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)
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

<table>
<thead>
<tr>
<th>Programs</th>
<th>Substantial Amendment #2 Budget</th>
<th>Percent of Total Allocation</th>
<th>Change in Allocation</th>
<th>Substantial Amendment #3 Revised Allocation</th>
<th>Percent of Total Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing</td>
<td>$326,703,038</td>
<td>32.5%</td>
<td>$159,730,718</td>
<td>$486,433,756</td>
<td>48.5%</td>
</tr>
<tr>
<td>Special Needs Housing</td>
<td>$37,500,000</td>
<td>3.7%</td>
<td>$(23,000,000)</td>
<td>$14,500,000</td>
<td>1.4%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>$574,403,330</td>
<td>57.2%</td>
<td>$(98,621,696)</td>
<td>$475,781,634</td>
<td>47.4%</td>
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<tr>
<td>Economic Revitalization</td>
<td>$65,109,022</td>
<td>6.5%</td>
<td>$(38,109,022)</td>
<td>$27,000,000</td>
<td>2.7%</td>
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<tr>
<td>Subtotal</td>
<td>$1,003,715,390</td>
<td>100%</td>
<td></td>
<td>$1,003,715,390</td>
<td>100%</td>
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<tr>
<td>Planning</td>
<td>$18,000,000</td>
<td></td>
<td></td>
<td>$18,000,000</td>
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</tr>
<tr>
<td>Administration</td>
<td>$53,774,494</td>
<td></td>
<td></td>
<td>$53,774,494</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,075,489,884</strong></td>
<td></td>
<td></td>
<td><strong>$1,075,489,884</strong></td>
<td>N/A</td>
</tr>
</tbody>
</table>
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.
<table>
<thead>
<tr>
<th>Adjusted Income Limits</th>
<th>1-Person</th>
<th>2-Person</th>
<th>3-Person</th>
<th>4-Person</th>
<th>5-Person</th>
<th>6-Person</th>
<th>7-Person</th>
<th>8-Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 Percent Income Limits</td>
<td>$20,850</td>
<td>$23,800</td>
<td>$26,800</td>
<td>$29,750</td>
<td>$32,150</td>
<td>$34,550</td>
<td>$36,900</td>
<td>$39,300</td>
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<tr>
<td>50 Percent Income Limits</td>
<td>$34,700</td>
<td>$39,650</td>
<td>$44,600</td>
<td>$49,550</td>
<td>$53,550</td>
<td>$57,500</td>
<td>$61,450</td>
<td>$65,450</td>
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<tr>
<td>80 Percent Income Limits</td>
<td>$55,550</td>
<td>$63,450</td>
<td>$71,400</td>
<td>$79,300</td>
<td>$85,650</td>
<td>$92,000</td>
<td>$98,350</td>
<td>$104,700</td>
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<tr>
<td>100 Percent Income Limit</td>
<td>$69,400</td>
<td>$79,300</td>
<td>$89,200</td>
<td>$99,100</td>
<td>$107,050</td>
<td>$115,000</td>
<td>$122,900</td>
<td>$130,850</td>
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<tr>
<td>120 Percent Income Limit</td>
<td>$83,250</td>
<td>$95,150</td>
<td>$107,050</td>
<td>$118,900</td>
<td>$128,450</td>
<td>$137,950</td>
<td>$147,450</td>
<td>$156,950</td>
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</tbody>
</table>

* 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

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUG MON</td>
<td>Substantial Amendment Posted to USVI – CDBG-DR website</td>
</tr>
<tr>
<td>8</td>
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<tr>
<td>AUG TUE</td>
<td>2nd Public Hearing</td>
</tr>
<tr>
<td>30</td>
<td>Date: Tuesday, August 30, 2022</td>
</tr>
<tr>
<td></td>
<td>Time: 3:00pm – 4:00pm</td>
</tr>
<tr>
<td></td>
<td>Location: Online via Zoom</td>
</tr>
<tr>
<td>SEP THUR</td>
<td>Public Comment Period Closed</td>
</tr>
<tr>
<td>22</td>
<td></td>
</tr>
<tr>
<td>SEP FRI</td>
<td>Substantial Amendment #3 Submitted to HUD</td>
</tr>
<tr>
<td>30</td>
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<tr>
<td>AUG TUE</td>
<td>1st Public Hearing</td>
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<tr>
<td>23</td>
<td>Date: Tuesday, August 23, 2022</td>
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<tr>
<td></td>
<td>Time: 5:30pm</td>
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<tr>
<td></td>
<td>Location: Online via Zoom</td>
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<tr>
<td>AUG MON</td>
<td>Public Comment Period Open</td>
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<tr>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>
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/](https://cdbgdr.vihfa.gov/contracts/action-plan/)
Thank You!