UNITED STATES VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

RENTAL REHABILITATION AND RECONSTRUCTION PROGRAM POLICIES AND PROCEDURES

VERSION: 3.1
September 14, 2021
Prepared by:
The Virgin Islands Housing Finance Authority – CDBG-DR Division

The policies and procedures stated in this manual are current as of September 7, 2021. This Manual represents the current version of the Virgin Islands Housing Finance Authority's (VIHFA) policies, which shall provide general guidance for the Rental Rehabilitation and Reconstruction Program's operation. All manuals will be reviewed periodically and will be updated. Therefore, you are strongly urged to visit our website, https://cdbgdr.vihfa.gov/programs/housing/, to ensure that you have the latest version. There may be times; however, when a policy or procedure will change before the manual is revised.

SUBJECT:	
Version Number	3.1
Revised Date	September 14, 2021
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Table 1: USVI Rental Rehabilitation and Reconstruction Program Version Control

VERSION NUMBER	DATE REVISED	DESCRIPTION
VERSION 1.0	6/6/2019	Rental Rehabilitation and Reconstruction Program Policy - Version 1.0
VERSION 2.0	1/14/2020	Rental Rehabilitation and Reconstruction Program Policy - Version 2.0 Clarification of policies and procedures, addressing the following outstanding items: Updated definitions and acronyms Updated definition of stick-built homes to include site-built homes Clarification of Rounds 1 and 2 Clarification of Landlord Responsibilities • Changed definition of Major and Severe to reflect HUD definition in Federal Register Notice 6066-N-01 Updated requirement for business license Clarified owners covenant requirements Updated frequency of monitoring from periodic to annual Removed Landlord Managed Option Clarified URA requirements
VERSION 3.0	12/18/2020	Rental Rehabilitation and Reconstruction Program Policy – Version 3.0 Restructured policy for better continuity. Increase the maximum award to include an additional subsidy for low-mod income landlords. Provided opportunities for future rounds Clarification of policies and procedures addressing the following items: • Program Award increased from $50,000 to $75,000 per unit • SBA loans not drawn down may be considered exempt from the duplication of benefits calculation. • Senior Construction Manager title changed to Planning and Construction Assistant Director • Updated Construction Grievances to include Complaints • Added Section 6.3 – URA – Expanded • description of related activities and requirements • Added Section 6.5 – Landlord Responsibilities • Added Section 7.2 – Clarification of eligible and ineligible properties • Added Section 7 – Pro Forma Consultation • Added Section 7.5 – Escrow – Clarification of requirements • Added Section 9.0 – Affordability Period • Added Section 11.10 – VIHFA monitoring • Added Appendix 14.10 Comparison of Version 2 and 3's Restructure

VERSION 3.1	09/07/21	Rental Rehabilitation and Reconstruction Program Policy – Version 3.1 Clarification of policies and procedures addressing the following items: • Updated Section 4.3.5 – Applications will be transferred between Rental and Homeowner Repair Programs based on number of units and the intent of the units after repair. • Updated Section 6.1.2 - Liens and Judgements may be appealed • Updated Section 6.4.3 - Lead-Based Paint Survey Requirement • Updated Section 6.4.4 - Mold Assessment and Remediation • Updated Section 6.4.5 - Asbestos Survey Requirement • Updated Section 7.1 - Housing Counseling is not offered • Updated Section 9.0 – Include Self-Certification of Annual Income and Include provisions for existing urgent need tenants to remain in the unit after repair • Updated Section 9.2.1 - List of Approved Identification Types • Updated Section 9.2.2 - List of Approved Income Types • Updated Section 9.9 - Reasonable Accommodations has been expanded to more specific scenarios • Updated Section 11.3 - Recapture Process is defined • Updated Section 14.1 - DOB Letter Revised for applicant clarity • Referenced the Cost Allocation Policy and Procedures for more information on the utilization of the Case and Construction Management Services in Sections 5 and 6.5. • Referenced the Duplication of Benefits Standard Operating Procedures for more information on Duplication of Benefits in Sections 6.2.

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1.0 INTRODUCTION

As a result of the damages sustained in the 2017 hurricanes Irma and Maria, the U.S. Virgin Islands received an allocation of Community Development Block Grant Disaster Recovery (CDBG-DR) funds, which will be administered by the Virgin Islands Housing Finance Authority (VIHFA). The Territory has developed the Rental Rehabilitation and Reconstruction Program to cover the eligible costs for repair or replacement of storm-related damage to small rental properties with (twenty) 20 or fewer units.

2.0 POLICY

2.1 Version Policy

Version history is tracked in the table on the title page, with notes regarding version changes reflected in Table 1. The dates of each publication are also tracked in Table 1. The first version of this document is 1.0.

Substantive changes within this document that reflect a policy change will result in version 2.0, an increase in the primary version number. Future policy changes will result in additional revisions and the issuance of a new direct version number.

Non-substantive changes, such as minor wording and editing, or clarification of existing policy that does not affect the interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number, such as 2.1, 2.2, etc.

2.2 Policy Change Control Board

Policy review and changes for the USVI Rental Rehabilitation and Reconstruction Program are considered through a change control process. When policy clarifications, additions, or deletions are needed to more precisely define the rules by which the Program will operate, Program staff will submit a Policy Change Request Form or a Request for Decision Form for internal review by the Policy Change Control Board (PCCB). Within the PCCB, two members will separately review to verify that all relevant information and any supporting documentation that is included in the request. Upon PCCB concurrence by these two members that the proposal raises a policy issue, rather than a process issue, the Policy Change Request Form or Request for Decision is forwarded to the Policy Change Control Board for consideration. The requests are compiled and brought before the entire PCCB for a final policy change determination.

The PCCB is composed of the Special Counsel for Disaster Recovery, the Senior Policy Manager, the Senior Rental Program Manager, Rental Specialist, the Case Management Manager, at least one Subject Matter Expert, and other program staff members representing Program leadership as needed.

The PCCB meets bi-weekly, as needed to consider all pending requests but may meet as frequently as necessary to consider critical policy decisions. The schedule for PCCB meetings is expected to move to a lower frequency as the Program matures.

3.0 ACRONYMS AND DEFINITIONS

3.1 Acronyms

ACHP	Advisory Council on Historic Preservation
AGI	Adjusted Gross Income
AMFI	Area Median Family Income
ACM	Asbestos containing materials
A/E	Architecture / Engineering
AMI	Area Median Income
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
CPD	Community Planning and Development
CFR	Code of Federal Regulations
DOB	Duplication of Benefits
DR	Disaster Recovery
EPA	Environmental Protection Agency
ECR	Estimated Cost of Repairs
FMRs	Fair Market Rates
FEMA	Federal Emergency Management Agency
HCDA	Housing and Community Development Act
HCV	Housing Choice Voucher
HQS	Housing Quality Standards
HUD	Housing and Urban Development
MHU	Manufactured Housing Unit
NEPA	National Environmental Policy Act
NFIP	National Flood Insurance Program
NRHP	National Regional Historical Places
NTP	Notice to Proceed
PACM	Presumed asbestos containing materials
PCCB	Policy Change Control Board
QA/QC	Quality Assurance / Quality Control
RFP	Request for Proposals
RFQ	Request for Qualifications
SFHA	Specific Flood Hazard Area
SHPO	State Historic Preservation Officer
STEP	Shelter and Temporary Energy Program
SOP	Standard Operating Procedures
USC	Unites States Code
URA	Uniform Relocation Act
USVI	United States Virgin Islands
VIHA	Virgin Housing Authority

VIHFA	Virgin Islands Housing Finance Authority
VIHPC	Virgin Islands Historic Preservation Commission

3.2 Definitions

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions. VIHFA's AGI methodology may be found in the VIHFA's Administrative Manual.
Affordable Rent: For purposes of units subject to an Affordability Period, VIHFA defines affordable rent as rental costs that do not exceed 30% of a renter's income. VIHFA uses the HUD-defined fair market rents as a basis to determine affordable rent caps. The maximum amount the Landlord may charge for an assisted unit will be limited to the Fair Market Rates.

Affordability Period: The minimum period the units will be required to remain "affordable" for LMI households, based on the amount of CDBG-DR assistance, the activity (reconstruction or rehabilitation), and the number of housing units in the project. The Affordability Period restrictions will be enforced through recorded deed restrictions, covenants, or other similar mechanisms.

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the Program. May also be referred to as Area Median Family Income (AMFI) in other program documents.

Assisted Unit: Any unit within the property improved or assisted with CDBG-DR funding.

Beneficiary: The recipient deriving advantage from CDBG-DR funding. Households occupying assisted units are beneficiaries.

Builder/Contractor: (Used interchangeably) A person who contracts to construct or repair housing units and/or supervises building operations.

Case Management: Working with individual landlords/applicants to understand the Program's housing solutions, resulting in clear and transparent determination of eligibility and award amounts. Program Counselors will work to decrease Landlord's barriers to participate in the Program where possible. They will explain the Program's Solutions and provide information on the Reconstruction/Rehabilitation process in standardized formats.

Common Area Under Roof: The total area under the common roof is primarily interior, conditioned spaces, and for single-story homes, equal to the footprint of the house. The term is also synonymous with the eligible area. In addition, exterior spaces such as detached porches and garages are not considered eligible areas.

Damage Assessment: An inspection and assessment of the housing unit to document damage from the event conducted by a certified or licensed inspector required to clearly document storm-related property damage via photographic evidence and detailed narratives. Damage assessments must include final cost of repair estimates according to local code, an assessment of cost-effectiveness of each recommended activity (reconstruction or rehabilitation), mold remediation and assistance needed to bring the property up to code at completion.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts: All laborers and mechanics employed by contractors or subcontractors in the performance of construction work

financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality of determined by Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property of eight units or more.[1]

Demolition: The clearance and proper disposal of dilapidated buildings and improvements.

Duplication of Benefits: The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source. It is an amount determined by the Program that may result in the reduction of an award value.

Hardship: A condition that causes difficulty or suffering due to insufficient funds.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state, territorial and federal laws.

Family: The term family means all persons living together in the same housing unit, as further defined under 24 CFR 570.3.

Fair Market Rents (FMRs): The U.S. Department of Housing and Urban Development (HUD) annually estimates FMRs for Office of Management and Budget (OMB). They are used to determine payment standard amounts for the Housing Choice Voucher (HCV) Program and the Open Market Rental Program. The rent ceilings are the maximum award amounts of rent a recipient may be charged for units assisted by the Rental Rehabilitation and Reconstruction Program. 42 USC 1437f requires FMRs be posted at least 30 days before they are effective and that they are effective at the start of the federal fiscal year (generally October 1).

FEMA-Designated High-Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in the 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Flood Hazard Area: Areas designated by FEMA as having risk of flooding.

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 USC 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). To be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area. “100-year floodplain” – the geographical area defined by FEMA as having one percent chance of being inundated by a flooding event in any given year. “500-year floodplain” – the geographical area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

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[1] https://www.hudexchange.infor/resources/documents/Housing-and-Community-Development-Act-1974.pdf

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

Housing Choice Voucher (HCV) Program: The federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. The Virgin Islands Housing Authority administers the Program in the Territory. Since housing assistance is provided on behalf of the family or individual, participants are free to choose any housing, including single-family homes, townhomes or apartments that meet program requirements and is not limited to units located in subsidized housing projects.

Housing Quality Standards (HQS): The goal of the Program is to provide "decent, safe and sanitary" housing at an affordable cost to low-income families. Housing Choice Voucher (HCV) program regulations at 24 CFR Part 982 set forth basic housing quality standards (HQS) which all units must meet before assistance can be paid on behalf of a family and at least annually throughout the term of the assisted tenancy. HQS define "standard housing" and establish the minimum criteria for the health and safety of program participants. Current HQS regulations consist of 13 key aspects of housing quality, performance requirements, and acceptability criteria to meet each performance requirement. HQS includes requirements for all housing types, including single and multi-family dwelling units, as well as specific requirements for special housing types such as manufactured homes, congregate housing, single room occupancy, shared housing, and group residences. Housing Quality Standards help HUD and the Virgin Islands Housing Authority accomplish that goal by defining "standard housing" and establishing the minimum quality criteria necessary for the health and safety of program participants. Units listed under the Open Market Rental Program are subjected to the same requirements.

Low to Moderate Income (LMI) National Objective: Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with 24 CFR Part 5 requirements using procedures as stated in the Technical Guide for Determining Income and Allowances, 3rd Edition (HUD-1780-CPD). The most current income limits, published annually by HUD at https://www.huduser.gov/portal/datasets/il.html, shall be used to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Major or Severe Damage: Per the HUD defined damage categories based on FEMA damages outlined in the Federal Register 6066-N-01. According to HUD, FEMA does not inspect rental units for real property damage so personal property damage is used as a proxy for unit damage. Each of the FEMA inspected renter units are categorized by HUD into one of five categories. For rental properties, to meet the statutory requirement of ''most impacted'' in this legislative language, homes are determined to have a high level of damage if they have damage of ''major low'' or higher. That is, they have a FEMA personal property damage assessment of $2,000 or greater or flooding over one foot.

Not Suitable for Rehabilitation: The VIHFA defines "not suitable for rehabilitation" for the

Program as: Structures that are considered "beyond rehabilitation" and do not meet the Program's rehabilitation standards, and/or federal and local code requirements shall be deemed not suitable for rehabilitation, as determined by the Program and consistent with program guidelines.

Open Market Rental Program: Properties assisted by the Program are listed on the Open Market to the public. Units are made available to low-moderate income families, the elderly, and the disabled. Landlord responsible to ensure units are decent, safe, and sanitary housing as defined in Housing Quality Standards.

Payment Standard: The Program determines a payment standard that is the amount generally needed to rent a moderately priced dwelling unit in the local housing market and that is used to calculate the amount of housing assistance a tenant will receive. The tenant must pay 30% of its monthly-adjusted gross income for rent and utilities.

Repetitive Loss Properties: Residential properties that have experienced repetitive losses under FEMA's National Flood Insurance Program (NIFP).

Reconstruction: Demolition and rebuilding of a stick-built, site-built, or modular housing unit on the same lot in substantially the same footprint and manner. This activity also includes replacing an existing substandard manufactured housing unit (MHU) or stick-built/modular housing unit.

Rehabilitation: Repair or restoration of storm-damaged housing units in the impacted areas to applicable construction codes and standards.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed Fifty (50) percent of the market value of the structure before the damage occurred (44 CFR 59.1).

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 USC 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) and acquisition or multifamily damaged/occupied activities that require the relocation of tenants.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the subrecipient cannot finance the activities on its own because other funding sources are not available. Subrecipients or the Territory must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR 570.483(d).

United States Department of Housing and Urban Development (HUD): Established in 1965, as part of the Department of Housing and Urban Development Act, the department was created to develop and execute policies on housing and metropolises.

4.0 PROGRAM OVERVIEW

The Rental Rehabilitation and Reconstruction Program aims to restore small rental properties damaged by Hurricane(s) Irma/Maria. Rental damage from the storms has a far-reaching impact on the local population, displacing individuals, and families, constricting the rental income on which Landlords rely, and leaving individuals and families in sub-par housing.

In response to this situation, the Territory is implementing this program to cover eligible costs for repair or reconstruction of damage to real property.

- Rehabilitation: The Program pays for eligible costs necessary to complete the repairs for rehabilitation or reconstruction of rental units that have not yet been completed, including eligible improvements for resilience, up to a cap of $75,000 per affordable rental unit.
- Reconstruction: The Program pays for eligible costs necessary to complete the rebuild of destroyed units, or the Program determines that it is not feasible to be rehabilitated, up to a cap of $75,000 per affordable rental unit.

4.1 Program Design

The Program will provide forgivable loans to rental property owners with one (1) to twenty (20) units. The loans are forgiven during an affordability period contingent on the number of units served by a program. Properties that have 1-7 units will be forgiven after five (5) consecutive years of affordability to

households. Properties that have 8-20 units will be forgiven after fifteen (15) consecutive years of affordability to LMI households. When the Program provides a loan, owners/applicants agree to the following:

- the affordable rental period based on the number of units served and;
- provide affordable rent to LMI populations for any units rehabilitated or reconstructed by the Program.

The maximum loan awards will be equal to less than $75,000 per affordable rental unit, or 100% of the estimated cost to repair the property as determined by the Program Construction Manager approved Damage Assessment less Duplication of Benefits (DOB) as calculated per the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act).

4.1.1 Administering Entity

Virgin Islands Housing Finance Authority administers the Program.

4.1.2 National Objective

Benefit Low-to Moderate-Income (LMI) Persons or Households through Housing Activities

4.1.3 Eligible Activities

Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (including Housing) (HCDA Section 105(a) (4)); Public Services (HCDA Section 105(a) (8)).

4.1.4 Total Allocation

$25,000,000 ($5,000,000 (initial allocation), $20,000,000 (tranche 2)).

4.1.5 Estimate Start and End Dates

Quarter 3, 2019 through Quarter 4, 2024

5.0 BASIC ELIGIBILITY CRITERIA

Assistance will be offered to Landlords in multiple Rounds based on funding availability. The Program will fund the repair of privately owned rental properties with one (1) to twenty (20) units with outstanding needs not met by insurance proceeds or other resources. Within 60 days of completion of construction and throughout the extent of the Affordability Period, landlords must offer the units to LMI households with a priority given to Housing Choice Vouchers Recipients. During the affordability period, all tenants must be income-approved by the Program or by the Housing Choice Voucher program before signing a lease.

Other Eligibility Criteria:

- Units are verified as Majorly or Severely damaged in Hurricanes Irma or Maria as a priority;
- Units are solely year-long rental housing and not as a second home or seasonal or short term rental properties;
- Rents may not exceed the HUD Fair Market Rates as updated annually.
- Properties with eight or more (≥8) units assisted by the Program require an Affordability Period of fifteen (15) years codified in the Landlord Agreement and a recorded covenant, guaranteeing no transient use including second home, seasonal or short-term rental use;
- Properties with seven or fewer (≤7) units assisted by the Program require a minimum Affordability Period of five (5) years codified in the landlord agreement and a recorded covenant, guaranteeing no transient use including second home, seasonal or short-term rental use;

Applicants with an owner-occupied unit with four or fewer rental units (≤4) are not required to have and maintain a business license from the Department of Licenses and Consumer Affairs;

- Applicants with an owner-occupied unit with five or more rental (≥5) units (regardless if the units are not on one property parcel) are required to have and maintain a business license from the Department of Licenses and Consumer Affairs;
- Applicants with five or more (≥5) units are required to submit their marketing plan to affirmatively further fair housing to the VIHFA for approval.
- Applicants with five or more (≥5) units require broadband infrastructure in rehabilitation or reconstruction specifications.
- Applicants must complete a process to verify previously received disaster recovery benefits. Unmet needs are accounting after determining all federal, Territory, local and private sources of disaster-related assistance, including, but not limited to FEMA, SBA, private donations, property, and flood insurance proceeds.
- All units must meet the legal requirements for tenant occupancy; and
- All units must meet housing quality standards.

6.0 PRIORITY VERIFICATION

Once applicants complete the application, the Program will collect and review the applicant's supporting documentation to verify whether they are eligible for the priority. This document describes the rounds' prioritization criteria. During the application process, the Program will verify

all information provided. If it is determined that any information provided on the application must be modified, based upon the application verification, the result could be a priority change for that applicant, and the application could be placed on hold. The information verified during the application process will be the final basis for determining the priority for the applicant. Should a priority change be necessary, the applicant may be required to wait until their new priority is open for application before proceeding any further in the process.

6.1 Priorities for Round 1 Funding

Due to the limited funding available in the initial allocation, the Territory will accept applications in ninety (90) day increments to follow the prioritization and criteria outlined below.

Priority 1 applicants must meet the following criteria:

- Units that are Majorly/Severely Damaged and vacant. All units served must be reserved for LMI tenants; Landlords who offer properties to Housing Choice Voucher holders will have priority; and
- Rental Units with outstanding needs not met by insurance proceeds or other disaster recovery benefits

Priority 2 applicants must meet the following criteria:

- Units that are Majorly/Severely Damaged and occupied. All units served must be reserved for LMI tenants; Landlords who offer properties to Housing Choice Voucher holders will have priority; and
- Rental Units with outstanding needs not met by insurance proceeds or other disaster recovery benefits

6.1.1 Deadlines for Round 1 Funding

The application period for Round 1 of the USVI Rental Rehabilitation and Reconstruction Program will be open for a period of ninety (90) days starting July 1, 2019 and ending September 29, 2019.

6.2 Priorities for Round 2 Funding

VIHFA recognizes that before the storm, the Territory suffered from a shortage of affordable rental units. The Storms further reduced the limited long-term rental supply. In efforts to place more units into service, Round 2 is available if funds are remaining from Round 1.

Priority 1 applicants must meet the following criteria:

- Units that are Majorly/Severely Damaged not served in Round 1. All units served must be reserved for LMI tenants with a priority for Housing Choice Voucher holders; and
- Rental Units with unmet by insurance proceeds or other disaster recovery benefits.

Priority 2 applicants must meet the following criteria:

- Units acquired after the storm; or
- Units that were under construction; and
- The award amount must be able to bring the unit to an occupancy level; and
- All units served must be reserved for LMI tenants with a priority for Housing Choice Voucher holders.

6.2.1 Deadlines for Round 2 Funding

The application period for Round 2 of the USVI Rental Rehabilitation and Reconstruction Program will be open for ninety (90) days, based on funding availability, starting May 18, 2020, and ending August 16, 2020.

6.3 Priorities for Additional Rounds

As funding is limited, the Territory will prioritize the Program rental units meeting the criteria outlined below. If funds, during the first two rounds, are not obligated, the Territory may open additional Rounds to match the Round 2 priorities and requirements.

6.4 Properties with an Owner-Occupied Unit

Properties with two (2) units where the LMI Landlord occupies one of the two accommodations will be eligible for funding under the Homeowner Reconstruction & Rehabilitation Program and subject to that program's requirements.

Properties with three (3) or more units where the Landlord occupies one of the accommodations will be eligible for funding under the Rental Rehabilitation & Reconstruction Program and subject to this program's requirements.

An owner-occupied unit will be eligible for repair if the Landlord's household qualifies as an LMI household*, see Income Limits.* All units assisted by this program must be affordable and made available to LMI households. If the owner vacates their accommodations, the unit must then be made available to LMI households for the Affordability Period's remainder.

6.5 Program Transfer

Properties are defined by the number of units per parcel, not by the number of units to be assisted by the Program. The Senior Program Managers will determine the respective program based on the intent of the property not the current state. Applications that do not meet one program's eligibility will be transferred to the next program when applicable and subject to the transferred programs regulations. Applications that do not meet neither program's eligibility will be deemed ineligible.

7.0 APPLICANT INTAKE

7.1 Outreach

The Territory and VIHFA are committed to Affirmatively Furthering Fair Housing through established affirmative marketing and outreach activities. The VIHFA General Administrative Guide includes the agency's overarching Affirmative Marketing and Outreach policies for all programs.

For the Rental Rehabilitation and Reconstruction Program, the Program Manager and the Case Management provider will develop and implement a detailed outreach plan. The outreach and communications efforts will identify eligible rental Landlords from all racial, ethnic, national

origin, religious, familial status, the disabled, "special needs," and gender groups to provide opportunities to apply to the Program.

Program Marketing and Outreach will be conducted through widely available media outlets, and tasks may include:

- Advertisements in local media outlets, like newspapers or broadcast media, provide unique access for persons protected class under the Fair Housing Act.
- Flyers
- Coordination with public or non-profit organizations and town hall meetings
- Use of social media when appropriate

The outreach measures will make the Program accessible to the protected class under the Fair Housing Act by holding community meetings. Advisory meetings will be held in buildings compliant with the Americans with Disability Act (ADA), providing sign language assistance, and providing special aids for the visually impaired when requested. Translation services will be available for all community meetings as well as advisory services.

Program marketing materials, advertisements, and Landlord materials will be presented in English, Spanish, and French Creole as requested, based on the prevailing languages in the Territory under Title VI of the Civil Rights Act of 1964.

The detailed Program Outreach will include a methodology for evaluating the outreach activities' effectiveness based on applications received. This evaluation will occur early in the launch phase of the Program to allow for resources to be shifted and focused on the most effective methodologies.

7.2 Application Intake

Once a Landlord has completed an application and it is submitted in the Program's system of record, he or she is an applicant to the Program. From that point forward, applicants must abide by all Program policies and procedures outlined in this manual.

Applicants are encouraged to complete the application online; however, the Program Case Manager will help applicants complete Disaster Recovery Centers or phone applications. Other reasonable accommodations may be available as needed. All applicants must sign the Program's Consent and Release, Fraud Acknowledgement, and other program-related documents as required, in each applicant's situation. All required documentation may be submitted either electronically or in person during an appointment with a Program Counselor.

All owners must be listed on the Program application. All owners must sign all program forms.

See the COST ALLOCATION POLICY AND PROCEDURES for more information on the utilization of the Case Management Services.

7.3 Applicant Communications

The Program will ensure that all applicants have updated information regarding the status of their application and award. The Program will use various methods of communication including but not limited to the following:

- Phone Calls

- Written correspondence (direct mailings, e-mail)
- Fax
- In-person meetings
- Mobile-friendly website

Applicants requiring special accommodations at the Housing Assistance Centers or who wish to inquire about accommodations at the Housing Assistance Centers would call the Program hotline.

8.0 LIMITED ENGLISH (LEP)

Applicants whose primary language is Spanish and French Creole will be provided Program documents (e.g., brochures and any relevant forms) as well as other tools for guidance in Spanish and French Creole. By translating the Program documents in their native language, such applicants are ensured the opportunity to genuinely understand Program requirements. At least one Spanish Speaking Customer Service Representative will be available on staff. Spanish and French Creole translation will be available through an interpretation service by phone. The Monitoring and Compliance team will oversee and monitor the implementation of the Language Access Plan by VIHFA and its contractors.

9.0 SPECIAL NEEDS APPLICANTS

Necessary accommodations will be made to ensure that eligible elderly persons and persons with special needs can successfully participate in the Program. These accommodations could include the use of American Sign Language, oral presentations of documents, and home visits by the Program Counselor if the applicant is unable to come to the intake center. All intake centers will provide barrier free access and accommodations for persons with disabilities. The rehabilitation or reconstruction of rental properties with tenants who have special needs will include any necessary physical adaptations.

10.0 APPLICANT RESPONSIBILITIES

Applicants are advised that additional information may be required for the Program to properly calculate the assistance and Loan Amount. They should maintain all records, receipts, invoices, and other documentation related to any repairs, construction, or clean-up of the damaged properties. The Program reserves the right to request additional documentation and the applicant is obligated to be responsive to these requests to produce such documentation as requested. This obligation continues even after all repairs have been completed and all award funds have been disbursed.

Landlords are also required to provide all information requested by the Program on their tenants; including but not limited to name, contact information and current rent.

Applicants applying to the Program for assistance have the responsibility to keep the Program informed of current contact and ownership information. Applicants are responsible for actively participating in the process and providing access to their property for damage assessments, environmental testing, construction, and construction progress inspections. The Program will make every attempt to remain in contact with each applicant via phone, e-mail, and U.S. Postal Service written correspondence.

If an applicant demonstrates a pattern of unresponsiveness, the Program will institute a communication due diligence procedure, after which applicants will be notified that their continued participation in the Program may be in jeopardy. The non-responsive procedure includes all the following:

1. Three consecutive unreturned phone calls,
2. E-mail notification of attempted phone calls and request for applicant contact, and
3. U.S. Postal Service notification via certified mail with return receipt required.

If after the full succession of these communication attempts an applicant still fails to contact the Program within thirty (30) days of the U.S. Postal Service notification mail date, the applicant will be placed on an inactive status. The applicant will be notified by e-mail and certified mail that they are on an inactive status. If the applicant does not contact the Program within thirty (30) days of notification of inactive status, the applicant file will be withdrawn and administratively closed.

Applicants agree not to transfer the damaged property or any interest in the damaged property, whether voluntarily or involuntarily, until the rehabilitation or reconstruction to be performed under the Program has been completed.

11.0 ELIGIBILITY DETERMINATION

11.1 Applicant Eligibility Criteria

The Program will certify that each applicant and property meet the eligibility criteria as follows.

11.1.1 Ownership Verification

Ownership of the property will be verified prior to an award or Loan Agreement execution. For properties with 2 or more rental units, one of which is an owner-occupied unit, the applicant must have been the owner of record at the time of the applicable storm. An individual with Power of Attorney (POA) for the owner may complete the application on the applicant's behalf.

In the case of properties, which have multiple owners, only one application can be submitted, listing all owners, and all owners will need to execute loan agreements. Properties owned by LLC or other ownership type, private or non-profit are eligible.

If Landlords own multiple eligible properties, they must submit multiple applications to the Program (one for each property). The Program may limit the number of units per Landlord due to limited funding.

When possible, the Program will validate applicant ownership of the damaged property using nationally recognized third-party database services, including tax records to expedite applicant processing. Ownership is verified by comparing property and application information with the names and addresses on the property tax records from the time of the storm and from the most recent tax roll available. Property tax is assessed every year. If matches are found, the match establishes ownership at the time of the disaster and currently. If the Program is unable to obtain

a match between the application and tax records the Program may do an abbreviated title search (ownership search) to determine ownership. No title insurance policy is issued.

If applicant ownership cannot be confirmed through third party data or in Round 2 where the property was acquired after the storm, applicants will be required to submit documentation to satisfy the ownership criteria. This documentation may include, but is not limited to, one of the following:

- Deed or official record for the property
- Rental property mortgagee documents
- Real property insurance policy
- Property tax receipts or bill

Alternative forms of ownership documents may be considered:

- Life Estate Deed: must show the applicant as grantee of the damaged property (if transferred upon the death of another – death certificate of prior owner required)
- Probated Will\Court Ordered\Judgement granting applicant an ownership interest in the damaged property
- Divorce Decree: If ownership was obtained consequent to divorce the decree must specify the damaged property was granted to the applicant
- Other documentation that will be reviewed and considered on a case-by-case basis.

11.1.2 Property Eligibility Criteria

Properties must meet the following eligibility criteria:

- Must be and must remain as full time, year-round rental during Affordability Period.
- Must have experienced major or severe damage from either Hurricane Irma or Maria as a priority.
- Must be between one (1) and twenty (20) rental dwelling units. A rental dwelling unit is defined as having complete independent living facilities for one (1) or more persons, including permanent provisions for living, sleeping, eating, cooking, and sanitation.
- Mixed-income properties ar e eligible for assistance. Only units that will be rented to LMI tenants can be served. Awards will be based on the number of rent-restricted affordable housing units.
- Eligible mixed-use property containing both commercial/office uses (groceries, corner stores, etc.) and residential uses (primary residences, rental units, etc.) prior to the storm are eligible only for the residential components of the property. These rental properties will receive an award only for each affordable residential unit. When determining whether a commercial property is within the eligible number of units (one to twenty) the commercial units will not be considered in the number of units. Owner must demonstrate intent and financial capacity to complete code-compliant repairs of the entire property.

- Properties with units occupied by family members are eligible provided that the tenant is deemed to be a "bona fide" LMI tenant and the rent paid is market-based for LMI tenants. The following defines dwelling units that could be eligible:
- Manufactured homes (MHUs) - A manufactured home (also known as mobile home) is built to Manufactured Home Construction and Safety Standards (HUD Code). A manufactured home is a structure that is transportable in one (1) or more sections.
- Contract for Deed (Land Contract): These contracts must be converted to sale and the Landlord must obtain a warranty deed to be eligible for the program.

Properties in the following categories are <u>not</u> eligible:

- Structures or spaces for commercial uses prior to the storms, which will be converted to residential rental space.
- Single Room Occupancy (SRO) units are not eligible. SRO units are residential properties that include multiple single room dwelling units where each unit is for occupancy by a single individual with shared kitchen and/or bathroom.
- Second homes, vacation rentals and short-term rentals.
- Bankruptcy: Any property included in an open bankruptcy will not receive assistance from the Rental Rehabilitation and Reconstruction Program.
- RVs and houseboats are NOT eligible structures.
- Properties that are delinquent on property taxes or mortgage payments and do not have an approved, verifiable payment plan in place are not eligible.
- Liens and Judgements: To receive Program assistance, all outstanding liens (such as federal, or property tax liens, municipal assessment liens or subdivision assessment liens) and judgements which could result in foreclosure and the loss of property prior to completing the affordability period must be satisfied and provide cancelation record prior to construction. Applicants may appeal liens and judgement should documentation be provided to support discrepancies. Appeals will be reviewed by the Program's Appeal Board.

12.0 UNIT OCCUPANCY

After applying to the Program, the Landlord shall not rent any units identified on the application as vacant until a Certificate of Occupancy has been issued, and the Program has verified the income of potential tenants. Once this is complete, the Program will notify the Landlord that their unit can be occupied by the tenant they have identified. Properties that are currently occupied are eligible for assistance. Landlords will not be allowed to participate in the Program if a tenant was wrongfully evicted from the property.

13.0 DUPLICATION OF BENEFITS REVIEW

Under the requirements of "The Robert T. Stafford Disaster Assistance and Emergency Relief Act" (42 USC 5121, et seq.), as interpreted and applied by HUD, the Program must consider certain aid received by applicants or subsequent owners, when applicable, in determining the amount of assistance which can be granted. The Stafford Act prohibits any person, business concern, or other

entity from receiving financial aid from CDBG-DR funding concerning any part of a loss resulting from a significant disaster and financial assistance under any other program or from insurance or any other source that has been provided to a Landlord. Sources of DOB compensation include funding assistance sources for structural damage and loss related to the disaster.

Federal regulations require the USVI to conduct a duplication of benefits (DOB) analysis to ensure that one (1) applicant does not receive more Federal funds than needed, and two (2) Program funds are used to meet a need that still exists after considering other funds received.

Duplication of Benefits (DOB) occurs when all the following occur:

(1) A beneficiary receives assistance from FEMA, NFIP, SBA, private insurance, or a charity and;

(2) The total assistance amount exceeds the need for a particular recovery purpose.

(3) See the Duplication Of Benefits (Dob) Standard Operating Procedures for more information.

13.1 Sources of Potential Duplicative Assistance

DOB reviews are calculated on the entire property (not individual units). Owners that purchased the rental units after the storms must include evidence of when property hazard insurance was obtained, along with ownership and damage condition. The following sources of funding assistance provided for structural damage and loss that may be considered a DOB and under federal law must be deducted from the assistance provided:

- FEMA Individual Assistance for Structure Repair (IA) (for only the owner-occupied unit)
- FEMA National Flood Insurance Program (NIFP or increased Cost of Compliance (ICC)
- USDA disaster loans
- Private Insurance
- Small Business Administration (SBA) Loans
- Charity or any other funding source that may duplicate assistance

13.1.1 FEMA Individual Assistance (FEMA IA owner's unit only)

The Program will verify the FEMA IA amount provided by the FEMA database. If an applicant can provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes non-structural related amounts, the documentation provided by the applicant will be used to adjust the FEMA IA payout amount. Payments for contents or other expenses that are not related to structural loss are not deducted from the applicant's award.

13.1.2 National Flood Insurance Program (NFIP) and Increased National Cost of Compliance (ICC) Payments

The Program will verify if an NFIP claim payment was provided to an applicant using third party data. In the event of a match, the verified amount paid will be used to determine if a DOB exists and may be deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses that are not related to structural loss are not deducted from the applicant's award.

13.1.3 Private Insurance and Wind Insurance

All private insurance settlement amounts for loss to dwellings are considered a DOB and may reduce the amount of disaster assistance for which an applicant may be eligible. Private insurance payments for anything other than the damaged structure (contents, fences, storage sheds, etc.) are not deducted from the applicant's award.

Private Insurance and Wind Insurance Required Documentation:

- Validated external data-source information,
- Insurance Policy Declarations page, and
- Insurance award or claims letter (if applicable) and Insurance/Benefit Certification.

13.1.4 Small Business Administration (SBA)

HUD published a Federal Register Notice (76 FR 71060) on November 16, 2011, (DOB Notice), which clarifies duplication of benefits requirements for all active and future CDBG-DR grants. HUD also published additional guidance on July 25, 2013, entitled "HUD Guidance on Duplication of Benefit Requirements and Provision of CDBG-DR Assistance," to ensure that CDBG-DR assistance is necessary and reasonable even if it does not duplicate declined SBA loan assistance. Because the DOB Notice and the July 25, 2013, guidance do not address the unique circumstances that arise in the context of Unanticipated Assistance, this CPD Notice sets forth additional guidance for grantees.

Pursuant to FR 6066-N-01, February 9, 2018, if an applicant was approved for an SBA loan but did not draw down any of the loan, the loan may be considered exempt from the duplication of benefits calculation. If any amount has been drawn, the entire loan amount will be counted in the duplication of benefits calculation.

SBA required documentation (if applicable) includes the following:

- SBA third-party data set
- SBA loan documents (if applicable)

13.1.5 Charity

Charity required documentation (if applicable) includes the following:

- Documentation provided by a nonprofit or for-profit organization.

14.0 ALLOWABLE ACTIVITIES

Any portion of DOB funds that has been determined to have been spent by the applicant on Allowable Activities, as defined below, will reduce the amount considered to be a DOB. The applicant will be responsible for accurately reporting the specific amounts spent on the Allowable Activities. Such activities include:

- Repair expenses to make the structure sufficiently safe and sanitary to be temporarily habitable, including emergency repairs
- Contractor fraud
- Forced mortgage payoffs

- Legal fees

14.1 Contractor Fraud

If an applicant was a victim of contractor fraud, the amount paid to the contractor will not be counted as a DOB. All the following documentation is required to allow the Program to determine if any amount paid to a Contractor can be excluded in the DOB calculation:

- Police report or complaint dated before the date of the application
- Proof of cancelled check (if applicable)
- Bank payment reflecting payment (if applicable)
- Contract between applicant and contractor, if applicable

Reported Contractor fraud will be verified through review of the police report and complaint. If no amount is included in the complaint, the applicant will complete an affidavit to accompany the complaint that lists an amount to reduce the DOB total. In scenarios where a police report, complaint, or contract, are not available, information provided by the applicant will be reviewed on a case-by-case basis.

14.2 Forced Mortgage Payoff

In the event an applicant's mortgage requires any insurance proceeds to be applied to reduce the lien balance, the mortgage holder (not the landlord) is considered to have legal control over those funds making the landlord legally obligated to use insurance proceeds for that purpose. Under these circumstances, the amount of the insurance proceeds required by the mortgage company to be applied to the mortgage balance will be excluded from the DOB calculation.

To be considered for exclusion, the applicant must provide a copy of the correspondence or letter from the mortgage company on company letterhead and signed by an authorized representative stating the applicant was required to use the disaster assistance funds for this purpose. This will demonstrate they were required to apply the insurance proceeds to their mortgage balance.

14.3 Legal Fees

- Legal fees/expenses incurred by the applicant due to litigation related to an Insurance policy claim for the named disaster will be excluded from the DOB calculation. To be considered for exclusion, an applicant must submit at least one of the following pieces of documentation:

- Evidence of payment to a legal firm (Attorney Fee and Expense Statement)
- Settlement agreement (if applicable)

The Program will review submitted documentation and verify if the amount was paid to the Attorney can be excluded and it reduces the DOB.

14.4 Repair Expenses

Applicants will be able to deduct from their DOB insurance, SBA, and FEMA amounts spent to repair their property due to damage by the Disaster.

Examples of allowable eligible repair expenses include the following:

- Structural repairs (roof, foundation, electrical, plumbing, and windows)

- Limited debris removal
- Mold remediation
- Labor, material, and equipment rental to repair the damaged residence (carpeting, cabinetry, flooring, fixtures, doors, walls, and ceilings) permanently or temporarily
- Demolition costs
- Installation of wells, cisterns, septic tanks, cisterns, electricity, HVAC, and plumbing
- Grading or leveling of property
- Rental of disposal and removal equipment (backhoes and dumpsters)
- Other costs or expenses associated with repairing, stabilizing, or reconstructing the property
- Tree/shrub removal if tree/scrub blocked access to the property or presented a safety hazard

The following more specific examples considered to be allowable activities:

- Tarps
- Building supplies
- Siding
- Paint
- Weather head
- Water heater
- Sewer/septic

Required repair expenses documentation may include the following:

- Receipts (if applicable)
- Paid invoices
- Validation by Construction Inspector

14.5 Repair Expenses Verification Process

A Program inspector must determine with reasonable assurance that any repairs claimed for DOB offset were made after the date of the event and will document confirmed repairs with a written assessment, cost estimate and photographs.

Copies of receipts that support repairs to the property may be provided to the Program to document eligible expenditures in support of the inspection. All receipts will be reviewed for fraud and/or post-dating. Invalid receipts will not be included in cost of repairs. Applicants will be required to document repairs made to the property if a construction inspector is unable to validate the repairs on site.

14.4 Calculating Duplication of Benefits

If an applicant is receiving a rehabilitation award, then the full duplication of benefits will be accounted for at the time of the rehabilitation award calculation. The duplication of benefits check will be completed prior to the signing of the construction contract and again prior to the processing of the final draw of funds.

All unexpended duplication of benefits funding must be accounted for; the DOB process will be conducted multiple times throughout the process. Applicants participating in the Program must escrow enough to complete construction after application of the grant cap. *(See Section 7.8)*

Program applicants and subsequent owner must report all third-party assistance they have received towards repairing the damages to their rental property. In accordance with the Stafford Act, the Program will use the following framework to assure that any funds provided by the Program are not a DOB:

Step 1: Identify the total need for assistance (Work in Place + Estimated Cost to Repair).

Step 2: Identify all potentially duplicative assistance received or to be received.

Step 3: Deduct assistance determined to be duplicative.

Step 4: Determine the maximum eligible award (Step 1 minus Step 3).

Step 5: Determine the Program cap (if applicable).

Step 6: Determine the final Program award which cannot exceed the Program cap.

The DOB and Award Calculation template are provided in Appendix 14.1 and 14.2.

15.0 SUBROGATION

All duplicative funding received must be remitted to the Program, regardless of when it is received. If applicants receive additional funding for the same purpose as the Program award (permanent repair to storm damaged property) after the Program award is executed, the applicant is required to remit the additional funding to the Program. By accepting the award, applicants agree that they will remit any duplicative funds to the Program, whenever received.

16.0 UNIFORM RELOCATION ACT (URA) REQUIREMENTS

In keeping with the Uniform Relocation and Acquisition Policies Act of 1970 (URA), tenants occupying a unit that requires rehabilitation or reconstruction may be eligible for relocation assistance. The regulations implementing the URA are found at 49 CFR Part 24. Refer to the VIHFA CDBG-DR URA Policy and Plan guidance for more information on URA policy. The program will also consider the provision of temporary relocation benefits to resident owners under circumstances of extreme hardship. These will be considered on a case-by-case basis.

16.1 Qualifying for Relocation Assistance

Landlords are not entitled to benefits under the Uniform Relocation Act.

Pursuant to Public Law 105-117, undocumented persons that are not lawfully present in the United States are not eligible for relocation assistance unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.

16.2 Temporary or Permanent Relocation

As determined by the Program and in compliance with applicable laws and regulations, tenants who must move from their residential rental unit permanently due to rehabilitation, demolition, or reconstruction, or temporarily while repair work is underway may be eligible for relocation benefits as defined under URA. At the time of application, Landlords will be asked to certify their units' status (occupied/vacant), along with names and contact information for all tenants, current rent rolls, and a copy of leases.

If tenants require temporary relocation while repairs are underway, the tenants must be permitted to return to and reoccupy their original units or other similar units on the same property upon completion of the work at rents that equal to the pre-temporary relocation rent or 30% of their income.

See URA Policy and Plan for more details.

16.2.1 Certificate of Occupancy

After applying to the Program, the Landlord shall not rent any units identified on the application as vacant until a Certificate of Occupancy has been issued, and the Program has verified the income of potential tenants. Once income verification is complete, and if the tenant qualifies, the Program will notify the Landlord that their unit can be occupied by the tenant they have identified.

See URA Policy and Plan for more details.

16.2.2 Relocation Assistance Costs

The Program will determine if relocation assistance or other costs to comply with the URA are required. Costs associated with URA compliance will be paid for by the Program. The Program's relocation specialist will ensure that all requirements of the Uniform Relocation Act are fully adhered to during construction and re-lease up.

16.2.3 Relocation Notifications

At the time of application, the Intake Program staff will be required to provide all tenants with a General Information Notice (GIN), advising them that the project has applied for federal assistance, but they are not to move out or take any action until they receive further notification.

If the applicant is determined to be eligible, then VIHFA will see that all tenants must be served with a Notice of Non-Displacement or Notice of Permanent Displacement notice advising them of all their rights under URA.

The Landlord is responsible for ensuring that the Move-In Notice is provided to all tenants moving into applicable units once the application has been approved. Failure to do so may result in URA obligations for the Landlord, which will not be reimbursable with CDBG-DR funds.

The Program will ensure that all tenants are sent notifications required as part of URA compliance, at the time of Program application, VIHFA will provide all tenants with a General Information Notice (GIN), advising them that the project has applied for federal assistance, but they are not to move out or take any action until they receive further notification. If the applicant is determined to be eligible, then the Program will serve all tenants with either a Notice of Non-Displacement or Notice of Permanent Displacement notice advising them of all their rights under URA. VIHFA will ensure that the Move-In Notice is provided to all tenants moving into applicable units once the application for grant assistance has been approved. The program will secure receipts for delivery of all notices and these will be retained in the tenant's file.

16.2.4 Failure to Compile with URA Requirements

If a Landlord refuses to allow the temporarily relocated tenants to return and reoccupy their former units or violates the requirements of the Uniform Relocation Act in other way (e.g., eviction, cash for keys), the Landlord will be declared ineligible for the program (if prior to grant signing) or be considered in violation of their loan agreement (if violation is discovered post-grant signing). In either event, the Territory reserves the right to exercise all remedies as allowed in the recorded documents' the Landlord/Landlord may be required to reimburse the Program for any temporary

or permanent relocation expenses associated with any displaced tenants. These costs may include tenants' increased housing costs, moving expenses, and necessary out-of-pocket expenses.

17.0 ENVIRONMENTAL ELIGIBILITY REVIEW

All activities funded by CDBG-DR 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 CFR Part 58. The primary purpose of this Act is to protect and enhance the quality of our natural environment. The HUD environmental review process and all necessary consultations must be completed before any funds are committed and disbursed for eligible expenses. Thus, prior to funding reconstruction or rehabilitation, the Program will conduct an environmental review on each property, which includes a site inspection.

24 CFR Part 58 states that the Responsible Entity (RE); in this case, VIHFA may tier its environmental reviews and assessments to eliminate repetitive discussions of the same issues at subsequent levels of review. Tiering is appropriate when there is a requirement to evaluate a policy or proposal in the early stages of development or when site-specific analysis or mitigation is not currently feasible, and a more narrow or focused analysis is better done later.

17.1 Site-Specific Tiered Environmental Review

The Program will follow a tiered Environmental Review process, which allows for an initial "broad" review of all environmental factors that will be shared by properties in each geographic area. Based on this broad review, the funds will be released for the Program activity contingent upon completing a "site-specific" review once a potential property is identified and determined eligible. Site-specific Environmental Reviews will identify any above-ground hazards, flood plains, historic properties, and wetland issues when applicable. A site-specific Tier II review must be completed for each property prior to project bidding or taking any choice limiting actions on the proposed project site. For any property with more than four units, a Phase I environmental will be performed.

Applicants will be given a "stop-work" notification from the Program at the time of the initial inspection/damage assessment is conducted. This requirement will be referred to as the "stop-work requirement." Their Program Counselor will notify any applicant subject to the stop-work requirement. The applicant will sign an acknowledgment of the stop-work order. All ongoing work shall cease under this order. Work more than emergency repairs such as additions and modifications shall be categorized as more than the STEP program.

17.2 Flood Insurance

10.2.1 Flood Insurance Requirements

If the damaged, reconstructed or replacement property is in a Special Flood Hazard Area, any insurable structure on any part of the property shall always be insured under a policy of flood insurance in the amount of the lesser of:

(1) the full insurable value of the structure as determined by the applicable property insurer, or

(2) the maximum amount available for the property under the National Flood Insurance Program or a successor program.

Evidence that the damaged property (or reconstructed property) is covered by any required flood insurance must be provided at or before the Loan Agreement Execution and again before the final disbursement of funding. A declaration sheet describing the Applicant's insurance company's

coverage will be sufficient evidence to satisfy this requirement. If flood coverage is required but not available due to the damaged property's disrepair, applicants must submit a declination letter from the insurer before the Loan Agreement Execution. The applicant must also prove that he or she obtained flood insurance once construction has been completed prior to the final payment of grant dollars.

17.2.2 Failure to Maintain Flood Insurance

Failure to maintain insurance in perpetuity may result in applicants being ineligible for future disaster relief. Upon the sale or transfer of the property, applicants will, on or before the date of such transfer. As part of the documents evidencing such transfer, notify all transferees in writing of the continuing obligation to maintain flood insurance on the property. If the applicants fail to provide such notice, applicants may be liable for future disaster assistance related to the property. All program applicants will be required to execute a covenant that will be recorded in the public records and will attach to the parcel.

17.3 Lead-Based Paint Survey Requirement

CONTRACTORS will be responsible and certified to perform the following:

- General contractors and subcontractors disturbing deteriorated or lead based paint (LBP) in homes built before 1978, must be certified under the EPA's Lead Renovation, Repair and Painting Program (RRP);
- Hazardous waste materials must be disposed in an approved landfill. Proof of proper disposal is required from all construction contractors. (*Waste Disposal Manifest)*

17.4 Mold Assessment and Remediation

Federal regulations require that mold inspection and remediation is conducted by a qualified individual. Contractors are required to complete the EPA Mold Training Course to conduct mold assessments and remediations in accordance to 24 CFR Part 58.5(i)(2).

Visual inspection is the most crucial initial step in identifying a possible mold problem and determining remedial strategies. The extent of any water damage and mold growth should be visually assessed, and the affected building materials specified. A visual inspection should also include observations of hidden areas where damages may be present, such as crawl spaces, attics, and behind wallboard, to the extent feasible without destructive testing or removal of apparently undamaged building materials.

Remediation: Currently, there are no government standards pertaining to acceptable levels of indoor airborne mold spores and structures. Mold is present everywhere in the environment.

For all projects, identified moisture sources should be eliminated prior to further remediation. Post remediation dehumidification may be necessary to dry the remaining structural framing materials prior to any rehabilitation. In cases where this occurs, the Construction managers will incorporate the cost into the ECR. Areas where mold was or is identified as part of the ISI, the Walk Through, or construction will be required to be remediated by the builders. Materials harboring mold will be cleaned or replace.

17.5 Asbestos Survey Requirement

CONTRACTORS will be responsible and certified to perform the following:

- Asbestos containing material remediation in accordance with EPA, National Emissions Standards for Hazardous Air Pollutants (NESHAP) and HUD environmental requirements.
- Hazardous waste materials must be disposed in an approved landfill. Proof of proper disposal is required from all construction contractors. (*Waste Disposal Manifest*)

17.6 Environmental Inspection Request and Clearance

Once the initial feasibility is determined, each property is required to secure a Tier 2 Environmental Clearance. The Program will procure a third party to conduct environmental clearance. If the Environmental Contractor identifies significant issues that will limit the ability for an applicant to proceed with the reconstruction or rehabilitation of their property, the contractor will notify the Program of the specific concerns that will need to be addressed to secure environmental clearance. The Program will establish agreements and procedures as required to determine the quickest and most efficient ways to address environmental issues identified through the Tier 2 review process. See Environmental Policy and Procedures for details.

17.7 Section 106 Historic Review

All federally funded programs, including the CDBG-DR Program, are required by Section 106 of the National Historic Preservation Act of 1966 (16 USC 470f) to consider the effects of their actions on historic properties and afford the Advisory Council on Historic Preservation (ACHP), the State Historic Preservation Officer (SHPO), as well as the Virgin Island Historic Preservation Commission (VIHPC) a reasonable opportunity to comment on such actions.

A Section 106 Review will need to be completed prior to committing funds when the following thresholds are met:

- Properties that are 50 years old or older. There could be exceptions; check with the SHPO (located within the USVI Department of Planning and Natural Resources).
- Properties listed on or determined eligible for listing on the National Register of Historic Places (NRHP), including individual properties, are defined as "contributing resources" in a historic district, archaeological sites, and properties of significance to federally recognized Indian tribes and Native Hawaiian organizations.

18.0 LANDLORD RESPONSIBILITIES

The damaged unit(s) will be rehabilitated or reconstructed to re-occupancy standards permitted by Territory and local codes, as well as HUD HQS Standards. The funding will be based on damage assessments that use a standard grade of materials to determine the value of total repairs needed for each unit. Green Building Retrofit Standards adopted by VIHFA will be required to be incorporated into all specifications. The Program will not provide additional funding for costs related to the use of higher-grade materials or rehabilitation or reconstruction of units that are not part of the affordability agreement. The Program will use standard grade materials for the repair or reconstruction of the eligible unit.

Regardless of whether the unit is rented as HCV or on Open Market:

The landlord must abide by Federal and Territory fair housing laws and the non-discrimination requirements outlined in the Fair Housing Act.

The damaged structure or unit(s) will be rehabilitated or reconstructed to re-occupancy standards permitted by Territory and local codes as well as HUD HQS Standards.

- The landlord must comply with HUD Lead Safe Housing Rule
- The landlord must comply with the Uniform Relocation Act (URA) requirements for tenant notifications (including notifications to new and existing tenants residing in adjacent or nearby undamaged/non-applicable units that may be affected by project construction), temporary housing, and relocation assistance (including movement, storage, and security of the tenants' property and personal belongings) as determined by VIHFA; and
- The landlord must arrange reasonable and timely access to the property for inspectors and contractors providing rehabilitation or reconstruction services as defined in the construction agreement as three to five business days.
- For properties with five or more units, broadband infrastructure must be included with the rehabilitation/reconstruction.
- For properties with eight or more units, a wage determination will be issued by VIHFA and the prevailing wage must be paid to all contractors. Other documentation is also required.

19.0 DAMAGE ASSESSMENT AND INSPECTIONS

The purpose of the Damage Assessment and Initial Site Inspection is to confirm existing site conditions and collect information about the project site to make property eligibility determinations and perform Tier 2 environmental reviews. Data collected will be used to recommend a preliminary feasibility determination if the proposed project will be placed in the Landlord Reconstruction or Rehabilitation Solution.

This section outlines the policy and procedures used when performing an initial site inspection, including Substantial Damage Data Collection, development of cost estimates for work incurred prior to application and work remaining, assessment of lead paint, asbestos, and mold hazards in the property.

The Program will utilize a tiered environmental review process outlined in the Program's Environmental Policy and procedures. Any significant findings will be referred to the Environmental Review Unit and consultants to address.

19.1 Damage Assessment and Standard Grade Materials

The Program will use a standard grade of materials to determine the value of total repairs needed for each property. The Program will not provide additional funding for costs related to the use of higher-grade materials. The Program will use standard grade materials to calculate the estimated cost for the rehabilitation or reconstruction of an eligible property.

19.2 Property Design for Reconstruction

Based on the number of bedrooms and the damaged property's existing footprint, the Construction Manager, A/E firm and builder will present allowable/recommended plan sets that meet the Program requirements and include footprints up to the current square footage. On a case-by-case basis, where the original foundation and infrastructure of the rental property remain, plans will be developed for that specific site.

Upgrades to finishes or material upgrades will not be permitted. The applicant will be allotted reasonable time to review materials and make final selections.

19.3 Initial Site Inspection and Estimated Cost of Repair

The initial site inspection will include an assessment to determine the Estimated Cost of Repair (ECR) per the Program inspection protocols and program specifications. This inspection will result in a recommendation for one of the following:

- Reconstruction for units that are structurally unsafe to enter or that existing conditions are such that the cost to repair is not cost-effective or feasible. or
- Rehabilitation for units that are determined to be feasible for habitation after repairs are completed
- The ECR will identify quantities and scopes of work required to repair or replace storm-damaged items. It will bring the remainder of the structure to comply with Program standards and produce a high-level estimate for apparent repairs elevation is required to determine elevation costs.
- Determine the scope and quality of any repairs (Work in Place or WIP) completed by the applicant for use in the Duplication of Benefits determination. – Construction Inspector
- Perform assessments for deteriorated paint, lead-based paint hazards (i.e., dust-lead and soil-lead) and asbestos-containing materials (presumed or confirmed) – Environmental Assessment Firm.
- Collect all required data and information to complete the site-specific information for environmental reviews - VIHFA Environmental Staff

The Program Counselor will provide the Program Manager documents and information collected during the application process or intake meeting including the property address along with a Right of Entry letter, Duplication of Benefits Questionnaire, and Landlord contact information.

The Program Counselor will contact the applicant to schedule an appointment for the initial site inspection, providing at least 72 hours advance notice. The Program will establish a Program wide protocol for addressing non-responsive applicants, which will be included in the Inspections Standard Operating Procedure (Inspections SOP). All communications and attempted communications will be documented in the system of record.

Staff conducting the initial inspection will collect sufficient data to determine the feasibility for rehabilitation and other key tasks. The damage assessor will collect information from the Landlord regarding damage as well as work that has been initiated or completed. He or she will conduct a room-by-room inspection to document storm damage and identify any repairs needed to bring the rental property into compliance with construction specifications. The estimated cost to repair will also take into consideration HQS, Green Building and energy efficiency standards, and broadband infrastructure (if more than four units). The damage assessor will observe and document damages with notes and at a minimum of the following photos:

- Front elevation
- All other exterior elevations
- Interior photos of storm damage
- Interior photos of building code violations

- Adjacent exposures (backyard, Side yards, proximity of dwellings, and any outbuilding)
- Obvious environmental issues

See the *COST ALLOCATION POLICY AND PROCEDURES* for more information on the utilization of the Construction Management Services.

19.4 Eligible Repair Costs

The Program will determine an eligible repair estimate using information from the inspection. The repair estimate will be valued based on economy-/standard-grade materials and industry- standard labor costs. If the contract between the applicant and contractor is based on higher standards than those assessed by the Territory, the Territory will use the value of the Program's assessment as the basis for the eligible repair estimate.

19.5 Ineligible Costs

For the following components, the Construction Managers/Damage Assessor will credit standard allowable costs (i.e., the costs used in the ECR estimate) when performing the Work in Place (WIP) assessment:

If the Landlord upgraded any of the above items or had upgraded materials in place before the storm, the inspector will assign standard costs for these items in the report. The timing of the upgrade is not relevant.

- Countertops
- Cabinetry
- Flooring
- Bathroom plumbing fixtures (tub, shower, sink, etc.)
- Windows
- Doors

Other items may have had "upgrades" such as trim or millwork, have been determined to be difficult to differentiate in the field. These items will be included as allowable standard costs.

Costs incurred for items listed below are ineligible. Costs for ineligible work will not be estimated during the WIP assessment. Ineligible items include, but are not limited to:

- Outbuildings (detached garages, sheds, etc.)
- Decorative landscaping and paving
- Outdoor sprinkler systems
- Pools and hot tubs
- Solar panels
- Decking beyond concrete pad (note: decking and stairs necessary to meet code requirements for ingress/egress are eligible costs). These costs will be priced in two components: 1) Eligible costs for minimal concrete pad and/or stairs as necessary to meet code requirements and 2) Ineligible costs for remaining deck,
- Fences

- Post storm additions (rooms added to original pre-storm structure)
- Outdoor showers
- Outdoor fireplaces

If there is a question whether a repair was made or not made, the damage assessor's professional opinion will be the deciding factor on whether the item should be indicated as validated. If the applicant lists a repair but it is obvious to the damage assessor that the repair has not been completed, the damage assessor will indicate that the repair of the item cannot be validated.

19.6 Selected Builders

The Construction Managers are responsible for managing the proper sequencing of construction projects for Landlords who have program assigned builders to ensure proper controls are in place by the builder to adhere to the terms and conditions of the construction contract. The primary purpose of a Notice to Proceed (NTP) is to control the timing of the initiation of construction and avoid any construction project starting without the proper permit or authorization. Only the Construction Manager shall issue an NTP to the builder.

19.7 Development of Pre-qualified Architecture and Engineering Firms

The Program will develop a pool of pre-qualified architecture and engineering (A/E) firms for the purpose of developing plans and specifications for standard model properties in various layouts and sizes. The standard model properties will allow applicants options to select from for reconstructing their properties. The Program will issue an RFQ to qualified interested firms to provide services under the instruction of the VIHFA Planning and Construction Assistant Director. The responses will be evaluated on qualifications, experience, references, and overall response to the RFQ.

On a case-by-case basis the Program may allow alternative designs and plans from the standard models in such cases the footprint and square footage will be equal to or less than previously existing rental units and plans must satisfy all following:

- Plans were developed prior to application to the program,
- Plans meet program requirements,
- Minimum design standards are achieved,
- Program construction specifications for new dwellings are satisfied,
- ENERGY STAR, Green Building, and broadband infrastructure requirements are achieved,
- Design does not include upgrades or non-standard options or requirements, and
- Design does not include ineligible items.

19.8 Development of Pre-qualified Builder Pool

The Program will develop a pool of pre-qualified builders for the purpose of providing construction services required under the instruction of the VIHFA Planning and Construction Assistant Director. The Program will issue a Request for Qualifications (RFQ) to qualified interested builders. The responses will be evaluated on qualifications, experience, references, and overall response to the RFQ. Minimum requirements for builders will include:

- Holding current licenses and registration as required by the Territory,
- Has not been debarred or suspended,
- In business providing similar construction services for a minimum of 5 years,
- Demonstrated experience providing work of similar scope and size,
- Financially solvent with sufficient capitalization to manage the number of projects to be assigned,
- Hold required licenses and certificate for lead paint and asbestos removal for residential, and

Construction or demonstrate subcontract/teaming ability with appropriately licensed team.

Builders will be required to provide Performance and Payment Bonds for projects more than $100,000 construction value.

The Construction Managers will manage the Qualified Builder's capacity by monitoring financial capacity (based on bonding or financial limitations) and technical capacity. The Construction Managers will review the Qualified Builder's performance periodically and make recommendations to adjust the approved capacity of specific builders. The Program assign a builder to complete the reconstruction or rehabilitation of each project under the guidance of the Planning and Construction Assistant Director.

Construction Managers will actively manage the activities of the builders and will regularly review the responsiveness and performance of the builders in the Pool.

Builders will be reviewed for responsiveness to the pricing process and acceptance of assignments. Repeated failure on these aspects will result in limited future assignments or a probationary period without receiving additional assignments.

19.9 Builder Pricing for Rehabilitation Projects

The Construction Managers will secure pricing for each project by notifying the Program assigned builder of each line item identified in the Scope of Work for the project. The builder will need to submit a fair and reasonable cost proposal applying proposed unit pricing and proposed quantities for each line items of work, resulting in a Total Construction Cost.

19.10 Builder for Rehabilitation Projects and Scope Walkthrough

Upon assignment of a project through the mini-bid process, builders must attend a scope walk that is scheduled by the Construction Manager. The scope walk is performed to ensure that the Construction Manager and the builder agree to any required modification to the scope for the project that will be used to price the project. The scope walk is scheduled based on the Landlord's availability for complete access to the rental property. The Construction Manager must provide the Scope of Work with at least 48 hours of notice to the builder for the scheduled scope walk, and the builder must attend with subcontractors, if needed. The Construction manager will assign established pricing to each line items within the scope to derive the overall construction costs for the project. The established pricing will utilize VIHFA historical data or other approved methodology.

19.11 Pre-award Evaluation Assistance

As many properties experienced severe damages or remained open to the elements since the 2017 storms, the Program may opt to provide Pre-award Evaluation Assistance. The assistance provided will be minimal and temporary to allow the Program to conduct a valid assessment of the repairs required. Properties that are not deemed unsafe to enter but, because of an unforeseen circumstance, the award process is delayed, remediation or mitigation assistance may be offered as activity delivery costs to allow the Program to complete the property's assessment.

The Pre-award Evaluation Assistance is separate from the loan agreement. Applicants who receive the pre-award assessment assistance are not automatically qualified for a loan through the Program. The loan determination is contingent on the eligibility of the property and landlord. Pre-Award Evaluation Assistance Notices will be signed by the landlord prior to receiving assistance. A template is provided in Appendix 14.5.

The Program will follow the Authority's guidance for the procurement of services to assist in the remediation or mitigation for the Pre-award Evaluation Assistance.

20.0 LOAN DETERMINATION

The Program determines the assistance and loan amount by calculating the estimated cost of repaired damages and/or total repairs needed based on the construction manager approved damage assessment less the duplication of benefits an applicant received for the same purpose. The Program then will consider the respective priority tiers, based on property occupancy status. For disabled applicants, a review and analysis of the cost reasonableness of any potential special accommodations, not in the standard repair estimate, may be made. Upon completion of the review and analysis of the cost, the applicant will receive a determination regarding inclusion of each item in the final repair estimate. Loan assistance is capped at $75,000 per eligible unit.

20.1 Pro Forma Consultation

Once the applicant and the property has been deemed eligible, the Applicant and the Program Manager will complete a worksheet is used to calculate development and operating budget and 515-year cash flow projections. The results of the analysis will explain the Applicant's ability to sustain the property. *See Appendix 14.6.*

If the Pro Forma Worksheet deems that the Applicant is deficient of less than $25,000 per unit and the applicant is unable to secure feasible funding to offset out-of-pocket costs. If the Applicant or Program is not favorable of the response of the Pro Forma, the Applicant or program may decide at this point to withdraw from the program at no penalty to the Applicant. Once the Applicant signs the Loan Agreement and construction payments has been disbursed, recapture will be required if obligations are not met. *See Section 11.3*

The Program does not provide Housing Counselling.

20.2 Additional Subsidy

Once the Pro Forma is completed, the Program will evaluate if a subsidy is required to minimize the chance of an Applicant defaulting on their Loan Agreements. Subsidies may not exceed

$25,000 in excess of the original Program cap per unit. By providing such subsidies, the Program will accomplish the following:

(1) Reduce Applicant's out-of-pocket costs

(2) Place units that would not be in service otherwise, by providing additional funding towards repairs.

20.3 Qualifying for Additional Subsidy

Not all Applicants will qualify for a production subsidy. Funds are limited and the Program seeks to flood the market with affordable units while understanding the landlord's objectives. It is the interest of the Program that the landlord can sustain the property for the extent of the affordability period to ensure the property meets an eligible National Objective., the applicant may qualify for a subsidy if he/she meets the following criteria:

(1) Applicant can prove an economic hardship that would negatively affect ownership or maintenance of the property; and

(2) Applicant agrees to extend the affordability period of the unit(s) by three (3) additional years; and

(3) Applicant secures any additional out-of-pocket funds into an escrow account. *(See Section 7.8)*

Landlords will be required to provide documentation to prove and attest to the terms above. The Program will require income verification of less than 80% of the area medium income, 3 months bank statements, a denial letter from a lending agent and, when applicable, escrow deposit for any additional construction costs.

20.4 Terms for Production Subsidy

The Program hopes that all Applicants will extend the affordability of their unit(s) passed the required period; however, any applicant that accepts a subsidy will be mandated to an additional three (3) years program participation. Applicants who do not meet the requirements or default on their loan agreements will be subjected to repayment options to include any subsidized funding.

The Rental Rehabilitation and Reconstruction Program Repayment Schedule with Production Subsidy is provided in Appendix 14.8.

20.5 Award Calculation

The formula below is how the Program will calculate an applicant's award.

(1) Identify the total need for assistance prior to any assistance being provided

(2) Identify eligible cost of work completed prior to application, Work in Place (WIP)

(3) Identify all potentially duplicative assistance to be deducted out of completed work.

(4) Deduct assistance determined to be duplicative

(5) Identify eligible repair costs/need for prospective work.

(6) Determine maximum allowable CDBG-DR award (Lesser of Cap or cost of remaining work).

The Rental Rehabilitation and Reconstruction Program Award Calculation Template is provided in Appendix 14.2.

20.6 Review of Scope

Upon receipt of the environmental clearance and execution of the Loan Agreement, the Program Counselor and VIHFA Rental Program Manager will coordinate a scope of work meeting with the landlord. This meeting with the landlord involves a detailed review of the scope and budget for the reconstruction or estimated cost of repair, including elevation details (if applicable) and discussion of the next steps.

For projects that require reconstruction, the meeting to review scope will include the following, as appropriate

- Agreements will be executed with the builder who will initiate a house fit study including completing a site survey and assessing elevation requirements.
- Upon completion of the initial site survey, the Construction Manager will determine which reconstruction prototype plans will be available for each site, ensuring that the plans reflect the number of bedrooms determined by the Program.
- The assigned A/E will prepare sample floor plan and street façade elevations with cost estimates for applicant review.
- The applicant will select which reconstruction prototype plans for the A/E firm and Builder to adapt specific to the survey.
- The builder will also have a copy of completed environmental clearance report, geotechnical survey report and site survey.
- The builder will also provide guidance on ADA or special needs requirements to be added as determined by the applicant and Program Counselor.
- For projects that require only rehabilitation, the meeting to review scope will also include the following as appropriate:
- The Construction Manager will review the federal contracting requirements with the landlord and will provide a contract amendment template for the landlord to incorporate into their contract with their selected builder.
- The Construction Manager will review the progress inspection process and the process for requesting payments.

The Construction Manager will review the restrictive covenants. The covenant will be removed at the end of the Affordability Period.

20.7 Loan Agreement and Escrow Account for Program

The Landlord/owner(s) signs a Loan Agreement with VIHFA that obligates their total Loan award of CDBG-DR funds. CDBG-DR Special Counsel will be responsible for preparation of all Loan agreement documents. The Special Counsel will assemble contracts with

(1) the applicant and VIHFA;

(2) the awarded construction contractor and VIHFA, the construction agreement to be executed between the Program applicants and assigned builders pertaining to the reconstruction, rehabilitation constructions activities.

20.8 Approvals and Funding Requests

Upon VIHFA final determination of the funding award, Program Counselor will transfer all necessary documents for Loan signing, along with a closing checklist of what has been obtained

and what is outstanding for VIHFA review. VIHFA will verify completeness and compliance then approve the file to move forward.

20.9 Escrow Agreements and Requirements

If the grant amount does not cover all associated costs, the Landlord will be required to escrow sufficient funds to complete all work prior to the initiation of construction. The VIHFA Collections & Services department in conjunction with the CDBG-DR Finance unit will manage escrow accounts and disburse funding accordingly.

20.10 Escrow Accounts

VIHFA will act as agent for the CDBG-DR Program Grant Funds and for the funds provided by and/or for the benefit of the Landlord. If needed, VIHFA will provide escrow services through its MITAS Loan Servicing software. The escrowed funds will be held in an account specifically targeted for the disaster recovery efforts, and thereafter into sub-accounts for each property. Prior to beginning construction, Landlords will be required to provide the required information to open an account (name, mailing address, property description, etc.) and sign the appropriate agreements.

The agreements set forth the terms and conditions of the escrow agreements, provisions related to the role and authority of the escrow agent and general conditions related to discharge of Escrow Agent, notice governing law and amendments to the agreements.

20.11 Loan Signing

Assistance for the rehabilitation or reconstruction of rental units will be provided in the form of a forgivable loan. Loan signing is conducted before any loan funds are paid on behalf of an applicant. At the loan signing, the Landlord(s) will execute all legal documents obligating and reserving the funding in the amount of the Rental Program Loan Agreement, based on the Program requirements. If the total development cost exceeds the amount of the forgivable loan available (capped at $75,000 per unit), the owner will be required to escrow funds with VIHFA sufficient to complete the entire project. If escrow funds are required, the Landlord is required to make the funds available to the Program, which will create an escrow account before construction can begin.

The Rental Program Loan Agreement requires the owner to certify to the truthfulness of the information that has been provided as follows:

- **Rental Award Calculation**, which explains how other resources determined to be a potential DOB were handled and how the award amount was calculated. The award will be calculated using the ECR:
- **Flood Insurance Requirement**, which informs the Landlord of the requirement to maintain flood insurance in perpetuity and pass that obligation on to the subsequent owners.
- **Subrogation and Assignment Agreement**, in which all Landlord/owner(s) agrees that any additional funds the Landlord/owner(s) may receive from potential DOB sources belongs to the Program.
- **Applicant Finish Manual** – Selection Collection is completed by the Landlord with the assistance of the Program. The guide provides standard selections of interior and exterior finishes.

The Rental Program Loan Agreement may also include a declaration of covenants and restrictions that the property owner(s) agrees to abide by.

21.0 CONSTRUCTION MANAGEMENT

The Program will manage the construction process through completion for the rehabilitation or reconstruction of rental units that were damaged on behalf of the rental Landlord. The Program desires to offer the most appropriate and cost-effective options for Landlords. It will procure design services as needed for the reconstruction or repair on a case-by-case basis. The Program will contract with a construction contractor and assign the contractor to the project. The Landlord will work with the design team and builders in the selection of standard finishes and fixtures.

If the rental property or certain units are determined to be substantially damaged, the Program funding will be used to reconstruct the property. Substantially damaged properties are those where the cost of rehabilitation makes this option unfeasible, as determined by local official or by the Program. Landlords who have already demolished their damaged structures must provide documentation of the structure type, square footage, and damage to the unit(s) caused by the storm. Applicants must also provide any notice of condemnation, substantial damage notification, or other issued notice of requirement to demolish. If the cost of repairs is determined to be less than the cost to reconstruct, the property will be repaired.

The Program will oversee the entire rehabilitation or reconstruction process from beginning to end. It will utilize builders from the pre-qualified contractor's pool that has been established for the CDBG-DR projects. The Program will pay the grant proceeds directly to the construction contractor, based on Progress Inspections for work completed.

21.1 Construction Process

The Construction Manager's responsibilities include but not limited to maintaining and creating paperwork for assignments, overseeing contractor pre-construction meetings, and conducting on site progress inspections. Contract Managers will upload the results of all progress inspections to the system of record and indicate pass/fail status to be used by VIHAF staff for builder invoice and draw request processing. Submission of a draw request will trigger an inspection.

The Program will monitor and track information concerning Landlord, progress through construction and draw request using the System of Record.

21.2 Inspections

Builders are responsible for contacting the Construction Manager to request an onsite monthly inspection during construction to coincide with each draw request. Further details regarding interim and final inspections can be found in the Inspections Standard Operation Procedures (SOP), which will include milestones required to be achieved for reconstructions, methodology for rehabilitation inspections, release of retainage, etc.

21.3 Draw Request Process

Builders contact the Construction Manager to schedule each monthly inspection with Program Inspectors. Once the inspection is complete, the Program inspector returns the necessary paperwork to the contractor. The contractor completes the draw request paperwork and delivers the draw request to the Program Counselor electronically. The Program Counselor will upload the documents into the appropriate files and note the date of receipt in the System of Record. The Quality Assurance/Quality Control (QA/QC) team will review the draw request and the inspection status in the System of Record and provide approval for the Program Counselor to prepare the

draw request package to be delivered to the VIHFA Finance Department via the System of Record. The Finance Department will review and approve the draw request and process payments according to the accounting policies and procedures. Payment will be issued to the builder within thirty (30) days from the date of the Construction Manager's approval of the draw request.

The Program will withhold 10% from each draw for retainage. Schedule for draw requests and the associated payments will be detailed in the construction agreements. VIHFA will require monthly draw requests and inspections.

21.4 Change Orders

Change orders are issued when the initial agreed upon scope and/or pricing require modification. The builder must complete a Change Order Request Form. This form and all supporting documentation must be delivered to the Construction Manager to be approved by the Planning and Construction Assistant Director, Program Manager and Landlord. Change orders are invoiced on the final draw only. The purpose of the change order is to communicate and record changes to the contract document, contract amount milestones and/or contract time. Landlord-initiated changes in scope of work will not be accepted after the contract closing unless the change is related to an accessibility issue that has developed since the time of closing.

The Construction Manager will notify the builder in writing of either approval or denial of the builder's proposed change order. No change order shall be deemed valid if it is not approved in writing.

Once the Change Order is deemed reasonable by the Construction Manager, the Construction Manager will transfer the change documents to the Program Counselor for recalculation of award amount. If the change results in a modification to the Loan agreement between the VIHFA and the Landlord, the Loan agreement will be amended in addition to the construction agreement. Changes that result in a change to the Loan amount will require the Senior Program Manager's approval to modify the Loan agreement.

21.5 Construction Warranty

The builder must provide all warranties prior to the inspector signing a final inspection form. All warranties must meet the required warranty standards approved by the VIHFA and must include payment to an approved Warranty Insurance Program. Photographs of the construction work will be taken for documentation purposes. The Landlord will be provided instruction booklets and a warranty information binder with an acknowledgement form they have reviewed it with their builder.

21.6 Design Services

The Program will fund the design of prototypical properties to be used in the reconstruction. There will be a minimum of two designs for each of the two-, three- and four-bedroom models. Additional design services will be incorporated into the ECR and funded with the individual award.

21.7 Operations Quality Assurance/Quality Control (QA/QC) Review

Once the Construction Manager has verified construction has been completed to occupancy and has uploaded all required documents to the System of Record, the application will be reviewed by QA/QC staff to confirm all program construction requirements are complete. They will confirm the required documentation is uploaded in the file for applicable construction requirements, final inspection and verify that all payment requests have been properly disbursed, less retainage, when

applicable. Upon confirmation that all applicable program requirements have been completed and appropriated documented, the QA/QC staff will submit the file to the "Final Loan Reconciliation" stage to account for any changes in DOB and/or scope adjustments.

Using a program specific checklist, if the QA/QC staff find a discrepancy and or determine that the file cannot pass QA/QC, they will reject the file in the system and send it back for review by the Construction Manager. If the file passes QA/QC review, the staff then moves the file to Final Loan Reconciliation.

21.8 Notice to Proceed (NTP)

The NTP process is composed of four key tasks:

1. The Construction Manager gathers information and develops an NTP package.
1. The builder gathers necessary information and conducts activities to prepare for demolition (if needed) and construction initiation (e.g., obtains necessary permits).
2. Landlord deposits funding into escrow account (if required).
3. Upon confirmation of escrow, Construction Manager issues NTP.

21.9 Procedure for Issuance of Notice to Proceed (NTP) When Demolition Not Required

The Construction Manager for issuing any NTP when demolition is not required will follow the following procedures:

The Construction Manager will gather information from the closing and develop a NTP package:

- Assemble the Loan Agreement Signing information into a complete package for the landlord to review
- Follow an NTP checklist to ensure all documents are present
- Submit the Loan package for review by the QA/QC team
- Upload all documents into the system of record

The builder will gather necessary information for inclusion in the NTP Construction Package and takes necessary steps to initiate all construction work. After the contract execution the builder initiates the administrative requirements to provide bonds, secure permits, disconnect utilities and have the landlord move out of the dwelling (if applicable). The Construction Manager will provide proof that the following NTP Conditions have been met:

- Valid performance and payment bonds have been submitted to the Program

For projects in excess of $100,000 construction value, the builder will provide an overall bonding letter to the Construction Manager, which will verify the bonding capacity and issue a copy of the bond to the Landlord. The copy of the bond will be provided to the Landlord before the NTP is issued.

- All insurance policies are active as required by the contract. Builder's Risk insurance to name VIHFA as additionally insured.
- Zoning and land use approvals have been obtained.
- Utilities have been properly disconnected and retired.
- Contractor obtains construction permits.
- Landlord has moved out OR a contents removal plan has been agreed upon between the builder and the Landlord (for rehabilitation).

- Contractor holds all valid Registrations and Warranty Program Registrations.
- Any relocation of existing tenants has taken place pursuant to URA requirements.

The Construction Manager issues an NTP for reconstruction or rehabilitation, based on project requirements. The NTP will be issued in writing using the appropriate form. The NTP will be provided in hard copy or a scanned version is e-mailed to the builder and the scanned version is uploaded into the Landlord's file.

21.10 Procedure for Issuance of Notice to Proceed (NTP) Demolition Required

When the property needs to be demolished prior to the start of reconstruction, if the local municipality will not issue zoning approval and building permits until the demolition is completed, the additional NTP steps listed below will be followed. All other NTP steps will remain. The NTP process in the section above are followed, however the NTP is only issued for the demolition of the existing structure. The only variance in submittal requirements included the following:

- Zoning and land use approval is not required at the demolition stage and
- Demolition permit MUST have been received.

Once the builder satisfactorily completes demolition and gathers the necessary information for the NTP Package, the following procedures must be followed:

- The builder will obtain the required permits and ensure the appropriate zoning and land use approvals are obtained and submit all permits and any waste manifest (where asbestos abatement of the demolished structure is involved), required product/material submittal and the construction schedule.
- Upon receipt of all required documents, the Construction Manager will validate that the builder met all NTP conditions to proceed with new construction.
- The Construction Manager issues the NTP in writing using the appropriate form in hard copy or by e-mailing the scanned version and will upload the scanned version into the applicant's file.

21.11 Program Payments

The Program makes payments to contractors based on work completed and inspected. All payment terms will be defined in the Loan Agreement.

Once the permits have been issued for a specific site, the builder is expected to begin work on the project within (thirty) 30 days and is expected to submit draw requests for payment monthly.

The Building Contractor contacts the Construction Manager to schedule each progress inspection. Once the inspection is completed and items on the draw request confirmed based on the site inspection, the Building Contractor submits the payment document electronically to the VIHFA Construction Manager. The Construction Manager prepares an inspection report to accompany the Building Contractor's payment document for payment processing. Once the payment is in the system of record, the payment will be forwarded to the Housing Program staff for review and approval. Upon approval from the Housing Program staff, the Builder Contractor's payment request is forwarded to the Finance Unit for review, approval, and check processing in accordance with the financial policies and procedures.

The Program will withhold 10% from each draw for retainage excluding mobilization and any applicable gross receipt tax. Schedule of draw request and the associated payment will be detailed

in the construction agreements. The Program will require that the construction manager submit a schedule of values for payment processing.

21.12 Construction Close-Out

The closing process is composed of four (4) key steps:

Construction Manager uploads the fully designed construction scope of work with backup supporting documentation into the System of Record.

The Program staff will prepare a final award calculation reflecting the updated construction price, determine escrow requirements and notify the Landlord of required funds for escrow.

The Construction Manager will schedule an appointment in coordination with the landlord and Program Counselor to:

A. Execute a Loan Agreement reflecting the final construction price,
B. Execute the Private Escrow Agreement to provide approval for disbursing funds out of the escrow account to the assigned builder.
C. Execute the Construction Agreement, indicating the final construction price reflecting any approved change orders, and
D. Review construction schedule, Landlord requirements and any other preparatory work to be ready for start of construction.

Upon execution of the required documents and the builder and Landlord satisfying all program requirements, the Construction Manager will issue a notice to proceed to initiate construction.

22.0 AFFORDABILITY PERIOD

Upon completion of construction, The Landlord is responsible for selecting and qualifying eligible tenants throughout the affordability period. Thirty (30) days prior to construction closing, the Landlord and Program Staff will begin developing marketing plans. Sixty (60) days after the construction close-out date, the rental property must be leased to a low-to-moderate income household within the Fair Market Rates. Failure to lease the repaired program unit(s) to LMI tenant(s) at the Program's affordable rental schedules for a period of at least 1 year will result in default requiring repayment of the CDBG-DR funds. Tenant must complete the Self-Certification of Annual Income to certify eligibility, *see appendix 14.9.*

23.0 LEASE REQUIREMENTS

All rental agreements must be submitted to the program for approval prior to execution. Once the agreement executed, the Landlord must provide a copy to the program.

If the Landlords opts to use their current lease agreement template, a copy of the Program's Lease Addendum must be attached and signed by the Tenant and Landlord.

All rental agreements must be for a 12-month term or more. Any lease agreement executed for less than a year will not recognized by the Program. The Landlord application will be turned over for recapture.

24.0 INCOME LIMITS

Rents for each Program unit will be calculated according to rent schedules considered affordable based on rents not exceeding 30% of 80% of the AMI as calculated for each island and as adjusted annually by HUD, *see Appendix 14.3*. Eligible tenants must earn no more than 80% of the AMI

for the island in which they would reside. The Programs will seek opportunities to minimize displacing current tenants by permitting urgent need households to continue residing in their units after the repairs. The income limits will be used for all households being evaluated for assistance, tenant and landlord alike.

The historic limits can also be found at: https://www.huduser.gov/portal/datasets/il.html

The program may use the HUD Calculator to assist with viewing a households income verification found at: https://www.hudexchange.info/incomecalculator/

Published in the Federal Register Notice dated September 25, titled, "Waivers and Alternative Requirements for Community Development Block Grant Disaster Recovery (CDBG-DR) Grantees," the waiver allows the territory to use the HUD-established area median income (AMI) for St. John— which is the highest—for all three islands, wherever grants programs require the application of AMI.

25.0 APPROVED FORMS OF DOCUMENTING IDENTIFICATION

The Program will accept the following to certify identification and citizenship:

- Government Issued Photo Identification
- Proof of receipt of Social Security benefits
- Certificate of Naturalization
- Permanent Resident Card
- Driver's License
- Passport
- Military ID Card
- School Records

25.1 Approved Forms of Documenting Income

The Program will accept the following to certify income:

- U.S. Individual Income Tax Return:
  IRS Form 1040
- Wages:
  All paystubs from most recent 90-day period prior to date of application.
  W-2 Wage statements for all income.
- Retirement/Social Security:
  Current Social Security Benefits letter (including benefits paid to minors)
  Current Pension/Retirement Benefit letter (if applicable), or prior year 1099
  Current Annuity Payment letter (if applicable), or prior year 1099
- Unemployment Benefits:
  Current benefit letter with gross benefit amount
- Taxable Interest and Dividends (including amounts received by, or on behalf of minors):
  Most recent statement or prior year 1099
- Self-Employment Income:
  Most recent tax return (1040 or 1040 A)
  Current year profit and loss statement
  Two most recent year's tax returns including Schedule C
- Court Ordered Alimony/Spousal Maintenance:

Copy of court order documentation

- No Income:
  Certification of Non-Taxable Income Verification
  (required for anyone residing in the household over the age of 18 not receiving Social Security benefits who has no income.)

26.0 FAIR MARKET RATES

Income information will only be required at the beginning of the lease not if the lease is extended within the same household. The rent plus utilities cannot exceed 30% of the tenant's gross monthly income.

Rents may not exceed the Department of Housing and Urban Development's Fair Market Rates, as updated annually, *see Appendix 14.4.* Landlords will receive rents from the household, with a payment from the Virgin Island Housing Authority for any rental subsidy.

The historic rates can also be found at: https://www.huduser.gov/portal/datasets/fmr.html

27.0 ANNUAL RENT ROLL REVIEW

Program staff will request an annual rent roll from each Landlord during their affordability period. The roll will provide tenant information: name and household composition. As the unit turns over, the Landlord is required to provide the program with information on the new tenant to including name, household composition, income, race, ethnicity. Once approved by the program the landlord may execute a lease.

28.0 FAIR HOUSING MARKETING PLAN

To ensure compliance with federal and territorial regulations, the Landlord must adopt the HUD's Affirmative Fair Housing Marketing Plan. The plan outlines the methodology for collecting applications, the types of marketing performed, and the efforts to collect lease applications from the most disadvantaged populations. The Landlord should be advised to document their marketing efforts by saving advertisements, documenting interested tenants, and saving all lease applications for one (1) year after receiving the final program disbursement.

28.1 Property Listing Options

Landlords may opt to become an approved Virgin Islands Housing Authority's Housing Choice Voucher (HCV) Landlord or list the property on the open market to an approved LMI Household. In efforts to have the units rented to an eligible tenant within the time constraints, a Landlord may find it beneficial to list the property using both options.

28.2 Housing Choice Voucher Program

Landlords must register with and be approved by the Virgin Islands Housing Authority (VIHA) Housing Choice Voucher program. Landlords must comply with all HCV regulations, remain in good standing, and comply with all VIHA lease requirements (use the model lease and/or lease addendum). As the households renting under the HCV program are preapproved through VIHA's federal requirements, the Landlord will only be required to provide the HCV information and tenant occupancy date to the Program. On an annual basis, the Program will tenant occupancy.

28.3 Open Market

Landlords may list the property through Newspapers, Publications, Radio, TV, Online, Social Media or other mediums. Landlords may only rent units to households that have been income

verified as meeting the LMI household criteria by the Program. Landlord-Tenant leases will need to be approved by the Program prior to execution. Annual and periodic monitoring will be conducted to ensure compliance.

28.4 Affirmative Fair Housing Marketing Plan

For properties with five or more units, the Affirmative marketing requirements at 24 CFR 200 Subpart M, 24 CFR 200.620, and 24 CFR 200.625 shall apply. Any property with five (5) or more units will be required to develop an Affirmative Fair Housing Marketing Plan for the assisted units. The template provided https://www.rd.usda.gov/files/IL_935-2a-HUD.pdf (Form HUD935.2A (01//2011) can be used by owners to detail how they will go about marketing the affordable units, to whom, using what types of media, persons responsible for marketing, and the demographics of the target area for marketing activity.

28.5 Tenant Race and Ethnicity Reporting

In accordance with HUD's criteria for race and ethnicity reporting, the Program will provide a Tenant Race and Ethnicity Reporting form to all active Landlords. Landlords s will be required to provide the form to all existing and new tenants for the assisted unit(s) as a part of their lease package.

Tenant Race and Ethnicity forms shall be returned by the owner to the Program with the lease and shall be placed in the file of the applicant. Any forms returned with no selected race and/or ethnicity, and/or, are returned with a checkbox for the "I choose not to provide this information" will be documented as a no response to the Race and Ethnicity categories.

29.0 REASONABLE ACCOMMODATIONS UNITS

The Program will provide mobility and sensory modifications as needed in addition to standard Program repairs. Reasonable accommodations will include a change, adaptation, or modification to the building or dwelling unit to allow a qualified person with a disability to live in a dwelling.

Landlords must first offer the accessible unit to an eligible household with an individual with a disability or special needs prior to allowing other tenants to lease the unit. The accessible unit must rent for the same price as a comparable unit participating in the Program.

Properties assisted by the Program with more than 4 units will be constructed or repaired to accommodate mobility and sensory impairments in accordance with accessibility requirements of the Federal Fair Housing Act.

30.0 NEW CONSTRUCTED UNITS

New Construction Properties will have a minimum of 5% or at least one unit (whichever is greater) is required for mobility impaired persons. Properties a minimum of 2% or at least one unit (whichever is greater) is required for people with hearing or vision impairments.

30.1 Substantial Rehabilitated Units

If alterations are undertaken to a project that has 15 or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility, then the provisions for new construction apply.

30.2 Visitability Units

As needed, the Program will consider visitability modifications for households where individuals outside the immediate household has mobility and sensory impairments and frequents the property.

Visitability designs will provide a 32" clear opening in all bathroom and interior doorways, and at least one accessible means of egress/ingress for each unit. The design will include reasonable accommodations and reduce, in some cases, the need for structural modifications or transfers should an individuals become disabled.

30.3 Property Maintenance and Upkeep

Periodically, and at least once a year, VIHFA staff will conduct an HQS inspection of all assisted units and verify occupancy of all tenants. The landlord is required to maintain a decent, safe, and sanitary unit. The Program will not be responsible for any after the closeout of the initial repair. The Landlord is required to address any concerns or inquires within a timely manner.

Regardless of whether the unit is rented as HCV or on Open Market:

- Landlord must abide by Federal and Territory fair housing laws and the nondiscrimination requirements outlined in the Fair Housing Act;
- The damaged structure or unit(s) will be rehabilitated or reconstructed to occupancy standards permitted by Territory and local codes as well as HUD HQS Standards.
- Landlord must comply with HUD Lead Safe Housing Rule;
- Landlord must comply with the Uniform Relocation Act (URA) requirements for tenant notifications (including notifications to new and existing tenants residing in adjacent or nearby undamaged/non-applicable units that may be affected by project construction), temporary housing, and relocation assistance (including movement, storage, and security of all tenant property and personal belongings) as determined by VIHFA; and
- Landlord must arrange reasonable and timely access to the property for inspectors and contractors providing rehabilitation or reconstruction services as defined in construction agreement as three to five business days.
- For properties with five or more units, broadband infrastructure must be included with the rehabilitation/reconstruction.
- For properties with eight or more units, a wage determination will be issued by VIHFA and prevailing wage must be paid to all contractors. Other documentation is also required.

31.0 FINAL LOAN RECONCILIATION AND CLOSEOUT

Once the file has passed QA/QC, the file will undergo a Final Loan Reconciliation. This review will include a final DOB review and incorporate any final scope adjustments. The Compliance and Monitoring will send the Landlord a letter indicating any changes to the Loan award. The applicant must return a signed copy of the Final Loan Reconciliation within thirty (30) days.

If the applicant owes funds back to the Program, an accounts receivable will be opened, and the file will not move forward until the requested funds are repaid to the Program. If a final payment or retainage payment is owed to the applicant, then upon receipt of the signed Final Loan Reconciliation, final payment or retainage payment will be issued to the applicant.

After any disbursement or over-disbursement reconciliations, the file is ready for final closeout and archive.

VIHFA will process the removal of the Declaration of Covenants and Restrictions at the time that the affordability period concludes. The covenant to obtain and retain flood insurance will remain in perpetuity.

Applicant is notified in this correspondence that he/she no longer has any obligation to the Program. The applicant is instructed to keep all receipts and documentation for at least five (5) years in the event their file is audited or reviewed. Once complete, the file will move to Application Archival status.

32.0 PROGRAM ADMINISTRATION AND CROSS CUTTING FEDERAL REQUIREMENTS

32.1 Program Administration

The Virgin Islands Housing Finance Authority (VIHFA) will utilize a Case Management Contractor and Construction Management Contractor to complete application intake, eligibility determination, award determination and construction management. Construction will be conducted by the licensed, bonded, and insured contractors that are identified as eligible to participate in the pool of contractors for housing programs.

32.2 Overview of Cross Cutting Federal Requirements

The VIHFA Rental Rehabilitation and Reconstruction Program will comply with applicable federal, state, and local requirements, including but not limited to:

- HUD Lead Safe Housing Rule
- National Environmental Policies Act (NEPA)
- Housing Quality Standards (HQS)
- International Residential Building Code (IRC)
- International Building Code (IBC)
- International Energy Code
- EPA Energy Star Program
- HUD Community Planning and Development (CPD)
- Green Building Retrofit Checklist
- Section 504 of the Rehabilitation Act of 1973
- Architectural Barriers Act
- 24 CFR Part 570 and 2 CFR Part 200 for Necessary and Reasonable Requirements Cost Principals
- Davis-Bacon and Related Acts (DBRA) requirements for properties with eight (8) or more units.

33.0 RECAPTURE

Recapture ensures that the benefits provided by the CDBG-DR funds remain available for future LMI households. A recapture provision is triggered if a Landlord that benefited from CDBG-DR

funds to repair their rental units chooses to sell or divest from the property during the Affordability Period. The Landlord will be required to pay back all or part of the original CDBG-DR loan, typically using proceeds in the sales transaction.

The term "recapture" can also refer to the requirement for a Landlord to pay back funds, if the owner used the funds for inappropriate activities, failed to spend them by an agreed-upon deadline, or otherwise failed to comply with requirements of the Program.

The amount to be recaptured is dependent on the amount of the loan and the number of months remaining in the affordability period. Landlord may be required to repay all, or a portion of the funds received. The reasons for recapture include, but are not limited, to the following:

- Failure to maintain good standing throughout the affordability period;
- Failure to lease units to Low to Moderate Income Households;
- Failure to lease under the HUD Fair Market Rates;
- Failure to maintain a Decent, Safe, and Sanitary
- Using the units for short-term or vacation rentals;
- Providing false or misleading information to the Program;
- Withdrawal from the Program prior to completion of the project;
- Does not complete construction at no fault of the Program;
- Non-compliance with the approved scope of work in a manner that would make the rental property ineligible (e.g., did not comply with lead paint abatement requirements); and/or
- Failure to report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other duplication of benefits received after award;
- Failure to respond to correspondences from the Program in timely manner; and

If the applicant fails to meet any contractual obligations of the Loan Agreement, the landlord will be determined to be in a state of noncompliance, and Program will implement the following recapture procedure:

- Written communication with the applicant to document the reason(s) for recapture;
- Assess the adequacy of any applicant response to cure the failure of program compliance within the specified time required;
- Issue a 90-day notice requiring full repayment, certification of compliance, or creation of a repayment plan (installments) if approved by the Program;
- If a notice is returned, Program will take reasonable actions to locate the applicant;
- Applicant may be allowed to appeal the recapture based on the Program Appeal Committee appeal process. The Committee will make the final appeal decision;
- Cases were fraud is suspected, the file will be submitted to the Office of the Inspector General; and
- Cases that are not resolved through the Committee will be forwarded to Legal.

34.0 PREVENTION OF FRAUD, WASTE AND ABUSE

This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, sub-recipients, sub-grantees, applicants or outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with VIHFA.

Fraud is an intentional, wrongful act to obtain either money or some other advantage or benefit from government programs. Fraud includes theft, embezzlement, false statements, illegal commissions, kickbacks, conspiracies, obtaining contracts through collusive arrangements, and similar devices.

Waste is an appropriate action or omission by those with controls over government resources that result in taxpayers not receiving reasonable value for money in connection with any government funded activities. Waste relates primarily to mismanagement, inappropriate actions, and inadequate oversight.

Abuse is an administrative violation of judiciary, court unit, or organization regulation that impairs effective and efficient operations. The violation may result in federal losses, or denial or reduction of lawfully authorized federal benefits to participants.

34.1 Actions that Constitute Fraud, Waste and Abuse

This Fraud, Waste, and Abuse Prevention Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Authority in the administration of all VIHFA programs and the Authority's internal procurement. Some actions constituting fraud are as follows:

- Any dishonest or fraudulent act;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering because of insider knowledge of the Authority's activities;
- Disclosing confidential and proprietary information to outside parties;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Authority.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

It is the intent of the Authority to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Authority.

35.0 MANAGEMENT RESPONSIBILITY

Management is responsible for the effectiveness and efficiency of operations, including the protection of Authority assets from fraud, waste, and abuse. Management has the responsibility for the implementation of internal controls to deter and detect fraud. In addition, it is responsible for assisting in the deterrence and detection of fraud, waste, and abuse by examining and evaluating the adequacy and the effectiveness of the Authority's systems of internal control, commensurate with the extent of the potential risk in the various segments of the organization. Management has primary responsibility for the request for investigation of fraudulent acts committed by or against the Authority.

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility and will be on alert for any indication of irregularity.

36.0 ROLE OF INTERNAL AUDITOR

VIHFA has designated the Internal Auditor, to serve as the department's Accountability Officer. Any irregularity that is detected or suspected must be reported immediately to the Internal Auditor who coordinates all investigations with the Legal Department, and other affected areas both internal and external. The Internal Auditor has a specific role in detecting fraud, waste and abuse which is itemized as follows:

- To support management in its effort to establish a culture that emphasizes and encourages sound moral ethics, honesty, objectivity, and integrity;
- To assist management with the evaluation of internal controls used to detect and mitigate fraud and to make recommendations to strengthen internal controls;
- To evaluate the organizational risk for fraud and pursue fraud investigations;
- To assess the effectiveness of the control environment, its processes and procedures that mitigate the occurrence of fraud on an ongoing and continuous basis;
- To make recommendations to management for improvement of the areas that represent a risk for fraud;
- To maintain an open line of communication with the Executive Director and the Board of Directors to facilitate the reporting of all fraudulent activities or areas that present a risk of fraud;
- To investigate incidences of fraud and to report such occurrences to the Governor.

37.0 FRAUD RISK MANAGEMENT

To establish an effective system of internal control, program audit and evaluation processes that provide assurances and safeguards concerning disbursement of all VIHFA's funds, the VIHFA's Audit Division, in conjunction with other departmental personnel, will conduct a thorough and comprehensive enterprise-wide risk assessment. The risk-assessment will serve as the basis for the audit and compliance plans, which will address the following:

(1) Audit of paper application files for anomalies through risk-based sampling;
(2) Evaluate and test selected internal controls, including any IT-related controls;
(3) Deliver training to all staff responsible for monitoring or administering all funds that will focus on identification of risk factors, identification of fraud indicators, and the implementation of a system of internal control that provides reasonable assurances that funds are being administered in accordance with law, code, and policy. The training sessions will emphasize that sound internal controls require the efforts of all departmental personnel, not only auditors and compliance staff;
(4) Ensure that anti-fraud brochures and posters that include a fraud tip-line to the Authority are distributed and prominently displayed throughout the agency's offices in the Territory, satellite offices and construction sites;
(5) Liaise with applicable Federal and Territorial law enforcement authorities concerning the disbursement of federal and local funds;
(6) Implement a comprehensive and effective compliance program that includes investigative protocols, whistleblower procedures, and a process to refer matters to local authorities;
(7) Ensure that the Authority's auditing, monitoring and evaluation process effectively mitigates the risk of fraud, waste and abuse and the disbursement of funds is transparent to all stakeholders;

(8) Establish a Quality Assurance mechanism to ensure all federal and local reporting of funds are accurate and timely;
(9) Develop and implement policies and procedures to assist in ensuring that program requirements are met, including preventing a duplication of benefits, and measures to detect and prevent fraud, waste abuse and mismanagement of funds; and
(10) Comply with Federal Territorial laws, and DRGR requirements.

37.1 Fraud Training and Awareness

Comprehensive fraud training for all employees will occur on a regular schedule through training seminars, online webinars, conference calls, or other means and will be repeated periodically to keep employees alert to the potential for fraud. Fraud, waste, and abuse training is designed to meet the following objectives:

- To help establish a sound anti-fraud culture.
- To educate employees about fraud, what to look for, and how to report it.
- To heighten employee awareness, which increases the likelihood that fraud, waste, and abuse will be reported.
- To send a message that the Authority is proactively looking for fraud, that dishonest acts will be detected, and that perpetrators will be held accountable and punished.

38.0 CDBG-DR COMPLIANCE AND MONITORING SECTION

Pursuant to 21 VIC Ch. 2 Section 103, the Virgin Islands Housing Finance Authority is a body corporate and politic constituting a public corporation and autonomous governmental instrumentality of the Government of the Virgin Islands (the "Authority"). Section 103(x) authorizes the Authority the power to "administer the Community Development Block Grant (CDBG) Program authorized by the Department of Housing and Urban Development". Section 103(m) also authorizes the Authority to do all things necessary to carry out its purposes and exercise the powers granted in Chapter 2.

It is required that all departments administering federal resources including, but not limited to federal reconstruction resources, Community Development Block Grant (CDBG), CDBG-Disaster Recovery (CDBG-DR), HOME Investment Partnership Program (HOME), Emergency Solutions Grants Program (ESG), Housing Trust Fund, and local funds, follow a framework that will provide comprehensive and stringent safeguards to ensure that all federal resources are utilized through an ethical and transparent process. Among other things, such safeguards shall include:

Each program shall submit all potential procurements involving expenditure of federal reconstruction resources to the CDBG-DR procurement division for review prior to the commencement of the procurement process. The CDBG-DR procurement officer shall determine whether the proposed procurement process complies with applicable public contracting laws, rules, and regulations.

Procurement of goods and services for which local funds will be utilized, must fully comply with the Authority's Procurement Policy.

VIHFA follows a comprehensive fraud-waste-abuse prevention program which consists of integrity monitoring, internal controls assessments, and investigations to create a series of "check and balances" to mitigate risks and ensure compliance with Federal and State regulations. Areas that may require additional oversight or have been identified as problematic areas including duplication of benefits, contracting and procurement, monitoring and fraud reporting, will be

subjected to additional monitoring, impromptu visits, and inspections. Follow up of these areas and the staff involved will be routinely scheduled. A status of these visits will be appropriately reported with recommendations made for corrective action.

The CDBG-DR Monitoring & Compliance Section is structured to allow for coordination between, and monitoring of, all CDBG-DR programs and internal operations. The primary purpose of CDBG-DR Monitoring & Compliance Section is to ensure that all programs and contractors administering CDBG-DR programs, departments, and sub-recipients comply with applicable State and federal regulations. It also serves as a layer of oversight to mitigate any potential risks, proactively detect, and identify areas to prevent and minimize fraud, waste, and abuse, and effectively fulfill the goals set forth in the Action Plan.

The CDBG-DR Compliance and Monitoring Section will report in writing, any suspected instance of fraud, waste, and abuse to the VIHFA Internal Auditor. The VIHFA Internal Auditor will review received reports for further investigation. Should there be substantial concern, the VIHFA Internal Auditor will ensure that the VIHFA Board of Directors are updated on all reports of fraud, waste, and abuse through a monthly report.

39.0 COMMITMENT TO CONFIDENTIALITY AND ANONYMITY

The Authority will attempt to ensure that anonymity of the reporter is maintained. When you report, please remember the following concerning confidentiality and anonymity:

- Even if you report anonymously, once the report has been made and the investigation begins, your coworkers or others who are familiar with the situation you are reporting may still be able to guess your identity.
- Whether you report anonymously or not, the Authority will treat your report confidentially. It is not possible to guarantee absolute confidentially in all circumstances. In certain cases, disclosure to others inside or outside the Authority may be required by law.

40.0 WHISTLEBLOWER PROTECTION

Retaliation against an employee who in good faith filed a report of alleged fraud, waste, or abuse or who participated in an investigation is a violation of this Policy.

41.0 CONFLICT OF INTEREST

All Applicants and Program staff are required to make a full disclosure to the Program of any interests, relationships, and holdings, which could potentially result in a conflict of interest. Potential conflicts of interest may include relationships with neighbors, acquaintances, friends, family members, and other members of the community. As soon as one is aware of a potential conflict, they are required to immediately notify Program management staff. Program management staff will ensure project team members do not process or interact with applications where the potential conflicts of interest exist.

This separation of responsibility will ensure an unbiased approach to the processing of all applications and final eligibility determinations. The goal is for every citizen to have confidence their application is being processed with expedient efficiency and integrity. In the event a potential or actual conflict is reported, the Program Manager will review the circumstances in depth and be responsible for determining the course of action to be taken if a conflict is found to exist. If a team

member has any doubt as to whether a current or prior relationship poses a potential conflict of interest, they should escalate the matter to Program management for guidance.

42.0 APPEALS AND CONSTRUCTION GRIEVANCE PROCESS

42.1 Appeals

The Program will implement a thorough process for Landlord appeals. The appeals process will be documented and posted on the EnVIsion Tomorrow CDBG-DR Housing Recovery website at https://vistormrecovery.com/. Program Counselor will provide Appeal Forms and detailed instructions on how to file an appeal to all Landlords as part of their initial discussions of the Program. The appeal process will also be detailed in all award letters or letters communicating ineligibility.

Applicants can file an appeal for one or more of the following reasons:

- Program Eligibility Determination;
- Award Calculation **prior** to execution of the Loan Agreement;
- Duplication of Benefits;
- Scope of Work;
- Work in Place (WIP); Estimated Cost of Repairs ECR.

Applicants may not appeal policies that have been approved and incorporated by the Program, such as the Program's process for assessing the value of materials eligible under the Program. In addition, applicants are not allowed to appeal the award amount after loan execution. Furthermore, statutory, and regulatory requirements and guidelines may not be appealed.

When an appeal is filed, the entire file will undergo a review. The review will not be limited to the issue for which the appeal was filed. This may result in a positive or negative change to the status of the file or amount of the award.

Applicants may file an appeal by completing the Appeal Form from their Program Counselor. The Program Counselor can assist if the applicant in completing the form.

An applicant must submit a formal Appeal Form within one of the following time limits:

(1) Thirty (30) days from the date of the Award Letter or Ineligibility Letter or 30 days from receipt of the Scope of Work, WIP, ECR, etc.

The Appeals Committee will be made up of Program staff and include the Housing Senior Program Manager, the Senior Policy Manager, and representation from the Program Legal Departments and other staff as designated by the Housing Senior Manager.

The Appeals Committee will log all appeals received, including the date received and the appeal's reason. The appeal form with all supporting documentation will be uploaded into the System of Record. The Appeals Committee will review the appeal and determine within thirty (30) days of their receipt of the formal Appeal Form. After the Appeal Committee reviews the case, a letter with the Final Determination is issued to the applicant. If the determination is in their favor and an award has been increased, then a new award letter will be sent to the applicant. **The Appeals Committee's decision is final.**

42.2 Construction Complaints and Grievances Resolution

Applicants may file a report with the Program if they have issues with the reconstruction or rehabilitation work. They may not follow the approved scope or an issue with the workmanship's quality. Reports should be promptly submitted as stated in the award agreement to correct the issue early in the construction process and not slow down the project's completion. Applicants may not file a complaint or grievance after the sign-off of final construction payments. Reports must be filed to the case manager in writing and should include the following information to expedite resolution:

- A detailed explanation of the grievance
- Photos of work if applicable
- Damaged address and applicant name and contact information
- Desired Remedy Requested;
- Previously contacted individuals concerning complaint

Upon the receipt of a complaint, a timely, substantive written response will be provided within the established time of fifteen (15) working days, as per 24 C.F.R. § 91.115(h).

43.0 RECORDS MANAGEMENT

VIHFA Operations and Housing Recovery Staff (including contractors) will comply with 24 CFR Part 5.2, Compliance with the Privacy Act, which requires the safeguarding of personally identifiable information by:

- Minimizing the use of PII on program documents and records.
- Providing access to PII only to those who require it for official business.
- Securing PII appropriately for paper or electronic forms.
- Training for data security and compliance with the Privacy Act will be provided to all employees and contractors as part of their onboarding process.

In accordance with HUD regulations, as a grantee and recipient of CDBG-DR funds, VIHFA follows the records retention as cited in 2 CFR Part 200.333-337, which includes financial records, supporting documents, statistical records and all other pertinent records are maintained for five years after closeout of the Loan between HUD and VIHFA. VIHFA established requirements in its sub-recipient and contractor agreements for compliance with all HUD cross cutting requirements outlined in 2 CFR 200 Appendix II, including record keeping requirements.

Owners are advised that additional information may be required to properly calculate the Loan Amount and that Owners shall maintain all records, receipts invoices and other documentation related to any repairs, construction, or clean-up of the damaged rental property for no less than five years from the date of the Loan agreement.

Additional information regarding Records retention, how the Program will manage Personally Identifiable Information (PII), and file security, please refer to the VIHFA General Administrative Policy Manual.

44.0 INTERNAL REPORTING

Any employee who has knowledge of fraud, waste, or abuse, or who has good reason to suspect that such conduct has occurred, shall adhere to the procedures outlined below.

When suspected fraudulent activity, waste, or abuse is observed by, or made known to, an employee, the employee shall immediately report the activity to the Internal Auditor. An employee may also report fraudulent activity, waste, or abuse via the Fraud Hotline. The employee shall not make any attempt to investigate the suspected activity prior to reporting it. An employee shall not destroy, or allow to be destroyed, any document or record of any kind that the employee knows may be relevant to a past, present, or future investigation. An employee must be able to provide adequate information to support an investigation. Mere speculation does not suffice. The report must be made in good faith. An employee who knowingly makes a false or bad faith complaint will be subject to disciplinary and/or legal action.

45.0 EXTERNAL REPORTING

The Authority cannot compel citizens and customers (non-employees) to report suspected instances of fraud, waste, or abuse. However, the Authority strongly encourages them to do so by calling the VIHFA's Fraud Hotline 1-800-347-3735, via VIHFA website or the complaint form available online or at the VIHFA office.

The Internal Auditor can access the VI

HFA's Fraud Hotline and follow through on complaints and tips received. The Internal Auditor is exposed to key processes throughout the organization and as such maintains an open line of communication with the Executive Director and the Board of Directors of the VIHFA to facilitate the reporting of all fraudulent activities and/or areas that present a risk for fraud. Decisions will be made on a case-by-case basis for incidences of fraud, waste and abuse that may need referral to VIHFA's Legal Counsel and/or the Office of the Inspector (OIG) for further action. The legal department shall recommend to the Internal Auditor whether the matter should be considered fraud, waste, or abuse and if so, the matter should be referred to the OIG at 1-800-347-3735 or via email at hotline@hudoig.gov.

Appendix

1.0 Duplication of Benefit Notification Template

VIRGIN ISLANDS
HOUSING FINANCE AUTHORITY
3202 Demarara Plaza · Suite 200 · St. Thomas, USVI 00802-6447
Telephone: (340) 777-4432 · Fax: (340) 775-7913
Email: vihfa@vihfa.gov

[Date]

[App ID]
[Applicants Name]
[Address]
[City, State, Zip]

Re: Duplication of Benefit Notification

Dear Applicant,

Thank you for participating in the EnVIsion Tomorrow Disaster Recovery Program. This letter is a follow-up to our conversation on [date] regarding your status in the [Program].

Per our mandate, the Program has conducted a periodic review of your application for financial assistance for repairs to your property due to Hurricane(s) Irma/Maria. Based on our review of receipts and calculations, we have determined a duplication of benefit (DOB) in the amount of [$8,548.46]. This indicates that you have already received funds that have *not* yet been fully utilized for repairs based on documentation available to us at this time.

Federal regulations mandate [Program] to abide with the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In order to move your application to the next step of the process, this duplication of benefits must be addressed. You have the following options:

1. Identify additional repairs not mentioned in the calculations *(see example, p. 2)* for a recalculation of benefits; or
2. Provide additional receipts to confirm payment of offsets not previously submitted; *(see eligible options, p. 3)* or
3. Deposit the DOB amount*, in full, via cashier's check on or before [August 21, 2020] to the Housing Finance Authority, Collections & Services Department; *(see p. 4)* or
4. Complete and return the Appeals Form to the address noted below ***within 60 days*** of the date of this letter. *(see pp.5-6)*

The funds will be put in escrow and be used to complete the repairs to* ***your* *property in addition to CDBG-DR funds.*

EnVision Tomorrow Counselors are available to assist you with preparing and submitting your supporting documentation or appeals form. Should you need further assistance or clarification, please contact the EnVIsion Tomorrow CDBG-DR Housing Recovery office at 888-239-3387 or contactus@VIstormrecovery.com for assistance.

Sincerely,

EnVIsion Tomorrow Disaster Recovery Office

2.0 Duplication of Benefits Calculation

Duplication of Benefits Calculation

Previous Assistance Received *(Money already received by you to repair your property)*		
FEMA (Federal Emergency Management Agency)		$17,763.41
NFIP - National Flood Insurance Program		$0.00
SBA Home - Small Business Administration Home		$97,600.00
SBA Business - Small Business Administration Business		$0.00
ICC - Increased Cost of Compliance		$0.00
Charitable Organizations		$0.00
Private Insurance		$0.00
Other	+	$0.00
Total Previous Assistance Received	=	$115,363.41
Offset of Benefits *(Completed Property Repairs, Money Returned, or Other Expenses)*		
Verified Repair Expense		-$275.08
Verified Repair Receipts		-$8,939.87
Contractor Fraud		-$0.00
Forced Mortgage		-$0.00
Legal Fees		-$0.00
Temporary Living Expenses		-$0.00
SBA Declined		-$97,600.00
SBA Cancelled	+	-$0.00
Total Offset of Benefits	=	-$106,814.95
Total Previous Assistance Received (see above)		*$115,363.41*
Total Offsets of Assistance Received (see above)		-$106,814.95
Duplication of Benefit Amount *(Your contribution to your repair)*	=	$8,548.46

Should you need further assistance or clarification, please contact the EnVIsion Tomorrow CDBG-DR Housing Recovery office at 888-239-3387 or contactus@VIstormrecovery.com for assistance.

3.0 Requesting Additional Offset of Benefits

Requesting Additional Offsets of Benefits

As mentioned, the Program has already calculated [$106,814.95] as being expended on eligible activities as listed below. Should you have additional receipts that can increase your offset, please let us know so that we can adjust your calculations.*

Eligible Offset Items

- ☐ ADA Adjustments
- ☐ Architecture Services
- ☐ Asbestos Remediation
- ☐ Asbestos Testing
- ☐ Bathroom Repairs
- ☐ Bedroom Repairs
- ☐ Cabinets Repairs
- ☐ Cistern Cleaning
- ☐ Cistern Repairs
- ☐ Construction Labor
- ☐ Contractor Fraud
- ☐ Countertops Repairs
- ☐ Debris Removal
- ☐ Doors Repairs
- ☐ Drywall Repairs
- ☐ Electrical Repairs
- ☐ Engineering Services
- ☐ Flooring Repairs
- ☐ Forced Mortgage Pay offf
- ☐ Foundation Elevation
- ☐ Guttering Repairs
- ☐ HVAC Repairs
- ☐ Insulation Repairs
- ☐ Kitchen & Appliances
- ☐ Landscaping
- ☐ Lead Remediation
- ☐ Lead Testing
- ☐ Legal Fees
- ☐ Mold Remediation
- ☐ Mold Testing
- ☐ Painting
- ☐ Permits
- ☐ Plumbing Repairs
- ☐ SBA Loan Cancelled
- ☐ SBA Loan Declined
- ☐ Shutters Repairs
- ☐ Temporary Living Expenses
- ☐ Temporary Shelter
- ☐ Walls Repairs
- ☐ Windows Repairs

***Please note**: Receipts must be verified by inspectors before re-calculation. Receipts must be shown as paid and not listed as invoices or estimates.

Should you need further assistance or clarification, please contact the EnVIsion Tomorrow CDBG-DR Housing Recovery office at 888-239-3387 or contactus@VIstormrecovery.com for assistance.

4.0 Escrow Instructions

Escrow Instructions

If you wish to proceed with the Program and you have done the following: 1) identified any and all additional eligible repairs and recalculation opportunities and 2)submitted all the receipts and offsets that you have and still have a Duplication of Benefit Amount, you must contribute the duplication of benefit amount of [$8,548.46] to the repair of your property, via cashier's check on or before, [August 21, 2020] to the Housing Finance Authority, Collections & Services.

These funds will then be placed in escrow on your behalf to be used to complete the repairs or reconstruction to your home in addition to whatever CDBG-DR funds may still be available to you. After the funds are received and the scope of work for your property is approved, you will be contacted to schedule an appointment to review the scope of work.

Please submit the cashier's check to:

Housing Finance Authority
Collections & Services
100 Lagoon Complex , Suite 4
St. Croix, VI 00840-3912
OR
Housing Finance Authority
Collections & Services
3202 Demarara Plaza. Suite 200
St. Thomas, VI 00802-6447

If you are unable to pay the duplication of benefit amount by [August 21, 2020], your application will be deemed ineligible for assistance and closed.

Should you need further assistance or clarification, please contact the EnVIsion Tomorrow CDBG-DR Housing Recovery office at 888-239-3387 or contactus@VIstormrecovery.com for assistance.

5.0 Appeal Form Instructions

APPEAL FORM INSTRUCTIONS

You are entitled to appeal the eligibility determination on your EnVision Tomorrow CDBG-DR Housing Recovery Program application if you feel it has been reached in error.

To file an appeal of your eligibility determination, you MUST submit the attached appeal form and supporting documentation within 60 days of the date of this letter. Your appeal must be in writing and/or submitted online at www.VIstormrecovery.com and include the following:

- Date of appeal;
- Your name;
- Your current mailing address;
- The street address of the property listed on the application;
- Your identification application number (see above);
- Copies of all supporting documentation the Program should consider with your appeal;
- A specific explanation of the reasons for your disagreement with the decision.

An appeal may be submitted for one or more of the following reasons:

- Program Eligibility Determination
- Award calculation, prior to execution of the grant agreement
- Duplication of Benefits components
- Scope of Work
    - Work in Progress
    - Repair Specifications

The Appeals Committee will review the appeal and provide notification of appeal determinations in writing within 90 days of their receipt of the appeal form. Please note: The decision of the Appeals Committee is final and all decisions are made following all Federal Regulations and Policy.

Please note: You may ask for a recalculation of benefits without a formal appeal. Please contact an EnVIsion Tomorrow Counselor for assistance on that process.

Should you need further assistance or clarification, please contact the EnVIsion Tomorrow CDBG-DR Housing Recovery office at 888-239-3387 or contactus@VIstormrecovery.com for assistance.

6.0 DOB Notification Appeal Form

Duplication of Benefit Notification Appeal Form

Name:	
Damage Address:	Application Number:
	Date of Appeal:
Mailing Address:	
Please state the reason(s) you are appealing:	
Signature:	Date:

7.0 Award Calculation Template

Virgin Islands Housing Finance Authority
Community Development Block Grant - Disaster Recovery Program
3202 Demara Plaza Suite 200 • St. Thomas, USVI 00802
Telephone (340) 777-4432 • Fax (340) 775-7913

CLIENT BUDGET FORM

Check one: New Revision *(If revision, complete revision number and date)* LMI UN

Revision Number: Revision Date:

FORM: CDBGDR-CBDGT-05-11-20

SECTION I: CLIENT INFORMATION			
Client Name:			
Property Address			
Island:			
Units:	1	Max Award	$ 50,000.00

SECTION II: GRANT AWARD INFORMATION	
CDBG-DR Grant	
Client Number:	
Start Date:	
Estimated End Date:	

SECTION III: Contractor(s) Assigned		

PROGRAM: (Select One)	
	HRRP-Housing Reconstruction and Rehab Program
x	RRRP-Rental Reconstruction and Rehab Program
Estimated Duration	Days

SECTION IV: BUDGET	Budgeted Amount	Revision 1	Revision 2	Revision 3	Total Budget
Escrow					
DOB	$ -	$ -	$ -	$ -	$ -
Buy-In (Exceeds Cap)	$ -	$ -	$ -	$ -	$ -
Buy-In (Associated Fees)	$ -	$ -	$ -	$ -	$ -
Total Escrow	$ -	$ -	$ -	$ -	$ -
Direct Cost					
Construction	$ -	$ -	$ -	$ -	$ -
Environmental Remediation (Asbestos/Lead)	$ -	$ -	$ -	$ -	$ -
Total Direct Cost	$ -	$ -	$ -	$ -	$ -
Mobilization	$ -	$ -	$ -	$ -	$ -
Activity Delivery (ADC)					
Construction - Architectural Drawings	$ -	$ -	$ -	$ -	$ -
Construction - Permitting and Fees	$ -	$ -	$ -	$ -	$ -
Environmental - Assessments (Multi-family)	$ -	$ -	$ -	$ -	$ -
Environmental - Testing	$ -	$ -	$ -	$ -	$ -
Environmental - Clearence	$ -	$ -	$ -	$ -	$ -
Relocation - Rent Delta	$ -	$ -	$ -	$ -	$ -
Relocation - Moving	$ -	$ -	$ -	$ -	$ -
Relocation - Storage	$ -	$ -	$ -	$ -	$ -
Relocation - Associated Fees	$ -	$ -	$ -	$ -	$ -
Affordability Period - Recordation Fees	$ -	$ -	$ -	$ -	$ -
Legal Fees (Heirship)	$ -	$ -	$ -	$ -	$ -
Total Activity Delivery Cost	$ -	$ -	$ -	$ -	$ -
TOTAL Project Cost	$ -	$ -	$ -	$ -	$ -
Total CDBG-DR Funding					
TOTAL	$ -	$ -	$ -	$ -	$ -

SECTION V: Comments

Specialist: _____
Print Name
Signature: _____ Date: _____

Manager: _____
Print Name
Signature: _____ Date: _____

CDRO: _____
Print Name
Signature: _____ Date: _____

Assistant Director: _____
Print Name
Signature: _____ Date: _____

8.0 INCOME LIMITS

[Effective April 1, 2021]

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
St. Croix Island, VI	$54,900	Very Low (50%) Income Limits ($) Explanation	21,250	24,250	27,300	**30,300**	32,750	35,150	37,600	40,000
		Extremely Low Income Limits ($)* Explanation	12,750	14,600	16,400	**18,200**	19,700	21,150	22,600	24,050
		Low (80%) Income Limits ($) Explanation	33,950	38,800	43,650	**48,500**	52,400	56,300	60,150	64,050

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
St. John Island, VI	$66,200	Very Low (50%) Income Limits ($) Explanation	33,350	38,100	42,850	**47,600**	51,450	55,250	59,050	62,850
		Extremely Low Income Limits ($)* Explanation	20,000	22,850	25,700	**28,550**	30,850	33,150	35,450	37,700
		Low (80%) Income Limits ($) Explanation	53,350	60,950	68,550	**76,150**	82,250	88,350	94,450	100,550

FY 2021 Income Limit Area	Median Family Income Explanation	FY 2021 Income Limit Category	Persons in Family 1	2	3	4	5	6	7	8
St. Thomas Island, VI	$61,600	Very Low (50%) Income Limits ($) Explanation	24,600	28,100	31,600	**35,100**	37,950	40,750	43,550	46,350
		Extremely Low Income Limits ($)* Explanation	14,750	16,850	18,950	**21,050**	22,750	24,450	26,150	27,800
		Low (80%) Income Limits ($) Explanation	39,350	44,950	50,550	**56,150**	60,650	65,150	69,650	74,150

9.0 Fair Market Rates
[Effective October 1, 2020]

The Final FY 2021 St. John Island, VI FMRs for All Bedroom Sizes

Final FY 2021 & Final FY 2021 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	$1,109	$1,314	$1,633	$2,031	$2,214
FY 2020 FMR	$1,061	$1,258	$1,563	$1,948	$2,117

The Final FY 2021 St. Croix Island, VI FMRs for All Bedroom Sizes

Final FY 2021 & Final FY 2021 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	$835	$852	$1,040	$1,294	$1,410
FY 2020 FMR	$799	$815	$995	$1,240	$1,348

The Final FY 2021 St. Thomas Island, VI FMRs for All Bedroom Sizes

Final FY 2021 & Final FY 2021 FMRs By Unit Bedrooms					
Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2021 FMR	$797	$962	$1,204	$1,498	$1,633
FY 2020 FMR	$763	$921	$1,152	$1,436	$1,561

10.0 Pre-award Evaluation Assistance

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

Community Development Block Grant – Disaster Recovery
3438 Kronprindsens Gade · GERS Complex 1st Floor Suite 4
St. Thomas, USVI 00802-6447
Telephone: (340) 777-4432 · Fax: (340) 775-7913

EnVIsion Tomorrow
United We Build USVI

PRE-AWARD EVALUATION ASSISTANCE NOTICE

The undersigned (individually or collectively referred to herein, as the case may be, as the "Applicant") has applied for funding under the Virgin Islands Housing Finance Authority's ("VIHFA") Envision Tomorrow Program (the "Program"). As part of the application process, VIHFA, or its designated representatives must complete assessments of the subject property. As many properties experienced severe damages or remained open to the elements as a result of one or both of the 2017 storms (Irma and Maria); VIHFA may opt to provide Pre-Award Evaluation Assistance to involves minimal clean-up of properties to allow VIHFA, or its designated representative, to conduct an assessment of the damages and needed repairs. This assistance is available to properties deemed unsafe or unsanitary to enter, due to its physical conditions or may pose a risk to the extent that life, health, property or safety of individuals may be impacted or endangered.

The Pre-Award Evaluation Assistance is separate from the grant award and/or loan agreement. The offer of the Pre-Award Evaluation Assistance is not a declaration that the applicant(s) has been deemed eligible and automatically qualified for a grant award and/or loan agreement through the Program or the property approved to receive funding for reconstruction or rehabilitation assistance.

Notwithstanding anything contrary herein, Applicants who receive the Pre-Award Evaluation Assistance must continue to abide by the Program requirements including completing the application process, inclusive of but not limited to the duplication of benefits and covering any costs that exceed any approved grant award/loan amount. The applicant further acknowledges his/her understanding that the completed and accurate application is subject to final review and approval by VIHFA, or its designated representative, and the cost of the Pre-Award Evaluation Assistance is separate from any award/loan amount that may be granted. Additionally, the value of the Pre-Award Evaluation Assistance is not subject to the affordability period requirements. More information regarding the Eligibility Review Process can be found in the Rental Policy and Procedures Section 6.6 at https://cdbgdr.vihfa.gov/programs/housing/.

For the considerations and purposes set forth herein, I/we hereby set my/our hand(s) this__day of__20_ _____.

Signature of Property Owner or Property Owner Authorized Agent :

(1) _____

Print Name:_____

Date: _____

(2) _____

Print Name:_____

Date: _____

Applicant # Application Year

Property Island

Pro Forma Consultation

Property Description	FMR	Units #	Rent Rate	Less Utility Allowance	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Efficiency					$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
1 Bedroom					$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
2 Bedroom					$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
3 Bedroom					$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
4 Bedroom					$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
					$0.00	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Property Expenses	Unit Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost
Administrative		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Maintenance		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Operating		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Taxes & Insurance	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost
Real Estate Taxes or PILOT															
Insurance															
Other Taxes, Licenses, Fees															
Subtotal	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

Reserves	Unit Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost
Replacement Reserve		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Operating Reserve		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals	Totals
Cashflow Before Debt Service	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
Cashflow After Debt Service	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**

12.0 Recapture: Repayment Schedule

1-7 Units (5) Year Affordability Repayment Schedule

	Month											
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	60	59	58	57	56	55	54	53	52	51	50	49
2	48	47	46	45	44	43	42	41	40	39	38	37
3	36	35	34	33	32	31	30	29	28	27	26	25
4	24	23	22	21	20	19	18	17	16	15	14	13
5	12	11	10	9	8	7	6	5	4	3	2	1
6	*No Recapture*											

8-20 Units (15) Year Affordability Repayment Schedule

	Month											
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	180	179	178	177	176	175	174	173	172	171	170	169
2	168	167	166	165	164	163	162	161	160	159	158	157
3	156	155	154	153	152	151	150	149	148	147	146	145
4	144	143	142	141	140	139	138	137	136	135	134	133
5	132	131	130	129	128	127	126	125	124	123	122	121
6	120	119	118	117	116	115	114	113	112	111	110	109
7	108	107	106	105	104	103	102	101	100	99	98	97
8	96	95	94	93	92	91	90	89	88	87	86	85
9	84	83	82	81	80	79	78	77	76	75	74	73
10	72	71	70	69	68	67	66	65	64	63	62	61
11	60	59	58	57	56	55	54	53	52	51	50	49
12	48	47	46	45	44	43	42	41	40	39	38	37
13	36	35	34	33	32	31	30	29	28	27	26	25
14	24	23	22	21	20	19	18	17	16	15	14	13
15	12	11	10	9	8	7	6	5	4	3	2	1
16	*No Recapture*											

12.1 Recapture: Repayment Schedule with Production Subsidy

1-7 Units (8) Year Affordability Repayment Schedule *(with subsidy)*

	Month											
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	96	95	94	93	92	91	90	89	88	87	86	85
2	84	83	82	81	80	79	78	77	76	75	74	73
3	72	71	70	69	68	67	66	65	64	63	62	61
4	60	59	58	57	56	55	54	53	52	51	50	49
5	48	47	46	45	44	43	42	41	40	39	38	37
6	36	35	34	33	32	31	30	29	28	27	26	25
7	24	23	22	21	20	19	18	17	16	15	14	13
8	12	11	10	9	8	7	6	5	4	3	2	1
9	*No Recapture*											

8-10 Units (18) Year Affordability Repayment Schedule *(with subsidy)*

	Month											
Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
1	216	215	214	213	212	211	210	209	208	207	206	205
2	204	203	202	201	200	199	198	197	196	195	194	193
3	192	191	190	189	188	187	186	185	184	183	182	181
4	180	179	178	177	176	175	174	173	172	171	170	169
5	168	167	166	165	164	163	162	161	160	159	158	157
6	156	155	154	153	152	151	150	149	148	147	146	145
7	144	143	142	141	140	139	138	137	136	135	134	133
8	132	131	130	129	128	127	126	125	124	123	122	121
9	120	119	118	117	116	115	114	113	112	111	110	109
10	108	107	106	105	104	103	102	101	100	99	98	97
11	96	95	94	93	92	91	90	89	88	87	86	85
12	84	83	82	81	80	79	78	77	76	75	74	73
13	72	71	70	69	68	67	66	65	64	63	62	61
14	60	59	58	57	56	55	54	53	52	51	50	49
15	48	47	46	45	44	43	42	41	40	39	38	37
16	36	35	34	33	32	31	30	29	28	27	26	25
17	24	23	22	21	20	19	18	17	16	15	14	13
18	12	11	10	9	8	7	6	5	4	3	2	1
19	*No Recapture*											

13.0 Self-Certification of Annual Income

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY
RENTAL REHABILITATION AND RECONSTRUCTION PROGRAM

SELF-CERTIFICATION OF ANNUAL INCOME

PROPERTY INFORMATION

Address Line 1:			City:	
Address Line 2:			State:	Zip Code:
Rent Rate:	Bedrooms:	Utility Costs:	Tenant Rental Assistance: ☐ Yes ☐ No	

MEMBER INFORMATION *(All members 18+ must certify income)*

First Name:	Last Name:	Age	Annual Income	Supporting Documentation Type

CERTIFICATIONS

By signing below, I certify the information I provided on and in connection with this form is true and correct to the best of my knowledge. I also understand that any false statements or deliberate omissions on this form may make my application ineligible.

Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**
Signature	**Printed Name**	**Date**

For Program Use Only

Property ID:		Income Limit:		Fair Market Rate:	
Combined Annual Household Income:		Affordable Utility Costs:		Affordable Rent Rate:	

Reviewed By:

Signature	Printed Name	Date	☐	**Recommended**
			☐	**Not Recommended**

Certified By:

Signature	Printed Name	Date	☐	**Approved**
			☐	**Not Approved**

14.0 Comparison of Version 2 and 3's Restructure

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15.0 Income Calculation Worksheet

U.S. Department of Housing and Urban Development
Office of Community Planning and Development
Income Eligibility Calculator

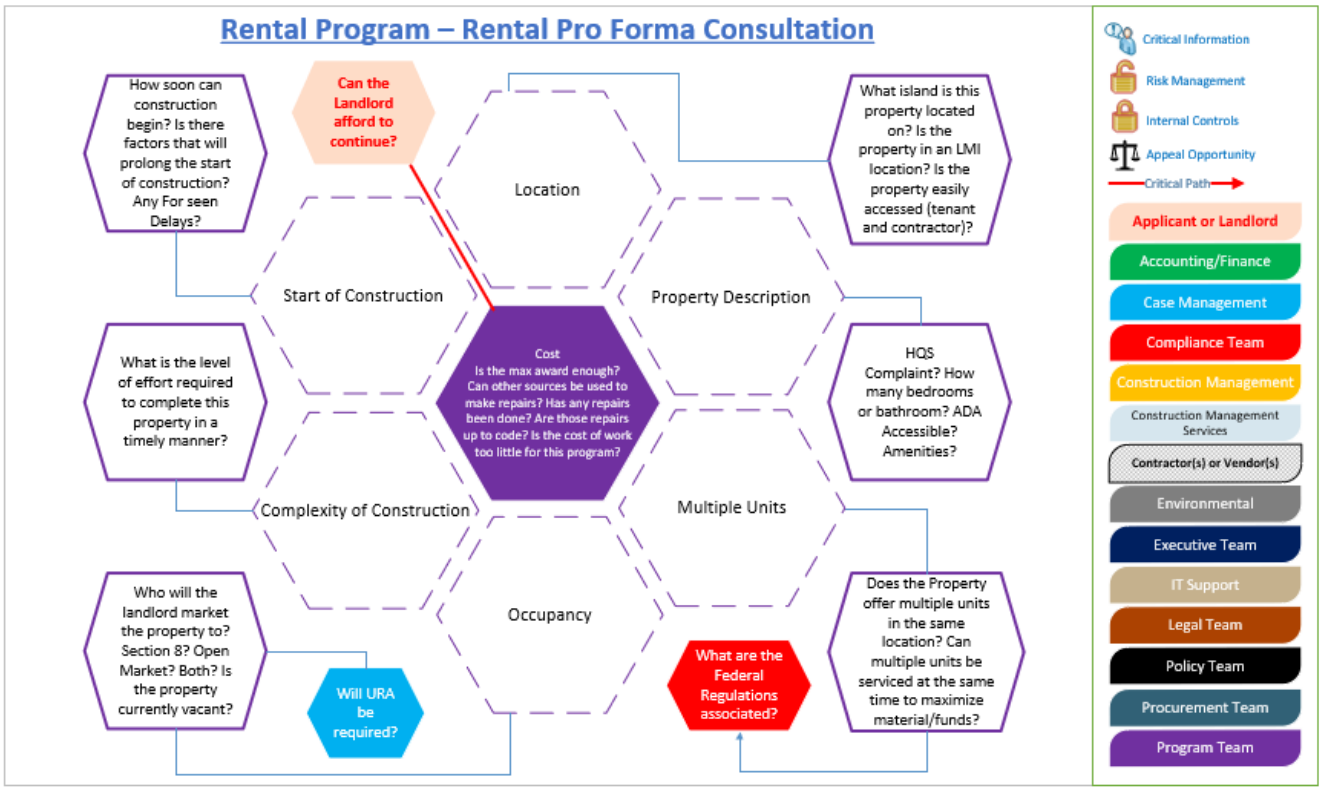
IRS FORM 1040 ADJUSTED GROSS INCOME CALCULATION
Completed on _____

Last Name		**Beneficiary ID:**	0
Area/State: St. John Island, VI	2020 Income Limit: $	**Number of Members:**	1

First Names:					**Subtotals of Line Items**
Member IDs:	0				
Wages, salaries, tips, etc.	$0.00				$0.00
Taxable interest	$0.00				$0.00
Ordinary dividends	$0.00				$0.00
Taxable amount of IRA distributions	$0.00				$0.00
Taxable amount of pensions and annuities	$0.00				$0.00
Taxable amount of social security benefits	$0.00				$0.00
Capital gain or (loss)	$0.00				$0.00
Other income from Schedule 1, line 9	$0.00				$0.00
Total income	**$0.00**				**$0.00**
Adjustments to income from Schedule 1, line 22	$0.00				$0.00
Adjusted gross income	**$0.00**				**$0.00**

Based upon the information submitted, the Annual Income of **0** has been determined to be **$**, which is **below** the **2020** **80** % income limit of **$** for a **1**-member household in **St. John Island, VI** (CBSA: _____). (Completed on _____.)

16.0 Pro Forma Consultation Map



Rental Rehabilitation Reconstruction Program
Project Selection Criteria

Applicant # _____

Date: _____

Reviewer

Name	Recommended ❒
Signature	Not Recommended ❒

Approver

Name	Recommended ❒
Signature	Not Recommended ❒

Location

What island is this property located on? _____
Is the property in an LMI location? ❒ Yes ❒ No
Is the property easily accessed by the contractor? ❒ Yes ❒ No
Is the property easily accessed by the occupants? ❒ Yes ❒ No
Any notable features? If yes, explain. ❒ Yes ❒ No

Property Description

Is the property HQS Complaint? ❒ Yes ❒ No
How many bedrooms? _____
How many bathrooms? _____
Are the ADA Accessible units? ❒ Yes ❒ No
Are there Amenities? ❒ Yes ❒ No
Any notable concerns? If yes, explain. ❒ Yes ❒ No

Multiple Units

Does the Property offer multiple units in the same location? ❒ Yes ❒ No
Can multiple units be serviced at the same time to maximize material/funds? ❒ Yes ❒ No
Any notable features? If yes, explain. ❒ Yes ❒ No

Occupancy

Is the property marketed to Housing Choice Voucher Holders? ❒ Yes ❒ No
Is the property marketed to the Open Market? ❒ Yes ❒ No
Is the property currently vacant? ❒ Yes ❒ No
Is relocation assistance required? ❒ Yes ❒ No
Is permanent relocation assistance required? ❒ Yes ❒ No
Is the cost of relocation **less than** the cost to repair? ❒ Yes ❒ No
Is the cost of relocation **more than** the cost to repair? ❒ Yes ❒ No
Any notable concerns? If yes, explain. ❒ Yes ❒ No

Start and Complexity of Environmental

Is testing required? ❒ Yes ❒ No
Is SHPO an issue? ❒ Yes ❒ No
Is the Property in the Flood Plain ❒ Yes ❒ No
Is the owner willing to get Flood Insurance? ❒ Yes ❒ No
Is off-island disposable required? ❒ Yes ❒ No
Any notable concerns? If yes, explain. ❒ Yes ❒ No

Start and Complexity of Construction

Is the property marketed to Housing Choice Voucher Holders? ❒ Yes ❒ No
How soon can construction begin? _____
Is there factors that will prolong the start of construction? ❒ Yes ❒ No
Any forseen construction delays? ❒ Yes ❒ No
What is the level of effort required to complete this property in a timely manner? _____
Any notable concerns? If yes, explain. ❒ Yes ❒ No

Cost

Is $75,000 per unit sufficient? ❒ Yes ❒ No
Is additional funding available to make repairs? ❒ Yes ❒ No
Has any repairs been done? ❒ Yes ❒ No
Does the repairs completed previously meet code? ❒ Yes ❒ No
Is the cost of work appear reasonable? ❒ Yes ❒ No
Is the repairs requested eligible? ❒ Yes ❒ No
Has any repairs been started? ❒ Yes ❒ No
Any notable concerns? If yes, explain. ❒ Yes ❒ No

Overall Comments