

Grantee: Virgin Islands

Grant: B-17-DM-78-0001

September 1, 2018 thru December 31, 2018 Performance



Grant Number:

B-17-DM-78-0001

Obligation Date:**Award Date:****Grantee Name:**

Virgin Islands

Contract End Date:**Review by HUD:**

Original - In Progress

Grant Award Amount:

\$242,684,000.00

Grant Status:

Active

QPR Contact:

Antoinette Fleming

LOCCS Authorized Amount:

\$242,684,000.00

Estimated PI/RL Funds:**Total Budget:**

\$242,684,000.00

Disasters:

Declaration Number

FEMA-4340-VI

FEMA-4335-VI

Narratives

Disaster Damage:

Hurricanes Irma and Maria had a devastating impact on the United States Virgin Islands (hereafter referred to as the U.S. Virgin Islands or the Territory). The two back-to-back Category 5 storms in September 2017 caused significant destruction to housing, infrastructure, and the economy; the total damage is estimated at \$10.76 billion. The entire population—over 100,000 residents—was impacted by the devastation brought on by the storms, with winds of over 185 miles per hour and up to 20 inches of rain in some areas. Irma crossed the islands as a windstorm tearing the roofs off buildings in her path; Maria came behind and caused water damage to all of the unprotected structures in the St. Thomas and St. John district, while inflicting severe damage on St. Croix. The devastation brought by the 2017 storms was staggering. Five Virgin Islanders lost their lives to the storms. Thousands of residents were displaced and over 85% of households reported damage to their homes, with many structures rendered uninhabitable. Most residents had no potable water or electricity for weeks. At its peak, 95% of the Territory was without power and 90% of customers lost internet access due to damage to telecommunications infrastructure. The main airports on St. Croix and St. Thomas were closed for two weeks due to extensive damage to facilities, and all seaports were shut down for three weeks due to the sinking of over 400 vessels in and around the islands during the hurricanes. Roadways experienced washouts, debris, mudslides, and downed power lines. In total, the storm created more than 825,316 cubic yards of debris—more than local landfills could handle. Many government offices were rendered unusable, impacting the delivery of vital government services for several weeks. All primary healthcare facilities were left in need of reconstruction, while hundreds of patients had to be evacuated off-island to receive critical medical attention. Almost all public schools were damaged and according to the U.S. Virgin Islands Department of Education, 17 schools—half of all public schools in the Territory—suffered more than 50% damage to their facilities. Today, several months after Irma and Maria, their effects continue to disrupt the lives of Virgin Islanders. None of the dialysis patients evacuated from the Territory have been able to return for lack of adequate medical care infrastructure and 9,000 public school students (nearly 60% of all K-12 students enrolled) attend school on a reduced schedule due to limited classroom space. In addition, the economy as a whole has been slow to recover. This is most evident in the tourism sector, the single most important stream of revenue for the Territory, with most of the large hotels significantly damaged and still closed for repairs. Based on the FEMA IA data as of March 30, 2018, the Territory estimates that approximately 22,527 households sustained some damage to their primary residences from one or both hurricanes, representing 52% of all housing stock on the islands. Of the 22,527 households that were impacted, 5,175 suffered Major or Severe damage; of these, approximately 2,362 are the owners' primary residences and 2,813 are renter-occupied homes. Current data also indicate an additional 11,827 owner-occupied residences and 5,525 rental units sustained minor damage.

Recovery Needs:

Housing

The total impact on housing, including rental and public housing, is estimated at \$2.29 billion with 86% of households that suffered "major" or "severe" damage occupied by LMI households. To date, \$1.25 billion has been disbursed from federal and other sources of funds. CDBG-DR is to be used as the funding of last resort to address the remaining unmet needs of \$1.04 billion.

The Territory has created programs in this Action Plan to affirmatively further fair housing. When gathering public input, planning, and implementing housing related activities, VIHFA and its subrecipients will include participation by neighborhood organizations, community development organizations, social service organizations, community housing development organizations, as applicable, as well as members of each distinct affected community or neighborhood which might fall into the



assistance category of low- and moderate-income communities. Addressing the housing needs of impacted residents is a priority to ensure housing stock is increased and housing quality is improved.

Infrastructure

Both storms also had a widespread and lasting impact on the Territory's infrastructure. Total needs for infrastructure are quantified at \$6.93 billion, which includes estimated costs of emergency recovery measures; permanent repair and reconstruction work; and resilience and mitigation efforts. The Territory has identified multiple disaster-related infrastructure priorities that must be addressed, and which directly support housing needs. Residents not only suffered from direct damage to their homes from the hurricanes, but also endured the loss of critical services such as power and water due to damaged public infrastructure. The impact on many of these systems affect the speed in which heavy equipment can get up roads to rebuild homes and restore essential services like power. FEMA Public Assistance (PA) and other federal disaster relief funds will help to address many of these needs. To date, \$1.05 billion has been obligated for infrastructure recovery, leaving unmet infrastructure needs of \$5.87 billion. As mentioned above, some federal disaster recovery funds, including FEMA PA, require a "local match" contribution, which is currently anticipated to reach over \$500 million. The current known match requirement is \$81 million. From the first tranche, the Territory plans to leverage \$50.6 million to cover the local match for a variety of programs, including public housing.

Economic Development

Hurricanes Irma and Maria not only damaged thousands of housing units and large portions of the U.S. Virgin Islands' infrastructure network; the two storms also brought the economy to a halt and caused major fiscal, business, and wage losses. These losses further set back the ability of small business owners and workers to rebuild businesses and homes. One of the most severe economic effects of the storms has been the loss of government revenue, driven primarily by sharp declines in gross receipts and property tax receipts. The cumulative loss of public revenue is expected to reach \$576 million by 2020. Businesses in the U.S. Virgin Islands also suffered significant losses as a result of the 2017 storms that go well beyond damages to commercial property or lost inventories. The interruption of business and the challenges of recovery have led to large losses in revenue for small businesses as well as lost wages, especially for low- and moderate-income workers. This is particularly true for tourism, which is estimated to make up to 30% of the economy with indirect impacts on 80% of the economy. The storms brought tourism to a sudden halt, with all airports and seaports closing for several weeks due to the storms. Even when the ports reopened, tourism remained low because of a lack of accommodations (a result of disaster-caused damage to hotels) and the perception that the islands were completely decimated. Including lost government tax revenue, the total impact of the storms on the Territory's economy is estimated at \$1.54 billion.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$48,536,800.00
Total Budget	\$125,623,015.00	\$48,536,800.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		6.73%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$36,402,600.00	\$0.00
Limit on Admin/Planning	\$12,134,200.00	\$0.00
Limit on Admin	\$48,536,800.00	\$0.00
Most Impacted and Distressed Threshold (Projected)	\$194,147,200.00	\$48,536,800.00



Overall Progress Narrative:

QPR SUMMARY FOR 4THQUARTER 2018:

1st allocation

Since the 2017 storms impacted the Territory, the CDBG DR Program has not implemented any planned programs. However, significant progress has been made towards developing policies and procedures that will chart the direction and objectives of the housing, infrastructure and economic development programs. It is our intension to launch programs within the second quarter of Fiscal year 2019.

Program Operation

HUD signed a Grant Agreement on September 27, 2018, allocating \$242,684,000.00; which represent the first tranche of disaster recovery funds for the Territory.

In order to effectuate the Territory's recovery efforts in the most effective manner, the CDBG-DR Program partnered with other units of the U.S. Virgin Islands Government to carry-out many of the planned recovery programs. Realizing many of the partners had little or no experience with CDBG and CDBG-DR, an orientation was held on October 30, 2018 to introduce potential Sub-recipients to the federal rules and regulation that will govern the DR Program. VIHFA staff, HUD Contractors, Witt and EY Teams provided information on what is to be expected and required as a recipient of CDBG-DR funds.

USVI CDBG-DR staff is working on inputting data from the July 10, 2018 approved Action Plan into the Disaster Recovery Grant Reporting (DRGR) system. The DRGR Activity Set-up Forms and data entry process flow for each activity is underway.

The USVI CDBG-DR staff is working on developing an overall CDBG-DR Grant Management Manual that will provide the public with an overview of the regulatory guidance that the CDBG-DR Program will implement throughout its programs.

The program continues an aggressive hiring campaign to staff the program so that the projects are able to proceed without delay. As staff is hired, onboarding is conducted.

Housing

The Territory has been working closely with FEMA's STEP Program to get them to aggressively repair as much homes under the permanent roof repairs program. With the significant amount of homes remaining to be completed in the Territory, the CDBG DR Program has made reconstruction the highest priority for funding, especially for homeowners who are displaced, have limited or no resources and whose home requires substantial reconstruction activities. Our focus for this quarter is making sure our housing policies and procedures capture the intent of our recovery efforts and needs. The Homeowner Reconstruction and Rehabilitation Program policy and procedure is relatively completed, a draft copy is posted on the agency website (www.vihfa.gov). Other policies and procedures that are at various stages of completion include but is not limited to Rental Rehabilitation & Reconstruction, New Construction for First Time Homebuyers, Public and Affordable Housing and the Supportive Housing & Sheltering Program.

The USVI CDBG-DR staff has started working on the Environmental Tier #1 reviews. Staff is working with the Virgin Islands Housing Authority and several other Implementing Partners to complete their respective projects' s Environmental Reviews.

To support the launch of the Homeowner Reconstruction and Rehabilitation Program and the Rental Reconstruction and Rehabilitation Program, the CDBG DR Program worked on posting several Request For Proposals (RFP), including but not limited to Case Management Services, Environmental Review Assessment Services and Construction Management. Additional RFP's are being developed and will be posted to support the housing programs. TheUSVI will start acceptingapplicationsfor the Homeowner Reconstruction and Rehabilitation Program in March 2019.

Infrastructure

The USVI CDBG-DR staff has met with several Sub-recipients to review and assessed their capacity to received and manage CDBG DR funds successfully. These meeting facilitate the development and execution of the Memorandum of Understanding (Agreements) for all DR projects. The CDBG DR staff is working with the FEMA data to assess the match related projects. Policies and procedures are being



developed for the Infrastructure Program, it is expected that the policy will be posted on the website within the 2nd quarter of Fiscal Year 2019.

Economic Revitalization

Policies and procedures are being developed for the Economic Revitalization Program, it is expected that the policy will be posted on the website within the 2nd quarter of Fiscal Year 2019.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$57,600,000.00	\$0.00
Administration, Administration	\$0.00	\$6,067,100.00	\$0.00
Economic Revitalization, Economic Revitalization	\$0.00	\$26,000,000.00	\$0.00
Housing, Housing	\$0.00	\$72,000,000.00	\$0.00
Infrastructure, Infrastructure	\$0.00	\$81,016,900.00	\$0.00



Activities

Project # / Title: Economic Revitalization / Economic Revitalization

Grantee Activity Number: ER-PAE-VIPA-UN

Activity Title: Ports and Airports Enhancement

Activity Category:

Econ. development or recovery activity that creates/retains

Project Number:

Economic Revitalization

Projected Start Date:

09/27/2018

Benefit Type:

Direct Benefit (Persons)

National Objective:

Urgent Need

Activity Status:

Under Way

Project Title:

Economic Revitalization

Projected End Date:

09/27/2024

Completed Activity Actual End Date:

Responsible Organization:

Virgin Islands Port Authority

Overall	Sep 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	\$4,600,000.00
Total Budget	\$3,600,000.00	\$4,600,000.00
Total Obligated	\$0.00	\$0.00
Total Funds Drawdown	\$0.00	\$0.00
Program Funds Drawdown	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Virgin Islands Port Authority	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

This program includes infrastructure projects that will address damage from the storm and improve maritime and air connectivity for the U.S. Virgin Islands with the objective of both restoring and increasing cruise ship arrivals to St. Thomas and St. Croix and air traffic to and from the islands, particularly through recurrent international commercial flights. Both initiatives are key to the tourism sector, which accounts for over 30% of the economy of the U.S. Virgin Islands.

Location Description:

Territory-wide. The ports of Christiansted in St. Croix and Charlotte Amalie in St. Thomas (Havensight and Crown Bay).

Activity Progress Narrative:



Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Persons	0	0	0	0/0	0/0	0/100	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
