

UNITED STATES VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

INFRASTRUCTURE PROGRAM POLICIES AND PROCEDURES

VERSION: 2.0

July 18, 2022

Prepared by:

Virgin Islands Housing Finance Authority – CDBG-DR Program Division



The policies stated in this manual are current as of July 18, 2022. This Manual represents the current version of the Virgin Islands Housing Finance Authority's (VIHFA) policies which shall provide general guidance for the operation of the Infrastructure Programs. All manuals will be reviewed periodically and will be updated. Therefore, you are strongly urged to visit our website www.vihfa.gov/disaster-recovery to ensure that you have the latest version.

SUBJECT: Infrastructure Program	
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APPROVAL:	
	
Ann Hanley, Director of Programs VIHFA CDBG-DR	08.02.2022
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Infrastructure Program Version Control

Version Number	Date Revised	Description
Version 1 (Draft)	2/15/2019	Infrastructure Program Policies Draft
Version 1 (Draft)	4/5/2019	Crosscutting requirements removed for separate Appendix
Version 1	6/6/2019	No substantive changes, approved by CDBG-DR Director
Version 2	7/18/2022	• Local Match Program Removed • Merged section 2.1 (Summary) and 2.2 (Background) • Added section 4.2.2 (Project Description) removed • n 3.0 (Application Process) • Removed sections 4.3.1 (Community Resilience and Public Facilities Construction and 4.3.2 (Resilient Critical & Natural Infrastructure) • New Section 4.4 (CDBG-DR Programs). Incorporated Infrastructure Repair and Resilience Program and Electrical Power Systems Enhancement Program as 4.4.2 and 4.4.3 • Removed Program Administration language from sections 4.4.2 (Infrastructure Repair and Resilience Program) and 4.4.3 (Electrical Power Systems Enhancement and Improvement Program) • Duplicative language removed from section 5.0 (Program Requirements). Program Requirements header removed and replaced with Program Administration. • Moved section 5.2 (Tie to the Disaster) to section 4.0 (CDBG-DR Program) as 4.4.1 • Moved Sections 5.3 (Eligible Activities) and 5.4 (National Objectives) to section 3.0 (Infrastructure Programs Overview) as 3.3 and 3.4 • Moved section 5.7 (Infrastructure Specific Program Requirements) to section 4.0 (Method of Distribution) as 4.1 • Moved section 5.6 (Elevation Requirements) to section 4.0 (Method of Distribution) as 4.1.7 • Added section 9.0 (Recordkeeping) • Added section 10.0 (Cross Cutting Requirements)

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1.0: VERSION POLICY

1.1: Version History

Version history is tracked in Table 1, with notes regarding version changes. The dates of each publication are also tracked in this table. The first version of this document is 1.0. Substantive changes within this document that reflect a policy change will result in the issuance of a new version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and the issuance of a new primary version number. All substantive changes to the policy will have to be reviewed/approved by the Policy Change Control Board.

Non-substantive changes such as minor wording and editing, or clarification of existing policy, that do 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 changes would result in a version number such as 2.1, 2.2, and 2.3, etc.

Policy Change Control Board

Policy reviews and changes for the USVI Infrastructure Programs (the 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 perform a review to verify that all relevant information and any supporting documentation are included in the request. Upon PCCB concurrence by these two members that the request 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 Infrastructure Program Senior Manager, at least one Subject Matter Expert, and other program staff members representing Program leadership as needed.

The PCCB meets as needed to consider all critical policy decisions.

2.0: PROGRAM OVERVIEW

As a result of the 2017 hurricanes, Irma and Maria, the President announced a Major Disaster Declaration for Irma ([DR-4335](#)) and another for Maria ([DR-4340](#)) to make federal disaster assistance available to the U.S. Virgin Islands. Through a Congressional appropriation in 2018, the U.S. Department of Housing and Urban Development (HUD) has awarded \$1,075,489,884 of CDBG-DR funds to the territory to address unmet needs

from both hurricanes. This document represents the policies for implementation of two Infrastructure Programs: the Infrastructure Repair and Resilience Program and the Electrical Power Systems Enhancement and Improvement Program.

The fragility of the Territory's infrastructure systems was evident when they failed in the aftermath of Hurricanes Irma and Maria. Residents not only suffered from direct damage to their homes from the hurricanes, but also endured the loss of critical services such as power and water due to damaged public infrastructure. Without water or power, residents were forced to evacuate their homes to seek shelter and emergency assistance. The programs address multiple unmet needs for proper functioning of the Territory's infrastructure systems, including energy, transportation, and telecommunications infrastructure. If the Territory's infrastructure is made more resilient, critical services could be stabilized and maintained for residents in the event of a future disaster, creating a safer and more secure environment.

The Infrastructure Programs address the unmet needs of the Territory through:

- Comprehensive planning to identify resilience opportunities
- Adoption and enforcement of codes to bring critical infrastructure up to industry standards
- Enhancement and implementation of Geographic Information System and related infrastructure
- Implementation of innovative technology and other best practices to create a more reliable, sustainable, and cost-effective electric grid.

Funding Goals

The CDBG-DR Infrastructure Recovery Program utilizes CDBG-DR funds to develop “stand-alone” infrastructure projects that are necessary to address identified unmet disaster recovery needs following guidance provided by HUD with this allocation of funds. The projects in this program are also designed to address community recovery needs.

3.0: NATIONAL OBJECTIVES

Per HUD 24 CFR 570 Section 101(c), the primary objective of the Program is the development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. The statute further states that this is to be achieved in the CDBG program by ensuring that each funded activity meets one of three named national objectives. Those three objectives are identified as: benefiting low- and moderate-income persons; preventing or eliminating slums or blight; and meeting urgent needs. Federal Register FR-6109-N-01 states that each grantee must ensure that at least 70% of all CDBG-DR funds must be used for activities qualifying under the national objectives of Benefit to Low- and Moderate-Income Persons. The following national objectives are applicable to all Infrastructure Programs and all projects will be required to meet at least one of the national objectives below.

3.1: Low- and Moderate-Income Area (LMA)

To be eligible as LMA, the project service area must be at least 51% LMI households and be predominantly residential. In instances where the infrastructure investment activity does not serve the entire island but a particular location, an LMA analysis will be conducted to determine the low- and moderate-income benefit.

3.2: Low- and Moderate-Income Limited Clientele (LMC)

In contrast to the area benefit category, it is not the LMI concentration of the service area of the activity that determines whether the activity will qualify or not, but rather the actual number of LMI persons that benefit from the activity. Activities in this category provide benefits to a specific group of persons rather than everyone in an area. It may benefit particular persons without regard to their residence, or it may be an activity that provides a benefit to only particular persons within a specific area.

3.3: Urgent Need

While at least 70% of the entire CDBG–DR grant will be used for activities that benefit LMI persons, for certain activities the U.S. Virgin Islands will use the Urgent Need national objective. Activities carried out under the urgent need objective will not count towards the 70% LMI benefit. To qualify for the Urgent Need national objective, there must be a clear tie to the disaster, as well as documentation of the critical need for the activity.

3.4: Required Documentation

Table1: National Objective and Required Documentation

National Objective	Required Documentation
LMI Area Benefit	Boundaries of service area of activity; Census data including total persons and percentage LMI; Evidence area is primarily residential; and Survey documentation (if applicable).
LMI Limited Clientele	Documentation that the beneficiaries are or are presumed to be LMI (by category).
Urgent Need	Per 83-FR-5856, CDBG certification requirements for documentation of urgent need, located at 24 CFR 570.483(d), are waived and replaced with: 1. Document how each program and/or activity funded under the urgent need national objective responds to a disaster-related impact. 2. For each activity that will meet an urgent need national objective, the grantee must reference in its action plan needs assessment the type, scale, and location of the disaster-related impacts that each program

	and/or activity is addressing over the course of the applicable deadline for the expenditure of obligated grant funds.
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4.0: ELIGIBILITY

4.1: Eligible Activities

The table below summarizes the total infrastructure CDBG-DR allocations in accordance with basic eligible activities per HCDA Section 105:

Table 2: Summary of Infrastructure Program Eligible Activities

Program	Sectors	HCDA Eligible Activities (Section 105(a))	Total Allocation
Infrastructure Repair and Resilience	1. Educational Facilities 2. Energy 3. Government Facilities 4. Hospitals & Healthcare Facilities 5. Telecommunication 6. Transportation (including roads, ports, & airports) 7. Waste/Landfill Debris 8. Water & Wastewater	1. Acquisition of Real Property 2. Public Facilities and Improvements 3. Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Relocation • Assistance to Institutions of Higher Education	\$60,750,000
Electrical Power Systems Enhancement and Improvement	• Energy	• Acquisition of Real property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Relocation •	\$95,903,330
Total			\$156,653,330

For each activity, the Territory will determine the appropriate service area based on factors including: the nature of the activity; the location of the activity; accessibility issues; the availability of comparable activities; and boundaries for facilities and public services. The Territory will ensure that projects will be prioritized to provide services to LMI persons and support unmet housing needs.

4.2: Ineligible Activities

The CDBG-DR program regulations identify certain activities as categorically ineligible. They also identify certain other activities that are ineligible unless they are carried out under the authority of §570.204.

The general rule in the CDBG-DR program is that any activity that is not authorized under the provisions of §570.201-570.206 (or, where applicable, the statute) is ineligible to be assisted with CDBG-DR funds. However, the eligible activities are so broad that it is easy to forget that some things cannot be done under the Program. The purpose of this section is to discuss specific activities that are ineligible and to provide guidance in determining the eligibility of other activities frequently associated with housing and community development.

Categorically Ineligible

The following activities may not be assisted with CDBG-DR funds under any circumstance:

- General government expenses. Except as otherwise specifically authorized in Subpart C of Part 570 or under OMB Circular A-87, expenses required to carry out the regular responsibilities of the unit of general local government are not eligible for assistance under this part. Reference: §570.207(a)(2). This includes repair/replacement of facilities used for the general operation of government.
- Political activities. CDBG funds may not be used to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration. However, a facility originally assisted with CDBG funds may be used on an incidental basis to hold political meetings, candidate forums, or voter registration campaigns, provided that all parties and organizations have access to the facility on an equal basis, and are assessed equal rent or use charges, if any. Reference: §570.207(a)(3)

Generally Ineligible

The following activities may not be assisted with CDBG-DR funds unless authorized as Special Economic Development Activities under §570.203 or §570.204.

- Furnishings and personal property. The purchase of equipment, fixtures, motor vehicles, furnishings, or other personal property not an integral structural fixture is generally ineligible. CDBG-DR funds may be used, however, to purchase or to pay depreciation or use allowances (in accordance with 2 CFR 200) for such items when necessary for use by a recipient or its subrecipients in the administration of activities assisted with CDBG-DR funds, or when eligible as firefighting equipment, or when such items constitute all or part of a public service pursuant to §570.201(e)2. Also, these items are eligible when carried out by a for-profit business as part of CDBG-DR assistance under the authority of §570.203(b). Reference: §570.207(b)(1)

- Operating and maintenance expenses. The general rule is that any expense associated with repairing, operating, or maintaining public facilities, improvements, and services are ineligible.
- Maintenance and repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking, and other public facilities and improvements. Examples of maintenance and repair activities for which CDBG-DR funds may not be used include the filling of potholes in streets, repairing of cracks in sidewalks, the mowing of grass in city or county parks, and the replacement of street light bulbs.

Payment of salaries for staff, utility costs, and similar expenses necessary for the operation of public works and facilities. Reference: §570.207(b)(2).

Categorically Ineligible

Except on a limited basis, as referenced, the following activities may not be assisted with CDBG-DR funds under any circumstance:

- General government expenses, §570.207(a)(2), and
- Political activities, §570.207(a)(3)

Generally Ineligible

All subrecipients must adhere to the cost principles found in 2 CFR, Subpart E – Cost Principles. Costs must be allowable, necessary, reasonable, and allocable. Unless authorized, the following activities may not be assisted with CDBG-DR funds.

- Furnishings and personal property, § 570.201(e). §570.203(b). §570.207(b)(1)
- Operating and maintenance expenses, §570.201(e); §570.201(f)], and §570.206; §570.207(b)(2).

All subrecipients must adhere to the cost principles found in 2 CFR, Subpart E – Cost Principles. Costs must be allowable, necessary, reasonable, and allocable. Additional information on eligible and ineligible costs can be found at 2 CFR 200.420-200.475.

4.3: Tie to the Disaster

All activities funded with CDBG-DR in the Infrastructure Program must in some way respond to a direct or indirect impact of one of the following federally declared disasters:

- Hurricane Irma (DR-4335)
- Hurricane Maria (DR-4340)

The tie to the disaster will be determined by one of the following:

- For physical losses – Damage, rebuilding estimates, or insurance estimates

- For economic or other non-physical losses – post-disaster analyses or assessments (documenting relationship between loss and disaster)¹

4.4: Costs and Benefits

Each project will be informed by a consideration of cost and benefits, due the high cost of labor and materials due to the isolated geography and limited workforce in the Territory. Whenever possible, local/regional talent and materials should be utilized to reduce costs.

The Territory’s approach to assessing costs and benefits may be based on two existing frameworks. The first, HMGP’s Guidance on cost effectiveness, relies on a Benefit Cost Analysis, where projects for which benefits exceed costs are generally considered cost effective. The project cost estimate includes a line-item breakdown of all anticipated costs, including, as applicable:

- Costs for anticipated environmental resource impact treatment or historic property treatment measures
- Costs for engineering designs/specifications, including hydrologic and hydraulic studies/analyses required as an integral part of designing the project
- Construction/demolition/relocation costs, such as survey, permitting, site preparation, and material/debris disposal costs
- All other costs required to implement the mitigation project, including any applicable project-type specific costs.

Benefits in this methodology are often calculated using standard loss of function estimates provided by relevant federal agencies, which may also be utilized by the Territory.

Given the Territory’s approach to mitigation and resilience as giving full consideration systemic, inter-related processes that promote resilience, the method produced through the National Disaster Resilience Competition (NDRC) may help to supplement some of these factors.

Under this method, to the greatest extent possible, a narrative description may be produced to identify evidence-based practices as the basis for the project proposal. This method includes the following steps:

- A full proposed cost, including Federal, Territorial, and private funding, as well as expected operations and maintenance costs and functionally related to geographically related work;
- A description of the current situation and the problem to be solved (including anticipated changes over the analysis period);
- A description of the proposed project or program including functionally or geographically related elements and estimated useful life;
- A description of the risks to the community if the proposal and any land use, zoning or building code changes are not implemented, including costs that might be avoided if a disaster similar to the

¹ <https://www.hudexchange.info/resources/documents/CDBG-DR-Eligible-Activities-Slides.pdf>

qualifying disaster struck again, including costs avoided if as a result of the project remaining effective in a future disaster;

- A list of the benefits and costs of the proposal and the rationale for including each effect using the table provided according to the following categories:
 - Lifecycle costs;
 - Resiliency value;
 - Environmental Value;
 - Social Value; and,
 - Economic Revitalization.
- A description of risks to ongoing benefits from the proposed project or program; and
- An assessment of challenges faced with implementing the proposal.²

4.5: Adaptable and Reliable Technologies

The Territory understands the critical need to strike a balance between advanced technology and reliable results. That is why the projects under the Infrastructure Programs may incorporate sustainability standards that have already been set and tested around the world, such as Leadership in Energy and Environmental Design (LEED) and International Green Construction Code (IGCC). Projects that incorporate such sustainability and technological standards may receive additional priority considerations. All projects are encouraged to follow the predevelopment principles described in the Federal Resource Guide for Infrastructure Planning and Design.³ Under each Infrastructure Program, prioritization criteria will also consider the technical feasibility of a project as a factor in how it will receive funding to encourage realistic project design from the onset. However, it is also understood that traditional energy systems and infrastructure pathways might not be the most geographically relevant or effective solution for long-term recovery, so resiliency will be heavily weighted as a prioritization criterion as well.

VIHFA expects Subrecipients to enhance current technological capacities. It will be a key priority of the Infrastructure Programs to ensure Subrecipients build the appropriate capacities to process information and funds effectively, some of which is assessed during the Capacity Assessment phase.

5.8: COVERED PROJECTS

Requirements under 83 FR 40314 state that projects surpassing a total investment of \$200 million threshold or that are complex enough in the opinion of the Federal Permitting Improvement Steering Council will require enhanced oversight including additional environmental reviews. While the Territory has not identified any infrastructure projects that currently reach this threshold, should any projects meet this criteria, the Territory may choose to complete these additional requirements under Fixing America's Surface Transportation, Title 41 (FAST-41), which established federally accepted procedure to improve early consultation and coordination among government agencies; increase transparency through the publication of project-specific timetables with completion dates for all federal authorizations and environmental reviews; and increase accountability through consultation and reporting on projects.⁴ Per the Federal Register Notice, CDBG–DR grantees may choose to participate in reporting on their environmental review and permitting of covered projects under FAST–41.

² <https://www.hudexchange.info/resources/documents/NDRC-Phase-2-NOFA-Appendix-H-Benefit-Cost-Analysis-Instructions.docx>

³ <http://portal.hud.gov/hudportal/documents/huddoc?id=BAInfraResGuideMay2015.pdf>

VIHFA may be administering projects which meet this threshold through any of the three Infrastructure Programs. VIHFA will be actively reporting environmental reviews and permitting for projects of all sizes to HUD and relevant Territorial agencies but does not currently plan to participate in FAST-41.

5.9: Elevation Requirements

The following elevation standards apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation, must be elevated or flood proofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation. Subrecipients should review the UFAS accessibility checklist available at <https://www.hudexchange.info/resources/796/ufas-accessibility-checklist/> along with the HUD Deeming Notice, 79 FR 29671 (May 23, 2014) to ensure that these structures comply with accessibility requirements.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 500-year (or 0.2 percent annual chance) floodplain must be elevated or flood proofed (in accordance with the FEMA standards) to the higher of the 500-year flood plain elevation or three feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable, and the Critical Action is in the 100-year-floodplain, then the structure must be elevated, or flood proofed at least three feet above the 100-year flood plain elevation. Critical Actions are defined as an 'activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property.' Critical actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.

6.0: PRIORITIZATION CRITERIA

A standard set of criteria was developed through the Action Plan to ensure funding is allocated to projects that will have the biggest benefit to recovery first. Priority will be given to projects directly supporting housing needs and critical services.

All Infrastructure Programs are designed around the same set of criteria, which are used in the concept development and project design phases. These criteria are defined as:

- **LMI:** Project beneficiaries are documented to be at least 51% low- and moderate-income persons.
- **LMA:** Project service area has been determined to be at least 51% low/mod and is predominantly residential.
- **Readiness:** Projects demonstrate they are ready to begin rehabilitation or construction. A project is considered "ready" if environmental review and engineering have already been completed, where required OR the project can demonstrate an accelerated timeline. For

instance, external factors like gubernatorial executive orders or the approach of a new hurricane season may warrant a heightened priority.

- **Criticality:** Determined based on the extent to which the normal conduct of social, economic, or government processes is impeded without the project. Special consideration will be given to projects that have a strong tie to housing unmet needs or will contribute to long-term recovery and restoration of housing.
- **Resilience:** Project includes measures that prevent vulnerability in the future or provide innovative solutions to existing vulnerabilities.
- **Technical Feasibility:** The degree of specialized equipment or advanced technical capacity required.
- **Sustainability:** Degree to which modern sustainability standards or best practices are taken into consideration for the project.
- **Economic Benefit:** The project is evidenced to resolve an impediment to or create new opportunities for economic activities.

7.0: METHOD OF DISTRIBUTION

The Infrastructure Funding has been divided into two allocations as follows. Infrastructure Repair and Resilience and Electrical Power Systems Enhancement and Improvement Program. The subrecipients are required to address long-term recovery and hazard mitigation planning by describing how projects will:

- Promote sound sustainable long-term recovery planning informed by post-disaster hazard risk;
- Adhere to elevation requirements of Prior Notice;
- Coordinate with local and regional planning efforts, including how the Subrecipient will promote community-level and/or regional post-disaster recovery and mitigation planning;
-

7.2: Table 3 Infrastructure Repair and Resilience Program

Classification	National Objective Description
Eligible Activities:	• Acquisition of Real Property (HCDA Section 105(a)(1)); • Public Facilities and Improvements (HCDA Section 105(a)(2)); • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (including Housing) (HCDA Section 105(a)(4)); • Relocation (HCDA Section 105(a)(11)); • Assistance to Institutions of Higher Education (HCDA Section 105(a)(21))
National Objectives:	1. Low- and Moderate-Income Area, 2. Low- and Moderate-Income Limited Clientele, and 3. Urgent Need.
Program Allocation:	\$60,750,000
Low- and Moderate-Income Projection:	65%
Estimated Start and End Dates:	Quarter 4, 2018 through Quarter 3, 2026.
Geographic Area(s) Served:	Territory-wide.
Administering Entity:	VIHFA
Eligible Applicants:	Government and quasi-government agencies

Eligibility Criteria:	1. Eligible projects are those that: 2. Demonstrate a tie to the storm or have clear evidence of resiliency functions to prevent future damage 3. Meet a national objective 4. Meet at least one eligible activity under HCDA 5. Timely expenditure of funds 6. Do not duplicate benefits
Maximum Award:	There is no maximum award for an individual project. Awards will be based on project cost estimates and cost benefit analysis.

7.3: Table 4 Electrical Power Systems Enhancement and Improvement Program

Classification	Description
Eligible Activities:	• Acquisition of Real Property (HCDA Section 105(a)(1)); • Public Facilities and Improvements (HCDA Section 105(a)(2)); • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (including Housing) (HCDA Section 105(a)(4)); • Payment of Non-federal Share (HCDA Section 105(a)(9)); • Relocation (HCDA Section 105(a)(11)); • Assistance to Institutions of Higher Education (HCDA Section 105(a)(21))
National Objectives:	• Low- and Moderate-Income Area, • Low- and Moderate-Income Limited Clientele, and • Urgent Need.
Program Allocation:	\$95,903,330
Low- and Moderate-Income Projection:	80%. The majority of the electrical power system will serve low- and moderate-income persons throughout St. Croix, St. John, and St. Thomas.
Estimated Start and End Dates:	Quarter 4, 2018 through Quarter 3, 2026.
Geographic Area(s) Served:	Territory-wide.
Administering Entity:	VIHFA
Eligible Applicants:	Public power utilities and other governmental entities which may have electrical projects.
• Eligibility Criteria:	• Eligible projects are those that: • Create a more reliable, sustainable, and cost-effective electric grid through innovative technology and relevant best practices • Demonstrate a tie to the storm • Meet a national objective • Meet at least one eligible activity under HCDA • Timely expenditure of funds • Do not duplicate benefits
Maximum Award:	There is no maximum award for an individual project. Awards will be based on project cost estimates and cost benefit analysis.

8.0: PROGRAM ADMINISTRATION

8.1: Role as Grantee

VIHFA will oversee all activities and expenditures in connection with the CDBG-DR funds. Existing VIHFA employees, additional personnel and contractors will be hired to aid in the administration of, and to carry out, the recovery program. These partners will ensure that the Program meets all requirements, including but not limited to: the disaster threshold, eligibility, national objective, compliance, fair housing, labor standards, nondiscrimination, environmental regulations, Section 3, and procurement regulations.

VIHFA has created a Compliance and Monitoring Manual in accordance with CDBG-DR requirements so that each activity funded will meet the disaster threshold and one of HUD's three national objectives, with emphasis on eligible activities achieving the primary national objective of benefiting low- and moderate-income persons.

All projects must comply with any applicable federal laws and regulations and effectively meet their stated goals. Division staff will provide technical assistance to Subrecipients to meet these requirements as needed. In accordance with HUD requirements, VIHFA will submit a Quarterly Progress Report (QSR) through DRGR no later than thirty days following the end of each calendar quarter. QPR's will be posted on a quarterly basis until all funds have been expended and all expenditures have been reported. QPRs will be informed by monthly reports submitted by Subrecipients to VIHFA.

8.2: Duplication of Benefits

The Infrastructure Programs will include a duplication of benefits review as part of the scope and budget review and award calculation process. The requirements of the Robert T. Stafford Act (Stafford Act), as amended, prohibit any person, business concern, or other entity from receiving federal funds for any part of such loss for which they have already received financial assistance under any other program, private insurance, charitable assistance, or any other source. This duplicative funding is called Duplication of Benefit (DOB). Any government entity that provides disaster recovery assistance must both prevent and correct any DOB by the establishment and implementation of policies to identify and adjust for such duplicative assistance payments.

DOB may apply in the following circumstances: when assistance for the same purpose has been received; when assistance for the same purpose will be received; or when assistance for the same purpose is reasonably available from another source, such as insurance or legal settlements due to the property owner.

All Subrecipients will be responsible for accurately reporting the availability or receipt of duplicative grants, loans, insurance payments, legal claims, gifts or other payments pertaining to the property being mitigated. Reporting should occur at any point that such information becomes available, including:

- During scoping process development, pre-award, and approval;
- During the grant period of performance;
- During closeout; and
- After grant closeout, duplicative funds are received at a later date.

As indicated in the Subrecipient Agreement, subrecipients are responsible for reporting DOB information to VIHFA. VIHFA is ultimately responsible for ensuring that project participants comply with all federal laws and regulations. Any agency receiving duplicate benefits is legally responsible for the repayment of those benefits.

8.2.1: Preventing Duplication

All Subrecipients must complete the DOB calculations as part of the Initial Scope and Budget, as well as the Detailed Scope and Budget Form, with assistance from Program staff. Both forms request information about all other sources of funding the agencies must be aware of that may impact the DOB. Agencies must provide documentation of these sources, but VIHFA will also verify these funding sources with other federal partners. This process will be supported by TA from the Program staff. Also included in these forms is the standard calculation method used by Program staff to determine if a duplication is present. Project DOB information must be maintained by the agency and reported to VIHFA throughout the life of the project. The agency reviews reported DOB and makes appropriate deductions. Additionally, CDBG-DR funds may not be used to supplant local resources used for infrastructure projects.

VIHFA maintains records in accordance with Federal grants requirements and assures that the agency has accurately completed DOB reviews and made deductions as appropriate. FEMA must also take steps to assure that its disaster-related assistance funds do not duplicate other assistance by providing information to VIHFA and agency, as needed, to clarify DOB requirements. FEMA's role may include coordination with other Federal agencies, insurance companies, or any other public or private entity to request and provide access to records to assure there is no DOB.

8.3: Recapture

As per the VIHFA Recapture Policies and Procedures, an applicant 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:

- A subrecipient is determined to have provided false or misleading information to the Program;
- A subrecipient withdraws from the Program prior to completion of the project;
- A subrecipient does not complete construction;
- A subrecipient fails to meet a national objective of the Program;
- A subrecipient is found to have used program funds for an ineligible activity; and/or,
- A subrecipient does not report the receipt of additional insurance, SBA, FEMA, non-profit assistance and/or any other duplication of benefits received after award.

9.0: PROGRAM IMPLEMENTATION POLICIES

9.1. Project Support and Technical Assistance

To assist applicants and subrecipients in complying with all CDBG-DR regulations and any Grantee policies, as well as to build capacity, the Infrastructure Program staff and/or Subject Matter Experts will provide subrecipients with necessary TA throughout the life cycle of the project.

All program recipients and projects will be assigned a project coordinator, which is an Infrastructure Recovery Program staff member or consultant and are required to take part in ongoing TA without regard to risk or project size. VIHFA's TA is intended to not only build a subrecipient's capacity and/or to transfer knowledge, but also to ensure compliance with CDBG-DR requirements for the life of the project.

The TA may include but not limited to formal training (prepared materials, in-person presentations and webinars) and informal training (verbal or written advice, provided as needed, through in-person meetings, emails or telephone calls). TA shall be continuously tailored to meet the subrecipient's unique needs

9.2: Subrecipient Selection and Capacity

Capacity assessment shall be performed by the compliance team in accordance with approved policies

9.3: Contractual Agreements

The VIHFA will work with the subrecipients to execute the appropriate contractual agreements that establish proof of compliance with all Federal, Territory and local laws as applicable.

For projects that receive CDBG-DR funding for multiple project phases (i.e., planning, design, and construction), individual amendments to grant agreements may be utilized for each phase. Each amendment will include but not limited to the following: scope, budget, time, and performance metrics of the applicable phase. If the scope and budget change significantly during construction, change orders will be considered on a case-by-case basis. At a minimum, all change orders shall be fully compliant with Federal and local law.

Copies of all contracts awarded by can be found on VIFHA's website.

9.4: Project Application Information Forms

Project information forms, either drafted by subrecipients or Program staff or with a vendor procured to provide project delivery support must be reviewed by the Infrastructure Program staff. The purpose of the project information forms, and their review process is to document:

- How the projects meet one of HUD's three National Objectives
- How the project is an eligible activity
- How the project is tied to declared disaster

9.5: Application Process

The Infrastructure Programs application process is as follows:

Subrecipients are provided with the CDBG-DR Project Application for completion by the VIHFA CDBG-DR Compliance and Monitoring unit during the Capacity Assessment by the respective Program or Senior Manager. Subrecipients may also download the application from the VIHFA website at www.cdbgdr.vihfa.gov.

Subrecipients must complete the CDBG-DR Project Application in its entirety. Questions that do not pertain to a Subrecipient CANNOT be left blank and should be populated using “Not Applicable” or “N/A”.

Subrecipients must provide support for the dollar amounts entered in the budget section of the application by completing a cost/price analysis. Note: The cost/price analysis must be submitted with the completed application for review. A template can be provided by the CDBG-DR program staff if requested.

Completed applications must be initialed, signed and dated by organization heads prior to submittal. Note: The signature of the organization head will confirm awareness and agreement with the content in the application. The organization head must ensure signatures are provided in two areas: Project Budget Form and Overall Application. Prior to signing, a draft of the application can be reviewed and commented on by program staff if technical assistance is needed.

Subrecipients are required to submit a completed editable application and a PDF copy of the application via e-mail to the respective CDBG-DR Program Manager copying the CDBG-DR Senior Manager. Subrecipients may remove all pages with directions in the PDF copy of the application prior to submitting. Note: In the event there is no Program Manager, the completed CDBG-DR Project Application(s) must be submitted directly to the respective Senior Manager.

The CDBG-DR Project Application will be returned to the Subrecipient should VIHFA deem the application ineligible or require additional detail, attachments, etc. VIHFA will not sign and date any application that does not meet eligibility or requires additional information.

Additional information can be found in the CDBG-DR Project Application (Scope, Eligibility and Budget) Standard Operating Procedures.

9.6: Subrecipient Procurement

The procurement requirements mandated in 2 CFR Part 200, Subpart D establish CDBG-DR standards and guidelines for the procurement of services, supplies, equipment, construction, and professional services for local governments and non-profit organizations. To remain eligible for CDBG-DR funding, recipients of CDBG-DR funds must comply with all applicable requirements.

To help ensure that subrecipients' procurement will follow regulations, the VIHFA provides subrecipients with onsite, electronic, and/or group TA via its state staff or project coordinators, to help develop procurement documents that comply with regulations consisting of:

- Review of 2 CFR Part 200 procurement requirements
- Review of existing recipient procurement policies and procedures for compliance with 2 CFR Part 200
- Review of subrecipient procurement documents.

9.7. Construction Services

VIHFA will provide substantial TA to subrecipients so that projects remain in compliance with all requirements throughout the life of the project. VIHFA may issue a Notice to Proceed for the subrecipients' solicitation and enter into a contract to include but not limited to the following:

- Environmental clearance of proposed construction activities
- Preliminary and final plans and specifications for the project
- Verification that all lands, rights-of-way and easements have been acquired
- Verification that all required permits have been obtained
- Verification that all other program requirements have been met

9.8: Subrecipient Payment

All subrecipient payments are expended on a reimbursement-based payment process or a direct payment to the vendor. “Reimbursement- based” means that project costs must be incurred by the subrecipient and documented as required by the terms of the subrecipient agreement for payment of invoices. Subrecipients MUST submit reimbursement requests to VIHFA through the established electronic software in accordance with the CDBG-DR application.

Payment requests will be processed in accordance with approved finance policies.

9.9: Project Closeout

Project close-out is the process by which VIHFA determines all requirements of the subrecipient agreement between VIHFA and the subrecipient have been completed in accordance with the terms and conditions of the subrecipient agreement. Project closeout begins when:

1. All project expenses to be paid with CDBG-DR funds (except for closeout costs) have been completed and payment requested;
2. Approved work has been finished;
3. Any other responsibilities detailed in the subrecipient agreement have been fulfilled; and
4. All monitoring or audit findings have been cleared.
- 5.

10.0: INFRASTRUCTURE RECOVERY PROGRAM IMPLEMENTATION PROCEDURES

The table below displays the major actions occurring in each phase of project implementation. Unless otherwise stated, NCORR Infrastructure Recovery program staff, County or Local government staff who have executed subrecipient agreements or project coordinators, consultants take all actions below. The following paragraphs discuss implementation procedures in detail.

Table 5: Phases of Infrastructure Recovery Project Implementation

Phase	Action
<i>Subrecipient Selection and Agreement</i>	▪ Enter into subrecipient agreement. ▪ Amend agreement as necessary based on project details. ▪ Ensure compliance.
<i>Implementation Phase</i>	▪ Development of scope and preliminary budget for project by subrecipient. ▪ Project Scope and Eligibility Application completed. ▪ Project Scope and Eligibility Application submitted to Infrastructure for reviewed and approval to move forward or determined as non-eligible.
<i>Project Development Phase</i>	Further development of scope and refined budget for project by subrecipient. If necessary, subrecipient procures A/E and other services necessary to complete form • Project Scope and Eligibility Application accepted. • Environmental review must be completed before project –specific award and next phases. • A/E procured if not previously procured • Plans and specifications are reviewed for conformity with project information form and accepted. • Property, rights of way, permits, etc. acquired by subrecipients. • Environmental review record approved and formal “Release of Funds” for construction letter sent. • Subrecipient agreement amended for changes in scope or budget amended (if required). • Authorization to proceed to advertise for bids issued
<i>Bidding/Pre-Construction Phase</i>	• Bidding process conducted in compliance with the established procurement requirements. • Approval of addendums issued during bidding phase (if required). • Respond to labor compliance issues (if required). • Subrecipient agreement amended for changes in scope or budget (if required).
<i>Construction Phase</i>	• Set up subrecipient and contractors in system of record. • Subrecipient reporting via system of record. • Change orders reviewed. • Project acceptance verified.
<i>Monitoring Process</i>	• Subrecipient continues to utilize system to report on Section 3, Davis-Bacon, M/WBE, and other CDBG-DR requirements • Onsite employee interviews are conducted as needed. • Desk reviews of selected subrecipients and projects conducted.

	• Onsite monitoring of selected subrecipients and projects conducted. • Monitoring letters issued. • Subrecipients respond to monitoring concerns and findings. • Clearance of monitoring findings issued
Closeout Phase	• Confirmation that all monitoring findings are closed. • Program completion report completed. • Certificate of completion issued. • Project closed out

10.1: Infrastructure Project Applications

Project information forms provide critical information and may include but not limited to the following:

- CDBG-DR eligibility (including HUD matrix code);
- National Objective;
- Tie to disaster;
- Estimated total costs (including sources and uses of funds) and project timeline;
- Source of funds identified for the project;
- Current status (whether any work has already been completed);
- Project context (whether the project is part of a larger project/plan);
- Beneficiaries/public benefit/target areas;
- Recovery rationale;
- Feasibility;
- Acquisition, if applicable;
- Construction activities, and
- Conceptual site plan
- Subrecipient disclosures

Note: To assist in identifying a project's beneficiaries, there is a tool that provides information on the income demographics for the block groups affected by a project using the 2010 US Census Data.

Recipient Policies and Procedures

VIHFA works with subrecipients to determine whether subrecipient policies and procedures that are required by law or regulation are in place, and to confirm that policies or procedures are following all requirements. If necessary, VIHFA provides subrecipients with templates and/or TA to assist in adopting or amending any required policies or procedures. Examples may include but are not limited to the following:

- Review of Procurement Policy (to ensure HUD compliant language exists);
- Review of Pre-Construction and Construction Bid Document Packages;
- Section 504 Policy and Grievance Procedures (if required);
- Affirmative Action Plan;
- HUD required file management and recordkeeping requirements; and
- HUD required Section 3 Plans and Outreach Strategies.
- Written Conflicts of Interest Policy

10.2: Management and Monitoring Phase

Throughout the implementation phase, the CDBG-DR Program staff and project managers may periodically conduct reviews to identify weaknesses and appropriately scheduled, TA will be provided to ensure that subrecipients have the continuing capacity to conduct the approved project activities and to ensure the following:

1. An approved project is being constructed and implemented in a manner that is consistent with project information form and established procurement requirements;
2. Approved activities are carried out and completed in a timely manner;
3. Activities and certifications are conducted in accordance with the requirements and the primary objectives of the approved project information form, subrecipient agreement, program requirements, and other applicable local and Federal laws, rules, regulations, and policies; and
4. Administrative systems, policies, and procedures provide adequate protection for the prevention and mitigation of fraud, waste, and abuse.

VIHFA's compliance team will conduct compliance monitoring in accordance with its approved policies

Complaints

To resolve complaints of non-compliance through an internal process, the VIHFA encourages submittal of such complaints to the VIHFA as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and a brief description of the alleged violation of 24 CFR 135.
- Complaints filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- If the complaint is valid, conduct an informal, thorough investigation affording all interested parties an opportunity to submit pertinent testimony or evidence.
- VIHFA will provide written documentation detailing the findings of the investigation.

10.3 Closeout Phase

In project closeout, subrecipients prepare closeout documents with TA from VIHFA Infrastructure Recovery program staff and/or project coordinators. Subrecipients resolve all monitoring/audit findings with TA from the Infrastructure Program staff, and or SME or the Monitoring and Compliance Department staff. The VIHFA Infrastructure program staff reviews closeout documents, request clarifications or revisions if needed, and issues notice of completion for project.

11.0 RECORDKEEPING

VIHFA will adhere to the regulatory requirements as outlined in 24 CFR 570.490, as amended.

VIHFA, in accordance with HUD regulations, as the grantee of CDBG-DR funds follow the records retention requirements cited in 2 CFR 200, which includes financial records, supporting documents, statistical records and all other pertinent records such as financial records, supporting documents, statistical records, and all other records pertinent to the Agreement for three (3) years from the time of closeout of HUD's grant, or for the

period provided in the CDBG regulations at 2 CFR 200.333. Notwithstanding the above, all such records must be retained until completion of the actions and resolution of all issues, or the retention period, whichever occurs later.

Every subrecipient and contractor is required to establish and maintain at least three major categories of records: Administrative, Financial, and Project/Case Files.

Administrative Records: Files and records that apply to the overall administration of the recipient's CDBG-DR activities, such as but is not exclusive to: personnel files; property management files; general program files relating to the subrecipient's, or contractor's project information form to the grantee, the subrecipient agreement, program policies and guidelines, correspondence with grantee and reports, etc.; and legal files such as articles of incorporation, bylaws of the organization, tax status, board minutes, contracts and other agreements.

Financial Records: These may include the chart of accounts, accounting procedures, accounting journals and ledgers, source documentation (purchase orders, invoices, canceled checks, etc.), procurement files, bank account records, financial reports, audit files, etc.

Project/Case Files: These files document the activities undertaken with respect to specific individual beneficiaries, property owners, and/or properties.

See Exhibit – File checklist Infrastructure

11.1: Record Retention

Record retention is a requirement of the program. VIHFA will comply with regulations described in CFR § 570.487 and § 570.488. Records are maintained to document compliance with program requirements and to facilitate a review or audit by HUD. VIHFA seeks to ensure that:

1. all requirements concerning records and records management practices under Federal and local regulations;
2. the records needed to support and enhance ongoing business and citizen service, meet accountability requirements and community expectations;
2. records are managed efficiently and can be easily accessed and used for as long as they are required; and
3. records are stored as cost-effectively as possible and when no longer required they are disposed of in a timely and efficient manner.

11.2: Personally Identifiable Information (PII)

VIHFA Operations and Housing Recovery Staff (including contractors) will comply with 24 C.F.R. Part 5.2, Compliance with the Privacy Act, which requires the safeguarding of personally identifiable information (PII) 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 in 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 grant 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.

11.3: Reporting

VIHFA has established reporting requirements for all recipients and contractors in their respective recipient and contractor agreements and contracts in accordance with 2 CFR 200. The Program reviews reporting requirements for stand-alone infrastructure projects at five different intervals, as applicable:

- At execution of agreements;
- Monthly;
- Quarterly;
- Annually; and
- As required.

Recipients and contractors submit the required documents and reports at the times indicated in the grant and/or contract agreement, and in the format prescribed by the Infrastructure Program staff. Deviations from this requirement must be pre-approved by program staff. See Exhibit 10.5.

The Infrastructure Recovery program will review reports for projects that are ongoing according to HUD reporting requirements.

11.1 Access to Records

VIHFA will apply CFR 570.490(c) requirements pertaining to “Access to records.” VIHFA shall provide access to the “representatives of HUD, the Inspector General, and the General Accounting Office to all books, accounts, records, reports, files, and other papers, or property pertaining to the administration, receipt and use of CDBG funds and necessary to facilitate such reviews and audits.” VIHFA “shall provide citizens with reasonable access to records regarding the past use of CDBG funds and ensure that units of general local government provide citizens with reasonable access to records regarding the past use of CDBG funds consistent with local requirements concerning the privacy of personal records.”

11.2: Confidentiality and Privacy

The Program is committed to protecting the privacy of all of our individual stakeholders, including the public and those individuals working on the program. The data collected from applicants for the program may contain personal information on individuals that is covered by the Federal Privacy Act of 1974. Unauthorized disclosure of such personal information may result in personal liability with civil and criminal penalties. The information collected may only be used for limited official purposes or used to ensure compliance with program requirements, reduce errors and mitigate fraud and abuse.

12.0: COMPLIANCE AND MONITORING

The CDBG-DR Compliance and Monitoring Division is structured to allow for coordination between, and monitoring of, all CDBG-DR programs and internal operations. The primary purpose of CDBG-DR Compliance and Monitoring Division is to ensure that all programs and contractors administering CDBG-DR programs, departments, and subrecipients 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.

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. The status of these visits will be appropriately reported with recommendations made for corrective action.

12.1: Cross-Cutting Federal Requirements

The CDBG-DR Program will comply with applicable federal, state, and local requirements, including but not limited to:

- Section 3
- Architectural Barriers Act
- International Energy Code
- EPA Energy Star Program
- International Building Code (IBC)
- Minority/Women Owned Enterprises
- Davis-Bacon and Related Acts (DBRA)
- National Environmental Policies Act (NEPA)
- HUD Community Planning and Development (CPD)
- 24 CFR Part 570 and 2 CFR Part 200 for Necessary and Reasonable Requirements Cost Principals

Section 3

According to Section 3 of the Housing and Urban Development Act of 1968, grantees, subgrantees, subrecipients, contractors, subcontractors, and/or developers who receive funding in whole or in part by CDBG- DR funding, to the greatest extent feasible, extend hiring opportunities and contracts to Section 3 eligible residents and businesses. Section 3 eligible residents are low-income and very low-income persons, specifically those who live or reside in public, or government assisted housing.

Davis Bacon and Related Acts

VIHFA shall comply with the regulatory requirement of Davis Bacon which is applicable to construction contracts exceeding \$2,000 when required by Federal program legislation. Subrecipients and subcontractors shall comply with the Davis Bacon Act (40 U.S.C. §§ 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. part 5).

All laborers and mechanics employed by contractors or subcontractors, including employees of other governments, on construction work assisted under this contract, and subject to the provisions of these federal acts and regulations, shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

Force Account Labor

A force account labor occurs when a unit of government that is a recipient uses their own workforce to complete construction of an Infrastructure Program project. VIHFA will require subrecipients to fully disclose any force account labor that may be used in the project activities and either direct or indirect project activity. Advance review and approval, by VIHFA, is required prior to the use of force account labor. This may be documented with an approved project budget that includes force account labor as a line item. Subrecipients that do not seek prior approval risk disallowance of all incurred costs. The force account labor approval process is required for all infrastructure projects.

As part of its review process, VIHFA monitors and documents whether projects included work that was performed using force account labor and materials, contractual labor, or a combination of force account and contractual labor. VIHFA requires advance approval for the use of force account labor and will deem the use of force account labor or materials ineligible if appropriate supporting documentation is not obtained.

Equal Employment Opportunity

Executive Order 11246, Equal Employment Opportunity, as amended, prohibits federal contractors, federally assisted construction contractors and subcontractors, who do over \$10,000 in government business in one year from discriminating in employment decisions based on race, color, religion, sex, sexual orientation, gender identity or national origin. In addition, the Executive Order requires government contractors to take affirmative action to ensure that equal opportunity is provided in all aspects of their employment.³

Fair Labor Standards Act of 1938, as Amended

The Fair Labor Standards Act (FLSA) of 1938, as amended, establishes the basic minimum wage levels for all work. It requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week. These labor standards apply to the entire construction contract whether CDBG-DR funds finance only a portion of the project or not.

All workers employed by contractors or subcontractors, in the performance of construction work financed in whole or in part with assistance received under the CDBG-DR program, must be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. Exceptions to the FLSA include the following:

- a. Construction contracts of \$2,000 or less;
- b. Real property acquisition.
- c. Architectural and engineering fees.
- d. Other services (such as legal, accounting, construction management);
- e. Other non-construction items (such as furniture, business licenses, real estate taxes);
- f. Rehabilitation of residential property designed for fewer than eight families; and

- Debris removal, demolition, and/or clearance activities, unless related to construction (demolition and clearance as independent functions are not considered construction)

Minority- and/ or Women- Owned Business Enterprises

Federal Executive Order 12432 guidelines require selected federal agencies to encourage and increase the utilization of Minority-Owned Business Enterprises (MBEs). In the 2 CFR 200.321 requirements, the Non-Federal entity shall take all necessary steps to ensure that all recipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-DR financial assistance ensure that contracts and other economic opportunities are directed to small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms when possible.

As such, VIHFA ensures compliance with these goals by requiring, as applicable, recipients and contractors to make their best efforts to achieve the overall M/WBE participation goal. For all projects and agreements, VIHFA will provide the TA, guidance, and one-on-one support, required to implement good faith efforts and meet applicable M/WBE thresholds. The Monitor and Compliance Department monitors the level of M/WBE utilization and provides additional support as required.

Uniform Relocation Act and Real Property Acquisition, as Amended (URA)

Should CDBG-DR funds be used for acquisition of real property, VIHFA will refer to the Federal regulations established for URA requirements as described by HUD under 49 CFR 24.

13.0: ENVIRONMENTAL REVIEW REQUIREMENTS

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. See Exhibit Environmental Review Process Microsoft Forms Links.

24 CFR Part 58 states that the Responsible Entity (RE), in this case VIHFA CDBG-DR Program may tier its environmental reviews and assessments to eliminate repetitive discussions of the same issues at subsequent levels of review.

13.1: Environmental Re-evaluation

According to 24 CFR 58.47, the environmental determination must be re-evaluated any time that substantial changes in the nature, magnitude, or extent of the project are proposed. The re-evaluation is used to determine whether the original findings of the environmental review are still valid. As new Scope of Work versions become available, an initial review will be conducted to determine the need for a re-evaluation.

New Scope of Work versions which do not require a full re-evaluation will be documented through a memo to the Environmental Review Record.

13.2: Environmental Inspection Request and Clearance

Once the initial feasibility is determined, each project is required to secure Environmental Clearance. The Program's environmental team will complete the appropriate level of clearances and/or work with a third party to conduct environmental clearances. If the Environmental Specialist identifies significant issues that will limit the ability to proceed with the project, the Program will notify the Subrecipient of the specific concerns and establish agreements and procedures as required to determine the quickest and most efficient ways to address mitigation needs identified through the environmental review process. See Environmental Policy and Procedures for details.

13.3: Mold Assessment and Remediation

Mold assessment will be performed by contractors procured for the project. Mold assessment and/or testing of the existing structure is not performed on reconstruction projects. If a visual inspection reveals the presence of mold, then additional testing via collection of bulk, swab, and air samples is not necessary, unless recommended by the assessor. If testing is approved, testing for mold should always be performed by a qualified person. The qualified person shall be trained industrial hygienist or an indoor air quality/environmental professional.

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

Mold is present everywhere in the environment and there are no governmental standards pertaining to acceptable levels of indoor airborne mold spores and structures. However, all construction contractors must pass each of the EPA Web Mold Course modules with an 80% score or higher.

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 Scope of Work. Areas where mold was or is identified as part of the ISI, or construction will be required to be remediated by the contractors with photo evidence provided to VIHFA. Materials harboring mold will be cleaned or replaced.

13.4: Asbestos Survey Requirement

In accordance with Federal and Territorial laws and regulations, a qualified asbestos inspector must perform a comprehensive building asbestos survey that is based on a thorough inspection to identify the location and condition of asbestos containing materials (ACMs) throughout any structures. When present, small amounts of drywall, mud, floor tile, mastic, etc. will be collected for sampling. Every effort will be made to collect the required samples in the least destructive manner possible. Presumed asbestos containing materials (PACM) will be documented and recorded.

Proper removal and disposal of ACMs will be included in the Scope of Work. ACMs which are friable, or which will be disturbed or removed by renovation or demolition must be removed and disposed of in accordance with Federal and Territorial regulations by firms and individuals properly licensed for the work. If asbestos should become apparent once construction begins, procedures aligning with Territorial abatement procedures and HUD and the Environmental Protection Agency (EPA) requirements will be followed. HFA will conduct a mini bid to select and retain a qualified and certified asbestos inspector to assess suspected ACMs to be disturbed and identified subsequent to execution of the contract. Costs for additional assessment and/or removal will be handled as a change order to the General Contractor. All asbestos abatement shall be done in accordance with EPA requirements for air pollution prevention and OSHA requirements for worker

protection. The contractor will provide HFA and the Construction Manager with a copy of the Asbestos Waste Disposal Manifest, in accordance with RCRA, for all ACMs removed from the site, as a condition precedent to final payment.

14.0: CONSTRUCTION PROCESS AND OVERSIGHT

14.1: Mandatory Pre-Construction Meeting

The VIHFA pre-construction meeting may be held once the construction contract is executed and prior to commencement of work. The purpose of this meeting is to go through all federal and territorial regulations with the contractor, including Section 3 and the Labor Standards Provisions. In this meeting, VIHFA personnel and the proper subgrantee staff will outline these standards' expectations as well as how they will be implemented and monitored. The subrecipient and/or their representative, as well as the prime contractor, must be present. VIHFA will facilitate this meeting. To ensure that all Subcontractors are aware of their need to abide by federal labor laws and civil rights regulations, the subrecipient and prime contractor should include all Subcontractors in their communication. These guidelines will also involve a review of the following:

- The project schedules
- The payment processes
- Change orders
- Site visits/project meetings
- Construction close-out
- Labor Standards
- Other federal and local provisions
- Technical job requirements
- Equal Opportunity
- Section 3 implementation
- Davis Bacon compliance monitoring as well as site visits and on-site interviews with laborers,

This meeting may also contain other items as requested by the subrecipient or the project engineer. The topics covered during the pre-construction meeting will be documented in minutes, which will then be added to the file.

14.2: Notice to Proceed

Upon receipt of the Authority to Use Grant Funds, VIHFA, can issue a Notice to Proceed as outlined in the Project Agreement. No physical work being paid for with CDBG funds shall commence prior to issuance of the Notice to Proceed.

14.3: Contractor's Schedule

The subrecipient may obtain a construction project schedule outlining proposed activities from the prime contractor at the start of construction. A sample schedule may indicate appropriately the % of work scheduled for completion by any given date during the period. An update may be required, at a minimum, when work falls more than 10% behind schedule.

14.4: Progress Payments

The VIHFA will pay and/or reimburse eligible costs of the project up to a maximum as specified in the respective agreements. The grant funds will be disbursed based on satisfactory review of payment requisitions, invoices, bills, receipts, lien releases, and payroll records submitted to the VIHFA for disbursement. Subrecipient shall promptly pay appropriate vendors and provide satisfactory documentation to the authority evidencing payment to said vendors. The authority will not process any future request for disbursement unless the payment confirmation is received by the authority and is satisfactory in its sole discretion.

14.5: Retainage

Retainage is money, usually 10% of the total amount due to the contractor, that is held by the subrecipient as additional insurance that the contractor will complete the construction work satisfactorily. The retainage is held pending the final inspection and acceptance of work. The retained amount may vary, depending on the total amount of the contract, progress of construction, and other specific instructions in the contract.

15.0: CONSTRUCTION MONITORING AND PROGRESS MEETINGS

Monitoring and Progress Meetings will be scheduled and performed throughout the construction period. This is to ensure that the contractor is performing in accordance with the technical specifications and that compliance is maintained with all federal and local standards and the terms of the contract.

15.1: Monitoring Frequency

VIHFA will perform monitoring visits to review construction related items, for review of compliance items. Visits frequency by the VIHFA shall depend on the project size and duration.

The subrecipient's project engineer/manager shall also schedule monitoring visits at appropriate intervals during the various stages of the construction to observe the progress and quality of the work and to generally determine that work is proceeding in accordance with the Contract Documents.

15.2: The Monitoring Visit

The five basic steps, outlined below, may occur during monitoring visit. Steps may be adjusted or omitted if deemed appropriate by the CDBG-DR Programs and Compliance Divisions.

- Notification
- Construction Progress Meeting
- Documentation, Data Acquisition and Analysis
- Exit Conference
- Follow-up Monitoring Letter

15.3: Notification

The CDBG-DR Programs and Compliance Divisions will reach out to the subrecipient to explain the purpose of the monitoring and to specify date(s) for the visit(s). A follow-up email/meeting invitation will be sent prior to the scheduled visit for the following:

1. Confirm the date and the scope of the monitoring.
2. Provide a description of the information you want to review during your visit; and
3. Specify the expected duration of the monitoring, which of your staff will be involved, what office space will be required, and what members of the subrecipient's staff will be interviewed.

15.4: Construction Progress Meeting

An on-site meeting will be conducted with the sub-contractor and its representative (Project A/E) and relevant General Contractor personnel prior to the commencement of the on-site construction review, corrective actions identified during previous visits and any other concerns of the parties involved.

15.5: Documentation, Data Acquisition and Analysis

A written record of the visit will be kept, including documentation of what was reviewed during the visit. A review of the contractor's requisition for payment will be conducted to ensure all work items requiring payment are included. You can include photographic evidence of your work in your submission. Work must match the design documents submitted.

15.6: Exit Conference

Careful notes on the exit conference will be taken in order to document what the officer told the subrecipient and whether the subrecipient agreed with the tentative conclusions.

At the end of the site visit, the monitoring officer will meet again with key representatives of the subrecipient organization to present the tentative findings from the monitoring. This exit meeting has four objectives:

1. Communicate preliminary results of the monitoring visit
2. Clear up any misunderstandings
3. Gather more information from the staff of the subrecipient to better understand their position
4. Ensure that any deficiencies identified by the monitoring officer are corrected.

Follow-up Monitoring Letter:

The monitoring letter is used to create a permanent written record of the findings during the monitoring review. The project will include meeting documentation and any relevant site documentation. The monitoring letter will list every concern and finding. A notice of noncompliance is issued for a CDBG-DR program rule or regulation. The specific corrective actions that must be taken by the subrecipient will be outlined. Some concerns were raised in the monitoring letter about the subrecipient's operations, which could lead to future problems because of their weaknesses. For each concern, specific recommendations for improvement will be provided. The deadlines for responding to the monitoring letter and correcting any deficiencies will be set in the letter itself.

15.7: Change Orders

If necessary for the project activity, VIHFA may authorize minor changes to the work provided they do not involve adjustments to the contract price, contract scope, or performance period of the contract and consistent with the general intent of the contract documents. The subrecipient is required to comply with change orders (written amendments to the contract with the contractor), which cover the following:

- Changes in work ordered by the subrecipient.
- Changes in work required because of acceptance or correction of defective work.
- Changes in work agreed to by the subrecipient and contractor.
- Changes in the contract price or time agreed to by the parties; or
- Those changes in the contract price or schedule that incorporates certain written decisions rendered by the project engineer.
- Any change orders that change the original approved scope of work, change the contract price, or cause changes in the construction schedule must be approved by VIHFA before they are executed.

16.0: CONSTRUCTION MANAGEMENT

16.1: Final Inspection and Punch List

Before recommending to the Subrecipient and the VIHFA that the project is complete, the project manager should compile a list of deficiencies or work that remains to be completed and present it to both the contractor and the Subrecipient. This list of project deficiencies is referred to as the "punch list".

When the contractor is confident that the project has been satisfactorily completed and complied with any punch list items, the contractor will request the project engineer inform the subrecipient and the VIHFA that the project is ready for final inspection.

The final inspection will include a walkthrough with all parties through the entire project, pointing out the work completed by the contractor. The Subrecipient and VIHFA officials may question some of the contractor's work or clean up and request that these items be taken care of before the subrecipient will take possession of the project. In this case, the project engineer should prepare a final punch list and present it to the contractor. If the number of items on the final punch list is very small, the project engineer may recommend to the subrecipient that a Certificate of Substantial Completion be prepared.

16.2: Certificate of Substantial Completion (form to be developed)

The project engineer will provide a "Certificate of Substantial Completion" once the work is essentially finished if project activities are applicable. The certificate's issue date establishes the warranty dates and, more importantly it releases the contractor's surety company's obligation to complete the work in the event the contractor does not or cannot. Consequently, the subrecipient should only sign the Certificate of Considerable Completion after accepting the project and after the project engineer certifies that the work is done to a substantial level.

A section on the Certificate of Substantial Completion shall allow the project engineer and the subrecipient to indicate any minor tasks that are still outstanding that must be done in accordance with the contract's requirements. The project engineer will often advise the subrecipient

The Certificate of Substantial Completion contains an area for the project engineer and the subrecipient to list minor items that remain to be completed under terms of the contract. The project engineer generally will recommend that the subrecipient retain enough funds from the contractor's payment requisition. This is to ensure that the contractor completes the work. The payment requisition for the work completed and recommended by the project engineer up to the date of the Certificate of Substantial Completion ought to be labeled "SEMIFINAL." In the event the work or punch list items remain to be completed, the conditions stipulated in the Certificate of Substantial Completion should be attached to the payment requisition.

After Substantial Completion is accepted the project engineering shall file a Notice of Termination with the subgrantee, and the VIHFA.

16.3: Engineer's Certificate of Completed Work

Prior to project closeout, a copy of the Certificate for Acceptance and Final Payment, signed by the project engineer or architect, must be submitted to VIHFA. This certificate shall cover all work included in the project (regardless of funding source), including subrecipient cash and in-kind. The certificate must indicate that work has been completed in accordance with drawings and specifications and is functioning properly with the recommendation for final payment.

16.4: Certificate of Approval

Permits, for all approved work, must be properly closed out per local authority requirements.

16.5: Warrantees/Guarantees

When the subrecipient and the project engineer have signed the Certificate of Substantial Completion, the clock starts running on the warranty/guarantee period. The warranty/guarantee period must extend for a minimum of one (1) year. The warranty/guarantee period ought to be clearly defined in the contract between the subrecipient and the contractor and should be specific to begin from the date of substantial completion that the contractor will repair or replace any defective equipment or workmanship at no cost to the subrecipient.

16.6: Final Payment

The contractor is entitled for final payment when the contractor has completed all of the work required under the contract agreement and all compliance requirements have been met. Final payment releases all of the retainage already withheld from the contractor during the course of the project and represents the final reconciliation between the subrecipient and the contractor for services rendered. The final payment requisition looks the same as other payment requisition that the subrecipient has processed in the course of the project with the exception that it should clearly state that it is the “Final” requisition.

16.7: Project Close Out Procedures with VIHFA

The VIHFA initiates the close-out process for a project when the anticipated project has reached completion; all funds to be paid with CDBG-DR funds have been incurred, with the exception of monitoring costs that are tracked separately; the work, wholly or partially financed with CDBG-DR is completed; and all other responsibilities of the grantee or subrecipient as outlined in the Memorandum of Agreement between VIHFA and the subgrantee have been met.

The VIHFA will issue the Notification for Close-Out to the subrecipient to initiate the Close-out process for the project. If the project activity incorporates multiple projects, then each project can be closed out separately at the time of completion. Below is a table of optional forms or notifications that can be used depending on which are applicable to each specific Project. All applicable forms will make up the Project Close-out Packet. Forms will be developed.

Table 7: Project Close-out Form

No.	Project Close-out Form	Description
1	VIHFA Notification for Close-Out	Summarizes final project or program details ready for close out.
2	VIHFA Project Source of Funds	Amount, source and status of all funds utilized on that project.
3	VIHFA DBG Equipment Inventory Form	A final report for all equipment purchased with CDBG-DR funds.

4	VIHFA Section 3 Summary Report	All Section 3 information for the project being closed out.
5	FVI final Wage Compliance Report	All contractor wage information for the project being closed out.

- 16.8: Reviewing and Executing Close-Out Documentation

Program staff shall review all submitted documentation for completeness and accuracy and work with finance to ensure that the information submitted matches the latest information and reports submitted via CDBG-DR.

The CDBG-DR Program Manager may make any necessary changes to the project Close-out Packet. When the VIHFA Program Manager determines that all information in the Close-out Packet is correct, the forms are signed as applicable by the appropriate designated representatives.

The acceptance of the Close-Out Packet set in motion the required VIHFA reviews.

Table 8: VIHFA Responsibility

VIHFA Responsibility	The Purpose of Review
Finance & Reporting	Review of Budget and to ensure all invoices are paid. Confirmation of any remaining funds Confirmation of the shift of funds Confirms closure of all purchase orders that may be associated. The Shift of remaining funds.
Monitoring & Compliance	Review of outstanding Monitoring Report – to ensure all observations, concerns or findings are closed Confirmation that all audits and reports are completed such as contract, and Section 3, etc.
Legal & Procurement	Review contracts and Subrecipient Agreements to ensure they are closed.

A checklist may be maintained with the list of requirements that describes the review that is done, documentation reviewed and sign-off when review is complete, indicating that the project can move to final Close-out.

Conditional Close Out

Upon execution and acceptance of the **Project Close-Out Packet**, the project is deemed to be ‘conditionally closed out.’

Final Close-out

VIHFA issues a **Final close-out letter** to the Subrecipient Lead or their designee upon receipt and approval of all from the CDBG-DR in the Close-out process.

The VIHFA marks the activity(s) associated with the Project as “Closed” in Grants Pro. Upon final project close-out VIHFA ensures any de-obligated funds are no longer available from activity(s) in CDBG-DR and

shifts are made according to the plan approved by the CDBG-DR Director (and any Action Plan Amendments as may have been required).

17.0: PREVENTION OF FRAUD, WASTE, AND ABUSE

HUD requires that specific policies are developed to prevent fraud, waste, and abuse. Therefore, the Program has established procedures for verifying the accuracy of information provided by program applicants, vendors, and Subrecipients. 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.

For more information, please reference the VIHFA Fraud, Waste, and Abuse policy.

17.10: 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 risk assessment.

17.2: 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 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 that 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.

Technical Assistance

The VIHFA provides training, TA, and one-on-one support for all projects, especially in terms of developing and reviewing Section 3 plans, as well as implementing best efforts to meet Section 3 goals. The Infrastructure Program will also review Section 3 goal attainment and provides additional on the ground support where required.

Monitoring

The VIHFA will ensure that the subrecipients and its contractors, and subcontractors comply with Title 24 CFR Part 13. – Economic Opportunities for Low- and Very Low-Income Persons. Low- and very low- income persons are those whose total household income does not exceed 80 percent and 50 percent respectively of the area median income.

The Infrastructure Specialist will actively monitor and document subrecipient, contractor and subcontractor compliance with Section 3 goals and responsibilities. This compliance process includes but is not limited to ensuring:

- Section 3 clause appears in all applicable advertisements for bids and Requests for Qualifications and Proposals.
- The Section 3 clause and certifications are included in all applicable construction specifications and final contracts including any subcontracted services.
- Contractor eligibility and lack of debarment will be verified before a Notice of Award is issued.
- A discussion of Section 3 requirements is part of the agenda for all pre-construction conferences.
- Contractors will certify that any vacant employment or training positions filled after the contract award, but before contract execution, were not filled to circumvent obligations under 24 CFR Part 135.

Certification

Certifications for Section 3 preference for business concerns must be submitted to the VIHFA prior to the submission of bids for approval. If VIHFA previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

Complaints

To resolve complaints of non-compliance through an internal process, the VIHFA encourages submittal of such complaints to the VIHFA as follows:

- Complaints of non-compliance should be filed in writing and must contain the name of the complainant and a brief description of the alleged violation of 24 CFR 135.
- Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.
- If the complaint is valid will conduct an informal, thorough investigation affording all interested parties an opportunity to submit pertinent testimony or evidence.
- VIHFA will provide written documentation detailing the findings of the investigation.

18.0: DEFINITIONS AND ACRONYMS

18.1: Table of Commonly Used Acronyms

Table 9: Acronyms

Acronym	Meaning
CDBG	Community Development Block Grant
CDBG-DR	Community Development Block Grant – Disaster Recovery
DBRA	Davis-Bacon and Related Acts
DHS	United States Department of Homeland Security
DRGR	Disaster Recovery Grant Reporting System
DoB	Duplication of Benefits
EPA	Environmental Protection Agency
EEO	Equal Employment Opportunity
FEMA	Federal Emergency Management Agency
FLSA	Fair Labor Standard Acts of 1938
HCDA	Housing and Community Development Act
HUD	United States Department of Housing and Urban Development
GIS	Geographic Information System
LMI	Low and Moderate Income
MBE	Minority Business Enterprise
MWBE	Minority and Women Business Enterprise
MID	Most Impacted Distressed Area
MSR	Monthly Status Report
NEPA	National Environmental Policy Act
NTP	Notice to Proceed
OIG	HUD Office of Inspector General
PW	Project Worksheet
QA	Quality Assurance
QC	Quality Control
QSR	Quarterly Status Report
RFP	Request for Proposals
RFQu	Request for Qualifications
URA	Uniform Relocation Act
USACE	U.S. Army Corps of Engineers
WBE	Women Business Enterprise
VIHFA	Virgin Islands Housing Finance Authority

18.2: Definitions

100-Year Floodplain: Also referred to as the ‘base flood’. This term, adopted by the National Flood Insurance Program as the basis for mapping, insurance rating, and regulating new construction, is the floodplain that would be inundated in the event of a 100-year flood. The 100- year flood has a 1% chance of being equaled or exceeded during any given year.

Applicant: An agent, entity, business or other entity who makes formal project information for a CDBG managed program.

Action Plan: A plan to guide the spending of a HUD CDBG-DR grant award to address unmet housing economic, and infrastructure needs after a disaster.

Allocation: The amount of a grant award that has been determined for a particular grantee. Also, the amount of funding attributed to a program.

Bid or sealed bid: An offer in response to invitations for bids.

Bidder (contractor/consultant): A generic term that refers to a person or entity who submits an offer in response to a solicitation.

Change Orders: Modifications to the Scope of Work required due to unforeseen circumstances.

Community Development Block Grant – Disaster Recovery (CDBG-DR): Flexible grant assistance from HUD to help the Territory recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.

Contract (Subrecipient Agreement): A mutually binding legal relationship obligating the seller (contractor; professional A/E) to furnish the supplies or services (including construction) and the buyer (subrecipient) to pay for them. It includes all types of commitments that obligate the subrecipient to an expenditure of appropriated funds and that, except as otherwise authorized, are in writing. All contracts utilizing CDBG-DR funds MUST contain liquidated damages provision.

Conflict of Interest: Arises when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. A conflict of interest exists when a situation arises that can undermine a person's involvement in an activity due to self-interest and public interest.

Consultant: A person or company that possesses unique qualifications that allow them to perform specialized advisory services, usually for a fee.

Contractor: A third-party firm procured by a subgrantee or subrecipient and paid with CDBG-DR funds in return for a specific service (e.g., construction or professional services).

Contracting Unit: Subgrantee or subrecipient (Owner).

Cost and Price Analysis. The process of examining and evaluating a prospective price to ensure fair and reasonable pricing of a product or service. A Cost and Price analysis is required as stated in the VIHFA Procurement Policy.

Cross-cutting regulations: Regulations outside of CDBG-DR regulations that apply to CDBG-DR programs. These include regulations pertaining to financial management, procurement, environmental, labor, acquisition, relocation, fair housing, and non-discrimination.

Davis Bacon Requirements/Davis-Bacon and Related Acts (DBRA): Federal law requiring payment of local prevailing wages as determined by the U.S. Department of Labor on certain federally funded projects or most HUD-assisted construction projects. It applies to contractors and subcontractors performing work on

federally funded or assisted contracts in excess of \$2,000 for the construction, alteration, or repair of public buildings or public works.

United States Department of Homeland Security (DHS): A department under the US federal government with the primary responsibility of protecting US territory (including from natural disasters).

Disaster Recovery Grant Reporting System (DRGR): The Disaster Recovery Grant Reporting system was developed by HUD's Office of Community Planning and Development for the CDBG Disaster Recovery program and other special appropriations. Data from the system is used by HUD staff to review activities funded under these programs and for required quarterly reports to Congress

Duplication of Benefits (DOB): A duplication of benefit is the receipt of funding from multiple sources for the same purpose. 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 Disaster Recovery funding with respect to any part of the 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 sources. It is an amount determined by the program that may result in the reduction of an award value.

Equal Employment Opportunity (EEO): Prohibits federal contractors and federally assisted construction contractors and subcontractors, who do over \$10,000 in government business in one year from discriminating in employment decisions on the basis of race, color, religion, sex, sexual orientation, gender identity or national origin.

Environmental Review Record (ERR): the document resulting from required environmental review which includes a description of activities, evaluation of environmental impact, documentation of compliance with applicable environmental regulations, and an environmental determination.

Federal Emergency Management Agency (FEMA): An agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and State authorities.

Fair Labor Standard Acts of 1938 (FLSA): FLSA establishes the basic minimum wage levels for all work and requires the payment of overtime at the rate of at least one and one-half times the basic hourly rate of pay for hours worked in excess of 40 per week.

Flood Zones: The land areas identified by the Federal Emergency Management Agency (FEMA). Each flood zone describes that land area in terms of its risk of flooding. Everyone lives in a flood zone; it's just a question of whether you live in a low, moderate, or high-risk area.

Grantee: HUD grantees receive funding from HUD to support HUD's mission to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD grantees include state and local governments, non-profit and for-profit organizations, public housing authorities, and tribal entities.

Housing and Community Development Act (HCDA): HCDA is a US federal law that authorizes funds to be "awarded directly to the State or unite of general local government as a grantee at the discretion of the Secretary of Housing and Urban Development".

United States Department of Housing and Urban Development (HUD): Federal department through which the program funds are distributed to grantees.

Independent Cost/Price Analysis: A cost analysis or price analysis in connection with a federal procurement regulation for every procurement action, including contract modifications. The review and evaluation of the separate cost elements and profit in an offeror's or contractor's proposal (including cost or pricing data or

information other than cost or pricing data), and the application of judgment to determine how well the proposed costs represent what the cost of the contract should be, assuming reasonable economy and efficiency.

Liquidated damages: Construction contracts with liquidated damages are to comply with VIHFA Procurement Policy.

Low- and Moderate-Income (LMI): A household is considered to have low- and moderate-income if the household income (including income derived from assets) is at or below 80 percent of an area's median income. All income is based on the Area Median Income limits set annually by HUD. See Federal Register FR-6210-N-01, September 28, 2020, indicating LMI waiver to use St. John income data for all territory.

Minority Business Enterprise (MBE): A business that is owned and controlled (minimum of 51 % ownership) by a member of a minority group.

Minority and Women-owned Business Enterprise (M/WBE): A business that is owned and controlled (minimum of 51 % ownership) by a member of a minority group, or women.

National Environmental Policy Act (NEPA): Establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government consider the environment prior to undertaking any major federal action that could significantly affect the environment.

National Objective: The authorizing statute of the CDBG program requires that each activity funded, except for program administration and planning activities, must meet one of three national objectives. The three national objectives are: (1) Benefit to low- and moderate-income (LMI) persons; (2) Aid in the prevention or elimination of slums or blight; and (3) Meet a need having a particular urgency (referred to as urgent need). An activity that does not meet a national objective is subject to recapture.

Offer: A response to a solicitation that, if accepted, would bind the offeror to perform the resultant contract. Responses to invitations for bids (sealed bidding) are offers called "bids" or "sealed bids"; responses to requests for proposals (negotiation) are offers called "proposals".

HUD Office of Inspector General (OIG): OIG's mission is independent and objective reporting to the Secretary and the Congress for the purpose of bringing about positive change in the integrity, efficiency, and effectiveness of HUD operations. The Office of the Inspector General became statutory with the signing of the Inspector General Act of 1978 (P.L. 95-452).

Owner: Sub grantee or subrecipient (unit of city government) or private entity that receives CDBG-DR funds.

Price Analysis. The process of examining and evaluating a prospective price without performing cost analysis; that is, without evaluating the separate cost elements and profit of the offeror included in that price. The end result of the price analysis is to ensure fair and reasonable pricing of a product or service. Price analysis may include a variety of techniques such as comparing proposed prices with prices of the same or similar items obtained through market research. (Nash, Schooner, O'Brien, 1998).

Professional Services: The professional landscape, architectural, engineering, and land surveying services, including planning, environmental, and construction inspection services required for the development and construction of projects, as defined by the laws of the State or those performed by an architect, landscape architect, professional engineer or professional land surveyor in connection with his or her professional employment practice.

Project: The project activities described in the executed Intergovernmental or Subrecipient Agreement, which are to be carried out to meet the objectives of the CDBG Program.

Project Worksheets (PWs): Each PW contains the entire funded project and only items contained in a PW are eligible for FEMA reimbursement. At a minimum, files for each PW created by FEMA document the project, the location, the damage, the scope of work, the cost estimate, as well as back-up documentation.

Quality Assurance (QA): Planned and systematic production processes that provide confidence that the policy and procedures of the program are being executed as planned.

Quality Control (QC): Testing to ensure that the policy and procedures of the program are being executed as planned.

Reconstruction: The labor, materials, tools, and other costs of rebuilding.

Repair: The labor, materials, tools, and other costs of improving buildings, other than minor or routine repairs.

Requests for Proposal (RFP): A document that outlines the bidding process, scope of work, and contract terms, and provides guidance on how the bid should be formatted and presented. An RFP is typically open to a wide range of bidders, creating open competition between vendors.

Request for Qualifications (RFQs): A document, which is issued by a procurement entity to obtain statements of the qualifications of potential responders (development teams or consultants) to gauge potential competition in the marketplace, prior to issuing the solicitation (Institute for Public Procurement) Sealed Bidding: A method of contracting that employs competitive bids, public opening of bids, and awards.

Request for Release of Funds (RROF): An environmental review term for a process used by Responsible Entities (the Territory) when requesting the release of funds and the authority to use such funds for HUD programs identified by statutes that provide for the assumption of the environmental review responsibility by units of general local government and states. The approval of the RROF is required before environmental clearance may be provided to a recipient of CDBG-DR funds.

Responsible Entity (RE): Under 24 CFR Part 58, the term “responsible entity” (RE) means the grantee receiving CDBG assistance. The responsible entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record is complete.

Small Business Administration (SBA): SBA’s Office of Disaster Assistance (ODA) provides affordable, timely and accessible financial assistance to applicants, renters, and businesses. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

Scope of Work (SOW): The work to be performed or completed by the applicant. All FEMA PA projects considered for Non-Federal Share Local Match with CDBG-DR funds must have funding and a scope of work that is contained in an eligible and obligated Project Worksheet (PW).

Slum and Blight: “Blighted area” and “slum” mean an area in which at least 70% of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the State or a political subdivision of the State, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

Section 3: A provision of the Housing and Urban Development (HUD) Act of 1968 that requires that recipients of certain HUD financial assistance, to the greatest extent feasible, provide job training, employment, and contracting opportunities for low- or very-low-income residents in connection with projects and activities in

their neighborhoods. Section 3 requires tracking labor hours for both Section 3 and Section 3 workers as defined by the new rule.

Solicitation: Any request to submit offers or quotations to the sub grantee or subrecipient. Solicitations under sealed bid procedures are called “invitations for bids”. Solicitations under negotiated procedures are called “requests for proposals”.

Subconsultant: Any person, firm, partnership, corporation, association or other organization, or a combination of any of them, that has a direct contract with a design professional or another subconsultant to perform a portion of the work under a design professional service contract. (www.lawinsider.com)

Subcontract: Any contract as defined above “Contract” entered by a subcontractor to furnish supplies or services for performance of a prime contract, or a subcontract.

Subcontractor: Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a prime contractor or another subcontractor.

Subrecipient: Non-profits and limited for-profits providing support to microenterprises that are provided CDBG-DR funds by VIHFA for their use in carrying out agreed-upon, eligible activities through a Subrecipient Agreement with VIHFA. A territorial department or agencies may also function as a subrecipient.

Subrogation: The process by which duplicative assistance paid to the applicant after receiving an award, is remitted to the program in order to rectify a Duplication of Benefits.

Urgent Need: Under the disaster recovery federal regulations, HUD has determined that an urgent need exists within the Presidentially Declared Emergency. An urgent need exists because existing conditions pose serious and immediate threats to the health/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. All applications who cannot meet the LMI National Objective are placed into the Urgent Needs category.

Uniform Relocation Act (URA): A federal law that establishes minimum standards for federally- funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms

Unmet Need: Financial resources necessary to recover from a disaster that are not likely to be addressed by other public or private sources of funds, including, but not limited to, FEMA Individual Assistance, FEMA Public Assistance, FHWA Emergency relief Program, SBA Disaster Loans, and private insurance.

U.S. Army Corps of Engineers (USACE): A US federal agency for public engineering, design, and construction management.

Women Business Enterprise (WBE): A business that is owned and controlled (minimum of 51 % ownership) by a woman.

Virgins Islands Housing Finance Authority (VIHFA): is the official CDBG-DR grantee, who has overall responsibility for all activities tied to the CDBG- DR grant funded.

19.0: EXHIBITS

19.1: Table 10. Exhibits

<i>Exhibit Number</i>	<i>Exhibit Name</i>
1	Subrecipient Capacity Assessment Checklist (Initial)
2	File Checklist – Infrastructure Program
3	CDBG-DR Project Application Form (Scope, Eligibility and Budget)
4	CDBG-DR Duplication of Benefit Questionnaire
5	Environmental Review Report Form (Microsoft Form Links)
6	CDBG-DR Monthly Progress Report V.1.1

Exhibit 19.2: Subrecipient Capacity Assessment Checklist (Initial)



VIHFA CDBG-DR SUBRECIPIENT CAPACITY ASSESSMENT DOCUMENT REQUEST CHECKLIST

The following checklist is intended to provide an initial list of supporting documents for various areas within your organization to facilitate a capacity assessment as required by HUD for CDBG-DR funding. Please submit the completed form and all attachments to capassessments@vihfa.gov.

Organization's Name: _____

Description	YES	NO*	N/A*	Document Reference**
1. Accounting Policies and Procedures including:				
a. Retention Policy				
b. System of internal controls				
c. Source documentation policy (i.e. cancelled checks, invoices, payroll, time and attendance, corporate credit card, and travel and expenses)				
2. Procurement Policies and Procedures				
3. Grants Management Policies and Procedures including:				
a. Fraud, waste and abuse reporting				
4. Organizational Chart				
5. Copy of most recent final Single (A-133) Audit Report				
6. Copy of most recent final Annual Audit Report				
7. Copy of most recent final Internal Audit Report				
8. Non- and For-Profit Organizations, please submit additional documents:				
a. Current Business License (For-Profit Only)				
b. Articles of Incorporation (Non-Profit Only)				
c. Listing of current board members				
d. Minutes of last three (3) board meetings ratified by the President of the organization				
e. Certificate of Good Standing				
f. Financial Statements				
g. Resumes or job descriptions of the organization's key personnel				

Organizations will be contacted to schedule a site visit with the key individuals responsible for the areas in which documents are requested (for example, CFO and/or Accounting Manager, Procurement Director, Grants Manager, HR Manager, Internal Auditor etc.), subsequent to receipt of the required documents.

Contact Name, Title, Organization

Contact Email & Telephone

*If you answer "NO" or "N/A" to any question, please provide a written explanation.

**Document Reference should include the name of the document being provided that satisfies the request. All documents are to be provided when sending the completed checklist.

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Exhibit 19.3: File Checklist – Infrastructure Programs

File Check List Infrastructure Projects	
Implementation Readiness and Project File Checklist	
This checklist is intended for use by Program Managers to ensure that all steps are followed in the proper sequence to demonstrate programmatic and regulatory compliance prior to initiation of construction activities.	
Pre Memorandum of Agreement (or Subrecipient Agreement if not a unit of grantee government)	
☐	Most recent audit
☐	Excluded parties review
☐	Grantee Capacity Assessment of Implementing Agency
☐	DUNS number
Prior to Authorization to Use Grant Funds (AUGF)	
☐	Executed Memorandum of Understanding (or Subrecipient Agreement) , must include
☐	subrogation agreement
☐	Documentation of eligible activity
☐	Verification of tie to storm
☐	Preliminary project budget including:
☐	Sources and uses
☐	Preliminary duplication of benefits analysis
☐	For all projects using LMA rather than UN - project scope of work must include :
☐	Map of project service area
☐	Justification of service area
☐	Census tract and LMI (if claiming as LMA)
Environmental Review	
☐	Level of environmental review required
☐	If acquisition involved, option letter or conditional purchase agreement
☐	Determination of URA to be triggered (acquisition), if yes, documentation of voluntary acquisition and verification regarding tenants
☐	Engineering & scope sufficient for environment review
☐	Identification of mitigation required to be included in scope if project in floodplain
☐	Completed environmental review (signed by CEO)
☐	Publication of FONSI RROF (with verification)
☐	Request for Release of Funds to HUD
☐	Authorization to use grant funds (AUGF) received from HUD
Contractor Selection	
☐	Detailed scope of work
☐	Project budget (proposed)
☐	Cost /price analysis
☐	Project mile stones (specific)
☐	Procurement documentation
☐	Meets Grantee/CDBG-DR procurement policy and procedures

File Check List Infrastructure Projects	
☐	Inclusion of required clauses - Section 5, labor standards, wage determination (if applicable), etc.
☐	Request for Proposal/Qualifications
☐	Bid publication verification
☐	Bid responses
☐	Bid opening documentation
☐	Bid tabulations
☐	Excluded parties check & documentation (Grime + LMI)
☐	Award letter
☐	Notification to non-winning bids
☐	Contractor documents:
☐	Construction contract
☐	Wage determination
☐	Licenses
☐	Insurance documents
☐	Bond requirements (if applicable)
☐	Duplication of benefits review
Pre-construction Conference	
☐	Documentation of inclusion of mitigation and resilience planning into project scope
☐	Documentation of green infrastructure and sustainable design
☐	Compliance with grantee infrastructure standards
☐	If in floodplain, compliance with federal and territorial requirements
☐	Review of Davis Bacon requirements, including submission of certified payrolls & statement of compliance
☐	Section 3 requirements (contracting and hiring/training)
☐	FASTA requirements
☐	DBE/WBE contracting requirements
☐	Excluded parties review of contractors & subcontractors
Construction Close	
☐	Trade payment breakdown
☐	Documentation of costs (payrolls, invoices)
☐	Unconditional release of lien(s)
☐	Davis Bacon payrolls/statements of compliance up to date
☐	Inspection report
☐	Documentation of payment (date down endorsement by title company?)
File Closing	
☐	Documentation of project completion
☐	Final inspection
☐	Final payment request (to include retainage if applicable)
☐	Unconditional release of all liens
☐	Final duplication of benefits (DBs) review
☐	Documentation of final objective
☐	All labor standards documentation received and issues addressed

File Check List Infrastructure Projects	
☐	Final Section 3 report
☐	Other reporting (TBD)

Note: If the project meets the "covered project" threshold found in Federal Register Notices published November 18, 2013 and June 3, 2014 then other requirements must be met.

Special Flood Hazard Areas (SFHAs) are areas designated by FEMA as having a heightened risk of flooding. 100-Year Floodplains (or 1 Percent Annual Chance Floodplains) are areas near lakes, rivers, streams, or other bodies of water with at least a 1% chance of flood occurrence in any given year. HUD projects within a 100-Year Floodplain must complete the 8-Step Decision-making Process to determine whether there are practicable alternatives to locating the project in the floodplain, unless an exception in section 55.12 applies. A Regulatory Floodway comprises the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. This is the segment of the floodplain that will generally carry flow of flood waters during a flood and is typically the area of greatest risk to structures in the floodplain. HUD financial assistance is prohibited in floodways unless an exception in section 55.12(c) applies or the project is a functionally dependent use (e.g. dams, marinas, and port facilities) or a floodplain function restoration activity. Coastal High Hazard Areas (or V Zones) are areas along the coasts subject to inundation by the 1% annual chance flood event with additional hazards associated with storm or tidal induced waves. Because of the increased risks associated with V Zones, Part 55 prohibits critical actions and new construction in these areas.

Exhibit 19.4: CDBG-DR Project Application Form (Scope, Eligibility and Budget)

Virgin Islands Housing Finance Authority Community Development Block Grant – Disaster Recovery (CDBG-DR) Program  CDBG-DR Project Application Form (Scope, Eligibility and Budget) Agency Name: Project Name: Community Development Block Grant – Disaster Recovery Office 3435 Kronprinzbergs Gade CERES Complex, 9th Floor St. Thomas, VI 00060 Phone (340) 777-4432 100 Lagoon Complex, Suite 4 Frederickstad, VI 00060 Phone (340) 777-4432 Version 5.1 April 21, 2020	GENERAL DESCRIPTION FORM INSTRUCTIONS Mark the appropriate box at the top of the form to indicate whether this is the original application or an amended application. An amended application must be submitted each time there is a change to the project. Please enter the amendment number that corresponds to each change. (ex: First change to the original application would be Amended Application #1) - In the Applicant Name box indicate the entity's name (ex: Virgin Islands Housing Finance Authority), the person in the applicant's office to be contacted regarding this application, address, phone numbers of the entity requesting funds and contact person, and e-mail address of contact person. - Program. Select the program your proposed project falls under: - In the Project Name box indicate the name of the project (ex: Building of Low/Mid-Rise Units). - In the Architectural/Engineering Firm box indicate the name, address, phone number and e-mail address of the architectural/engineering firm for this project if one was hired by the applicant. - In the Environmental Firm box indicate the name, address, phone number and e-mail address of the environmental firm for this project if one was hired by the applicant. - Tie to the Disaster. Provide a detailed explanation on how your project is tied to Hurricane's time and/or Maria. <i>Note: Please provide before and after pictures if applicable, reports or data received to support your proposed activity.</i> - Project Description. Provide a concise description of the project for which you are requesting funds. The description should tell the entire story of the proposed project that will enable VIFHA to make a sound decision on the eligibility of the project. Please respond to as many questions as possible that pertain to the proposed project in this section. If the question does not apply to the project, please enter "N/A". - In the National Objective box indicate which national objective will be addressed by the project. - Eligible Activities. Select the appropriate eligible activity that your proposed project will fall under. Most CDBG-DR appropriations require funds to be used for necessary expenses for activities related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas. The activity must be CDBG eligible or allowed via a waiver, address a disaster-related impact in a Presidentially declared county, and meet a national objective. Disaster-related activities are those that demonstrate (1) a logical connection to the disaster, and (2) how the activity will contribute to long-term recovery. <i>Note: Counties must demonstrate what documentation is sufficient and reasonable to show how activities respond to a disaster-related impact.</i> - Duplication of Benefit. Provide information that may be seen as an additional funding source (ex: Insurance, monetary donations, FEMA, SBA) for the intended project. <i>Note: The applicant's Organizational Head must initial the appropriate pages, sign and date the completed application and the project budget to signify approval. Type the Organizational Head's name and title in the appropriate boxes. A signature signifies the approval by the Organizational Head.</i> Page: 3
General Description Form Place a check mark in the appropriate box: ☐ Original Application ☐ Amended Application # 1. Applicant Name, Contact Person's Name, Address, Phone Number, and E-mail Address: 2. Program ☐ Housing ☐ Infrastructure ☐ Economic Revitalization ☐ Planning ☐ Public Services/Public Facilities 3. Project Name: 4. Name, Address, Phone Number and E-mail Address of Architectural/Engineering Firm (if applicable) 5. Name, Address, Phone Number and E-mail Address of Environmental Firm (if applicable) Date of EOR of approval: 6. Describe in detail, your project's physical loss or social impact or economic impact or loss in function of system that will serve as a "Tie to the Disaster". 7. Project Description (Answer the questions below.) a. Based on the UVVI action plan and the program selected in section 2 of this form, describe the proposed project to be funded with CDBG-DR funds. This section should include the project location. Organizational Head Initials VIFHA Initials Page: 4	b. Briefly explain the needs to be addressed with the proposed project. c. State that the project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes. d. How extensive is the proposed construction? Is there site work, digging, work, etc.? e. Identify the proposed improvement, location of the proposed improvement and/or project (looking up to determine who owns the property, what is near and around (i.e. landmarks, and where located), current capacity of and area served by the project, etc. f. Describe whether the project will require acquisition of property, easement, or right-of-way and the approximate number of parcels to be acquired. Organizational Head Initials VIFHA Initials Page: 4

g. Describe how the project plans to monitor effectiveness. For example, if you plan to install new sewage collection lines, then can the treatment plant handle the increase?

h. Are there green infrastructure or other sustainability design components? For the purpose of completing this section, green infrastructure is defined as the integration of natural systems and processes, or engineered systems that mimic natural systems and processes, into infrastructure to reduce infrastructure. "Green Infrastructure" takes advantage of the services and natural features provided by land and water systems such as wetlands, natural areas, vegetation, roads, dunes, and forests, while contributing to the health and quality of life of those in surrounding communities.

i. Describe how people will benefit from the project and indicate whether the benefits will be direct and indirect. Indirect benefits are defined as those that will take place on private property, such as landings. Provide an estimated number of entry landings, if applicable.

j. Identify who will retain ownership of the infrastructure and whether after the completion of the project. Describe the method by which the applicant can ensure that adequate resources will be available to operate and maintain the proposed project. The description must identify the source and the estimated amount of funds that will be provided for this purpose.

k. Describe the physical boundaries of the project area(s) in relation to the boundaries of the project.

l. Will the proposed project directly cause any degradation or conversion of any existing residential or commercial area resulting in permanent, temporary or seasonal displacement of existing tenants? If yes, indicate whether the households are low income and the estimated number of households that may be affected. How much a plan describing the steps taken to minimize displacement, including what assistance/benefits will be provided to displaced households, and what plans have been developed to replace the units and ensure that they are at least Fair Market Rent for 300 years.

m. If the property was built before 1978, is it exempt from lead-based paint abatement? If yes, list reasons. If not, has the property been evaluated? Please indicate if the property needs remediation. Note: Attach record indicating past of construction and proof of exemption.

Organizational Head Initials _____ VSDFA Initials _____ Page 1

n. For rehabilitation projects, has there been an evaluation of asbestos hazards? Does the property used asbestos materials? Note: Provide a copy of report.

o. Was the building occupied at the time of the inspection?

☐ Yes ☐ No

If yes, how many units were occupied? _____ Unoccupied units? _____ Total units? _____

Describe Building: ☐ Residential ☐ Commercial ☐ Industrial ☐ Other _____

Describe Occupancy: ☐ Owner ☐ Rental ☐ Lease

Was once the property an building? _____ Note: Submit a copy of the deed or lease.

p. If this is a housing project, does it have more than five (5) units? If yes, at least 7% (or 1, whichever is greater) must be accessible to persons with mobility impairments and 2% (or 1, whichever is greater) must be accessible to persons with sensory impairments if the project has construction or requires substantial rehabilitation. The housing unit must meet the accessibility requirements of the Federal Fair Housing Act, which requires that of units in diverse buildings and ground units in other buildings be ADA accessible.

q. Have steps been established to Reduce Fair Housing? Please explain.

r. National Objectives to be addressed (check one):

In order to be eligible for CDBG-DR funding, a project must meet at least one of the national objectives outlined in Title 24, Section 570.208 of the Code of Federal Regulations. Select from below the national objective(s) to be met by this project:

☐ Activities Benefiting Low-Moderate Income Persons:

☐ Area Targeted Activity is one that benefits all residents of low to moderate income in a particular area, in which 75 percent of the residents are low to moderate income persons. (Note: This selection is applicable only if the project will be located in a neighborhood or census tract where more than 75% of the persons or households qualify as low to moderate income. Please refer to the census maps attached at the end of the application.)

☐ Limited Chronic Latent is a specific group of persons and at least 75% of them qualify as low to moderate income.

☐ Shoring Activities: An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low- and moderate-income households.

☐ Job Creation or Retention Activities: An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, compared on a full-time equivalent basis, provide the employment of low- and moderate-income persons.

☐ Prevention/Minimization of Slides or Rupture (including landslides) restoration to ensure conditions that prevent landslides and safety. Please note that the description of areas of "Slides and Rupture" must have been established by local law.

☐ Upland Flood: Activity designed to eliminate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became origin, that the subrecipient is unable to finance the activity on its own, and for other sources of funding are not available.

☐ Home (Planning, Capacity Building, Advocacy)

Organizational Head Initials _____ VSDFA Initials _____ Page 4

8. Eligible Activities:

In order to be eligible for funding, a proposed project must include one or more of the activities described in Title 24 Section 570.208 to 570.208 of the Code of Federal Regulations. Select from the listing below the activity this proposed project meets:

☐ Acquisition of real property 201(a)	☐ Special Economic Development Activities 201(c), 201
☐ Depreciation 202(b)	☐ Microenterprise Assistance 203(a)
☐ Police Facilities and Improvements 203(i)	☐ Microenterprise Other Activities 203(j), (k), (l), (m), (n)
☐ Crime Prevention and Maintenance 203(k), (l), (m), (n), (o)	☐ Rehabilitation and Preservation 203(k), (l), (m), (n), (o)
☐ Police Services 203(p)	☐ Planning Activities 203(p)
☐ Service Activities 203(i)	☐ General (management, oversight and coordination) 203(q)
☐ Relocation 203(i)	☐ Public Infrastructure 203(b)
☐ Loss of Rental Income 203(j)	☐ Fire Fighting Activities 203(c)
☐ Personal-Owned Vehicles 203(i)	☐ Disaster Care 203(h)
☐ Construction of Housing 203(a)	☐ Information of applications for federal programs 203(b)
☐ Homeownership Assistance 203(a)	☐ Administrative expenses for federal program 203(g)
	☐ Section 17 of the U.S. Housing Act of 1977 203(d)

9. Duplication of Benefits:

Did the subsequent fire or insurance claim (or another other funding) for the damage referenced in this application? If yes, what was the proceeds used for? If the funds were not used what will the funds be used for? Provide the dollar amounts in the High-Level Budget section of this application.

☐ Yes ☐ No

Organizational Head Initials _____ VSDFA Initials _____ Page 1

HIGH LEVEL BUDGET INSTRUCTIONS

Indicate the total dollar amount of Project Funds expected from each funding source. Round all amounts to the nearest dollar. The TOTAL FUNDS amount should equal the total project cost. Identify the funding source and the status of each of those funds (committed, applied for, etc.).

Once the budget table is completed, provide responses to the below question.

Note: A cost analysis must be completed for this entire project to complete the budget. A detailed budget/cost summary will be required once your project is deemed eligible.

CDBG-DR funding is the funding of last resort; therefore, if the proposed project activities were formerly part of your organization's annual budget please identify and indicate the amount below. Also, identify all other funding sources you have pursued and will become available to you during the life of the project. If your project will generate Program Income during the life of the project, please indicate as well below. (Attach an additional sheet if more space is required.)

Project Funds:	Amount	Funding Source	Source of Funds
CDBG-DR			
Local Funds			
Private Funds			
Government Programs			
Federal Funds (e.g. FEMA)			
Other Funds			
Program Income			
TOTAL FUNDS	\$ 0 00		

1. Please explain how your organization will generate program income?

Organizational Head Initials _____ VSDFA Initials _____ Page 3

VFHA COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RECOVERY ACTIVITY BENEFICIARY FORM			
1. Grantor: ☐ Subrecipient ☐		2. Subrecipient Project ID:	
3. Activity Name:			
PART I - BENEFICIARY INCOME INFORMATION			
A. Income Levels:		Total	Percentage
1. Total Household Income: Less than or equal to 50% Area Median Income			
2. Total Household Income: Over 50% and up to 80% Area Median Income			
3. Total Household Income: Over 80% Area Median Income			
Total Population:			
A. Sources for Determining Beneficiary Data:			
PART II - AREA INFORMATION (By Part II if this is a direct benefit project)			
A. Indicate whether the completed project was target area(s) specific or community-wide:			
☐ Target Area(s) ☐ Community-Wide			
List Census Tract(s) and/or Block Group(s):			
B. Provide Latitude/Longitude for the project location at or near geographical center:			
Latitude:		Longitude:	
PART III - DIRECT BENEFIT DEMOGRAPHIC INFORMATION (By Part III if this is an area wide benefit project)			
A. Race and Ethnicity:		Total	Hispanic/Latino
		LMI	Non-LMI
1. White			
2. Black/African American			
3. Asian			
4. American Indian/Alaska Native			
5. Native Hawaiian/Other Pacific Islander			
6. American Indian/Alaska Native and White			
7. Asian and White			
8. Black/African American and White			
9. American Indian/Alaska Native and Black/African American			
10. Other multi-race			
11. Unknown			
Total Persons:			
B. Head of Household:		LMI	Non-LMI
1. Female Head of Household:			
Organizational Head Initials:		VFHA Initials:	

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OTHER FUNDS SUPPLEMENTAL DOCUMENTATION

Some projects may cost more than is available under the approved VFHA action plan programs. The applicant may propose to use other funds in conjunction with the CDBG-DR funds. These other funds must be identified and must be available and ready to spend. If these funds involve loans or grants from other local, federal, or private sources, the monies must have already been awarded. To substantiate the immediate availability of the other funds, one of the following items of supporting documentation will be required:

1. letter and adopted resolution from the local governing body stating the specific source, amount, and location of local cash;
2. A line of credit letter from a financial institution such as a bank stating the amount available as a loan;
3. Specific evidence of funds to be received from a tax or bond election that has already passed; or
4. A letter from another funding agency stating that the funds have been awarded and are currently available for expenditure.

Note: Attach the supporting documentation to the application.

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AUTHORIZATION

In the event that the VFHA or HUD determines that any funds were expended by the Subrecipient for unauthorized or ineligible purposes or the expenditures constitute disallowed costs in any other way, then VFHA or HUD may order repayment of the costs. The Subrecipient shall repay the disallowed amount to VFHA within thirty (30) days of written notice of the disallowance.

I certify that all information provided as part of this application is true and correct to the best of my knowledge. I agree to indemnify and hold the above budget in the utilization of funds provided under this Subrecipient Agreement. I certify under penalty of perjury that: (1) the information provided in this Community Development Block Grant Disaster Recovery Project application is true and correct as of the date and that any intentional or negligent misrepresentation may result in civil liability, including monetary damages, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, or any, and (2) the property will not be used for any illegal or prohibited purpose or use.

Organizational Head:	Print Name, Official Title	Print Name and Official Title	Signature	Date
Reviewed by CDBG-DR Program Head:	Print Name, Official Title	Print Name and Official Title	Signature	Date
Reviewed by CDBG-DR Senior Manager:	Print Name, Initial	Print Name and Initial	Signature	Date
Reviewed by Environmental:	Print Name, Initial	Print Name and Initial	Signature	Date
Reviewed by Compliance & Monitoring Specialist:	Print Name, Official Title	Print Name and Official Title	Signature	Date
Reviewed by Compliance & Monitoring Sr. Manager:	Print Name, Initial	Print Name and Initial	Signature	Date
Approved - Expected by CDBG-DR Act Director:	Print Name, Official Title	Print Name and Official Title	Signature	Date
Approved - Expected by VFHA Executive Director:	Print Name, Official Title	Print Name and Official Title	Signature	Date

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LOW- AND MODERATE-INCOME MAP

Lower and Moderate-Income Census Tract Map
St. Thomas and St. John



Source: HUD User Data 2018 (Based on 2010 Census), U.S. Census Bureau 2018
Projection: Global Coordinate System North American Datum of 1983

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LOW- AND MODERATE-INCOME MAP

Low- and Moderate-Income Census Tract Map
St. Croix



Legend

Census Tracts 100% LMI

Source: HUD User Data 2019 (Based on 2010 Census), U.S. Census Bureau 2018
Projection: Global Coordinate System North American Datum of 1983

Exhibit 19.5 CDBG-DR Duplication of Benefit Questionnaire

DUPPLICATION OF BENEFITS QUESTIONNAIRE

Program: CDBG-DR STAND-ALONE

Program Participant: VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

Project Name:

FUNDS RECEIVED OR BUDGETED FOR THE PROJECT

SOURCE OF FUNDS	Amount received for the project	Additional funds expected
FEMA		
Other Federal Agencies (Describe)		
State Agencies		
Budgeted Program Participant Funds (Annual Budget)		
Private Insurance		
National Flood Insurance		
Nonprofit Organizations (Describe)		
Other Funds (Describe)		
TOTAL		

Documents Needed:

Along with this form, please provide documents that show the amounts received for the project from each source listed above. Note: All documents, including Program Participant budgets, must be retained and produced for review at the request of VIHFA or HUD.

CERTIFICATION:

I certify that the information provided in this questionnaire is true and accurate to the best of my ability. I understand that if this information is not correct, it may affect the amount of any grant I may receive or may lead to the recapture of disbursed funds by VIHFA or HUD.

Program Participant

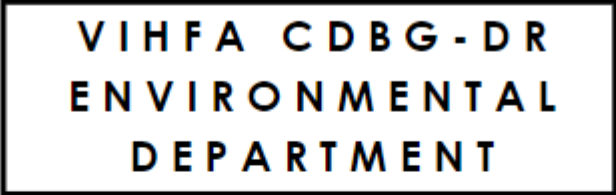
Signature of Authorized Certifying Official

Printed Name of Authorized Certifying Official

Date

WARNING: The information provided on this form is subject to verification by the Territory and the Department of Housing and Urban Development (HUD) at any time. Title 18, Section 1001 of the U.S. Code states that knowingly and willingly making a false or fraudulent statement to a department of the United States Government can result in termination of assistance and civil and criminal penalties.

Exhibit 19.6: Environmental Review Process Microsoft Forms Links



**VIHFA CDBG-DR
ENVIRONMENTAL
DEPARTMENT**

**ENVIRONMENTAL REVIEW PROCESS
MICROSOFT FORMS LINKS**

I. REQUEST FOR PRELIMINARY ENVIRONMENTAL REVIEW

Purpose: To address concerns that may deem the project ineligible or place restrictions on the scope of work, provide possible timelines for Environmental Review completion, and provide information on the type of review to be completed and the process required for the specific level of review

[Complete Form](#)

II. REQUEST FOR ENVIRONMENTAL REVIEW

Purpose: To submit the executed application to the Environmental Department. This document is needed to begin the Environmental Review Process.

[Complete Form](#)

III. REQUEST FOR PUBLICATION/RROF

Purpose: To inform the Environmental Department that all Mitigation Measures have been discussed/agreed upon by the subrecipient prior to publication of the Environmental Review Record.

[Complete Form](#)

IV. REQUEST FOR RE-EVALUATION

Purpose: To inform the Environmental Department of Scope Changes to a project which would require a Re-Evaluation.

Exhibit 19.7: CDBG-DR Monthly Progress Report V.1.1



VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
CDBG-DR Monthly Status Report
INFRASTRUCTURE

Following the execution of the Approved Application, the Subrecipient must begin submitting a Monthly Status Report throughout the lifespan of the grant. This monthly report is due to the VIHFA CDBG-DR Program Lead by the 15th of every month. Delays in submitting required monthly reports are a violation of the Subrecipient Grant Agreement and may result in denial of reimbursements and/or payments and cancellation of the Subrecipient Grant Agreement.

REPORT PERIOD: REPORT 2/2012

SECTION 1. SUBRECIPIENT DATA	SECTION 2. CDBG-DR ACTIVITY INFO
Subrecipient Name: 	Project Status: -Select Status-
Project Name: 	Projected Start Date:
Project Site Address: 	Projected End Date:
Project Lead: 	Actual Start Date:
Email: 	Actual End Date (Completed Activity):
Phone #: 	Amended DR Application Approval Date (If Applicable):

SECTION 3. BUDGET AND FUNDS EXPENDED
Report the funds-level budget amounts tied to the project. Amounts must be entered for the reporting period and the cumulative amount. (CDBG-DR funds in the Archive of last report.)

	This Period	To Date
Total Project Budget		
Total CDBG-DR Funds Awarded		
Total CDBG-DR Funds Expended		
Program Income Received		
Program Income Expended		

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SECTION 4. ACTIVITY PROGRESS / PERFORMANCE
List each task/activity tied to the project in the below chart. All fields must be completed for each task/activity. Task activities are tied to the disbursement schedule at your CDBG-DR approved application. Should any task/activity fall behind schedule, please provide the circumstances involved, and complete the remaining fields. Make sure to include any environmental updates.

Activity Name	Progress of Activities (Include activity start date)	Current Status	Circumstances (If Applicable)	Will the activity be completed on the current schedule?	Corrective measures will be required?
		-Select Status-		-Select-	-Select-
		-Select Status-		-Select-	-Select-
		-Select Status-		-Select-	-Select-
		-Select Status-		-Select-	-Select-

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SECTION 5. PLANNED ACTIVITIES
Describe the planned activities for next reporting period and any technical assistance requests. The narrative should reference the Subrecipient disbursement schedule, project activities, and milestones. If the project is behind schedule, include reasons for anticipated delays and milestones.

SECTION 6. NATIONAL OBJECTIVES
Provide data to support the HUD National Objectives. Complete only the activity of the project that benefits low to moderate income persons selected in your CDBG-DR approved application. If the National Objective does not apply to your project, select Not Applicable.

LOW & MODERATE INCOME NOT APPLICABLE

A. LMI Activity	B. Total Expected Beneficiaries	C. Total Beneficiaries This Period	D. Total Beneficiaries Cumulative
LMI Area Benefit (LMA)			
Total persons			
Source of Data:			

URGENT NEED NOT APPLICABLE

Beneficiaries	B. Total Expected Beneficiaries	C. Total Beneficiaries This Period	D. Total Beneficiaries Cumulative
			
Total persons			

SECTION 7. PERFORMANCE MEASURES
Provide data of proposed accomplishments and beneficiaries for the project. These measures typically represent the physical outcomes of the project. Some projects may have more than one measure. Provide the data for only the measure(s) that is listed for your project.

Project	Measures	Projected	This Reporting Period	Cumulative
				
				

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SECTION 8. SECTION 3 REPORTING (For Construction Projects over \$200,000.00)
Section 3 is to ensure that the employment and other economic opportunities generated by Federal financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low and very low-income persons. Benchmarks for Section 3 projects cover housing rehabilitation, housing construction, and other public construction projects.

•25% or more of all labor hours must be worked by Section 3 Workers.
•5% or more of all labor hours must be worked by Targeted Section 3 Workers.

Provide the total number of paid labor hours worked on the Section 3 project for each labor hour listed below. To determine the safe harbor benchmark percentages, use chart:

Section 3 Labor Hours = 25% **Targeted Section 3 Labor Hours** = 5%

Total labor hours **Total labor hours**

If additional space is needed, please provide on attachment.

Labor Hours	Projected	This Period	To Date	Safe Harbor Benchmark %
Construction Name: 				
Total Labor Hours				
Section 3 Labor Hours				
Targeted Section 3 Labor Hours				

Describe the qualitative efforts made to provide low and very low-income persons with employment and training opportunities. See 24 CFR 93.23 for a list of qualitative efforts. You may attach any supporting documentation, if necessary, to provide additional information to describe qualitative efforts.

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FFATA requires recipients of Federal funds awarded to report on subgrantees/subcontractors/consortia/teams equal to or greater than \$25,000. Please complete this table for all contractors and subcontractors that were awarded federal funds. If additional space is needed, please provide an attachment.

[illegible]

Federally funded entities must take all necessary affirmative steps to ensure that Minority and Women Business Enterprises are used when possible. Please complete this table for all Minority and Women Business Enterprises receiving federal funds for any CDBG-DR projects. If additional space is needed, please provide an attachment.

[illegible]

I certify to the best of my knowledge and belief that the information in this report is true and correct.

Continuation of the report of the first release	Completed Administrator's Signature	Date
YHSP A CDBG-DR USE ONLY		
(Program Manager/Service Manager)		(Compliance & Monitoring)
Reviewed by: _____ Date: _____	Reviewed by: _____ Date: _____	
Signature: _____	Signature: _____	