt and/or principal and interest payments on any other debt;
- Buying out a stockholder or equity holder in a business;
- Investments in instruments or assets for the sole purpose of a return on investments;
- Payment of tax arrearages, governmental fines, or penalties;
- Expenses for which private philanthropy, the National Flood Insurance Program (NFIP), or small businesses with private flood insurance, other insurance, state, or federal benefits have been or will be paid, or financial assistance that has been approved or provided by federal, state, or other sources considered to be duplicative of CDBG-DR funds; and
- Replacement of non-commercial vehicles.

Unless authorized under the provisions of 24 C.F.R. § 570.203, the following activities may not be assisted with CDBG-DR funds:

- Construction equipment
- Fire protection equipment
- Operating and maintenance expenses
- Furnishings and personal property
- New housing construction
- Income payments²⁴

6 Applications

6.1 Grant Application Submission Requirements

The applications were accepted digitally, in English and Spanish, through the CDBG-DR Program website.²⁵ Applicants who needed assistance filling out and submitting the online application were able to arrange a meeting directly with the Subrecipient, contact the call center, and/or email EcoRecCDBG@vivienda.pr.gov. Applicants who

²⁴ Income payments means a series of subsistence-type grant payments made to an individual or family for items such as food, clothing, housing (rent or mortgage), or utilities, but excludes emergency grant payments made over a period of up to three consecutive months to the provider of such items or services on behalf of an individual or family. 24 C.F.R. § 570.207.

²⁵ For more information visit: <https://recuperacion.pr.gov/en/download/re-grow-pr-urban-rural-agriculture-program/> (English) and <https://recuperacion.pr.gov/download/programa-renacer-agricola-de-pr-agricultura-urbana-y-rural/> (Spanish). The Re-Grow Program is no longer accepting applications as of April 15, 2022.

requested this service were referred to locations designated by the Subrecipient for assistance in completing an application.

The Subrecipient is responsible for reviewing the eligibility requirements of all applications. Once it is determined that application meet the initial eligibility requirements, the Subrecipient informs the Applicant and then completes an underwriting review. During the underwriting process, if the Program requires additional information or documentation, applicants will receive an Underwriting Clarification Notice, providing **thirty (30) calendar days** to submit the requested information.

Once the underwriting review is complete, the Applicant will be notified through a Notice of Award, specifying the award amount they will be eligible to receive.²⁶ Coordination of awards will include acknowledging the award and signing a grant agreement outlining the Applicants' responsibilities for documenting compliance and the funds disbursement process.

Applicants may be contacted to request additional information or documentation at any step in the process. This will be done on a case-by-case basis. Once all funds have been disbursed, and all documentation has been provided in compliance with CDBG-DR Program requirements, the Subrecipient will initiate the closeout process with each grant recipient. Instructions for completing the application are posted on the PRDOH website.

PRDOH, on a case-by-case basis, may issue an Outstanding Requirements Notice when the Awarded Applicant has outstanding requirements –prior to closeout. It may also be issued in cases where there are any other outstanding requirements as established in the Program Guidelines and/or Grant Agreement, for reasons that do not trigger a recapture of funds process. The Awarded Applicant must contact the Program within **fifteen (15) calendar days** from the date of the Outstanding Requirements Notice to resolve the outstanding issues(s).

6.1.1 For startup/restarting businesses or entities:

Startup/restarting businesses applying for Program grants must present a business outlook/plan for consideration (details outlined in the application). An in-depth plan ensures the Applicant is organized and prepared to receive an award through the Program. The outlook and plan also provide good indicators of an applicant's capacity

²⁶ Applicants with an adverse underwriting review will also be notified by the Program, as detailed in the Underwriting Criteria Section of these Guidelines.

to implement a successful venture, further ensuring that any awards granted through the Program will meet the economic development goals outlined by HUD and PRDOH.²⁷

Startup businesses must provide proof that they have access to capital, assets, or investments already committed into the operation to demonstrate financial capacity. Also, any other available information, not limited to income generation, which may be included in the Business Plan to demonstrate financial feasibility.

6.1.2 For established businesses or entities:

Established businesses are required to provide only a brief overview summary of the operation because existing businesses can show documentation of operations to prove eligibility (see documentation table below). If an existing business would like to pursue an expansion of operations through the Program, information about the expansion will be required in the application to justify eligibility for a larger award amount. The application allows an existing business to combine existing income with expansion projected income to become eligible for a more considerable award amount, allowing the Applicant to expand their existing operation successfully.

Existing businesses pursuing expansions with Program funds, must demonstrate financial capacity, access to capital, assets, or investments already made in operation, and any other available information included in the Business Plan to demonstrate financial feasibility.

6.1.3 Agricultural Managerial Ability

As part of the application, a small and medium agricultural business grant applicant must show evidence of Agricultural Managerial Ability through education, on-the-job training, and/or farm experience. Applicants can demonstrate this ability through **one (1) or more** of the following:

Evidence of education:

- 4-year college degree or graduate degree in an agriculture-related field(s);
- 2-year college degree from a technical college in an agricultural-related field;
- Successful completion of farm management curriculum offered by the Cooperative Extension Service, a community college, an adult vocational agricultural program, or Land Grant University;
- Successful completion of a community-based, nationally based, non-profit, or similar farm workshop programs;

²⁷ For more information about the documents that can be provided to comply with these requirements, refer to the Awards Structure Section of these Guidelines.

- Vocational or general agriculture classes in high school, in addition to working on a farm and participating in and successfully completing agricultural projects in 4-H, FFA, Tribal youth organizations, Grange Youth, or another agricultural affiliated club.

Experience in “on the job” training:

- Working or recently worked as hired farm labor with management responsibilities, including but not limited to making day-to-day decisions of consequence;
- Completing or recently completed a farm mentorship, internship, or apprenticeship program with an emphasis on management requirements and day-to-day farm decisions;
- Participating or recently participated in Urban or community supported agriculture programs incorporating basic agricultural training.

Experience in farm management:

- Owner, manager, or operator of a farm business for at least one (1) full production and marketing cycle within five (5) years of the date of the application;
- Employed as a migrant farm worker and promoted to a leadership or foreperson position for at least one (1) production and marketing cycle with responsibilities related to crop and field management, livestock health, breeding supervision (plant and/or animal), labor management or hiring, or general farm management;
- Having had significant responsibility in the daily management decisions for at least one (1) entire production and marketing cycle;
- Obtained and successfully repaid at least one (1) FSA youth loan.

6.1.4 Application Required Documentation

Information and documents requested in the application may include:

Table 4: Required information and documents

Category	Required items
	<ul style="list-style-type: none"> • Re-Grow Puerto Rico grant application completed and signed by all owners with twenty-five percent (25%)²⁸ or

²⁸ For entities with ownership distributions of less than twenty-five percent (25%) among its owners, at least fifty-one

<p>Application</p>	<p>more ownership in the business.</p> <p>Note: For non-profit applicants, a designated representative may sign with authorization from the organization.</p>
<p>Proof of identity</p> <p><i>(Only one (1) form of evidence is required with the application)</i></p>	<ul style="list-style-type: none"> • Government-issued photo ID for all owners with twenty-five percent (25%)²⁹ or more ownership in the business. For non-profits, ID will be submitted for a designated representative. <ul style="list-style-type: none"> ○ Driver's license, ○ Passport ○ Military ID ○ Real ID ○ Social security card ○ Other government-issued ID card <p>(To be attached to/uploaded with the application)</p>
<p>Proof of registration to do business in Puerto Rico</p> <p><i>(Only one (1) form of evidence is required with the application)</i></p>	<ul style="list-style-type: none"> • Most recent Puerto Rico tax return for the latest tax return year in place at the time of eligibility review. • Business registration documentation <ul style="list-style-type: none"> ○ Merchant registration ○ Certificate of Incorporation ○ Certification of good standing <p>(To be attached to/uploaded with the application)</p>
<p>Proof entity meets size requirements</p> <p><i>(Only one (1) form of evidence required with application. For start-ups, this category will be satisfied with information provided through the applicant's business outlook/plan)³⁰</i></p>	<ul style="list-style-type: none"> • Tax returns as evidence that the entity meets the size requirement. Up to the four (4) most recent Puerto Rico or Federal tax return may be used. <ul style="list-style-type: none"> ○ Gross Agricultural Income figures • Projected annual gross cash income included in Business Plan <p>(To be attached to/uploaded with the application)</p>
<p>Evidence of agricultural managerial ability</p> <p><i>(See Agricultural Managerial Ability section)</i></p> <p><i>(Only one (1) form of evidence</i></p>	<ul style="list-style-type: none"> • Educational Transcripts • Diplomas • Certificates of Completion • Certified letter of reference from former or current employer

percent (51%) of owners must show compliance with the application signing requirement. This fifty-one percent (51%) compliance requirement must be documented as requested and in alignment with other program policies.

²⁹ For entities with ownership distributions of less than twenty-five percent (25%) among its owners, at least fifty-one percent (51%) of owners must show compliance with the proof of identity requirement. This fifty-one percent (51%) compliance requirement must be documented as requested and in alignment with other program policies.

³⁰ Start-ups or re-starting businesses will be evaluated on a case-by-case basis.

<p><i>required with application. Must be accompanied by a description in the application)</i></p>	<ul style="list-style-type: none"> • Agriculture certifications/permits/licenses <ul style="list-style-type: none"> • <i>Bona fide</i> Farmer • USDA • Agricultural taxes • Production or sales records • Cropshare/rental/lease agreements • Other documentation may be provided on a case-by-case basis. <p>(To be attached to/uploaded with the application)</p>
<p>Documentation of lease, ownership, or purchase agreement for any property planned to be part of business operation</p> <p><i>(Only one (1) form of evidence required with the application)</i></p>	<ul style="list-style-type: none"> • Lease agreement • Ownership agreement or deed • Purchase agreement (for spaces that are part of future production or expansion mentioned in the application) • For fishing operations: boat registration and/or fishing statistics
<p>Proof of at least fifty-one percent (51%) production or services locally produced or consumed</p>	<ul style="list-style-type: none"> • Most recent Puerto Rico Tax return for the latest tax return year in place at the time of eligibility review. • Information provided through the applicant’s business outlook/plan. <p>(To be attached to/uploaded with the application)</p>
<p>Application eligible use of funds forms</p>	<ul style="list-style-type: none"> • Completed use of funds form to accompany the application for award determination. • Provide three (3) quotes for each eligible cost, as detailed in these Guidelines. As an exception, two (2) quotes will be accepted for highly specialized equipment or service. If the aggregated dollar amount to acquire goods or services is less than \$10,000, the Applicant may provide only one (1) quote if the price is considered to be reasonable.³¹ <p>(To be attached to/uploaded with the application)</p>
<p>DOB</p>	<ul style="list-style-type: none"> • Tax ID and any other award documentation.

6.1.5 Quotes

Applicants must submit three (3) quotes for each eligible cost within the following categories, as established in the Eligible Costs Section of these Guidelines:

³¹ In these cases, the Applicant will be required to submit a statement or proof of the special circumstances that make it impossible to obtain three (3) quotes.

- Farm Infrastructure
- Farm Equipment
- Production Supplies
- Land
- Vehicles
- Agricultural Skill Building Activities
- Farmer Support Services

If an Applicant can demonstrate a particular circumstance, meaning the requested equipment is highly specialized and/or it would be impossible to obtain three (3) quotes, they may provide proof of the particular circumstance and at least two (2) quotes for each piece of specialized equipment. The quotes should be valid on the date they are submitted to the Program.

In cases where the aggregated dollar amount to acquire goods or services is less than \$10,000, and the price is considered reasonable, the Applicant may provide only one (1) quote.

As a general rule, quotes for each eligible cost should contain information about taxes when applicable. Also, if not excluded by local regulations, shipping and transportation costs, if applicable. Furthermore, information about installation requirements and costs should be included, when applicable.

6.1.6 Grant Underwriting

PRDOH follows HUD guidelines as the financial underwriting framework for evaluating the feasibility of project applications. PRDOH recognizes that different levels of review are appropriate to consider differences in the size and scope of a proposed project. In the case of a microenterprise or other small business, consider the capacity and level of sophistication differences among businesses of differing sizes. The objective of the underwriting guidelines is to ensure all award applicants meet the CDBG Underwriting Criteria of 24 C.F.R. § 570.209(a). As an underwriter, the Subrecipient will ensure compliance with the underwriting criteria by assessing:

Table 5: Underwriting Criteria

HUD Underwriting Guidance	Program Underwriting Checks
Project costs are reasonable	<ul style="list-style-type: none"> • Three (3) quotes on eligible costs will be required. As an exception, two (2) quotes will be accepted for highly specialized equipment or service. If the aggregated dollar amount to acquire

	goods or services is less than \$10,000 and the price is considered reasonable, the Applicant may provide only one (1) quote.
All sources of project financing are committed	<ul style="list-style-type: none"> If other funding sources are needed, the Applicant must provide proof of the commitment of those funds³².
To the extent practicable, CDBG funds are not substituted for non-Federal financial support	<ul style="list-style-type: none"> A DOB analysis will be performed on each applicant.
The project is financially feasible	<ul style="list-style-type: none"> Projected or established income will be cross-referenced with market analysis. This will be done through the review and analysis of financial documentation, such as Puerto Rico tax returns for the three (3) most recent years at the time of the review,³³ business plans and/or financial projections. A financial analysis will be performed based on the business entities' performance trends. This analysis compares specific financial ratios over time periods to identify trends in the entity's financial performance.³⁴
To the extent practicable, the return on the owner's equity investment will not be unreasonably high	<ul style="list-style-type: none"> Award amounts will be tiered based on established or projected income, as detailed in the Awards Structure section.
To the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project	<ul style="list-style-type: none"> CDBG funds will be disbursed on a pro-rata basis if other funding sources are needed.

Applicants that fail the underwriting assessment will receive an Underwriting Failed Notice detailing the criteria applied by the Program to deny the assistance.

6.1.7 Grant Award Calculation

The Subrecipient will use the information submitted in the application to determine

³² Proof of commitment of funds may include government assistance, grants, bank, or private loans, checking or savings accounts, stocks, bonds, mutual funds, pension or retirement benefits, credit cards, mortgages or lines of credit, and life insurance.

³³ The Program may request the most recent tax return during the Underwriting review on a case-by-case basis.

³⁴ The Program may schedule an agronomist visit and evaluation to validate the applicant's need, justification of the intended use of funds requested and validate the operations' financial and commercial feasibility.

Program eligibility. Once the Applicant is determined to be eligible for an award, the Subrecipient will calculate the amount based on the following award calculation:

1. Verify the requested award amount falls **within** the correct tier (see Awards Structure section) based on the size of the existing or planned farm or agricultural business venture.
 - As part of the online grant application, the Applicant will submit existing income documentation overview or projections in their business plan, which will qualify the Applicant for one of the three award tier caps;
 - The Applicant will also complete an eligible Intended Use of Funds form that cannot exceed the cap within the tier they are eligible for;
 - Applicants can apply for any award amount up to the cap of the established tier; and
 - The total from the Intended Use of Funds is the total amount of the grant application (cannot exceed **the** tier cap).
2. Identify all other sources of disaster-related funding the applicant(s) received.
 - Determine how much of this funding is for the same purpose and will be counted against the award (DOB).
3. Calculate the maximum eligible award (total#1 minus total#2 above).

6.2 Receipts

Six (6) months after the disbursement of funds is completed, awarded applicants are required to provide evidence (receipts) to demonstrate each purchase of services or goods was made in compliance with the Grant Agreement. To ensure compliance with this requirement, the Program will send a letter every **thirty (30) calendar days** to notify the Applicant of an outstanding balance and to encourage receipt submission. The Program will send a Missing Documents – Receipt Warning Notice to warn the Applicant the allotted timeframe to provide receipts is approaching. If the Applicant does not provide the receipts after the warning letter, a Missing Documents – Non-Compliance Notice will be issued to notify the applicants they are in non-compliance and have **fifteen (15) calendar days** to provide the required documentation or the case will be referred to a recapture process. If the Applicant fails to provide the receipts within **fifteen (15) calendar days**, PRDOH will issue a Final Non-Compliance Notice. This notice will inform the Applicant that they are in non-compliance. Therefore, the recapture of funds process will begin within **thirty (30) calendar days** from the Final Non-Compliance Notice. After the thirty (30) calendar days, the Program will issue a

Repayment Notification requesting the return of program funds as established in the Recapture section of these Guidelines.

If Applicants provide receipts that are not in compliance with the Grant Agreement (are not in their name or are unreadable), the Program will issue an Unsatisfactory Receipts Notification. The notice requires the submittal of the correct receipts in **fifteen (15) calendar days**. If the Applicant fails to provide the receipts within **fifteen (15) calendar days** from the date of the Unsatisfactory Receipts Notification, the case will be referred to the recapture of funds process.

6.3 Closeout

The closeout of a Grant Agreement is a process in which the Subrecipient and PRDOH determine all applicable administrative and Program requirements between the Subrecipient and the awarded applicant have concluded. If the Subrecipient determines all the funds are expended and the activities are completed, or if the awarded applicant requests the initiation of the closeout process, the Subrecipient will proceed with the grant closeout procedure. The Subrecipient will perform a complete review of the application file to ensure all necessary documentation is completed and the case is ready for closeout.

General requirements for closeout are as follows:

- All Program forms required throughout the entirety of the application process have been duly completed and executed;
- All eligibility and DOB documentation are in accordance with all requirements of this policy and are sufficient to justify the awarded applicant's participation in the Program;
- All activities are eligible, have been completed, and meet a national objective;
- All grant funds have been fully expended and documented according to Program requirements;
- All reporting requirements have been completed and submitted;
- All monitoring or audit issues have been resolved;
- Environmental clearance, if required, has been obtained for the Applicant; and
- Other requirements for closeout, as established in the Grant Agreement between the Subrecipient and the awarded applicant, have been completed.

By signing the Grant Agreement, the awarded applicant agrees to the general and

special conditions of the contract and to cooperate with any reviews, including making available records requested by the Subrecipient, PRDOH, or any other duly authorized representatives.

The Program will issue a Notice of Compliance when all grant funds have been fully expended by the awarded applicant, documented according to Program requirements, and all other general requirements for closeout have been completed.

The Program will contact the awarded applicant or any other party involved if additional information is necessary to close the case. After passing all levels of quality control review, the awarded applicant will receive a Closeout Confirmation Notice and their case will be placed in a “closeout complete” status.

For more information about the PRDOH Closeout Policy, see: <https://recuperacion.pr.gov/en/download/closeout-policy/> (English) and <https://recuperacion.pr.gov/download/politica-de-cierre/> (Spanish).

6.4 Recapture

Instances may arise where an applicant must return all or part of the awarded funding to the Program. The Program is responsible for recapturing duplicative funds, funds awarded to non-compliant applicants, and funds from applicants who potentially received an overpayment. All Applicant files will be reviewed and reconciled for accuracy to ensure DOB did not occur and complies with Program requirements and federal guidelines. If an applicant is identified as having received a potential overpayment, the Program will document the amount and basis for the repayment in writing via a Repayment Notification.

Applicants who disagree with a repayment amount determined by the Program may challenge the determination. See the Program-based Reconsideration and/or Administrative Review section of these Guidelines. If the Applicant’s request is denied or they do not contest the determination within the allotted timeframe, the Program will proceed with the recapture of funds process. If the Applicant’s request results in a revision of the award amount or eligibility, the Applicant will sign a revised Grant Agreement, which will outline the requirements related to such changes and the requirements for repaying the remaining overdue amount, if any.

Once it has been determined that the Applicant must return funds to the CDBG-DR grant fund, the Applicant must repay their funds in a timely manner. Applicants will have **thirty (30) days** from the Repayment Notification to return awarded funds. If funds have not been returned after thirty (30) days, applicants will be referred to the

Program Legal Division for further action. All repayments shall be expected to be repaid in full as one lump sum amount. All funds recovered because of this policy will be tracked in the Disaster Recovery Grant Reporting system (**DRGR**) and returned to the CDBG-DR account or U.S. Treasury if the CDBG-DR grant has been closed out.

7 Duplication of Benefits (DOB)

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (**Stafford Act**), as amended, 42 U.S.C. § 5121 *et seq.*, prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss for which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. As such, PRDOH must consider disaster recovery aid received by Program applicants from any other federal, state, local or other source, and determine if any assistance is duplicative. Any assistance determined to be duplicative must be deducted from the Program's calculation of the Applicant's total need prior to awarding assistance.

To be eligible to receive CDBG-DR funds under the Program and as part of the application process, all applicants must confirm and provide assurance that efforts will be made to avoid a "duplication of benefits." PRDOH understands and expects that some projects funded through this Program may also be able to receive other types of Federal funding; therefore, a DOB analysis will be performed for each funded project.

Program controls to prevent duplication of benefits include, but are not limited to:

- Certification that business applicants will notify PRDOH of all potential DOBs as part of the information submitted in their applications;
- Verification of specific DOBs through various available sources such as FEMA, the Small Business Administration (**SBA**), insurers, and any other sources of funding;
- Requiring the Applicant to authorize PRDOH to contact all potentially duplicative funding sources on their behalf to verify all funding sources received and/or approved; and
- Calculation of duplication of benefits per Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836.

The duplication of benefits guidance included in 84 FR 28836, updates the duplication of benefits guidance issued in Federal Register Vol. 76, No. 221 (November 16, 2011), 76 FR 71060 for CDBG-DR grants received in response to disasters declared between January 1, 2015, and December 31, 2021. As such, the duplication of benefits policy

outlined in the Program Guidelines follows the guidance issued in 84 FR 28836.³⁵

For more information about DOB, refer to the Duplication of Benefits Policy available at <https://recuperacion.pr.gov/en/download/duplication-of-benefits-policy/> (English) and <https://recuperacion.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/> (Spanish).

8 Environmental Review

An environmental review is the process of reviewing a project and its potential environmental impacts to determine whether it meets federal, state, and local environmental standards. Every project undertaken with federal funds, and all activities associated with such project, are subject to the provisions of the National Environmental Policy Act of 1969 (**NEPA**), 42 U.S.C. § 4321 *et seq.*, as well as to the HUD environmental review regulations at 24 C.F.R. § 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities. Therefore, an environmental review process is required for all awards to be issued under the Program to ensure the proposed activities do not negatively impact the surrounding environment and the property itself will not have an adverse environmental or health effect on end users.

Environmental reviews must be completed for HUD CDBG-DR projects before any funds, either HUD or other sources (including private), are committed to or spent on the project. In other words, there must be no choice-limiting actions. Choice Limiting Action (24 C.F.R. § 58.22(a)) are activities performed before the environmental review is complete that limit your choice of future activities on the project. Some examples include land acquisition, demolition, any construction activities (including site preparation), leasing, and entering into a contract for work on the project. Actions that do not limit future choices or have an impact on the environment, before the environmental review is complete, include: planning and studies (including environmental), administration and management activities, option agreements, contracts conditioned on approval of the environmental review, engineering, and

³⁵ The 2019 DOB notice updates the treatment of declined loans. A grantee shall not take into consideration or reduce the amount of assistance provided to an applicant where such applicant applied for and was approved, but declined assistance from the Small Business Administration (SBA), related to disasters that occurred from 2014 to 2017. The 2019 DOB notice also includes requirements applicable only to CDBG-MIT funds. FEMA, as per recent amendments to the Disaster Recovery Reform Act of 2018 (**DRRA**), Pub. L. 115-254, advises that a loan is not a duplication of other forms of financial assistance, provided that all federal assistance is used toward a loss suffered due to major disaster or emergency. The DRRA provisions, which applied to disasters that occurred from 2016 to 2021, expired on October 5, 2023. Therefore, the determining factor for applying the DRRA amendment is the date the agreement for loan assistance is awarded (signed by all the required parties, made and entered, and final). Subsidized loans awarded after the amendment sunset date are to be included in the DOB evaluation.

design costs, and technical assistance, and training.

Additionally, 24 C.F.R. § 58.32 indicates all individual activities related to a geographical or functional basis must be aggregated into a single project. It leads to having a complete description of the activities that constitute a project. Also, it should include equipment, furnishings, construction, land acquisition, renovations, and any other relevant activities, as required.

If, at any time, the scope of the work changes from that presented in the Environmental Review Record (**ERR**), a re-evaluation of the environmental review based upon that change is required. If the Responsible Entity determines the change does not impact the environmental review, the determination is documented, and the project continues. If the change is determined to potentially impact the environmental review, project activities must cease until the re-evaluation is performed. The determination from this re-evaluation can be:

- The Environmental Review is still valid, and the work can progress.
- The Environmental Review requires modification, and the work can continue after the modifications are made.
- The Environmental Review is no longer valid, and work must continue to be stopped until a new scope/environmental review is prepared for the work.

All Program awards must have documentation that they comply with NEPA and other environmental requirements. Therefore, all projects shall have an ERR, as required by NEPA and related laws. The ERR for the projects shall set forth: (a) the existence of negative impacts on a site; (b) the means to mitigate negative impacts; (c) alternatives to the project (if needed); and (d) the rejection of the proposed activities if all other options fail and it becomes the most prudent action to take.

8.1 Environmental Level of Review

To conduct the appropriate level of environmental review, the Re-Grow Program will determine the environmental classification of the project. The term “project” may be defined as an activity or group of activities geographically, functionally, or integrally related, regardless of funding source, to be undertaken by the Program, in whole or in part, to accomplish a specific objective. There are three major classifications of environmental review for projects in the Re-Grow Program:

- **Exempt Activities** [24 C.F.R. § 58.34(a)(10)]: Those activities which are highly unlikely to have any direct impact on the environment.
- **Categorically Excluded Activities** [24 C.F.R. § 58.35]: Those activities that may

have an impact on the environment, but not to the extent that an Environmental Assessment under NEPA or Environmental Impact Statement is required. There are two types of Categorically Excluded Activities, as follows:

- **Categorically Excluded Not Subject to 24 C.F.R. § 58.5:** Includes those activities included under 24 C.F.R. § 58.35 (b) and require environmental checks for the items listed at 24 C.F.R. § 58.6. For activities under this classification, no public notice or Request for Release of Funds is required to use grant funds.
- **Categorically Excluded Subject to 24 C.F.R. § 58.5:** Refers to those activities included under 24 C.F.R. § 58.35 (a) and require environmental checks for the items listed at 24 C.F.R. § 58.5 and 24 C.F.R. § 58.6. If any environmental items are identified as potentially impacting (such as floodplains), a Request for Release of Funds (including publication of Notice of Intent) is required.
- **Activities Requiring an Environmental Assessment:** These are activities which are neither exempt nor categorically excluded and, therefore, will require an Environmental Assessment documenting compliance with NEPA, HUD, and the environmental requirements of other applicable federal laws. Once the Environmental Review has been completed and any comments addressed appropriately, the project may be found to not constitute an action that significantly affects the quality of the human environment and, therefore, does not require the preparation of an Environmental Impact Statement; or the project constitutes an action that significantly affects the quality of the human environment and, therefore, requires the preparation of an Environmental Impact Statement.³⁶

The level of environmental review for the Re-Grow Program will be determined on a case-by-case basis, considering the particularities of each project presented by the Applicants and how they conform to the requirements of exempt and categorically excluded activities. The review will include considerations of whether or what type of activities are included, if any, among other factors. Environmental clearance must be obtained for each project prior to the commitment of federal or non-federal funds. The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. § 4012a, requires that

³⁶ If it is determined that the action does not significantly affect the quality of the environment, then the Program will post a public notice called a Combined/Concurrent Notice of Finding of No Significant Impact (FONSI) and Notice of Intent to Request Release of Funds (NOI/RROF). The NOI/RROF Environmental Certification must be submitted to HUD no sooner than **fifteen (15) days** after publishing the combined/concurrent notice (NOI/RROF) and FONSI and HUD will hold the Release of Funds for a fifteen (15) day period to allow for public comment on the RROF. If no comments are received during this time, HUD will send a signed Authorization to Use Grant Funds and the project may proceed.

projects located within a Special Flood Hazard Area (**SFHA**),³⁷ and are receiving federal assistance, be covered by flood insurance under NFIP.³⁸ Therefore, the Program requires businesses with a project site located in an SFHA and who have received a grant from the Program, to purchase flood insurance for eligible costs³⁹ of more than \$5,000 in the aggregate amount.

Activities within a Coastal Barrier Resource System (**CBRS**)⁴⁰ unit are not allowed unless the activity is specifically identified to provide services to the CBRS unit.⁴¹

9 Non-responsive Applicants

The Program will make reasonable attempts to contact applicants to schedule meetings, collect documentation, or obtain other necessary information during any steps in the process. After **five (5) consecutive unsuccessful attempts** to contact an Applicant with no follow-up contact from them, the Applicant will receive a Non-responsive Notification. Contact attempts will occur using different methods of communication and at different times of the day/week. The Non-responsive Notification provides the Program's contact information and advises the Applicant of the next steps in the application process. This notice also notifies the Applicant they must contact the Program within **fourteen (14) calendar days** of the date of the letter. If the Applicant fails to contact the Program within the **fourteen (14) calendar days allowed**, the Program will send a Non-responsive Confirmation Notice, and the application will be placed in an "inactive" status, at which time the Applicant will receive an Inactive Application Notice. The Applicant will have up to **six (6) months** from the date of the Inactive Application Notice to contact the Program to re-activate their application. Failure to contact the Program within **six (6) months** from the date of the Inactive Application Notice will result in the application's closure due to the Applicant's non-responsiveness.

Likewise, the Program will make reasonable attempts to collect missing documentation and/or information. When an applicant must submit additional

³⁷ Term used by FEMA in NFIP referring to the area covered by floodwaters of the 100-year floodplain. In these areas, the NFIP's floodplain management regulations must be enforced, and the mandatory purchase of flood insurance applies. 44 C.F.R. § 59.1

³⁸ See <https://www.fema.gov/flood-insurance>.

³⁹ See 44 C.F.R. § 206.252(d). In the case of eligible costs for vehicles, it has independent insurance requirements.

⁴⁰ The CBRS is a system of protected coastal areas that includes ocean-front land, the Great Lakes, and Other Protected Areas (OPAs). The Coastal Barrier Improvement Act (CBIA) of 1990 expanded the CBRS to include undeveloped coastal barriers along Puerto Rico and the U.S. Virgin Islands. <https://www.hudexchange.info/programs/environmental-review/coastal-barrier-resources/>

⁴¹ Federal assistance can be spent within CBRS units only for certain exempted activities. These exceptions to limitations are outlined in 16 U.S.C. § 3505.

documentation or information, they will receive a Missing Documents Notification requesting the missing information. Applicants will be allowed up to **thirty (30) calendar days** from the date of the written notification to provide missing information or documentation to fulfill the request. If the Applicant fails to provide the missing documents within the **thirty (30) calendar days** allowed, a Missing Documents Confirmation Notification will be sent to the Applicant, and the application will be placed in an “inactive” status.

10 Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before the disbursement of funds begins. The voluntary withdrawal process is triggered if an Applicant requests to withdraw from the Program. To withdraw, the Applicant will notify the Subrecipient of the Program, in writing, of its desire to withdraw from the Program, who will then provide a Voluntary Withdrawal Notification to the Applicant. The Applicant or Applicants may withdraw from the Program using an electronic method. Upon completion of the withdrawal request, **fifteen (15) calendar days** after the Voluntary Withdrawal Notification, a Voluntary Withdrawal Confirmation will be sent to the Applicant, and the application status will be updated to “Withdrawn.”

If the Applicant has received a disbursement of funds, they will not be able to withdraw from the Program, and they will be notified through a Voluntary Withdrawal Denial Notification. Applicants who receive a Voluntary Withdrawal Denial Notification must comply with Program requirements until Expenditure Review and all the Closeout steps have been completed. Failure to comply with Program requirements will result in the Applicant being referred to a recapture process as established in the Recapture Section of these Guidelines.

11 Monitoring

HUD requires PRDOH, as the Grantee, to monitor the progress of all Subrecipients and Partners to ensure compliance with applicable Federal Requirements and to determine if performance expectations are being achieved. Monitoring is not limited to a one-time event but is rather an ongoing process that assesses the quality of CDBG-DR funded program performance over the life of the Subrecipient Agreement. Also involves continuous communication and evaluation. To meet this requirement, Subrecipients will provide PRDOH a Monthly Progress Report on the implementation of the Program on a monthly basis.

Subrecipients will report to PRDOH as stipulated in each CDBG-DR Agreement. All information reported will be available, as part of PRDOH’s Quarterly Performance

Reports (**QPRs**) in English and Spanish on the CDBG-DR website at <https://recuperacion.pr.gov/en/transparency-portal/finance/reports/> and <https://recuperacion.pr.gov/portal-de-transparencia/finanzas/reportes/>.

12 Program-based Reconsideration and/or Administrative Review

Applicants of the Program may contest any determinations or denials based on Program policy. However, an Applicant may not challenge a federal statutory requirement. Applicants have the right to request a Program-based Reconsideration with the Program or request an Administrative Review directly with PRDOH, as stated below. If the Applicant fails to contest a determination within the **term** allotted, the inaction will be deemed as an acceptance of the determination.

12.1 Program-based Reconsideration Request

Applicants who wish to contest a Program determination may file a Program-based Reconsideration Request directly with the Program by submitting a written request, via electronic or postal mail, within **twenty (20) calendar days** from the date a copy of the notice was filed in the record of the agency. Provided, that if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or electronic) of said notice, the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be the one sent beforehand. Program notices will include the electronic and postal information where these will be received, as these may vary.

Applicants who file a Program-based Reconsideration Request are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their petition. In the Reconsideration Request process, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the Program-based Reconsideration Request.

The Program will review and address the Reconsideration Request within **fifteen (15) calendar days** of its receipt. Applicants will be notified of the reconsideration determination via a Program-based Reconsideration Request Approval Notification or a Program-based Reconsideration Request Denial Notification.

Filing a Program-based Reconsideration Request does not substitute, negate, or preclude any legal right that an Applicant has to challenge a determination made by the Program. Therefore, Applicants who believe the initial determination of the Program to be erroneous, may submit, at their discretion, either a Program-based Reconsideration Request or a petition for review of the decision made by the Program by filing an Administrative Review Request at the PRDOH in accordance with the Regulation on Formal Adjudicative Procedures of the Department of Housing and its Affiliated Agencies, Regulation No. 9618 of November 21, 2024 (Regulation **9618**).⁴²

12.2 Administrative Review Request

If an Applicant disagrees with a Program determination or with the Reconsideration Request Denial determination, said party may file directly to PRDOH, as grantee, an Administrative Review Request in accordance with the Regulation **9618**. The Applicant must submit such request, in writing, within **twenty (20) calendar days** from the date a copy of the Program determination or a Reconsideration Request Denial determination notice was filed in the record of the agency. Provided, if the date on which the copy of the notice is filed in the records of the agency differs from the mailing date (postal or electronic), the **twenty (20) calendar day-term** shall be calculated from the mailing date (postal or electronic). Notices distributed via electronic communication shall be considered valid. In the event a notification is sent via postal and electronic mail, the notification date will be one sent beforehand. Submit request via e-mail to: LegalCDBG@vivienda.pr.gov; via postal mail to: CDBG-DR/MIT Legal Division, P.O. Box 21365, San Juan, PR 00928-1365; or in person at PRDOH's Headquarters at: CDBG- DR/MIT Legal Division, 606 Barbosa Avenue, Juan C. Cordero Davila Building, Río Piedras, P.R. 00918.

If the Applicant disagrees with any **final** written determination on an Administrative Review Request notified by PRDOH after completing the Administrative Adjudicative Procedure, said party may file a Judicial Review petition before the Court of Appeals of Puerto Rico within **thirty (30) days** after a copy of the notice has been filed. See Act No. 201-2003, as amended, known as the Judiciary Act of the Commonwealth of Puerto Rico of 2003, 4 LPRA § 24 *et seq.*, and section 4.2 of Act 38-2017, as amended, known as the Uniform Administrative Procedures Act of the Government of Puerto Rico, 3 LPRA § 9672.

⁴² For more details, you can access Regulation **9618** (in Spanish) at: <https://www.vivienda.pr.gov/wp-content/uploads/2024/11/REGLAMENTO-9618-SOBRE-PROCEDIMIENTOS-ADJUDICATIVOS-FORMALES-DEL-DEPARTAMENTO-DE-LA-VIVIENDA-Y-SUS-AGENCIAS-ADSCRITAS.pdf>.

13 General Provisions

13.1 Program Guidelines Scope

This document sets forth the policy governing the Program. These Program Guidelines are intended to aid and provide program activity guidance in Program implementation and closeout and should not be construed as exhaustive instructions. All Program activities must comply with the policies hereby stated. In addition, all Program staff must adhere to established Program procedures and all federal and state laws and regulations in effect, as applicable, in the execution of Program activities.

However, PRDOH reserves the faculty to authorize, in its sole discretion, the granting of Program benefits to any Applicant, only when exceptional circumstances, not contemplated in these Guidelines, justify it. Such faculty will be exercised case-by-case in compliance with local, state, and federal requirements. PRDOH is not obligated to grant the Program benefits in said cases.

13.2 Program Guidelines Amendments

PRDOH reserves the right to modify the policies established in these Guidelines if the Program Guidelines, as written, do not reflect the intended policy or cause procedures to be impracticable, among other circumstances. If an amended version of these Guidelines is approved, the amended version fully supersedes all previous versions and should be used as the basis for the evaluation of all situations encountered in the implementation and/or continuance of the Program from the date of its issuance, that is, the date that appears on the cover of these Guidelines. Each version of the Program Guidelines will contain a detailed version control log that outlines any substantive amendment, inclusions and/or changes.

13.3 Disaster Impacted Areas

As described in the initial Action Plan and its amendments, the Government of Puerto Rico will use CDBG-DR funds solely for necessary expenses related to disaster relief, long-term recovery, restoration of housing, infrastructure, and economic revitalization in the impacted and distressed areas in Puerto Rico as identified in disaster declaration numbers DR-4336 and 4339. Through the Federal Register Vol. 83, No. 157 (August 14, 2018), 83 FR 40314, HUD identified that, for Puerto Rico, all components of the Island are considered “most impacted and distressed” areas. Therefore, these Guidelines apply to all 78 municipalities of Puerto Rico.

13.4 Extension of Deadlines

The Program could extend deadlines on a case-by-case basis. The Program may decline to extend a deadline if such extension will jeopardize the Program's completion schedule or the schedule of an individual construction project. The aforementioned strictly applies to Program deadlines or established Program terms. Under no circumstance(s) does the faculty to extend deadlines apply to the established terms of time in any applicable federal or state law or regulation, or to the terms of times established in these Guidelines to request a Program-based Reconsideration, Administrative Review and/or Judicial Review.

13.5 Established Periods

Unless otherwise specified, all established periods addressed in this and all CDBG- DR Program Guidelines will be considered calendar days. On this matter, PRDOH, as grantee, will follow Rule 68.1 of the Rules of Civil Procedure of Puerto Rico, 32 LPRA Ap. V, R. 68.1.

13.6 Written Notifications

All determinations made by the Program will be notified in writing. If an applicant believes any determination was made without being written, the applicant may request such decision be made in writing and duly substantiated.

13.7 Conflict of Interest

As stated in the Federal Register Vol. 83, No. 28 (February 9, 2018), 83 FR 5844, Federal regulations require that State grantees, in the direct Grant administration and means of carrying out eligible activities, be responsible with program administrative requirements, including those established in 24 C.F.R. §570.489(h) related to conflicts of interest.

Several federal and state conflict of interest laws can govern CDBG-DR assisted activities. Therefore, PRDOH has enacted the Conflict-of-Interest Policy and Standards of Conduct Policy (**COI Policy**) in conformity with the following applicable federal and state regulations:

1. HUD conflict of interest regulations, 24 C.F.R. § 570.611;
2. The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 C.F.R. Part 200 at § 200.112 and § 200.318 (c)(1);
3. Puerto Rico Department of Housing Organic Act, Act 97 of June 10, 1972, as amended, 3 LPRA § 441 *et seq.*;
4. The Anti-Corruption Code for the New Puerto Rico, Act No. 2-2018, as

- amended; 3 LPRA § 1881 *et seq.*; and
5. The Puerto Rico Government Ethics Office Organic Act, Act 1-2012, as amended. 3 LPRA § 1854 *et seq.*

The COI Policy outlines PRDOH's responsibility, in its role as grantee, to identify, evaluate, disclose, and manage apparent, potential, or actual conflicts of interest related to CDBG- DR funded projects, activities and/or operations. COI Policy is intended to serve as guidance for identifying apparent, potential, or actual conflicts of interest in all CDBG-DR assisted activities and/or operations. In accordance with 24 C.F.R. § 570.489, the COI Policy also includes standards of conduct governing employees engaged in the award or administration of contracts.

As defined in the COI Policy, a conflict of interest is a situation in which any person who is a public servant, employee, agent, consultant, officer, or elected official or appointed official of the PRDOH, or of any designated public agencies, or of Subrecipients that are receiving funds under the CDBG-DR Program may obtain a financial or personal interest or benefit that is or could be reasonably incompatible with the public interest, either for themselves, or with those whom they have business, or an organization which employs or is about to employ any of the parties indicated herein, or a member of their family unit during their tenure or for **two (2) years** after.

PRDOH will not tolerate such conflicts of interests. PRDOH, Program officials, their employees, agents and/or designees are subject to state ethic laws and regulations, including, but not limited to, the Act 1-2012, as amended, in regard to their conduct in the administration, granting of awards and program activities.

According to the Act 1-2012, no public servant shall intervene, either directly or indirectly, in any matter in which they have a conflict of interests that may result in their benefit. No public servant shall intervene, directly or indirectly, in any matter in which any member of their family unit, relative, partner, or housemate has a conflict of interest that may result in benefit for any of the above-mentioned. In the case that any of the abovementioned relationships has ended during the **two (2) years** preceding the appointment of the public servant, they shall not intervene, either directly or indirectly, in any matter related to them until **two (2) years** have elapsed after their appointment. This prohibition shall remain in effect as far as the beneficial ties with the public servant exist. Once the beneficial ties end, the public servant shall not intervene, directly or indirectly, in such matter until **two (2) years** have elapsed.

The above conflict of interest statement does not necessarily preclude PRDOH Program officials, their employees, agents and/or designees from receiving

assistance from the Program. On a case-by-case basis, PRDOH Program officials, their employees, agents and/or designees may still be eligible to apply and to receive assistance from the Program if the applicant meets all Program eligibility criteria as stated in this guideline. PRDOH Program officials, their employees, agents and/or designees should disclose their relationship with PRDOH at the time of their application.

The COI Policy can be directly accessed at <https://recuperacion.pr.gov/en/download/conflict-of-interest-and-standards-of-conduct-policy/> (English) and <https://recuperacion.pr.gov/download/politica-de-conflictos-de-interes-y-estandares-de-conducta/> (Spanish).

13.8 Citizen Participation

Throughout the duration of the grant, all citizen comments on PRDOH's published Action Plan, any substantial amendments to the Action Plan, performance reports and/or other issues related to the general administration of CDBG-DR funds, including all programs funded by this grant, are welcomed.

Citizen comments may be submitted through any of the following means:

- **Via phone:** 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
Attention hours Monday through Friday from 8:00am-5:00pm
- **Via email at:** infoCDBG@vivienda.pr.gov
- **Online at:** <https://recuperacion.pr.gov/en/contact-us/contact/>
(English)
<https://recuperacion.pr.gov/contactanos/contacto/>
(Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
P.O. Box 21365
San Juan, PR 00928-1365

The Citizen Participation Plan can be directly accessed at <https://recuperacion.pr.gov/en/citizen-participation/> (English) and <https://recuperacion.pr.gov/participacion-ciudadana/> (Spanish).

13.9 Citizen Complaints

As part of addressing Puerto Rico's long-term recovery needs, citizen complaints on any issues related to the general administration of CDBG-DR funds are welcome

throughout the duration of the grant. As grantee, PRDOH's responsibility is to ensure all complaints are dealt with promptly and consistently and, at a minimum, to provide a timely, substantive written response to every **written** complaint within **fifteen (15) business days**, where practicable, as a CDBG grant recipient. See 24 C.F.R. § 570.486(a)(7).

Citizens who wish to submit formal complaints related to CDBG-DR funded activities may do so through any of the following means:

- **Via email at:** CDBGResponde@vivienda.pr.gov
- **Online at:** <https://recuperacion.pr.gov/en/contact-us/complaints/>
(English)
<https://recuperacion.pr.gov/contactanos/quejas/>
(Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
Attn: Public and Community Affairs Division: Complaints
P.O. Box 21365
San Juan, PR 00928-1365

Although formal complaints are required to be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when PRDOH determines that the citizen's particular circumstances do not allow the complainant to submit a written complaint. However, in these instances, PRDOH shall convert these complaints into written form. These alternate methods include, but are not limited to:

- **Via telephone:** * 1-833-234-CDBG or 1-833-234-2324 (TTY: 787-522-5950)
- **In-person at:** * PRDOH Headquarters Office or Program-Specific Intake centers

*Attention hours: Monday – Friday from 8:00 a.m. to 5:00 p.m.

The Citizen Complaints Policy can be directly accessed at <https://recuperacion.pr.gov/en/download/citizen-complaints-policy/> (English) and <https://recuperacion.pr.gov/download/politica-sobre-presentacion-de-quejas/> (Spanish).

13.10 Anti-Fraud, Waste, Abuse or Mismanagement

PRDOH, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy

for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 83 FR 40314, PRDOH implements adequate measures to detect and prevent fraud, waste, abuse, or mismanagement in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the CDBG-DR/MIT Internal Audit Office, directly to the Office of Inspector General (**OIG**) at HUD, or any local or federal law enforcement agency.

The Anti-Fraud, Waste, Abuse, or Mismanagement Policy (**AFWAM Policy**) is established to prevent, detect, and report any act, or suspected act, of fraud, waste, abuse, or mismanagement of CDBG-DR funds. This Policy applies to all allegations or irregularities, either known or suspected, that could be considered acts of fraud, waste, abuse, or mismanagement, involving any citizen, previous, current, or potential applicant, beneficiary, consultant, contractor, employee, partner, provider, subrecipient, supplier, and/or vendor under the CDGB-DR Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY WITH CDBG-DR	
CDBG-DR Hotline	787-274-2135 (English/Spanish/TTY)
Postal Mail	Puerto Rico Department of Housing CDBG-DR/MIT Internal Audit Office P.O. BOX 21355 San Juan, PR 00928-1355
Email	hotlineCDBG@vivienda.pr.gov
Online	https://recuperacion.pr.gov/welcome/index.html https://recuperacion.pr.gov/app/cdbgdrrpublic/Fraud?culture=es-ES
In person	Request a meeting with the Deputy Audit Director of the CDBG-DR/MIT Internal Audit Office located at PRDOH's Headquarters at 606 Barbosa Avenue, Building Juan C. Cordero Dávila, Río Piedras, PR 00918.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY WITH HUD OIG	
HUD OIG Hotline	1-800-347-3735 (Toll Free) 787-766-5868 (Spanish)

Postal Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	HOTLINE@hudoig.gov
Online	https://www.hudoig.gov/hotline

The AFWAM Policy can be directly accessed at <https://recuperacion.pr.gov/en/download/afwam-policy/> (English) and [https://recuperacion.pr.gov/download-politica-afwam/](https://recuperacion.pr.gov/download/politica-afwam/) (Spanish).

13.11 Related Laws and Regulations

These Guidelines make reference to how the provisions of certain laws apply to the Program. However, other related laws may exist which are not included in these Guidelines. This does not negate or preclude the Program from applying the provisions of those laws, nor an applicant from receiving services, when applicable. Moreover, PRDOH can enact, or may have enacted, regulations that address how the laws mentioned in these Guidelines are managed. If there are any discrepancies between these Guidelines and the laws and/or regulations mentioned in them, then the latter will prevail over the Guidelines. If at any time the laws and/or the applicable regulations mentioned in these Guidelines are amended, the new provisions will apply to the Program without the need to amend these Guidelines.

13.12 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR. These Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; fair housing; among others. The requirements described in the above referenced Cross-Cutting Guidelines apply to all programs described in PRDOH’s CDBG-DR Initial Action Plan and its amendments.

The Cross-Cutting Guidelines can be directly accessed at <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> (English) and <https://recuperacion.pr.gov/download/guias-intersectoriales/> (Spanish).

14 Program Oversight

Nothing contained within these Guidelines is intended to limit the role of PRDOH, HUD, and/or corresponding authorities from exercising oversight and monitoring activities of the Program.

15 Severability Clause

If any provision of these Guidelines, or its application to any person, partnership, corporation, or circumstance, is deemed invalid, illegal, or incapable of being enforced to any extent by a competent court, the remainder of these Guidelines, and the application of such provisions, will not be affected. All valid applications of these Guidelines shall be severed from any applications deemed invalid, leaving the valid applications in full force.

END OF GUIDELINES.