



ADDENDUM NO.2
Notice of Funding Availability

Small Business Incubators and Accelerators Program

Community Development Block Grant-Disaster Recovery
Puerto Rico Department of Housing

CDBG-DR-NOFA-2020-01

This addendum consists of seventeen (17) digital size pages (8.5"x11").

This Addendum is hereby included in, and made part of, the Notice of Funding Availability CDBG-DR-NOFA-2020-01 for the Small Business Incubators and Accelerators Program dated March 26, 2020 (NOFA). All requirements and provisions of the amended NOFA for the Small Business Incubators and Accelerators Program under CDBG-DR shall remain in full force and effect except as amended by this Addendum.

In accordance with the NOFA, the Puerto Rico Department of Housing (PRDOH) is issuing this Addendum to address questions posed by prospective Applicants regarding the NOFA and provide responses related thereto.

NOFA Section 3.1:

Question#1: Are accelerators required to provide incubator space for small businesses?

Answer: While it is encouraged, Incubators and Accelerators are not required to provide incubator space. They are required to provide adequate space for participants to take part in the proposed programming that is outlined in their application.

Question #2: Can additional support and orientation services be offered to entrepreneurs who are not participating in the Incubation Program? All with a view to making it an entry route for the next groups to hatch.

Answer: If the business is not a part of the CDBG-DR funded program they should not receive services from the CDBG-DR programming. As for Orientation, Applicants are allowed to do outreach and marketing for its program, which can provide basic information, though not direct support.

Question #3: As stated, the funds can be used to provide technical assistance to small businesses and associated activities. Can associated activities include not for profits institutions that also incubate micro and small businesses?

Answer: Yes, these funds can be used by not for profit institutions that also incubate micro and small businesses.

NOFA Section 3.2:

Question #1: Are private higher education institutions eligible since they provide training in health areas, etc.?

Answer: For this program, if the private higher education institution is a non-profit entity they may be eligible. Private for-profit institutions of higher education may be eligible if they meet the criteria set forth in 24 C.F.R. § 570.201(o).

Question #2: On the other hand, is a 501(c)(3) that has worked on employability and training projects eligible to present a proposal for microenterprise development under provision 24 C.F.R. § 570.20 (o)?

Answer: Yes, 501(c)(3) Organizations are eligible to apply.

NOFA Section 3.4:

Question #1: For organizations without a negotiated indirect cost rate, can they still request indirect costs? If so, how is that determined?

Answer: No, organizations without a negotiated indirect cost rate may not request indirect costs.

Nevertheless, if a subrecipient has never received a negotiated indirect cost rate with a Federal entity, they may negotiate an indirect cost rate directly with PRDOH or elect a de minimis rate of ten percent (10%) of modified total direct costs which may be used indefinitely, in accordance with Federal cost principles established in 2 C.F.R. part 200; subpart E.

If the entity previously had a negotiated indirect cost rate, the rate must be re-negotiated directly with PRDOH to recover indirect cost.

If the entity has a current negotiated indirect cost rate, the rate should be submitted to PRDOH for approval.

All indirect cost rates are subject to the approval of PRDOH.

Question #2: Is the acquisition of property considered eligible?

Answer: The acquisition of property is considered eligible provided it meets all the requirements outlined in the Guidelines and all regulations included within. The acquisition cost should be included in the total cost of the proposed construction project.

Question #3: Is rehabilitation funding exclusively for hurricane damages and/or to comply with Environmental Review?

Answer: Rehabilitation funding can be used on any building or structure that will be used solely for the administration of the incubator or accelerator program. It must comply with all Environmental Reviews and regulations as outlined in the program Guidelines.

Question #4: If selected companies are not from the area where accelerator/incubator is located, can they use money for lodging? Can some type of support be provided to offset travel and per diem costs, without it being a participation stipend as such?

Answer: As per section 3.4 Eligible Use of Funds of the SBIA NOFA, reimbursement is available for subrecipient staff salaries, benefits, supplies, and travel costs that are directly associated with implementing the Program. Meaning subrecipient travel may be reimbursed if it is directly related to implementing the program. Participating organizations travel will not be reimbursed. This program is to provide services to the participating organizations, not financial support to the participating organizations.

NOFA Section 3.7:

Question #1: How long does reimbursement take?

Answer: The invoicing period can take approximately from forty-five (45) to ninety (90) days for reimbursement.

NOFA Section 3.10:

Question #1: "PRDOH has established policy guidelines to ensure compliance with 24 C.F.R. § 85.36(e), which set goals of ten percent (10%) WBE and ten percent (10%) MBE of the total contract amount for all contracts over ten thousand dollars (\$10,000.00) for goods or services, and define affirmative steps as part of implementation of contracting opportunities with MWBEs. It is required that Applicants have an approved Utilization Plan be in place before the project is awarded and approved. Efforts taken to contract or subcontract with MWBEs should be documented. Waiver requests will be considered commensurate with the amount of the contract and the level of efforts taken."

Is this mandatory? If we do not have an approved Utilization Plan for MWBE or an approved Section 3 plan in place, what assurances or documentation do we need to provide in the application to demonstrate that we will have such a plan in place before a project is awarded?

Answer: Yes, Minority and Women owned business enterprise participation and Section 3

goals are mandatory as part of federal requirements outline in 24 C.F.R. part 135¹ and 2 C.F.R. § 200.321² for any entity using CDBG-DR funding. All entities who will be contracting and hiring new staff to complete this project should keep these goals in mind when sourcing contractors and when hiring new staff.

PRDOH will provide templates and training for Utilization Plans for MWBE and Recipient Section 3 plans. Reporting on these two (2) compliance areas – Section 3 and MWBE is mandatory for all subrecipients of CDBG-DR funding.

The PRDOH Civil Rights Compliance team will work with awarded applicants by providing training, workshops, and technical assistance to ensure all entities can complete these documents prior to signing the Subrecipient Agreement and assisting with all requirements after signing the Subrecipient Agreement.

Question #2: Which groups is the Department of Housing considering minorities in Puerto Rico?

Answer: The PRDOH considers the following as minorities: African American, Asian American, Hispanic American, Native American, Hasidic Jew, Persons with disabilities, or other individuals who can prove social and economic disadvantage.

NOFA Section 4.2:

Question #1: The Secretary explained that the guides may change, therefore they must be constantly reviewed. What happens if we submit two weeks before the deadline and in that course there are changes in the guidelines?

Answer: If changes are made to the Guidelines or NOFA before the closing of the application period, PRDOH will notify the public on the CDBG-DR website. If the changes effect a potential application PRDOH will review and provide guidance on a case-by-case basis.

NOFA Section 4.5:

Question #1: When and where will the exhibits be made available? Specifically, Exhibits A-J as referenced in the NOFA.

Answer: The Exhibits are available on the SBIA page of the CDBG-DR website.

- *For the English version, visit: <https://cdbg-dr.pr.gov/en/small-business-incubators-and-accelerators/>*
- *For the Spanish version, visit: <https://cdbg-dr.pr.gov/incubadoras-y-aceleradoras->*

¹ <https://files.hudexchange.info/resources/documents/24-Cfr-Part-135-Section-3-Regulations.pdf>

² https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=267b5a0cd62db48f3ac88dfd19bc945&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1321

de-pequenas-empresas/

NOFA Section 5.1:

Question #1: If the current stay-in-place order is extended, will the requirements of a physical signature in blue ink on documents AND/OR the forms requiring notarization be delayed taking into account that partners may not be able to gather to physically sign and/or notarize documents? Could an electronic signature be accepted as a temporary replacement?

And

If you choose to submit a proposal for technical assistance and construction, you must comply with a section of the guide that requires evidence of engineering work (plans, design, and others). Given the limitation that by Executive Order some activities within that field are restrictive, how can we submit the information required for the date of May 26 as part of the proposal?

Answer: Given the current situation, PRDOH understands that some planning documents and signatures may be difficult to finalize. PRDOH asks that Applicants provide all information to the best of their ability. If the Applicant is unable to provide required information due to limitations by the Executive Order, please provide an explanation.

Question #2: In terms of content / narrative of the proposal, is there a page limit?

Answer: There is not a page limit as this Application will be submitted online. However, each question is separated and will have a limit of ten thousand (10,000) characters.

Question #3: Is the line spacing requirement 1.5 or 1.15? The NOFA lists both? Do charts and tables also have to be in 12 point font, 1.5 spacing?

Answer: The spacing requirement is one and one-half (1.5). It is preferred for charts and tables to be in 12-point font and one and one-half (1.5) spacing, but not mandatory.

NOFA Section 6.2:

Question #1: Is it possible to register a non-profit organization for this purpose or is this NOFA only for existing companies?

Answer: New organizations, as described in section 3.2 Eligible Applicants of the NOFA, are eligible for this program.

Question #2: If it is possible to register a new company, how were the following requirements met?

Answer: PRDOH recommends that Applicants explain the experience and expertise provided by their staff and the proposed efficacy of their training program and curriculum to meet this need. It is recommended to provide resumes for all key staff in this scenario.

NOFA Section 6.3:

Question #1: Should the timeframe provided in the application be for a five (5) year period or a three (3) year period?

Answer: The execution schedule will be implemented over a period of five (5) years through Subrecipient Agreements for a term of three (3) years that will include an option to extend the agreement based on the programmatic execution of the organization.

PRDOH asks that applications provide a schedule that extends the full five (5) years of their program.

However, please note that the term of the Agreement cannot exceed the lifetime of the initial Grant Agreement, unless the term of the initial Grant Agreement is extended by HUD, in which case the term of the Agreement cannot exceed the extension³.

Question #2: As this is a 5-year project, can services be phased in the work plan? For example, starting with some particular activities in the early years and then evolving and adding others? Clarifying that all activities (initial and subsequent) will be described and budgeted in the proposal?

Answer: Yes, that is acceptable.

Question #3: In the hypothetical case in which an applicant includes in his proposal both the technical assistance component and the facilities component. And assuming that your technical assistance proposal is competitive and meets the minimum of sixty (60) points, but the facilities part does not meet the minimum score. Could you approve this proposal only for the technical assistance component?

Answer: Yes, provided that the technical assistance proposal can run without the proposed construction or rehabilitation.

Question #4: Are there particular or anticipated metrics in terms of the percent of success of the participating businesses, how that success is measured (for example, turnover, business plans developed and approved by funding sources, total investments or loans generated, jobs created, etc.)?

Answer: As each program will be providing a unique offer, there are no set success

³ The initial Grant Agreement was executed on September 20, 2018 for a period of six (6) years.

measures for the beneficiary business. Applications should state how Applicant measures success at the end of each program cycle and what it will use to measure this during the course of the program.

Question #5: Likewise, are there specific or anticipated metrics in terms of the average cost per business incubated, to determine the reasonableness of the project and its budget?

Answer: As each program will be providing a unique offer, there are not set metric for cost of business incubated. Applications will be reviewed against each other and reviewed against the total program budget. All costs must be necessary and reasonable, in accordance with cost principles established in 2 C.F.R. part 200; subpart E. In the application, please state, as accurately as possible, how much it costs for each business to go through the program and justify costs as needed.

Question #6: How important is the availability of other sources of financing in the evaluation of the proposal, either to co-finance project activities; or complementary services that collaterally promote the success of the participants and the achievement of their objectives?

Answer: Identifying other funds is not a requirement for the Program. However, if Applicant is able to demonstrate other sources of funding (realized or potential) or collateral promotions or programming, please elaborate them in the proposal as they will be positively considered.

Question #7: Are there any match requirements?

Answer: No, there are no match requirements.

NOFA Section 7.4:

Question #1: "Confidentiality of Responses and Proprietary Information. Upon completion of the NOFA, PRDOH may publish its report regarding the qualification and selection process. Due to the nature of this NOFA, some confidentiality or proprietary claims cannot be assured. Provision of any information marked as confidential or proprietary shall not prevent PRDOH from disclosing such information if required by law. The ultimately awarded Agreement(s) and all prices set forth therein shall not be considered confidential or proprietary and such information may be made publicly available. All the information (trade secrets, proprietary, or confidential information) submitted as part of this NOFA will be made available to HUD, the U.S. Office of Inspector General, or any other Federal or state agency that requires said information for Program evaluation and compliance purposes."

Q: Does this mean the PRDOH can publish our proposal?

Answer: PRDOH may elect to publish proposals after awards have been made since the complete NOFA file is a public document, although it has not been PRDOH's practice in previous NOFAs. Applicants may choose to submit a redacted copy along with the original application for publication purposes, if publication is needed. For the purpose of clarity, "redacted copy" refers to a copy of the application that has been modified, edited, or revised and any confidential or sensitive information has been removed. The PRDOH reserves the right, without limitations, to make public the redacted copies of the applications at the conclusion of the NOFA process. If a redacted copy is not submitted by an Applicant, the PRDOH will assume that the original copy of the Application can be made public. Applications containing substantial contents marked as confidential or proprietary may be rejected by the PRDOH.

Program Guidelines Section 1:

Question #1: Can an entity apply with more than one proposal if it's eligible? Can more than one grant be awarded to the same entity for different proposals?

Answer: Yes, an entity may submit more than one proposal, though PRDOH recommends submitting a single proposal since multiple services can be included in one application for the same organization. The entity however cannot receive more than two million five hundred thousand dollars (\$2,500,000) in funding through the SBIA Program, including future program offers.

Program Guidelines Section 1.1:

Question #1: How does the PRDOH define small businesses? Is there a particular time in the market requirement or size of operations, for example?

Answer: The SBIA Program follows the standards provided by the Small Business Administration of the Federal Government. More information can be found here: <https://www.sba.gov/federal-contracting/contracting-guide/basic-requirements>

Question #2: Does the program curriculum need to be structured on a daily basis as opposed to a weekly or monthly basis?

Answer: Curriculums may be based on a daily, weekly, or monthly basis. The goal of the program is to support organizations that have a proven structure. When completing the application, Applicants should explain the structure of its program in the clearest way possible.

Question #3: Will this program favor incubators/accelerators focused on supporting traditional businesses or more innovation/technology-oriented businesses?

Answer: This program looks to support all relevant businesses in Puerto Rico, both traditional and technological, and any other sector that can show a need and a market

for the people of Puerto Rico.

However, as stated in the SBIA Program Guidelines, 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.*

Program Guidelines Section 2:

Question #1: In the instance of LMI persons, is it expected that the founders of the businesses being incubated/accelerated are LMI persons?

Answer: PRDOH will take into consideration if an owner of a beneficiary business is LMI but it is not required. Each business will be required to provide income information on all existing jobs/positions and all jobs/positions created during the incubation or acceleration program. PRDOH will determine whether each position meets the LMI requirements, which will be reported to HUD.

Question #2: Are entities who are funded through this program expected to collect and document that information regarding the national objective? If so, is there a specific format to do so?

Answer: Yes, each beneficiary business will be required to provide income information for existing and newly created jobs at the beginning and the end of their respective programs to capture both LMI and non-LMI jobs created. The necessary forms and training will be provided before programs begin.

Question #3: Are LMI measured against the region's (Puerto Rico) median income?

Answer: LMI will be measured against HUD's Puerto Rico Income Limits for CDBG-DR programs which are updated annually. FY 2020 Income Limits can be found here.
<https://www.hudexchange.info/resource/5334/cdbg-income-limits/>

Question #4: Can the entrepreneurs supported be from other countries, or not necessarily US citizens, as long as they are operating in Puerto Rico and demonstrably impact LMI areas?

Answer: The program beneficiaries are required to be either US Citizens or permanent residents.

Question #5: Is the expectation for the designed program for small businesses to hire at least 51% of LMI persons and benefit at least 51% of LMI clientele? Will we be measured for both or separately?

Answer: A primary goal of the SBIA Program is to assist businesses that will retain or create jobs, at least 51% of which will be held by LMI persons. However, it is not a mandatory requirement for each individual program participant.

Question #6: As long as the population impacted by the supported businesses have the target LMI percentage, should the entrepreneurs that are part of the supported companies also be represented in this ratio? This would significantly limit the potential for innovation, the number and types of businesses that could be supported, and even the support that can eventually be provided for hurricane recovery and to the LMI populations of interest.

Answer: A primary goal of the SBIA Program is to support LMI individuals and communities. However, each beneficiary business or entrepreneur is not required to meet LMI criteria.

Question #7: Do applicants have to identify which of three (3) national objectives they will meet in the application?

Answer: Applicants are not required to identify which of the three (3) National Objectives they will meet. The final determination will be made by PRDOH based on information provided in the NOFA application and through the ongoing reporting process.

Program Guidelines Section 3.2:

Question #1: Will proposals from a specific area in Puerto Rico be favored? Or are applications from anywhere on the island favored?

Answer: No. The SBIA Program's aim is to support all businesses and individuals across the island of Puerto Rico, including both urban and rural areas. Each application will be evaluated based on its individual merits, including the population expected to be assisted by the program.

Question #2: "The Program will prioritize Applications that consider sustainability and climate resiliency in their incubator/accelerator build outs."

What does prioritize mean here? Is it in terms of selection criteria or percentage of companies in the cohort focused on those fields?

Answer: In terms of selection criteria, Program Applications that will involve construction or renovation of a building are encouraged to consider sustainability and climate resiliency, along with meeting the Environmental Requirements outlined in the NOFA.

Question #3: "Eligible incubators/accelerators are expected to submit a viable sustainability plan for operations after CDBG-DR funds are expended."

Does this mean highlight potential alternative funds or revenue streams for operations to continue after CDBG-DR funds are used?

Answer: Yes, if applicable, an applicant should provide a proposed plan of potential other funds or revenue streams for the sustainability of the program after the CDBG-DR funding has ended.

Question #4: "Applicants are encouraged to consider complementary funding streams in their project designs and include this in an Application to the Program as CDBG-DR funds

How detailed should this be? An agreement already in place for matching funds or alternative funding? Or demonstrate willingness and ability to do so?"

Answer: The SBIA Program is looking for organizations that can show sustainability in the short term and long term, including the ability to leverage funding to improve program results. This can be demonstrated by providing details on existing agreements. For those organizations that do not currently have agreements in place, a description of potential sources of funding may be provided, if applicable.

Question #5: Can a consortium of organizations, or organizations working with partner agencies, submit an application with a lead agency providing the required legal documentation?

Answer: There should be one entity as the applicant. Applicants are welcome to support their programming using partner agencies. The agreement with PRDOH will be with one agency. That entity will be required to establish and provide evidence of agreements with all partner entities.

Program Guidelines Section 5:

Question #1: Can funds be used to for example, buy equipment and materials for prototyping? If the answer is no, could equipment and materials be rented with the program funds?

Answer: All equipment purchases must be directly tied to the administration of this program and must be pre-approved by PRDOH. All purchases must also comply with PRDOH procurement policies, including disposition of the equipment upon the completion of the program, and 2 C.F.R. part 200.

Program Guidelines Section 5.2:

Question #1: "Eligible activities for this Program, per the Housing and Community Development Act of 1974, are Sections 105(a)(15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities, and 105(a)(17) for-profit assistance for economic development, and 105(a)(22) microenterprise assistance."

Q: Can PRDOH clarify if the eligible activity refers to the activity that the applying entity is performing (i.e., an incubator/accelerator has to perform either of these 3 activities?)

Answer: The eligible activity will be determined by PRDOH for each entity based on the NOFA application. All applications that meet the requirements of the program will meet one of the eligible activities.

Program Guidelines Section 5.3:

Question #1: "Non-Profit assistance, For-profit assistance, and Microenterprise assistance."

Q: Can PRDOH expand on the type of assistance and purchases for these items?

Answer: This activity refers to the types of organizations the incubator or accelerator may be assisting. The eligible expenses for the program are not tied to the eligible activities.

Program Guidelines Section 6:

Question #1: "Applications must demonstrate a funding need that is unmet and unattainable through non-federal sources."

Q: It is difficult to prove a negative, can PRDOH be more specific on this point?

Answer: For services provided, applicants should demonstrate that the new or expanded services have not been previously provided due to a lack of funding sources. For construction-related projects, applicants must demonstrate a gap in project financing, evidenced by a denial from a traditional financing source, or a commitment letter for funding that does not cover all project costs.

Program Guidelines Section 6.1:

Question #1: "Must show that project strives to implement green building standards, green business standards, sustainability, and resiliency measures."

Q: Is there a limit or percentage of program funds used to rehabilitate office space or building to meet this requirement?

Answer: The SBIA Program does not have a defined limit or percentage of funds used to construct or rehabilitate an office space or building. However, the space is required to be used for the sole purpose of carrying out the CDBG-DR funded technical assistance programming described in the project application.

Question #2: "Must show that project strives to implement green building standards, green business standards, sustainability, and resiliency measures."

Q: How does PRDOH define sustainability as it relates to business?

Answer: As stated in the Puerto Rico Disaster Recovery Action Plan published by the PRDOH⁴:

Construction performed under the programs will adhere to the Puerto Rico Codes 2018, Regulation No. 9049, as amended. Exceptions may be reviewed on a case by case basis. Importantly, the Code includes requirements regarding earthquake loads. This is vital as Puerto Rico must build structures that are resilient not only for hurricanes and wind, but for seismic activity as well. This is consistent with the goal of protecting people and property from harm; emphasizing high quality, durability, energy efficiency, sustainability, and mold resistance; supporting the adoption and enforcement of modern and/or resilient building codes and mitigation of hazard risks, including possible sea level rise, high winds, storm surge, and flooding, where appropriate; and implementing and ensuring compliance with the Green Building standards as follows.

The Green Building Standard means that PRDOH will require that all applicable construction meets an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC-700 National Green Building Standard, (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite), (vi) the "Permiso Verde," or (vii) any other equivalent comprehensive green building program acceptable to HUD. PRDOH will identify which Green Building Standard will be used in the program policies and procedures, as per HUD requirements.

Program Guidelines Section 6.3:

Question #1: "Applications that incorporate resilience measures to allow for continuity of business operations in the event of power outages, natural disasters, or other disruptive events."

Does this section refer to business operations of the program or of the participating small businesses?

⁴ See page 18.

Answer: This refers to the business operations of the incubator or accelerator applying to the construction funding portion of the SBIA Program.

Program Guidelines Section 7:

Question #1: Are there Progress Report templates we can see before submitting an application?

Answer: There are no templates available before submitting an application. If an Application is selected, these documents will be available before signing the Subrecipient Agreement.

Question #2: Which data points are expected to be reported periodically? Which are expected to be reported after a cohort? Which are expected after program funding ends?

Answer: Invoices are expected to be submitted on a monthly basis. As part of the supporting documentation to process and approve the invoice a subrecipient will submit a Monthly report that will include current status of a program and beneficiary. After each cohort reporting will include a report of funding spent during the cohort as well as a report of all completed program requirements by the beneficiary business. As the program ends, we will collect a report of all funding spent, invoicing, any required program monitoring, and final information, including closeout requirements, on all beneficiaries that completed the program.

Program Guidelines Section 8:

Question #1: Are businesses supported by this program (incubated/accelerated) required to be hurricane/resiliency-themed? Or is it sufficient to have been established after the hurricane, as a result of loss of a job, a particular necessity, etc.?

Answer: No, beneficiary businesses are not required to be resiliency themed. It is sufficient to have been established after the hurricane, as a result of loss of a job, a particular necessity, etc.

Question #2: Will there be additional considerations for applications that target industries that were most impacted? For example: Retail and Restaurants were one of the most impacted, while financial services were least impacted. Will there be more consideration if the entity supports these entities versus others, or will that not be under evaluation?

Answer: There will not be additional considerations for application that target industries such as retail or restaurants. However, the application should explain the importance of the industries and business types to be assisted. If applicable, the justification should be supported with external research or case studies.

Program Guidelines Section 11:

Question #1: Is the environmental review described applicable only to projects that incorporate construction? Must an Environmental Review be posted before submitting our application or will this occur after being selected?

Answer: SBIA Program Applications will be subject to a level of environmental determination based on project activity. This review and determination (based on project Application) will be made prior to the development of the Subrecipient Agreement. The environmental review (based upon that level of environmental determination) will then be required prior to receiving funding.

Question #2: Is the Environmental Review based exclusively on the construction and facilities where the program will be held?

Answer: Yes, the Environmental Review is based on the construction and facilities where the CDBG-DR funded program will be held.

Question #3: Is the Environmental Review based on program activities proposed in the application?

Answer: Yes, the Environmental Review will be based on program activities proposed in the application.

Question #4: Is the Environmental Review based on business activities proposed by the participating small businesses?

Answer: No, the Environmental Review will be based on business activities proposed by the Incubator or Accelerator that is applying for the program, not for the participating small businesses.

Program Guidelines Section 12:

Question #1: Does this mean that if the business participating in accelerator/incubator already received other Federal Aids for other programs or projects they cannot apply or be penalized? Or, if an applicant received disaster recovery aid for other programs or projects but those have already been expended, are those funds considered a possible duplicate?

Answer: This program does not provide funding to the individual businesses. Applicants will need to provide evidence that there is no duplication of funding for programs funded using CDBG-DR funds.

Program Guidelines Section 13.7:

Question #1: How is conflict of interest defined? What does it entail?

Answer: As stated in Section 13.7 of the Program Guidelines:

As defined in the Conflict of Interest Policy and Standards of Conduct⁵, 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.

Such conflicts of interests will not be tolerated by PRDOH. PRDOH, Program officials, their employees, agents and/or designees are subject to state ethic laws and regulations, including, but not limited to the Puerto Rico Government Ethics Act of 2011, Act 1-2012, as amended, in regard to their conduct in the administration, granting of awards and program activities.

OTHER Questions:

Question #1: How are the effects on business caused by the COVID-19 pandemic considered? Can or should they even support the need for funds?

Answer: No, the funding for this program is for CDBG-DR programming specifically tied to the aftermath of Hurricanes María and Irma of 2017.

Question #2: The Secretary of Housing participated in the Resident Commissioner's Webinar and indicated that in the case of the Job Training Proposal, advancement can be requested; Thus, in the case of Incubators / Accelerators, is it possible to request an advance?

Answer: As per section 3.7 Cost Limitations of the SBIA NOFA, the Program provides direct reimbursement of costs associated with eligible activities defined in the SBIA Program Guidelines and in this NOFA.

Question #3: Are there any restrictions, or in suffix, any recommendations on possible sources of interim financing to support the repayment process? Are the costs of interim financing reimbursable or recoverable in the funds awarded for housing? Are other types of supportive aid permitted, such as transportation vouchers, childcare credits/vouchers/services, or support for uniforms, professional clothing, or meals for

⁵ Available at <https://www.cdbg-dr.pr.gov/en/download/conflict-of-interest-and-standards-of-conduct-policy/>

participants during training hours?

Answer: No, as stated above, this is a reimbursement program and eligible costs are those that are explained in the NOFA and Program Guidelines and that will be approved in the final budget for each subrecipients. Financing Costs are not an eligible expense.



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San Juan, Puerto Rico
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