



1st Substantial Amendment
to CDBG-Mitigation Action Plan

Public Hearing

Thursday, June 29, 2023

Via ZOOM @ 5:30PM



cdbg Funding
Our
Future
DISASTER RECOVERY

Purpose

Give community members the opportunity to:

Learn:

- VIHFA plan to amend the action plan
- About Community Development Block Grant Mitigation (CDBG-MIT) eligibility requirements
- Upcoming public hearing dates



Ask questions and provide input regarding the proposed substantial amendment

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: ***Substantial Amendment 1 – CDBG -MIT Action Plan***



CDBG-MIT



Federal Register Notice Vol. 84, No 169 published August 30, 2019, and Federal Register Notice, Vol. 84, No. 175 published September 10, 2019.



U.S. Department of Housing and Urban Development (HUD) allocated \$744,188,000 in CDBG-MIT funds to support the mitigation and resilience improvements in the Territory.



CDBG-MIT Grant Agreement is effective, April 25, 2023.



Proposed Substantial Amendment to the CDBG-MIT Action Plan.



Per FRN, VIHFA will conduct three (3) public hearings. Convened at different locations territorily; one convened prior to the Action Plan Publication.



CDBG-MIT Action Plan Must:

Action Plan or Substantial Amendment Must:

- ✓ Detail the proposed use of all funds including
 - ✓ the criteria for eligibility **and**
 - ✓ how the use of funds will address mitigation in the most impacted and distressed (MID) areas.



Substantial Amendment

Covered Projects	Benefits or Eligibility Criteria	Project Activities	Allocation Thresholds
Addition of eligible cover projects.	Change in the program benefit or eligibility criteria.	Addition or deletion of an activity.	Change to the allocation or reallocation of monetary thresholds.



Mitigation Activity, Definition

Mitigation activities increase resilience to disasters and eliminate long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.

CDBG-MIT requirements are established in 84 FR 45838 (CDBG-MIT Main Notice) and 85 FR 2676.



CDBG-MIT Requirements:

- 1. Meet the definition of a Mitigation Activities
- 2. Address the current and future risks as identified in the U.S. Virgin Islands Hazard Mitigation Plan 2019 - Update (vi.gov)
- 3. Be CDBG-eligibility activities under Title I of the Housing and Community Development Act 1974 (HCDA)
- 4. Meet a HUD National Objective; Additional criteria for Cover Projects

Mitigation Needs Assessment

U.S. Virgin Islands Hazard Mitigation Plan 2019 – Update:

- ✓ Is the Territory's Federal Emergency Management Agency (FEMA) approved Hazard Mitigation Plan
- ✓ Is incorporated into the CDBG-MIT Action Plan
- ✓ Identifies 7 critical services areas or community lifelines



CDBG-MIT National Objectives



Demonstrate or Be consistent with¹:

- ✓ Ability to operate for the useful life of the project
- ✓ Other mitigation activities that will be carried out
- ✓ Benefit to the most impacted and distressed (MID) areas
- ✓ Compliance with covered projects criteria, and alternative requirements
- ✓ Meet Low-to Moderate-Income (LMI) national objective
- ✓ Meet the Urgent Need Mitigation (UNM), alternative requirement national objective

¹Main Notice , Section V.a.13.a.b.c.d.e.f.

CDBG-MIT COVERED PROJECTS





Covered Projects, Definition

An infrastructure project having a total project cost of \$100 million or more, with at least \$50 million of CDBG funds (regardless of source).

All new Covered Projects will trigger a Substantial Amendment to the Action Plan.



Additional Criteria: Cover Project

1. Demonstrate long-term efficacy and fiscal sustainability:

- Document measurable outcomes or reduction of risk
- Reflect changes in environmental conditions with risk management tools and alter funding
- Establish a long-term Operation and Maintenance Plan

2. Demonstrably benefit the MID area

- Benefits must outweigh the cost
- Document a Benefit Cost Analysis (BCA)
- Demonstrate unique and concrete benefits for low-and moderate-income persons

Main Notice: Section V.A.13.b Additional criteria for Covered Projects



Benefit Cost Analysis (BCA) Types

BCA result must be greater than 1.00

1. FEMA-BCA Toolkit
2. Non-FEMA BCA may be used when
 - a) BCA is completed or in progress by another Federal Agency
 - b) It addresses a non-correctable flaw in the FEMA-approved methodology
 - c) It proposes a new approach that is unavailable using the FEMA BCA Toolkit.
3. Alternative demonstration of benefits
 - a) Project must serve low-and moderate- income persons or other persons that are less able to mitigate risks or respond to and recover from disasters
 - b) Alternately, BCA less than 1 must demonstrate unique and concrete benefits for low-and moderate-income persons

Proposed Amendment:

The Virgin Islands Housing Finance Authority is in process of reviewing two potential Covered Projects for its Infrastructure and Public Facilities Program as identified as critical services and community lifelines in the U.S. Virgin Islands Hazard Mitigation Plan 2019 – Update.



Proposed Covered Projects



Energy Lifeline

Purpose is to mitigate and solidify the efficiency of long-term operation management of the utility's fuel supply critical to its power generation. Thereby increase, reliability and efficient generation.



Transportation Lifeline

Purpose is to increase the resilience and reliability of the transportation system during and following hurricanes and other disaster events.

\$744,188,000 HUD ALLOCATION



Five Activity Categories

Housing	Public Services & Special Needs Housing	Infrastructure	Economic Revitalization	Planning & Grant Administration
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**USE OF
CDBG-MIT FUNDS**



Budget \$774,188,000

Activity Category	Current CDBG-MIT Action Plan % of Total Allocation	Proposed Amendment CDBG-MIT Action Plan % of Total Allocation
Infrastructure and Public Facilities	54%	TBD
Economic Resilience and Revitalization	10%	TBD
Housing	25%	TBD
Public Services	2%	TBD
Planning	4%	4%
Administration	5%	5%
Total	100%	100%

Expenditure Timelines



50% of funds expended in 6 years (2029)



100% of funds expended in 12 years (2035)



Public Engagement Schedule

JUN | THU

29

June 29, 2023

1st Public Hearing

Pre-Action Plan Publication

JUN | FRI

30

June 30, 2023

30-Day Comment Period Opens

JUL | WED

12

July 12, 2023

2nd Public Hearing

JUL | WED

19

July 19, 2023

3rd Public Hearing

JUL | MON

31

July 31, 2023

Last Day for Public Comments

30-Day Comment Period Ends

AUG | FRI

4

August 4, 2023

**Action Plan Amendment 1
Submitted to HUD for
Approval**



Public Comments

Individuals 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: ***Substantial Amendment 1 - CDBG-MIT Action Plan***
- For additional information, please visit VIHFA's website at: <https://cdbgdr.vihfa.gov/programs/cdbg-mitigation/>



Thank You!

