



CDBG-DR

PROGRAM GUIDELINES

SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM



DEPARTMENT OF

HOUSING

GOVERNMENT OF PUERTO RICO

April 10, 2026
V.7

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PUERTO RICO DEPARTMENT OF HOUSING
 CDBG-DR PROGRAM GUIDELINES
SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM
 VERSION CONTROL

VERSION NUMBER	DATE REVISED	DESCRIPTION OF REVISIONS
1	March 10, 2020	Original version
2	March 26, 2020	Edits to Eligible Entities section to include for profit entities as authorized under 24 C.F.R. § 570.201(o).
3	April 28, 2020	Edits to the Eligible Costs section to clarify property acquisition eligibility. See additions in gray.
4	July 2, 2020	Edits to Eligible Entities section to include Municipal Governments.
5	July 20, 2021	Edits to the Program Description section to update allocation amount. Edits to the Duplication of Benefits Section. Edits to the General Provisions section. All edits have been highlighted in gray.
6	March 13, 2024	Edits were made throughout the document to include clarifying language regarding the business incubators and accelerators' purpose of the Program and national objective requirements. New sections were included regarding Environmental Review, Civil Rights and Non-Discrimination, Procurement, Program Closeout, Recapture, and other miscellaneous.
7	April, 10, 2026	Edits to the selection process of subrecipients to include direct selection modality. All edits have been highlighted in gray.

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1 Overview

Puerto Rico suffered island-wide damage as a result of Hurricanes Irma and María, which struck in September 2017 (the **Hurricanes**). A torrential downpour sustained winds of 155 miles per hour (**mph**), and gusts over 175 mph left the Island's infrastructure and economic systems crippled. In the wake of the Hurricanes, most residents were left without access to electricity, water, fuel, and basic communications. Many small businesses became immediately restricted in their ability to operate, leaving impacted residents without employment during a time of dire need.¹

Prior to the Hurricanes, Puerto Rico had already been facing economic contraction in the years leading up to the hurricane. Consequently, business development and entrepreneurship has been stifled in communities across the Island, leaving a wider decline for new businesses within the Puerto Rican island-based economy. As a response to the post-hurricane spike in unemployment, Puerto Rico recognizes that a blend of ideas, talent, capital, and a culture of openness and collaboration are all vital to nurturing an innovative business development ecosystem that drives long term recovery.

The strong correlation between entrepreneurship and its ability to drive economic innovation, employment growth, productivity, and wealth accumulation within communities is an area of unmet need.² New businesses need significant support in infrastructure and services to participate in the economic rebirth of the Island and efforts toward future resilience.

This resilience involves, among other things, complex interactions among entrepreneurs, investors, suppliers, universities, government entities, large existing businesses, and a host of supporting actors and organizations. The Small Business Incubators and Accelerators Program (**SBIA Program** or **Program**) provides services and physical spaces to support the development of Puerto Rico's small businesses

¹ Estudios Técnicos Inc., Industriales Puerto Rico, *Preliminary Estimate: Cost of Damages by Hurricane María*, October 6, 2017, <https://estadisticas.pr/files/inline-files/Preliminary%20Estimate%20Cost%20of%20Maria-1.pdf>

² *Concise Guide to Entrepreneurship, Technology and Innovation* 106 (David B. Audretsch, Christopher S. Hayter & Albert N. Link eds., 2015).

and entrepreneurs which are expanding economic opportunities for residents Island-wide.

1.1 Incubators and Accelerators

Small Business Incubators and Accelerators are organizational programs serving small and new businesses. They provide physical space, education, mentorship, access to capital investment, and technical assistance that supports entrepreneurial success and business sustainability.

A **small business incubator** assists small or new businesses by providing business development technical assistance services and/or programs in a physical space for a designated period. This initiative helps businesses get new ideas off the ground, reduce costs, and create economic activity.

A **small business accelerator** is a business development “boot camp” for small and new businesses with proven concepts in shorter time frames. Accelerators aims to launch viable ideas quickly and attract additional investment opportunities for the participants.

Incubators and Accelerators are not necessarily mutually exclusive, and a diversity of hybrid concepts have proven effective for small business development.

All business Incubators and Accelerators, however, share two (2) main goals:

1. To provide physical space and business resources at non-prohibitive costs to small and new businesses; and
2. To provide daily work in a shared, collaborative environment with access to mentoring services, professional networking, idea exchanges, hands-on management training/workshops, consulting, and technical assistance.

Incubators and Accelerators operate across all industry sectors and in a variety of facilities.

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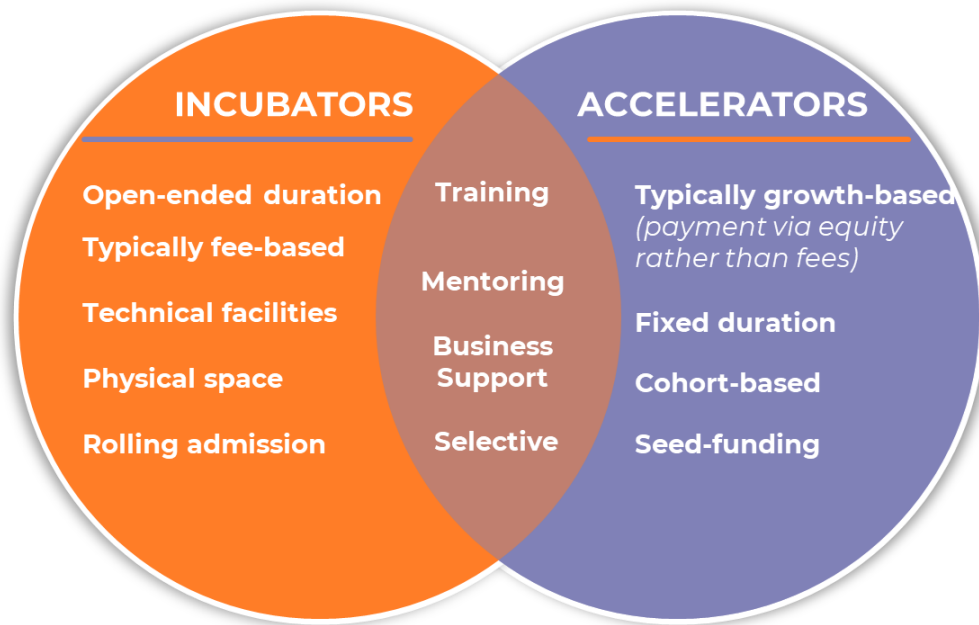


Figure 1. Incubator & Accelerator characteristics, Source: SBA.gov

2 National Objective

All activities of the Community Development Block Grant for Disaster Recovery (**CDBG-DR**) Program 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. § 5305. The Puerto Rico Department of Housing (**PRDOH**) anticipates that each Program's eligible activities will meet one of the below listed national objectives.³ PRDOH will work with entities who are funded through this Program to determine the national objective for each project according to 24 C.F.R. § 570.483 and listed here below:

- Benefit to low- and moderate-income persons (**LMI**) (24 C.F.R. § 570.483(b))
 - Area Benefit (24 C.F.R. § 570.483(b)(1))
 - An activity, the benefits of which are available to all the residents in a particular area, where at least 51% of the residents are LMI persons.
 - Limited Clientele

³ More information on CDBG LMI income limits can be found here: <https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

- An activity that benefits a limited clientele, at least fifty-one percent (51%) of whom are LMI persons. To ensure tracking and reporting compliance with the National Objectives, the SBIA Program Subrecipients must:
 - Require verifiable information on family size and income to program beneficiaries so that it is evident that at least fifty one percent (51%) of the clientele are persons whose family income does not exceed the low- and moderate-income limit established.
 - Have income eligibility requirements that limit the activity exclusively to LMI persons; or
 - Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be LMI persons.
- Urgent Need (**UN**) activities (24 C.F.R. § 570.483(d))
 - Activities designed to alleviate emergency conditions.
- Aid in prevention or elimination of Slums or Blight (**SB**) (24 C.F.R. § 570.483(c))
 - Activities that eliminate specific conditions of blight or physical decay on a spot basis and are not located in a slum or blighted area.

PRDOH has set a goal to expend thirty percent (30%) of SBIA Program funds on projects that result in a benefit to LMI individuals or that demonstrably serve LMI areas.

3 Program Description

The SBIA Program is overseen by PRDOH and implemented by eligible Subrecipients who are either directly selected by the Program or through a Notice of Funding Availability (**NOFA**) process, with a viable project application following one (1) of two (2) optional paths:

1. Technical Assistance Option

Includes only the first component listed below (**Option A**).

2. Technical Assistance + Construction Option

Includes both components listed below (**Options A & B**).

3.1 Technical Assistance (Option A)

Provides business development technical assistance programming related to the incubation/acceleration of small and new businesses and associated activities.

Examples of these services include:

- Technical assistance about:
 - Business basics
 - Entrepreneurship
 - Marketing
 - Accounting/financial management
 - Business etiquette
 - Regulatory compliance
 - Networking
 - Presentation skills
 - Business planning
 - Outreach plans/strategies targeting PR island demographics
 - Cooperative and/or Non-profit development
 - Business development
- Assistance in obtaining:
 - Exposure to strategic partners
 - Exposure to investors that provide initial seed money (angel investors)
 - Exposure to venture capital
 - Securing other financial resources
- The provision of ongoing business support and mentoring services includes regular and periodic support, advice, and recommendations for improvement.

3.2 Construction (Option B)

Provides small business incubation/acceleration space through rehabilitation, renovation, construction, or acquisition activities. The goal is to create diverse business incubators and accelerators throughout the Island and have adequate facilities for the above-listed technical assistance services so that they can expand and operate sustainably.

Examples include but are not limited to:

- Co-working and/or shared resource offices
- Affordable workspace and physical resources associated with making the space functional for small business development and operations
- Research or manufacturing spaces
- Computer-aided design (**CAD**) facilities
- Industrial kitchens
- Aqua/agricultural tech research and development (**R&D**) spaces
- Biotech/chemistry laboratories
- Green/renewable energy tech R&D

The Program will prioritize Applications that consider sustainability and climate resiliency in their incubator/accelerator build-outs. In addition, Applicants who will potentially become SBIA Program Subrecipients are encouraged to integrate rehabilitation and renovation of existing, unused, or blighted real estate. The Program will provide grants to organizations and entities that demonstrate, through an application, that they have experience operating and/or developing small business incubators and/or accelerators and associated programming. Furthermore, these services must serve Hurricane-affected populations on the Island while performing eligible activities outlined in these Guidelines and meeting one of the Program's national objectives.

PRDOH will issue a NOFA as the initial process in identifying organizations and entities to participate in the Program. After the NOFA process has closed and projects have been reviewed and selected, PRDOH will work with selected Subrecipients to refine their project Applications and inform them of options for procuring construction services needed to execute the construction-related program component.

Eligible incubators/accelerators are expected to submit a viable sustainability plan for operations after expending CDBG-DR funds. Applicants who will potentially become SBIA Program Subrecipients are encouraged to consider complementary funding streams in their project designs and include this in an Application to the Program, as

CDBG-DR funds can only be used on costs defined in these Guidelines and within the NOFA.

4 Award

The maximum amount for an individual grant award is two million five hundred thousand dollars (\$2,500,000). However, not all incubators and accelerators will receive the maximum amount. Additionally, PRDOH will consider exceptions to the maximum award amount for new and existing Subrecipients who have demonstrated compliance with capacity and performance measures. Funding through the Program will be based on organizational capacity as submitted in a project Application to the Program.

5 Roles

5.1 PRDOH

PRDOH is the administering entity for the SBIA Program. In this role, PRDOH administered the NOFA process to solicit and select applications from qualified incubator and/or accelerator entities. PRDOH may also evaluate and directly select qualified entities. Following the selection, PRDOH proceeds to execute Subrecipient Agreements (**SRA**) with selected entities and monitor performance throughout the grant's life cycle.

To ensure that Subrecipients perform eligible activities in compliance with applicable local and federal statutes and regulations, PRDOH has oversight authority and mechanisms to track Subrecipient progress and monitor performance. Under 2 C.F.R. Part 200, PRDOH monitoring of Subrecipients is required to ensure that:

- Subawards are used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions included in the SRA; and
- Subaward performance goals are achieved in a timely manner.

PRDOH will monitor the Subrecipient as necessary to guarantee that the use of allocated CDBG-DR funds is for authorized purposes and in compliance with Federal statutes and regulations, as well as with the terms and conditions of the SRA. PRDOH

may, at its discretion, choose to use affiliate government agencies to achieve any Program-eligible activities when performing a Subrecipient's duties is contrary to the terms and conditions of the SRA.

5.2 Subrecipients

Subrecipients are selected entities that responded to the original NOFA process with a viable application or are directly selected to sign an SRA with PRDOH. Subrecipients are responsible for project implementation under PRDOH's guidance and instruction, including executing the intake process to select the SBIA Program beneficiaries. Subrecipients are responsible for complying with CDBG-DR procurement processes, all milestone reporting and documentation requirements as per PRDOH Program policies, as well as all other applicable federal requirements and established PRDOH policies to execute all Program components effectively.

For more information about Subrecipients' responsibilities, please refer to the Subrecipient Management Policy available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/subrecipient-management-policy/> and <https://recuperacion.pr.gov/download/politica-para-el-manejo-de-subrecipientes/>.

6 Eligible Use of Funds

The SBIA Program originally provided CDBG-DR funding awards in the form of grants to non-profits and other eligible entities through a NOFA announcement. With Action Plan 16 direct selection became available. Funding must be used as outlined in these Program Guidelines, the NOFA, and the SRAs. All projects funded by the U.S. Department of Housing and Urban Development (**HUD**) must meet a national objective, as listed in these Guidelines, and meet at least one (1) eligible activity requirement as shown in this section. Entities must also agree to provide long-term operations, maintenance, and sustainability plans for facilities and services therein.

6.1 Eligible Entities

Entities eligible to respond to the NOFA as well as those identified through direct selection, include:

- NGO (26 U.S.C. § 501(c)(3)) or Not for Profit Entities;

- Community-Based Development Organizations;
- Public Institutions of Higher Learning (Universities);
- Administrative Agency or a Department of the Government of Puerto Rico (State Agencies);
- Municipal Governments;
- For Profit Entities as authorized under 24 C.F.R. § 570.201(o).

6.2 Eligible Activities

Eligible activities for the SBIA Program, per the HCDA, include one (1) or more of the following:

- Section 105(a)(15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities;
- Section 105(a)(17) for-profit assistance for economic development; and
- Section 105(a)(22) microenterprise assistance.⁴

6.3 Eligible Costs

Eligible activities for this Program include:

- Technical assistance related to small business incubation/acceleration as defined in these Guidelines;
- Operational costs including, but not limited to, utilities, maintenance, and equipment for incubators/accelerators and businesses;
- Architectural, engineering and design costs for construction related to rehabilitation or new construction of an incubator/accelerator space;
- Acquisition, preservation, renovation, rehabilitation, or construction of buildings for use as small business incubators/accelerators; and
- Non-Profit assistance, for-profit assistance, and microenterprise assistance.

⁴ More information on CDBG-DR eligibility requirements can be found in the following link:
<https://www.hudexchange.info/resource/3689/24-cfr-part-570-cdbg/>

7 Program Eligibility

Program funding may be used to enhance SBIA organizational programs and to retrofit or rehabilitate existing facilities for the Program to expand into. In some cases, projects may involve the construction of new facilities, particularly if additional, non-CDBG-DR funds are incorporated in the project. For rehabilitation and construction activities, Applications must demonstrate a funding need that is unmet and unattainable through non-federal sources.

Furthermore, applications will be evaluated on the level of quality of services to be provided to the incubator and accelerator participants and the viability of the proposed project overall. The Subrecipient is accountable to PRDOH for administrative or other types of responsibilities.

7.1 Baseline Eligibility Requirements

PRDOH originally awarded funds for this Program through the publication of a NOFA; however, it may now directly select Subrecipients. In order to be provided CDBG-DR funding, all projects must meet the following baseline requirements:

- Meet a HUD National Objective (see the National Objective section);
- Have CDBG-DR eligible activity (see the Eligible Activities section);
- Must be able to be completed by the date established in the SRA;
- Must have a tie to the Hurricanes and related to long-term recovery, restoration of infrastructure and housing, or economic revitalization related to the covered disaster. This information is captured in the Application process;
- Project is feasible and sustainable, and all other funding sources are firmly committed (see the Program Eligibility and Duplication of Benefits sections);
- The responsible entity for the Project must demonstrate in the Application process that it has the resources to ensure an ongoing operation, maintenance, and sustainability plan is established for facilities and services therein; and
- Must show that the project strives to implement green building standards, green business standards, sustainability, and resiliency measures.

7.2 Additional Eligibility Requirements

Subrecipients must also meet all the following conditions:

- Must be a business incubator/accelerator with proven capacity or have established business development curriculum;
- Must propose to viably provide space to house more than one small business or microenterprise for the duration of the grant;
- Incubator/accelerator must be located in Puerto Rico or commit to developing an incubator/or accelerator on the Island;
- Must be able to provide essential business development services and resources;
- Must have a plan to operate after the grant; and
- The Subrecipient is responsible for conducting the promotional efforts it deems appropriate to attract participants to its project; and
- Must have experience providing technical assistance to businesses.

7.3 Additional Consideration

PRDOH will score applications against several factors that are deemed critical to the execution and delivery of Program objectives. The below-listed criteria can give an Applicant extra consideration when integrated into project applications.

Eligible project applications should prioritize the following for extra consideration:

- Programs targeting higher populations of LMI clientele;
- Programs that have established relationships with local business service providers and local business support networks;
- Applications that prioritize rehabilitation over new construction; and
- Applications that incorporate resilience measures to allow for continuity of business operations in the event of power outages, natural disasters, or other disruptive events.

8 Monitoring

Entities receiving CDBG-DR assistance must submit progress reports as required by PRDOH and will also be subject to periodic monitoring site visits. The reports will be evaluated based on the Program requirements outlined in these Guidelines and specific reporting as required by the SRA.

9 Tie to the Hurricanes

Under this CDBG-DR allocation, HUD requires that all CDBG-DR-funded Programs have a tie to Hurricanes Irma and María. According to the Federal Register Vol. 83, No. 28 (February 9, 2018), 83 FR 5844, each municipal government in Puerto Rico was determined to constitute a “most impacted and distressed” area. In accordance with 83 FR 5844, “all CDBG-DR funded activities must clearly address an impact of the disaster for which funding was allocated.” Since the Hurricanes affected the whole Island, there is an imperative to bolster and rebuild the economy and businesses on the Island. This Program’s aim is to help businesses that may have been affected by the Hurricanes or that were born from a need or idea that was realized after the Hurricanes.

10 Grant Underwriting

PRDOH follows HUD guidelines as the financial underwriting framework for evaluating the feasibility of proposed projects. PRDOH recognizes that different levels of review are appropriate given the differences in size and scope of-proposed projects. In the case of a microenterprise or other small businesses, the differences in capacity and level of sophistication among entities of different sizes are considered.

HUD has developed guidelines designed to provide a framework for underwriting and selecting CDBG-assisted economic development projects that are financially viable and will make the most effective use of the CDBG funds. The objectives of the underwriting guidelines are to ensure all awarded entities meet the CDBG-DR Underwriting Criteria. As stated at 24 C.F.R. § 570.209(a), the underwriting guidelines ensure that:

1. Project costs are reasonable;
2. All sources of project financing are committed;
3. To the extent practicable, CDBG funds are not substituted for non-Federal financial support;
4. The project is financially feasible;
5. To the extent practicable, the return on the owner's equity investment will not be unreasonably high; and

6. To the extent practicable, CDBG funds are disbursed on a pro-rata basis with other finances provided to the project.

11 Program Application

PRDOH initially invited entities to submit Applications by issuing a NOFA. After the NOFA was issued, entities had a specified period to submit Applications detailing their projects and how they would meet the objectives of the SBIA Program. At the close of the NOFA period, PRDOH evaluated the Applications to determine their eligibility and alignment with the goals of the SBIA Program and the established evaluation criteria. As part of the original selection process through the NOFA, PRDOH published the selected projects on its website. However, PRDOH may now directly select Subrecipients when applicable. PRDOH collaborates with the selected entities through the remaining steps to successfully complete an SRA process.

11.1 NOFA Process

The following is a broad process outlined for the original SBIA Program Application solicitation:

1. PRDOH will inform the public that a NOFA to participate in the SBIA Program is open. After formally announcing the SBIA Program, PRDOH will post the NOFA to the PRDOH website and/or other outreach locations.
2. The NOFA will be posted for **sixty (60) calendar days**, the predetermined period for Applicants to submit their proposals.
3. After the Applications have been evaluated and selected, PRDOH will inform the selected Applicants and begin the post selection process outlined in NOFA.
4. Finally, PRDOH and the selected Program Applicant will execute the SRA.

Further guidance on specifics related to the Application and the selection-process was provided within the published NOFA. PRDOH, at its discretion, could have determined the final items to be provided in the NOFA which included additional information, criteria, and considerations for application selection. When the NOFA was released and published, it was posted to the PRDOH website.

11.2 Direct Selection Process

Considering Puerto Rico's need to develop small businesses for the Island's reconstruction, PRDOH may directly select eligible entities based on fund availability. PRDOH may approach one or more potential Subrecipients or extend the contracts of current Subrecipients who have achieved satisfactory outcomes with their CDBG-DR-funded projects. If PRDOH determines that a project is best implemented through a direct relationship with an eligible entity, it will coordinate with the entity as necessary.

12 Environmental Review

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**), as well as to the HUD environmental review regulations at 24 C.F.R. Part 58 on Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities.

Therefore, an environmental review process is required for all awards to be issued under the SBIA Program to ensure that the proposed activities do not negatively impact the surrounding environment and that the property itself will not have an adverse environmental or health effect on end users.

Specifically, section 24 C.F.R. § 58.22 on limitations of activities pending clearance, prohibits the commitment or spending of federal or non-federal funds on any activity that could have an adverse environmental impact or limit the choice of reasonable alternatives prior to completion of an environmental review. Environmental clearance must be obtained for each project prior to the commitment of federal or non-federal funds. A violation of this requirement may jeopardize federal funding for the SBIA Program and disallow all costs that were incurred before completion of the environmental review.

All Program awards must have documentation that they follow NEPA and other environmental requirements. Therefore, all projects shall have an Environmental Review Record (**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); (d) and the rejection of the proposed activities if all other options fail and it becomes the most prudent action to take.

Environmental reviews will be conducted concurrently with duplication of benefits (**DOB**) reviews, when feasible. Environmental reviews must be completed prior to determining Program assistance to be offered to an eligible Applicant.

For more information on Environmental Review, please refer to the Cross-Cutting Guidelines available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> and <https://recuperacion.pr.gov/download/guias-intersectoriales/>.

12.1 Environmental Level of Review

To conduct the appropriate level of environmental review, the SBIA 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 four major classifications of environmental review for projects:

- **Exempt Activities:** Those activities which are highly unlikely to have any direct impact on the environment.
- **Categorically Excluded Activities:** 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 Notice of Intent (**NOI**) or Request for Release of Funds (**RROF**) 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 RROF (including the publication of a NOI) is required.
- **Environmental Assessment**: Includes activities that could potentially have a significant impact on the environment. In addition to compliance with the laws and authorities at 24 C.F.R. § 58.5 and 24 C.F.R. § 58.6, environmental assessments must consider an array of additional potential impacts of the project, including a NEPA analysis. This environmental assessment requires publishing a Notice of Intent to Request Release of Funds (NOI/RROF) as well as a Finding of No Significant Impact (assuming such is found).
- **Environmental Impact Statement**: Those activities that require a detailed written statement required by Section 102(2)(C) of NEPA for a proposed major Federal Action significantly affecting the quality of the human environment. These statements are normally used for major housing (2,500 units or more) or infrastructure projects.

The level of environmental review for the SBIA 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 activities, categorically excluded activities, environmental assessment, and the environmental impact statement, as listed above. This will include considerations of whether or what type of construction 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.

12.2 Categorically Excluded Activities

Examples of categorically excluded activities not subject to related laws and authorities under 24 C.F.R. § 58.5 include: tenant-based rental assistance; supportive services; operating costs; economic development activities; activities to assist homebuyers to purchase existing dwelling units or units under construction; affordable housing predevelopment costs with no physical impact and Approval of

supplemental assistance (including insurance or guarantee) to a project previously approved under this part, if the approval is made by the same responsible entity that conducted the environmental review on the original project and re-evaluation of the environmental findings is not required under § 58.47. To complete environmental requirements for categorically excluded activities not subject to 24 C.F.R. § 58.5, the Program must make a finding of categorical exclusion and include such finding in the ERR. When these kinds of activities are undertaken, it is not required to issue a NOI or to RROF. In any case, environmental compliance is required for the items listed in 24 C.F.R. § 58.6.

Examples of categorically excluded activities subject to related laws and authorities under 24 C.F.R. § 58.5 include: acquisition, repair, improvement, reconstruction, or repair of public facilities; special projects directed toward the removal of material and architectural barriers; rehabilitation of buildings and improvements for residential units and non-residential buildings; an individual action on up to four (4) dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between; or an individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site⁵; acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same use or a combination of the aforementioned activities. The ERR for these activities must contain a written determination of the finding of a categorical excluded activity subject to 24 C.F.R. § 58.5, including a description of the project, a citation of the application of subsection 24 C.F.R. § 58.35(a), and written documentation as to whether there were any circumstances which required compliance with 24 C.F.R. §§ 58.5 and 58.6.

The documentation must support its determinations related to compliance including correspondence with applicable agencies having jurisdiction. Upon completion there should be one (1) of three (3) environmental findings: (1) the project converts to

⁵ This does not apply to rehabilitation of a building for residential use (with one to four units).

Exempt (i.e. 24 C.F.R. § 58.34(a)(12)); (2) the project invokes compliance with one or more of the laws and/or authorities and, therefore, requires public notification and approval from HUD; or (3) the unusual circumstances of the project result in a significant environmental impact and, therefore, compliance with NEPA is required. If upon completion it is determined that compliance is required for one (1) or more of the Federal laws and authorities listed in 24 C.F.R. § 58.5, then a **NOI/RROF** must be posted. After a **seven (7) day** comment period, a **RROF** and Environmental Certification must be prepared. The Environmental Certification certifies compliance with all environmental review requirements.

12.3 Activities Requiring an Environmental Assessment

These are activities **that** are neither exempt nor categorically excluded and, therefore, will require that the responsible entity prepare an Environmental Assessment documenting compliance with NEPA, HUD, and with environmental requirements of other applicable federal laws. Once the Environmental Review Process is completed and any public comments are appropriately addressed, the project may be found not to constitute an action that significantly affects the quality of the human environment and, therefore, does not require the preparation of an Environmental Impact Statement (**EIS**); or the project constitutes an action that significantly affects the quality of the human environment and, therefore, requires the preparation of an EIS. 24 C.F.R. § 58.40.⁶

If it is determined that the proposed action does not significantly affect the quality of the environment, then the SBIA Program will concurrently disseminate and/or publish a Combined Notice composed of the Finding of No Significant Impact (**FONSI**) and the **NOI/RROF** for a minimum public comment period of **fifteen (15) days**. The **Combined Notice** must be disseminated and/or published in the manner prescribed by 24 C.F.R. § 58.43 and § 58.45 before the FONSI (Environmental Certification), is signed by the responsible entity and sent to HUD with the RROF.

The RROF with the Environmental Certification or FONSI must be submitted to HUD after the public comment period for the Concurrent Notice has elapsed. HUD will not

⁶ See also 24 C.F.R. Part 58, Subparts F and G.

approve the RROF for any project before **fifteen (15) calendar days** have elapsed from the time of receipt of the RROF and the FONSI, or from the time specified in the Combined Notice published pursuant to 24 C.F.R. § 58.70, whichever is later. If no comments are received during this time, HUD will send a signed Authorization to Use Grant Funds (**AUGF**) and the project may proceed.

12.4 Certification of Exemption

Planning and administration activities associated with the SBIA Program have been determined to have an EXEMPT level of environmental review in accordance with 24 C.F.R. § 58.34 (a)(1)(3). Except for the applicable requirements of 24 C.F.R. § 58.6, PRDOH does not have to undertake any environmental review, consultation, or other action under NEPA, and the other provisions of law or authorities as listed in 24 C.F.R. § 58.5 for the activities associated with planning and administration activities related to the SBIA Program.⁷

Should PRDOH amend the SBIA Program to include other activities different from those exempted, a new determination of the level of environmental review will be performed and documented in the Program files. If any modification to the SBIA Program changes the level of environmental review required by the NEPA or HUD, future reviews should be performed in accordance with the new level of environmental review.

13 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.

⁷ 24 C.F.R. § 58.34 (a).

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 DOB include, but are not limited to:

- Certification that the 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 Applicants 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 DOB per Federal Register Vol. 84, No. 119 (June 20, 2019), 84 FR 28836.

The DOB guidance included in 84 FR 28836 (DOB 2019 Notice), updates the DOB 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. Provisions at 84 FR 45838, 45840, require CDBG-MIT Grantees to comply with the DOB requirements of 84 FR 28836. As such, the DOB policy outlined in these Guidelines follows the guidance issued in the 2019 DOB Notice.⁸

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)

⁸ 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 SBA, related to disasters that occurred from 2014 to 2017. FEMA, as per recent amendments to the Disaster Recovery Reform Act of 2018 (**DRRA**), Pub. L. No. 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.

and <https://recuperacion.pr.gov/download/politica-sobre-la-duplicacion-de-beneficios/> (Spanish).

14 Civil Rights and Non-Discrimination

As a Program receiving Federal CDBG-DR funding, the SBIA Program shall be implemented in a manner that does not deny any individuals the opportunity to participate in, access, or benefit from the Program on the basis of any federally or locally designated protected classes. Funded activities shall be designed and implemented in a manner that avoids disproportionate negative impacts on protected classes of people and vulnerable communities, is accessible to people with disabilities, and creates opportunities to address economic inequities facing communities. PRDOH has adopted several policies to which PRDOH, its Subrecipients, and all contractors must adhere in the design and implementation of CDBG-DR Programs.

All PRDOH CDBG-DR/MIT Program Policies are available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/resources/policies/general-policies/> and <https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

14.1 Fair Housing & Equal Opportunity Policy

The Fair Housing and Equal Opportunity (**FHEO**) Policy establishes requirements and protocols that have the goal of ensuring that all CDBG-DR/MIT Program activities are conducted in a manner which will not cause discrimination on the basis of race, color, national origin, religion, sex, disability, familial status, gender identity, sexual orientation, marital status, or age. Included in the FHEO Policy is a summary of all civil rights-related and anti-discrimination laws which must be complied with, strategies and requirements for the affirmative marketing of programs to potential participants, the handling of discrimination complaints, equal opportunity employment requirements, communication requirements, recordkeeping requirements, and other information critical for ensuring compliant design and implementation of the SBIA Program.

The FHEO Policy and all CDBG-DR/MIT Program policies are available in English and Spanish on PRDOH website at

<https://recuperacion.pr.gov/en/resources/policies/general-policies/> and
<https://recuperacion.pr.gov/recursos/politicas/politicas-generales/>.

14.2 Section 504 of the Rehabilitation Act, Americans with Disabilities Act (ADA), and Equal Employment Opportunity (EEO)

All entities receiving an award from the SBIA Program are required to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (**ADA**), and Equal Employment Opportunity (**EEO**) requirements in the execution Program activities. All facilities that are constructed or modified using CDBG-DR funds, the provision of public services, as well as employment practices, must comply with Section 504 and ADA to be accessible to persons with disabilities. Trainers and employers must comply with regards to employment requirements under these statutes as well as EEO.

14.3 Reasonable Accommodation Policy

Federally funded programs, such as the PRDOH CDBG-DR/MIT Program, are required to make reasonable accommodations and modifications for individuals with disabilities to avoid discrimination and ensure these individuals have an equal opportunity to access and enjoy the benefits of the Program. Requests for accommodations (changes to a rule, policy, practice, or service) and reasonable modifications (structural changes to a building or dwelling) most commonly arise in housing programs, however Section 504 applies to all federally funded programs and activities.

Any person with disability-related needs may submit a request for accommodation or modification to PRDOH, its Subrecipients, or contractors involved in the implementation of CDBG-DR/MIT Programs. PRDOH has established the Reasonable Accommodation Policy to guide individuals on how to submit a non-employment related request, and instruct PRDOH employees, Subrecipients, and contractors on how to receive and evaluate reasonable accommodation and modification requests. Any employment-related reasonable accommodation request should be directed to the individual's employer.

PRDOH and its Subrecipients will ensure that program participants are made aware of their right to request reasonable accommodations, and that every effort is made to

meet the disability-related needs of requesting individuals to the maximum extent feasible, so far as providing the requested accommodations or modifications is considered reasonable.

Pursuant to the regulatory requirements of 24 C.F.R. § 8.53(a), all Subrecipients who employ fifteen (**15**) or more individuals shall designate a Section 504/ADA Coordinator. These coordinators are responsible for ensuring 504/ADA-related compliance, including providing prompt and equitable resolution of any disability-related grievances or complaints.

The Reasonable Accommodation Policy is available in English and Spanish on PRDOH website at <https://recuperacion.pr.gov/en/download/reasonable-accommodation-policy/> and <https://recuperacion.pr.gov/download/politica-de-acomodo-razonable/>.

14.4 Language Access Plan (LAP)

PRDOH, its Subrecipients, and contractors are responsible for complying with the PRDOH Language Access Plan (**LAP**). The purpose of the LAP is to ensure meaningful access to federally assisted programs and activities for persons who as a result of national origin, are limited in their Spanish or English proficiency. The LAP provides concrete action steps that shall be followed by PRDOH, subrecipients, and contractors to ensure that appropriate language services are provided, and vital documents are translated and made available to potential and actual SBIA Program participants, as well as in outreach activities and the provision of funded services, in accordance with the LAP.

The LAP is available in English and Spanish on PRDOH website at <https://recuperacion.pr.gov/en/download/plan-de-acceso-al-idioma/> and <https://recuperacion.pr.gov/download/plan-de-acceso-al-idioma/>.

15 Procurement

All procurement transactions for work to be funded by CDBG-DR/MIT must be conducted in a manner providing full and open competition and in full compliance with the Uniform Guidance procurement requirements (2 C.F.R. Part 200, Subpart D).

These policies and procedures ensure Federal dollars are spent fairly and encourage open competition at the best level of service and price.

Consistent with federal standards, PRDOH adopted the Procurement Manual for the CDBG-DR, CDBG-MIT, and CDBG State Programs, Regulation No. 9506 of September 25, 2023. Accordingly, when procuring property and services under the grants, PRDOH will follow this Manual and its procedures. The document is available in English and Spanish on PRDOH website at: <https://recuperacion.pr.gov/en/download/procurement-manual-cdbg-dr-mit-program/> and <https://recuperacion.pr.gov/download/manual-de-adquisiciones-programa-cdbg-dr-mit/>.

However, procurement processes carried out by the Subrecipients must be in accordance with the provisions set out in 2 C.F.R. § 200.318 to 2 C.F.R. §200.327. Objective performances must be ensured, and unfair competitive advantages must be avoided (i.e., a contractor involved in the development of a procurement cannot compete for any such procurement).

Further guidance on specifics related to procurement will be included in the executed SRAs with the selected NOFA respondents and the directly selected entities.

16 Program Closeout

Program closeout is the process by which PRDOH determines that the program has been successfully completed. A program is deemed complete upon final review and/or inspection by PRDOH and, when applicable, the submission of proof that all agreed upon performance indicators have been reported as well as performance milestones met.

General requirements for closeout are as follows:

- All milestones have been met and deliverables submitted, and each in accordance with all requirements of this Program;
- All Program forms and reports required throughout the entirety of the Program processes have been duly completed and executed by the appropriate parties.

- All CDBG-DR funds used have been properly accounted for and reconciled with payments made to the Subrecipients;
- All payments have been issued to Subrecipients;
- Other requirements for closeout as established in subrecipient contracts have been met.

Outreach will be made to the subrecipients, if any additional information is necessary and pertinent for completion of Program close-out processes. Once all levels of quality control review are passed, the Subrecipients will receive a Closeout Notification and their individual contracts will be placed in a closeout complete status.

The Closeout Policy and all CDBG-DR/MIT Program policies are available in English and Spanish on PRDOH website at <https://recuperacion.pr.gov/en/download/closeout-policy/> and <https://recuperacion.pr.gov/download/politica-de-cierre/>.

17 Recapture

Instances may arise where a Subrecipient must return all or part of the awarded funding to the Program. The Program is responsible for recapturing funds were there is Duplication of Benefits, Scope of Work changes, ineligibility determination, substantial Program non-compliance, multiple awards are received from numerous programs, voluntary withdrawal, payment error or overpayment. Also, any violation of the AFWAM Policy will also result in a recapture of funds. All Subrecipient files will be reviewed and reconciled to ensure compliance with Program requirements and federal guidelines.

Once it has been determined that a Subrecipient must return funds to the CDBG-DR grant fund, the Subrecipient must repay the funds in a timely manner. All repayments shall be expected to be repaid in full as one lump sum amount. All funds recovered through recapture will be tracked in the Yardi Voyager system (**Yardi**) and returned to the CDBG-DR account or U.S. Treasury if the CDBG-DR grant has been closed out.

For more information about the PRDOH CDBG-DR/MIT Recapture Policy, see: <https://recuperacion.pr.gov/en/download/recapture-of-funds-policy/> (English) and <https://recuperacion.pr.gov/download/politica-de-recaptura-de-fondos/> (Spanish).

18 General Provisions

18.1 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 or directly selected entity only when exceptional circumstances not contemplated in these Guidelines, justify it. Such faculty will be exercised on a case-by-case basis in compliance with local, state, and federal requirements. PRDOH is in no way obligated to grant the Program benefits in said cases.

18.2 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 any other circumstances. If an amended version of these Guidelines is approved, the amended version fully supersedes all other previous versions and should be used as the basis for the evaluation of all situations encountered in the implementation and/or continuance of the SBIA 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.

18.3 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.

18.4 Extension of Deadlines

The Program could extend deadlines on a case-by-case basis. However, it may refuse to extend a deadline if such extension will jeopardize the Program’s completion schedule or the schedule of an individual construction project. This applies strictly to program deadlines or established program terms. Under no circumstances does the faculty to extend deadlines apply to the terms set forth in any applicable federal or state law or regulation, or to the terms established in these Guidelines, including - without limitation- those for requesting Program-Based Reconsideration, Administrative Review and/or Judicial Review.

18.5 Established Periods of Time

Unless otherwise specified, all established periods of time addressed in **this**, and all CDBG-DR/MIT 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.

18.6 Written Notifications

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

18.7 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/MIT assisted activities. Therefore, PRDOH has enacted the Conflict of Interest 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. Anti-Corruption Code for the New Puerto Rico, Act No. 2-2018, as amended, 3 LPRA § 1881 *et seq.*; and
5. Puerto Rico Government Ethics Act of 2011, 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/MIT funded projects, activities and/or operations. Said Policy is intended to serve as guidance for the identification of apparent, potential, or actual conflicts of interest in all CDBG-DR/MIT 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/MIT 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.

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

According to Act 1-2012⁹, 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 benefiting any of the above. In the case that any of the aforementioned relationships have 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 insofar the beneficial ties with the public servant exist. Once the beneficial ties end, the public servant shall not intervene, either 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 these Guidelines. PRDOH Program officials, their employees, agents and/or designees should disclose their relationship with PRDOH at the time of their application.

The COI Policy is available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/conflict-of-interest-and-standards-of-conduct-policy/> and <https://recuperacion.pr.gov/download/politica-de-conflictos-de-interes-y-estandares-de-conducta/>.

18.8 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/MIT 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)

⁹ Puerto Rico Government Ethics Act of 2011, Act 1-2012, as amended, 3 LPRÁ § 1854 *et seq*

Attention hours Monday through Friday from 8:00am-5:00pm

- **Via email:** infoCDBG@vivienda.pr.gov
- **Online at:** <https://recuperacion.pr.gov/en/contact/> (English)
<https://recuperacion.pr.gov/contacto/> (Spanish)
- **In writing at:** Puerto Rico CDBG-DR/MIT Program
P.O. Box 21365
San Juan, PR 00928-1365

The Citizen Participation Plan and all CDBG-DR/MIT Program policies, are available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/citizen-participation/> and <https://recuperacion.pr.gov/en/citizen-participation/>. For more information on how to contact PRDOH, please refer to <https://recuperacion.pr.gov/>.

18.9 Citizen Complaints

As part of addressing Puerto Rico's long-term recovery and mitigation needs, citizen complaints on any issues related to the general administration of CDBG-DR/MIT funds are welcome throughout the duration of the grant. It is PRDOH's responsibility, as grantee, to ensure that 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. §91.115 (h) and 24 C.F.R. § 570.486(a)(7).

Citizens who wish to submit formal complaints related to CDBG-DR/MIT 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/complaints/> (English)
<https://recuperacion.pr.gov/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 at*: 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 is available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/citizen-complaints-policy/> and <https://recuperacion.pr.gov/download/politica-sobre-presentacion-de-quejas/>.

18.10 Anti-Fraud, Waste, Abuse or Mismanagement

PRDOH, as grantee, is committed to the responsible management of CDBG-DR/MIT funds and thus maintains 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/MIT 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/MIT 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 acts, or suspected acts, of fraud, waste, abuse, or mismanagement of CDBG-DR/MIT funds. This Policy applies to any 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 CDBG-DR/MIT Program.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT TO PRDOH	
CDBG-DR/MIT 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	Filling out the AFWAM Submission Form available in English and Spanish at https://recuperacion.pr.gov/app/cdbgdrpublic/Fraud?culture=es-ES or https://recuperacion.pr.gov/app/cdbgdrpublic/Fraud
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 Davila, Río Piedras, PR 00918.

REPORT FRAUD, WASTE, ABUSE, OR MISMANAGEMENT DIRECTLY TO 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 is available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/afwam-policy/> and <https://recuperacion.pr.gov/download/politica-afwam/>.

18.11 Related Laws and Regulations

These Guidelines refer to how the provisions of certain laws apply to the Program. However, other related laws may exist which are not included here. 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 the Guidelines are managed. If there are any discrepancies between the Guidelines and the laws and/or regulations mentioned in them, 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 modify these Guidelines.

18.12 Cross-Cutting Guidelines

Some federal and local requirements apply to all programs funded by CDBG-DR/MIT. These Cross-Cutting Guidelines cover topics such as: financial management; environmental review; labor standards; acquisition; relocation; civil rights; fair housing; among others. The requirements described in the above referenced Cross-Cutting Guidelines apply to all programs described in PRDOH's CDBG-DR or CDBG-MIT Action Plan, as amended.

The Cross-Cutting Guidelines are available in English and Spanish on the PRDOH website at <https://recuperacion.pr.gov/en/download/cross-cutting-guidelines/> and <https://recuperacion.pr.gov/download/guias-intersectoriales/>.

19 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.

20 Severability Clause

If any provision of these Guidelines, or the application thereof to any person, partnership, or 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