



3rd Substantial Amendment
to CDBG-DR Action Plan

Public Hearing

Tuesday
August 23, 2022





Purpose Of Today's Public Hearing

Giving Community members the opportunity to:

- **Learn** of VIHFA's plan to reallocate the remaining CDBG-DR funding
- **Understand** how and why reallocation recommendations are made
- **Ask** questions and provide input regarding the proposed reallocation

At the end of this presentation:

- Formal comments will be accepted here at the hearing or in writing. Written comments can be sent to the following address:
 - Email: media@vihfa.gov
 - Please label your comments: **CDBG-DR Action Plan Amendment (3)**



Background

- The Department of Housing and Urban Development (HUD) has allocated **\$1,075,489,884** in Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to support the Virgin Islands recovery from Hurricanes Irma and Maria.
- VIHFA administers these funds in the territory.
- The Action Plan can be found on our website at: [CDBG-DR Action Plan - Virgin Islands Housing Finance Authority \(vihfa.gov\)](https://vihfa.gov/CDBG-DR-Action-Plan-Virgin-Islands-Housing-Finance-Authority)



What are CDBG-DR Funds?

HUD allocated **\$1,075,489,884** in CDBG-DR funds.

These funds can be used for five (5) categories of activities that directly respond to impacts from Hurricanes Irma & Maria.

- Housing
- Public Services & Special Needs Housing
- Infrastructure
- Economic Revitalization
- Planning & Grant Administration



Why Is Reallocation Necessary?

>1% of the total disaster recovery allocations or change in designated beneficiaries.

The 3rd Substantial Amendment reallocates funding for housing and infrastructure programs based on two factors:

1. The remaining unmet need
2. The ability to expend funds within the remaining time allotted for the US Virgin Islands CDBG-DR grant (September 2026)



Proposed Budget



Programs	Substantial Amendment #2 Budget	Percent of Total Allocation	Change in Allocation	Substantial Amendment #3 Revised Allocation	Percent of Total Allocation
Housing	\$326,703,038	32.5%	\$159,730,718	\$486,433,756	48.5%
Special Needs Housing	\$37,500,000	3.7%	\$(23,000,000)	\$14,500,000	1.4%
Infrastructure	\$574,403,330	57.2%	\$(98,621,696)	\$475,781,634	47.4%
Economic Revitalization	\$65,109,022	6.5%	\$(38,109,022)	\$27,000,000	2.7%
Subtotal	\$1,003,715,390	100%		\$1,003,715,390	100%
Planning	\$18,000,000			\$18,000,000	N/A
Administration	\$53,774,494			\$53,774,494	N/A
TOTAL	\$1,075,489,884			\$1,075,489,884	

HOUSING



Funding allocated for housing programs in this Amendment **increased by 16%**.

- Continuing need for repairs to storm-damaged housing and to increase inventory of affordable single family and rental housing
- Increasing cost of construction due to labor and material
- Currently 481 units of new or rehabilitated rental housing are under development, with all but 40 restricted to tenants at 80% or less of Area Median Income.
- Increases the program cap **HRR \$250k - \$350k;**
RRR \$75k - \$150k per unit





LOW-MODERATE INCOME BENEFIT

- With the changes in allocations, the Low-Moderate Income benefit is projected to be 70%.
- Based on need, two of the programs **will extend benefits** to households between 81% and 120% of Area Median Income.
 1. EnVIsion Homeowner Repair and Reconstruction Program
 2. Own a Lot – Build A Home (new housing construction program)
- VIHFA intends to carefully track LMI expenditures to ensure the 70% LMI benefit requirement is met.



FY 2022 Income Limits for All Areas in Virgin Islands for Disaster Recovery *

Adjusted Income Limits	1-Person	2-Person	3-Person	4-Person	5-Person	6-Person	7-Person	8-Person
30 Percent Income Limits	\$20,850	\$23,800	\$26,800	\$29,750	\$32,150	\$34,550	\$36,900	\$39,300
50 Percent Income Limits	\$34,700	\$39,650	\$44,600	\$49,550	\$53,550	\$57,500	\$61,450	\$65,450
80 Percent Income Limits	\$55,550	\$63,450	\$71,400	\$79,300	\$85,650	\$92,000	\$98,350	\$104,700
100 Percent Income Limit	\$69,400	\$79,300	\$89,200	\$99,100	\$107,050	\$115,000	\$122,900	\$130,850
120 Percent Income Limit	\$83,250	\$95,150	\$107,050	\$118,900	\$128,450	\$137,950	\$147,450	\$156,950

* Determined by Housing & Urban Development annually



SPECIAL NEEDS HOUSING



Focus is on repair/replacement of damaged facilities that provide services to “at risk” populations – i.e., children, the elderly, homeless persons, persons with disabilities, including victims of domestic violence.

Activities will be funded through a Notice of Funding Availability (NOFA) released June 2022.

\$10,500,000 is currently allocated with additional funding possible based on need and demand.

PUBLIC SERVICES



\$4,000,000 has been allocated for Public Services, representing an **increase of \$3,500,000** over Substantial Amendment #2.

Funding will be made available to:

- Provide services to “at risk” populations to assist with recovery from the impacts of Hurricanes Irma and Maria.
- Provide supplemental support to certain territorial agencies that will directly accelerate the speed of recovery.



INFRASTRUCTURE

The allocation for infrastructure
decreased by 5.8%

VIHFA intends to fund the following projects:

- **Virgin Islands(VI)Waste Management Authority**
Seven Convenience Centers & Anguilla Landfill Phased Closure
- **VI Water and Power Authority** Slope Stabilization
Randolph Harley New Generation
- **Office of the Lieutenant Governor**
Street Addressing Initiative
- **VI Port Authority** (pending waiver)
Crown Bay/ East Gregoire Channel Dredging





NON-FEDERAL COST SHARE

(Cost Share: FEMA 90% | Local (HUD) 10%)

Designed to assist state agencies, public entities, local non-profit organizations, and other eligible applicants by leveraging CDBG-DR funds with FEMA Public Assistance (FEMA PA) provided to the Virgin Islands to maximize, facilitate and ensure recovery.

CDBG-DR funds are limited to covering the non-federal cost share match portion related to FEMA PA eligible project worksheets (PWs).

Funding for Non-Federal Cost Share **was reduced** to provide funding to repair and rehabilitate damaged homes and develop single family housing. *This represents the 5.8% reduction in the overall Infrastructure budget.*

ECONOMIC REVITALIZATION



Funding for Economic Revitalization was **reduced by 3.8%** reflecting the recategorization of the Port Dredging Project from Economic Revitalization to Infrastructure.

Remaining funding will be reprogrammed to support a **new program – *Neighborhood Revitalization***. Upon the issuance of NOFA, the Program will provide funding for:

- Grants and technical assistance to small businesses and microenterprises.
- Grants to improve facades, landscaping and amenities in commercial areas.

PLANNING & ADMINISTRATION



There was **no proposed change** to the allocation for planning activities.

The administrative allocation remains at the maximum 5% of the total grant.

VIHFA is proposing to increase the allocation change that will trigger the need for a Substantial Amendment from 1% to 3% of the allocation amount.



PUBLIC ENGAGEMENT SCHEDULE

AUG | MON

8

**Substantial Amendment
Posted to USVI – CDBG-DR
website**

AUG | TUE

30

2nd Public Hearing
Date: Tuesday, August 30, 2022
Time: 3:00pm – 4:00pm
Location: Online via Zoom

AUG | MON

22

Public Comment Period Open

SEP | THUR

22

**Public Comment Period
Closed**

AUG | TUE

23

1st Public Hearing
Date: Tuesday, August 23, 2022
Time: 5:30pm
Location: Online via Zoom

SEP | FRI

30

**Substantial Amendment #3
Submitted to HUD**



PUBLIC COMMENTS

People who wish to provide public comments at one of the hearings will each be given three minutes to speak.

Those wishing to speak are encouraged to provide a written copy of their comments to VIHFA staff.

All written comments can be submitted by:

- Email: media@vihfa.gov
- Please label your comments: ***CDBG-DR Action Plan Amendment (3)***
- For additional information, please visit VIHFA's website at: <https://cdbgdr.vihfa.gov/contracts/action-plan/>



Thank You!

