Contents
FREQUENTLY ASKED QUESTIONS ................................................................................................................ 4

GENERAL QUESTIONS ................................................................................................................................. 4
Q: Do I qualify to apply for the Re-Grow Puerto Rico Urban and Rural Agriculture Program? 4
Q: What are the eligible uses of RE-GROW PR Program funds? What does this aid cover? 4
Q: What is the maximum financial grant? What is the minimum? 4
Q: Can emerging businesses apply for the RE-GROW PR Program? 5
Q: How long do I have to apply? 5
Q: Where do I find the application? 5
Q: Can you help me complete my application? 5
Q: If my business received a Small Business Administration loan, insurance proceeds or other funds, could I receive funds from this RE-GROW PR Program? 5
Q: Once I apply, how can I get the status of my application? 5
Q: How long does it take for a grant to be approved? 6
Q: If my application is approved, how will the grant be issued to my business? 6
Q: When will the use of the grant be allowed? 6
Q: What documents will be required during the grant application process? 6
Q: Do I need to submit a business plan? 6
Q: If I have filed for bankruptcy before, could I qualify for a RE-GROW PR Program grant? 7
Q: Does my current and past credit history affect grant eligibility? 7
Q: I submitted the application, but I did not have all the required documents available due to the government lockdown caused by Covid-19. Will my application be rejected for lack of these documents? 7

ELIGIBILITY ........................................................................................................................................ 7
Q: Please clarify the definition of small and medium-sized farming operations for program eligibility. 8
Q: What happens if the entity has other sources of income that are not directly related to the farm operation? Some examples are training and capacity building services, agritourism activities, lease of equipment, etc. 8
Q: Please clarify how non-profit organizations qualify considering the “farming operation” requirement which states the following: 8

Farming operation means a business enterprise engaged in the production of agricultural products, raw materials, or livestock, operated by a person, legal entity, or joint operation that is eligible to receive payments, directly or indirectly, under one or more of the programs specified in 1400.18. A person or legal entity may have more than
one farming operation if such person or legal entity is a member of one or more joint operations. .......................................................... 8

Q: Do hemp farms qualify for funding? ........................................................................................................... 8

Q: If a private university has agricultural programs where they conduct agricultural operations and have an annual gross income from that operation less than $350,000, can they participate in the program? Does the program need to be independent of the University? .............................................................................................................................................................................. 8

Q: Do the entities that provide agrotourism activities qualify? ................................................................................. 9

Q: Would a person who moves products with a refrigerated vehicle for a farm be able to apply? .................................................................................................................................................................................................................................................................................................................. 9

Q: Is an emerging business that focuses on backyard development for agricultural production eligible? .................................................................................................................................................................................................................................................................................................................. 9

Q: Is it required that 51% of production and 51% consumption be local? .............................................................. 9

Q: Does the commercial fishing license count as "Evidence of Agricultural Handling Capacity"? ................................. 9

Q: If a business uses imported materials to manufacture a local food product that is locally sold and consumed, does that qualify as a local production? .................................................................................................................................................................................................................................................................................................................. 9

Q: Does the purchase of used equipment or vehicles qualify as an eligible cost? .............................................. 9

PROPERTY PURCHASE AND LEASING .......................................................................................... 9

Q: Do leasing agreements required in the application as supporting documents for entity locations need to comply with the 15 years minimum term stated in the guidelines under the Eligible costs section? Please confirm if the requirement also applies to other agreements requested in the application. .................................................................................................................................................................................................................................................................................................................. 10

Q: If the subsidy will be used for the purchase or rental of land, will there be a minimum of that land to be used for agricultural production? Can you acquire the land for multiple uses? .................................................................................................................................................................................................................................................................................................................. 10

Q: Is an appraisal required for the purchase of land? ........................................................................................................... 10

Q: Can a person use the grant to purchase land that has apartments? ................................................................................. 10

OTHER DEBT/ASSISTANCE .............................................................. 10

Q: If an applicant has an outstanding SBA loan (Disaster or PPP), can Re-Grow funding be used to pay the loan? How can federal loans affect eligibility for the program? .................................................................................................................................................................................................................................................................................................................. 10

Q: In step #3, section "Duplication of Funds" in the question: "Check any assistance granted to the requesting entity in response to the passage of Hurricanes Irma and Maria 2017. Provide the total amount granted and benefit detail for each financial assistance received. " Provide the following alternatives: .................................................................................................................................................................................................................................................................................................................. 10

AWARD CALCULATION/ELIGIBLE USE OF FUNDS/QUOTES ........................................................................ 11

Q: If the entity has an established income of less than $10,000 per year; how it would affect the award determination? .................................................................................................................................................................................................................................................................................................................. 11

Q: Can a fisherman request a boat? ................................................................................................................................. 11

Q: Can production supplies be cows? .................................................................................................................................................................................................................................................................................................................. 11
FREQUENTLY ASKED QUESTIONS

Q: Is it allowable to purchase eligible items now and be reimbursed once the grant is approved? .................................................................11

Q: When there are no more than 1 or 2 suppliers offering any PR service or equipment, is it mandatory to submit all 3 quotes? There are some companies that offer a letter of exclusivity in relation to their services. Can this replace the requirement to submit all 3 quotes? ........................................................................................................11

Q: Can US quotes include freight, taxes, and delivery? .................................................................................................................................11

Q: Is it required that both the business and the 25% or more owner be physically located in Puerto Rico? .................................................................................................................................12

Q: Does the purchase of parts to repair existing equipment qualify as an eligible cost? Can repair services be included? .................................................................................................................................12

TECHNICAL ASSISTANCE.................................................................................................................................12

Q: If a person is interested in technical assistance, specifically in obtaining a timely certification in agriculture in either PR or EU, can it be requested and how would the process be able to be applied for? .................................................................................................................................12

OTHER .........................................................................................................................................................................................12

Q: Can the administrator who is not necessarily part of the entity’s owners fill out the application (the entity is not a non-profit organization)? If so, the information in the application in the profile and education part would be that of the administrator/legal representative or that of one of the owners? .................................................................................................................................12

Q: If an entity, after receiving the grant, sells its estate, what happens to the proceeds? .................................................................................................................................13

Q: How long do farmers have to make use of the funds after they are approved? .................................................................................................................................13

For additional questions, you can call 787-936-7755 or write to info@regrowpr.org
FREQUENTLY ASKED QUESTIONS

GENERAL QUESTIONS

Q: Do I qualify to apply for the Re-Grow Puerto Rico Urban and Rural Agriculture Program?
A: Entities eligible to apply for and receive grants and technical assistance through the program will be farmers, agricultural enterprises, and small and medium sized organizations as defined by the United States Department of Agriculture (USDA): operations with annual gross income of less than three hundred and fifty thousand dollars ($350,000). In addition, these entities must be involved in "Agricultural Operations" as defined in the grant. Farms and agricultural enterprises may be pre-existing, re-launched or in the start-up stage, including:
   - Farms and/or farmers with small and medium operations, within the different agricultural disciplines enterprises that support the activities and production of small farms and farmers
   - Producers, manufacturers, distributors, or suppliers of food dedicated to the local production or distribution of food
   - Community organizations involved in food production or distribution
   - Agricultural micro-enterprises (five (5) employees or less)

Q: What are the eligible uses of RE-GROW PR Program funds? What does this aid cover?
A: RE-GROW PR funds can be used for:
   - Agricultural infrastructure
   - Agricultural equipment and tools
   - Production Supplies
   - Production transport and harvesting vehicles
   - Land (must be purchased or insured through long-term agricultural lease)

   Refer to section 4.3 on page 13 of the Program Guidelines for more details on eligible costs.

Q: What is the maximum financial grant? What is the minimum?
A: The minimum grant is $25,000. The maximum amount is $150,000.
Q: Can emerging businesses apply for the RE-GROW PR Program?
A: Businesses that started new operations after Hurricane Irma and/or Hurricane Maria may be eligible, as well as existing and restarted businesses.

Q: How long do I have to apply?
A: The application is available at www.regrowpr.org. The closing date will be determined by the availability of funds.

Q: Where do I find the application?
A: The application is available online at www.regrowpr.org.

Q: Can you help me complete my application?
A: Customer service staff is available to provide guidance and technical assistance via phone or email. You can contact us at 787-936-7755 or info@regrowpr.org.

Q: If my business received a Small Business Administration loan, insurance proceeds or other funds, could I receive funds from this RE-GROW PR Program?
A: Yes, there is a possibility that your business could receive funds from the RE-GROW PR Program for unmet needs. Financial assistance granted by another source for the same purpose that the RE-GROW PR Program serves, will be considered a duplication of benefits. As part of the evaluation process, the Puerto Rico Science, Technology and Research Trust will assess whether an unmet need exists based on the amount of damage or loss the business suffered from the hurricane and will debit duplicate assistance from other sources. The remaining balance, if any, will be considered the unmet need. For additional questions, please review the Program Guidelines posted at https://www.cdbg-dr.pr.gov/ or www.regrowpr.org.

Q: Once I apply, how can I get the status of my application?
A: Once you submit your application via the internet, the system will issue an email confirmation. Secure this confirmation. The Review Officer (to be assigned to the applicant once the application is submitted) will contact you to advise you of the progress of the case evaluation, the missing documents and the next steps to be taken.
Q. **How long does it take for a grant to be approved?**
A. The assessment process consists of several phases of verification, evaluation, and analysis. The period will vary according to the additional information required in the different phases of review and the promptness with which it is submitted. An average estimated timeframe is 3 to 6 months.

Q. **If my application is approved, how will the grant be issued to my business?**
A. If an application is approved, the process for signing a Grant Agreement will begin. The Grant Agreement will define the terms and commitments of the grant.

Q. **When will the use of the grant be allowed?**
A. The Grant Agreement will describe the terms and conditions of the grant awarded, including the schedule of benefit use, and required reporting.

Q. **What documents will be required during the grant application process?**
A. Access https://cdbg-dr.pr.gov/ and www.regrowpr.org to find the Program Guide which indicate the required documents. Please note that the PR Science, Technology and Research Trust may request additional documents during the review process of your application.

**CLARIFICATION:** For Fishing Operators, Vessel Registration and/or Fishing Statistics are acceptable as an alternative to documentation of the lease, ownership or purchase of any property that is part of the commercial operation. The Program Guidelines are being amended to include such clarification.

Updated: March 16, 2021

Q. **Do I need to submit a business plan?**
A. Start-ups or entities that propose to expand their agricultural activities must submit a complete business plan as part of the required documents. All entities under these categories must select the start-up category in the application to provide the business plan. At a minimum, the business plan must include Executive Summary, Business Description, Market Analysis, Strategy and Implementation, Organization and Team Management and Financial Plan and Projections.
Existing or re-initiated entities with documented revenues will not need to submit a formal business plan at the initial stage of the application. Please note that the Science, Technology and Research Trust may request additional documents during the application review process.

Q. **If I have filed for bankruptcy before, could I qualify for a RE-GROW PR Program grant?**
A. Entities or owners who are currently in bankruptcy or foreclosure proceedings are not eligible for assistance under RE-GROW PR.

Q. **Does my current and past credit history affect grant eligibility?**
A. Credit reports from owners with 25% or more ownership interest in the business will be used to determine the status and financial viability of the business. For non-profit entities, no credit reports will be required.

**Clarification:** A language error was identified in the English version of the Program Guidelines in section 6.1.4. The language error states, "Owners with over twenty-five percent (25%) ownership must have a credit score above 550". The language is being revised to reflect the Program guidelines and the language used in other sections, which states that credit reports of owners with 25% or more ownership will be used.

Q. **If I need help restructuring or refinancing, are there any options available to me?**
A. The RE-GROW PR Program does not provide funds to refinance or restructure existing debt.

Q. **I submitted the application, but I did not have all the required documents available due to the government lockdown caused by Covid-19. Will my application be rejected for lack of these documents?**
A. A representative from the PR Science, Technology and Research Trust will contact you shortly to discuss any information required to complete your application and to guide you through the next steps.

**ELIGIBILITY**
Q: Please clarify the definition of small and medium-sized farming operations for program eligibility.
A: The USDA definition used to determine eligibility states the following: *Farm size is measured by annual gross cash farm income (GCFI), a measure of the farm's revenue (before deducting expenses) that includes sales of crops and livestock, payments made under agricultural federal programs, and other farm-related cash income including fees from production contracts.*

Q: What happens if the entity has other sources of income that are not directly related to the farm operation? Some examples are training and capacity building services, agritourism activities, lease of equipment, etc.
A: Eligibility is determined by annual gross farm income, which is agricultural-related revenue before deducting expenses. If an applicant entity has non-agricultural related income, that revenue will not be included in the calculation.

Q: Please clarify how non-profit organizations qualify considering the “farming operation” requirement which states the following: *Farming operation means a business enterprise engaged in the production of agricultural products, raw materials, or livestock, operated by a person, legal entity, or joint operation that is eligible to receive payments, directly or indirectly, under one or more of the programs specified in 1400.18. A person or legal entity may have more than one farming operation if such person or legal entity is a member of one or more joint operations.*
A: Per the program guidelines, the non-profit must be generating revenue from an activity that is agriculturally based.

Q: Do hemp farms qualify for funding?
A: The objective of the program is to increase food production and products. All agricultural production funded through the program must be food related. Crops that are solely for textiles are not eligible.

Q: If a private university has agricultural programs where they conduct agricultural operations and have an annual gross income from that
operation less than $350,000, can they participate in the program? Does the program need to be independent of the University?

A: Per the program guidelines, eligible entities must be small or medium agribusinesses, food producers, manufacturers, distributors or suppliers of local food production or distribution. Community based organizations engaged in these activities are also eligible. The entity must meet one of these definitions and must also be an independent entity from the university to apply.

Q: Do the entities that provide agrotourism activities qualify?
A: Farming operations of an agrotourism business that meet the eligibility criteria may be eligible.

Q: Would a person who moves products with a refrigerated vehicle for a farm be able to apply?
A: Yes, the distribution of agricultural products is considered a business that supports the agricultural economy.

Q: Is an emerging business that focuses on backyard development for agricultural production eligible?
A: Yes, if you meet all eligibility elements and submit an agricultural business plan as would be required of any other start-up business.

Q: Is it required that 51% of production and 51% consumption be local?
A: No, 51% of production or consumption must be local.

Q: Does the commercial fishing license count as "Evidence of Agricultural Handling Capacity"?
A: Eligible fisherman may submit their documentation. If necessary, you may be asked to provide additional documents.

Q: If a business uses imported materials to manufacture a local food product that is locally sold and consumed, does that qualify as a local production?
A: Yes, as long as it complies with local production or consumption 51% requirement.

Q: Does the purchase of used equipment or vehicles qualify as an eligible cost?
A: YES

PROPERTY PURCHASE AND LEASING
Q: Do leasing agreements required in the application as supporting documents for entity locations need to comply with the 15 years minimum term stated in the guidelines under the Eligible costs section? Please confirm if the requirement also applies to other agreements requested in the application.
A: The 15-year minimum lease term is required in all cases in which property is being leased to start or expand operations or in which funds are being used to make improvements to the leased property.

Q: If the subsidy will be used for the purchase or rental of land, will there be a minimum of that land to be used for agricultural production? Can you acquire the land for multiple uses?
A: The land must be leased or purchased for a minimum of 15 years or purchased. The program will only fund the portion of the land that is used for agriculture. Applicants will need to provide the purpose and amount of the land dedicated to the agricultural business activity.

Q: Is an appraisal required for the purchase of land?
A: Yes, an appraisal is required to confirm the value of the land. Additionally, three comparable land quotes are required.

Q: Can a person use the grant to purchase land that has apartments?
A: The program will only fund the portion of the land that is used for agriculture. Applicants will need to provide the purpose and amount of the land dedicated to the agricultural business activity.

OTHER DEBT/ASSISTANCE

Q: If an applicant has an outstanding SBA loan (Disaster or PPP), can Re-Grow funding be used to pay the loan? How can federal loans affect eligibility for the program?
A: CDBG-DR funds cannot be used to repay or pay down any existing debt, including SBA or other federal loans. Applicants are not precluded from eligibility for this program due to an outstanding SBA loan. However, the outstanding loan must be in good standing and may be considered a duplication of benefits if the use of funds is the same.

Q: In step #3, section "Duplication of Funds" in the question: "Check any assistance granted to the requesting entity in response to the passage of Hurricanes Irma and Maria 2017. Provide the total amount granted and benefit detail for each financial assistance received. **" Provide the following alternatives:
• Federal government assistance
• Assistance granted by nonprofits
• Assistance granted by private organizations
• Not applicable

However, it does not present the option of "Local Government Assistance" meaning the Puerto Rico Housing Department or PR Department of Agriculture. In this case, what option should the participant select?
A: The applicant should choose federal government assistance and specify the source of assistance. Option will be included in the application.

Q. If the farmer has a mortgage modification plan and is not bankrupt, could he be eligible for the program?
A: The applicant must be in good standing with the debtor in order to be eligible for the program. If the applicant is in default or has missed payments, the credit score may be affected as well.

AWARD CALCULATION/ELIGIBLE USE OF FUNDS/QUOTES

Q: If the entity has an established income of less than $10,000 per year; how it would affect the award determination?
A: The applicant would be eligible for the program at the lowest tier. The approved award amount will be based on feasibility and cost reasonableness as part of the underwriting process.

Q: Can a fisherman request a boat?
A: The purchase of a boat is an eligible expense and may be approved based on feasibility and cost reasonableness as part of the underwriting process.

Q: Can production supplies be cows?
A: Yes, the purchase of livestock that is necessary for operations is eligible.

Q: Is it allowable to purchase eligible items now and be reimbursed once the grant is approved.
A: No, the program will not reimburse pre-award costs.

Q: When there are no more than 1 or 2 suppliers offering any PR service or equipment, is it mandatory to submit all 3 quotes? There are some companies that offer a letter of exclusivity in relation to
their services. Can this replace the requirement to submit all 3 quotes?

A: Three quotes are required to confirm a reasonable cost for each purchase requested through the program. Web-based quotes are acceptable. Specialized items that are sold through a limited number of vendors may be considered for an exception to this standard.

Q: Can US quotes include freight, taxes, and delivery?
A: Yes

Q: Is it required that both the business and the 25% or more owner be physically located in Puerto Rico?
A: Yes

Q: Does the purchase of parts to repair existing equipment qualify as an eligible cost? Can repair services be included?
A: No, parts, services, working capital, and labor are not funded through the program.

TECHNICAL ASSISTANCE

Q: If a person is interested in technical assistance, specifically in obtaining a timely certification in agriculture in either PR or EU, can it be requested and how would the process be able to be applied for?
A: Currently, the technical assistance available is focused in helping to complete the application. Once other services are added, they will be announced.

OTHER

Q: Can the administrator who is not necessarily part of the entity's owners fill out the application (the entity is not a non-profit organization)? If so, the information in the application in the profile and education part would be that of the administrator/legal representative or that of one of the owners?
A: Ideally, the owner or one of the owners with 25% or more of the business should fill out the application (in case it is not a non-profit organization). However, if the owners provide power of attorney to the business administrator, it is in the will of the owners to do so; with the exception that the owners will be giving the representative the power to sign on their behalf the consents required by the owners in the
application. All information provided in the application should be applicable to the applicant business and its owners.

Q: If an entity, after receiving the grant, sells its estate, what happens to the proceeds?
A: The awardee must comply with the program guidelines and all terms of the grant agreement, including compliance with the use of funds. Any property or equipment purchased with program funds must be used for the intended purpose for a minimum of five years or the proceeds must be returned to the program.

Q: How long do farmers have to make use of the funds after they are approved?
A: It will be determined in the award agreement based on the requested use of funds.