



1st Substantial Amendment
to CDBG-Mitigation Action Plan

Public Hearing

July 12, 2023

**St. Croix, University of the Virgin Islands
(UVI) Great Hall**

5:30 – 7:30PM

July 19, 2023

**St. Thomas, UVI Administration &
Conference Center**

5:30 – 7:30PM





Presenters

Monee Edwards

VIHFA, Public Information Officer

Ann Hanley

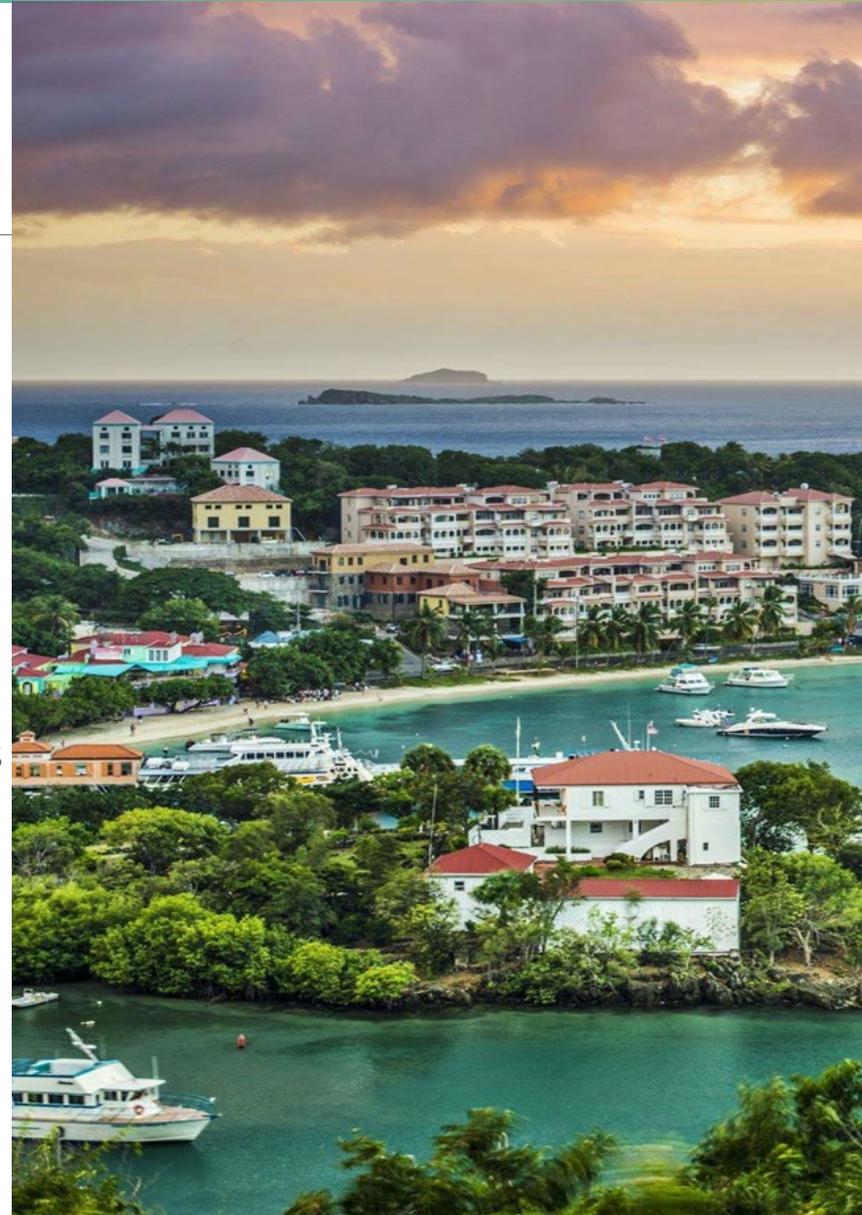
VIHFA, DR Director of Programs

Anne-Marie Williams

VIHFA, Infrastructure Program Specialists

Odari Thomas

VIHFA, DR Staff Engineer



Public Hearing Goals

Provide the community an opportunity to:

LEARN

- Mitigation
- Eligibility Requirements
- Action Plan Amendment
- Covered Projects



ASK

Questions and provide input regarding the proposed substantial amendment

PUBLIC INPUT PROCESS:

Verbal comments are encouraged at the end of the presentation; comments will be accepted here at the hearing or in writing.

Written comments can be sent to the following address:

- ✓ Email: media@vihfa.gov
- ✓ Please label your comments: **Substantial Amendment 1 – CDBG -MIT Action Plan**



CDBG-MIT



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



US Department of Housing and Urban Development (HUD) allocated **\$774,188,000** in CDBG-MIT funds: (a) territorial mitigation and (b) resilience improvements.



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



Proposed Substantial Amendment to Action Plan.



Per FRN, VIHFA will conduct three (3) public hearings; one (1) convened prior to the Action Plan Publication.



Mitigation Activity, Definition

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

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



CDBG-MIT Activity Requirements

1

Meet the definition of a Mitigation Activity

2

Address current and future risks identified in the [U.S. Virgin Islands Hazard Mitigation Plan 2019 - Update \(vi.gov\)](http://vi.gov)

3

CDBG-eligibility activities under Title I of the Housing and Community Development Act 1974 (HCDA)

4

* Meet a HUD National Objective

Mitigation Needs Assessment (MNA)

U.S. 2019 Virgin Islands Hazard Mitigation Plan

- ✓ Territory's approved Hazard Mitigation Plan
- ✓ Incorporated into the CDBG-MIT Action Plan
- ✓ Identifies 7 critical Services Areas or Community Lifelines



CDBG-MIT National Objectives



Demonstrate or Consistent with¹:

- ✓ Low-to-Moderate Income (LMI)
 - 50% of grant funds shall benefit the most impacted and distressed (MID) areas.
- ✓ Urgent Need Mitigation (UNM)
 - Address current and future risks identified in MNA.
 - Result in measurable and verifiable reduction in the risk of loss of life and property.
- ✓ Ability to operate for the useful life of the project
- ✓ Consistent with other mitigation activities that will be carried out

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

Mitigation Activities



Activity Categories

Infrastructure and Public Facilities	Housing	Economic Revitalization	Planning & Grant Administration
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CDBG-MIT FUNDS

- ✓ Strategic activities to minimize, mitigate or eliminate risks and reduce losses from future disasters.
- ✓ An opportunity to improve local planning protocols and procedures in the Territory.



MIT Project Considerations

LMI

Does the Project Benefit LMI Population?

Mitigation

What hazard(s) will the project mitigate and how will it mitigate?

Lifelines

How will the project support a Community Lifeline during a hazard event?

Does the benefit outweigh the cost over the life of the project?

Does the recipient have the capacity to implement the project?

Will additional funding be required to maintain the project over the full project life?

Benefit Cost

Implementation

Sustainability



Activity Allocation

Activity Category	Project Allocation	% of Total Allocation
Infrastructure and Public Facilities	\$418,200,000	54%
Economic Resilience and Revitalization	\$76,750,000	10%
Housing	\$192,700,000	25%
Public Services	\$15,400,000	2%
Planning	\$32,428,600	4%
Administration	\$38,709,400	5%
Total	\$774,188,00	100%

Expenditure Timelines:



50%
100%

6 years (2029)
12 years (2035)



CDBG-MIT Action Plan (MIT-AP) Amendment



Substantial Amendment

- ✓ Details the proposed use of all funds

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



Covered Projects, Definition

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

All new **Infrastructure** Covered Projects trigger a Substantial Amendment.



CDBG-MIT COVERED PROJECTS



Identified as Critical Services and Community Lifelines in the 2019 – Update U.S. Virgin Islands Hazard Mitigation Plan.



Additional Criteria: Cover Project

1. Demonstrate long-term efficacy and fiscal sustainability

- Ability to operate for the useful life of the project
- Establish a long-term Operation and Maintenance (O&M) Plan and funding
- Document measurable outcomes or reduction in risk

2. Benefit the MID area

- Benefits must outweigh the cost; documented by a Benefit Cost Analysis (BCA)
- Demonstrate unique and concrete benefits for LMI persons

3. Consistency with other mitigation activities

- Must not increase the risk of loss of life or property in a way that undermines the benefits from other uses of CDBG-MIT funds in the MID



Benefit Cost Analysis (BCA) Types

BCA result must be greater than 1 .00

1. FEMA-BCA

2. Non-FEMA BCA

- a) BCA is completed or in progress by another Federal Agency
- b) It addresses a non-correctable flaw in the FEMA-approved methodology
- c) It proposes a new approach that is unavailable using the FEMA BCA Toolkit.

3. Alternative demonstration of benefits

- a) Project must serve LMI persons or other persons that are less able to mitigate risks or respond to and recover from disasters
- b) Alternately, BCA less than 1 must demonstrate unique and concrete benefits for LMI persons

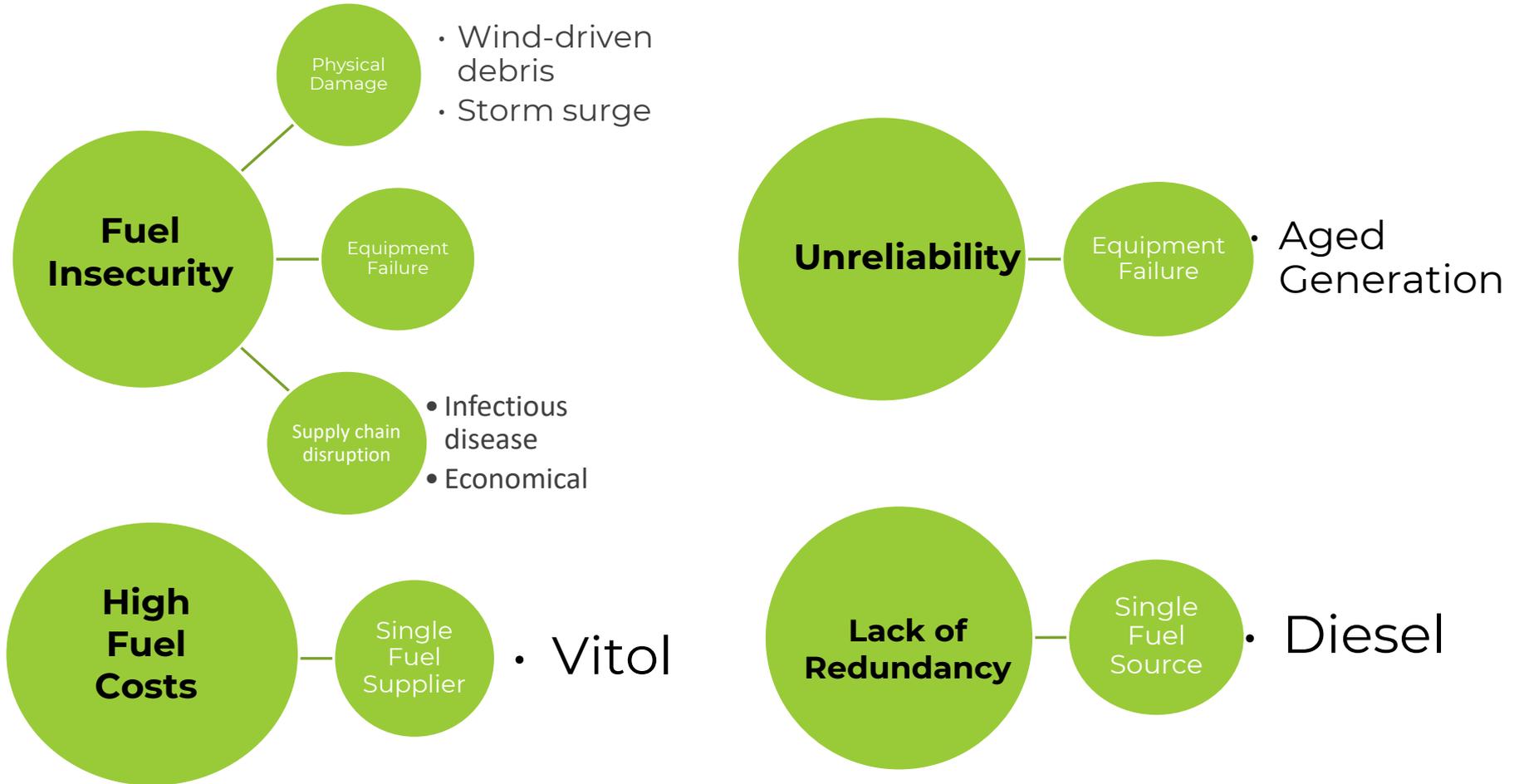
Substantial Amendment



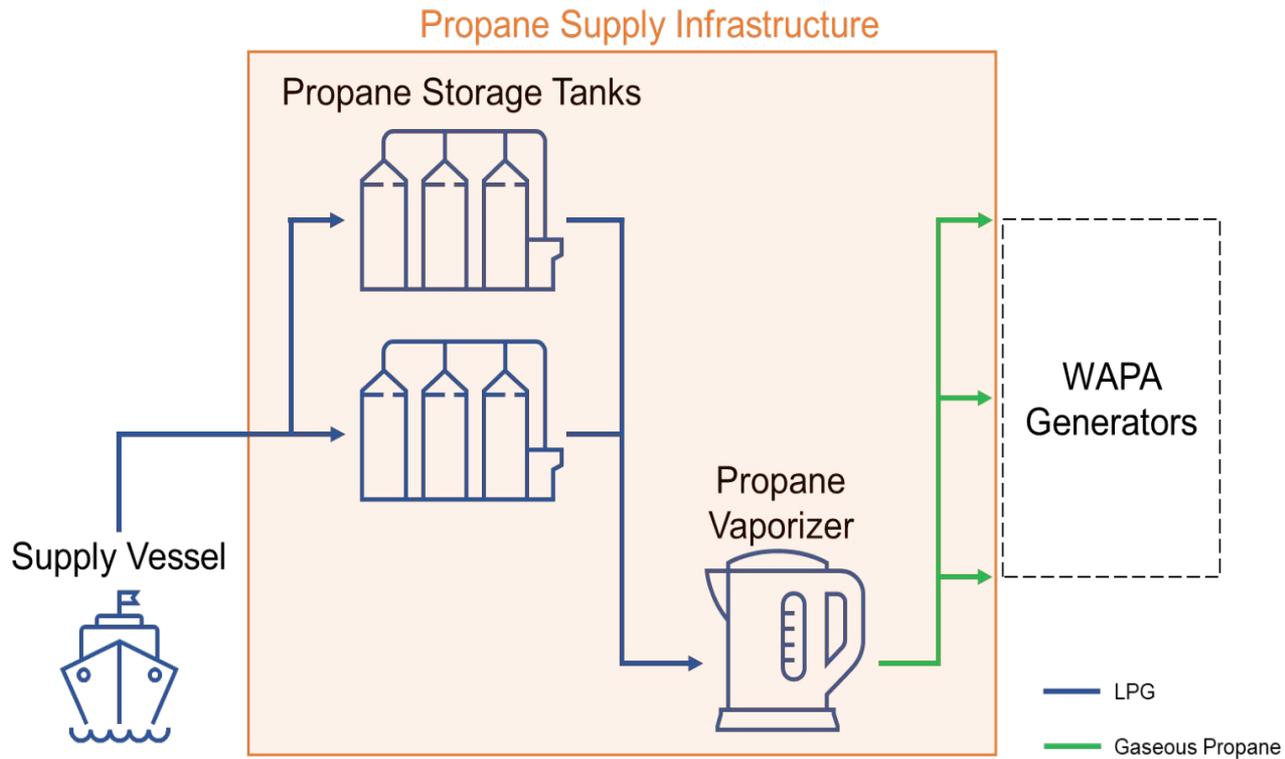
Energy Lifeline

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

Current Threats to Energy Lifeline



Covered Project





What Are We Getting?

Ownership of all propane (LPG) supply infrastructure on St. Thomas and St. Croix.

Onshore

- ✓ Storage tanks
- ✓ Steam system (boilers)
- ✓ Piping
- ✓ Truck Rack

Offshore

- ✓ Mooring buoy
- ✓ Breasting and mooring dolphins
- ✓ Firewater Pumps

20-Year Useful Life





Project Cost - \$145,000,000

Project Benefits



VITOL Acquisition

Ownership of the Propane Supply Infrastructure
Mitigates Risk to the Energy Lifeline

As a Community Lifeline, the supply of propane is critical for WAPA to generate electricity and produce potable water.

Maintain
Lower Fuel
Costs

Lower
Propane
Transportation
Costs

Fuel
Redundancy

Fuel Security

Drinking
Water
Security

Improved
Reliability

Improved
Environment
al Profile



Should We Do It?

BCA

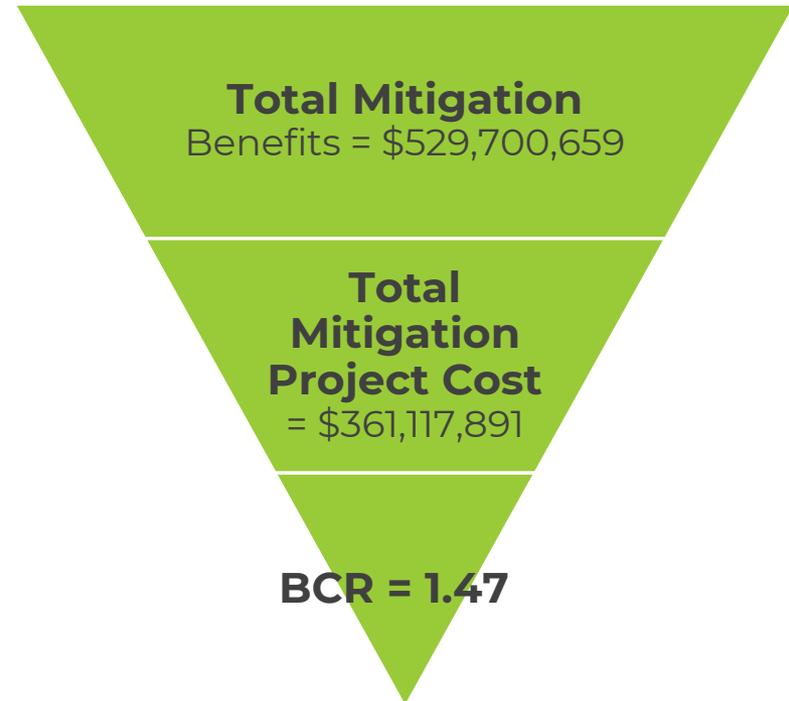
Pre-Mitigation Impact
(Diesel availability)

- Territorial Annual Fuel Cost
- \$88,200,000

Post-Mitigation Impact
(LPG & Diesel Availability)

- Territorial Annual Fuel Cost
(District-wide) - \$38,200,000

BENEFIT COST SUMMARY



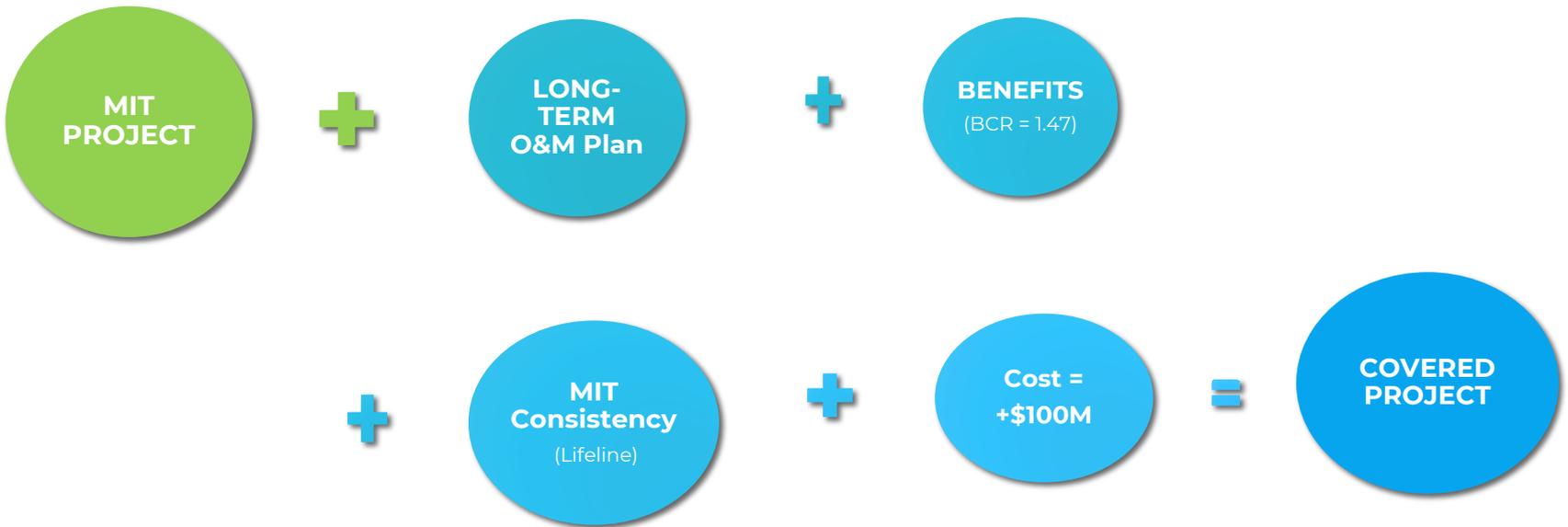


Is It A Fit For MIT?



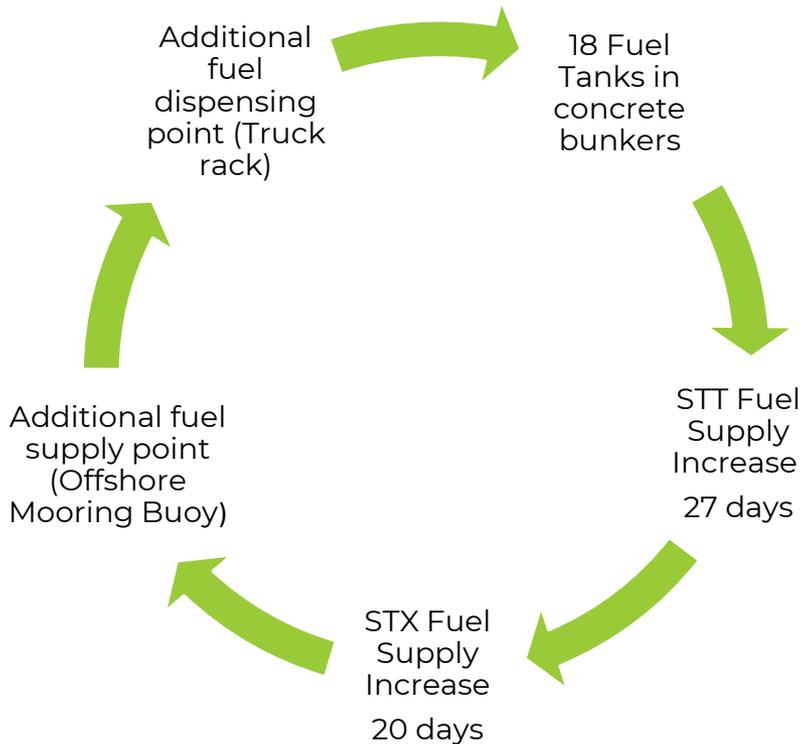


Is It A Fit For MIT?



Will It Work?

RESILIENT FUEL CAPACITY



OPERATIONS AND MAINTENANCE*

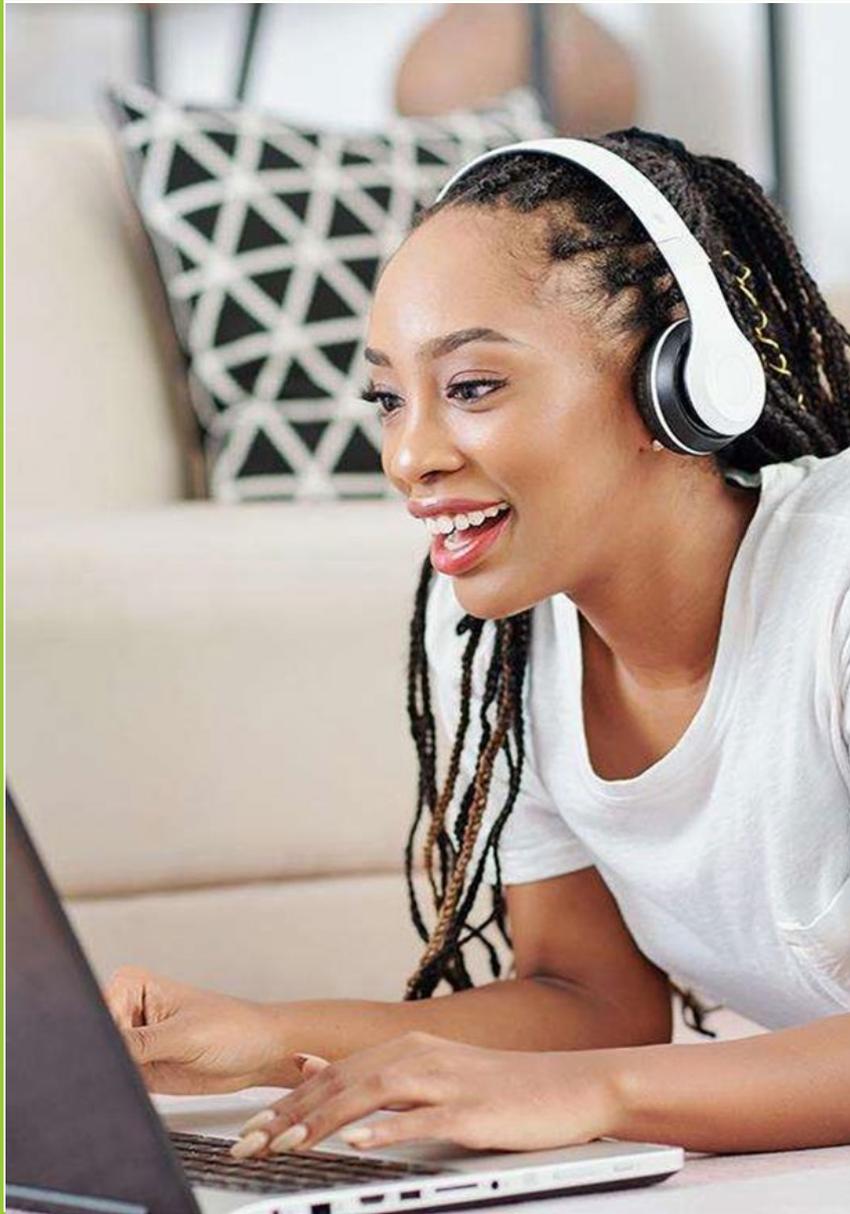
Limited moving equipment

Forecasted O&M budget for remainder of useful life to aid planning

3rd-party operator to operate and maintain facility

* *Operations and maintenance costs **are not** eligible for CDBG-MIT funding*





Public Engagement

JUN | THU

29

June 29, 2023

1st Public Hearing

Pre-Action Plan Publication

JUL | THU

06

July 6, 2023

30-Day Comment Period Opens

JUL | WED

12

July 12, 2023

2nd Public Hearing

JUL | WED

19

July 19, 2023

3rd Public Hearing



Public Engagement Continued..

AUG | MON

07

August 7, 2023

Last Day for Public Comments

30-Day Comment Period Ends

AUG | FRI

12

August 12, 2023

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





Public Comments

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

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

All written comments can be submitted by:

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



Thank You!



cdbg Funding Our Future
DISASTER RECOVERY