

# UNITED STATES VIRGIN ISLANDS



## DISASTER RECOVERY ACTION PLAN

### Executive Summary

Version 5.0

**Amendment 4**

Prepared by: Virgin Islands Housing Finance Authority

**Substantial Amendment 4**

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**Submitted to HUD:**

**Modified Version:**

**Approved by HUD:**

**For CDBG-DR Funds under the Supplemental Appropriations for Disaster Relief Requirements Act 2017, Bipartisan Budget Act 2018 and Supplemental Appropriations Act of 2019 (Public Law 115-56, Public Law 115-123 and Public Law 116-20)**



## Executive Summary

This Action Plan Amendment The CDBG-DR funds described in this Action Plan Amendment were appropriated to cover the costs related to disaster relief, long term recovery, restoration of housing, infrastructure and economic revitalization resulting from Hurricanes Irma and Maria, pursuant to the Stafford Act. Using funds for disasters that are outside of the disaster events cited in the respective appropriations acts is strictly prohibited.

While the Initial Action Plan was approved by HUD on July 10, 2018, in the past five years, the Authority and the Territory have experienced additional reduction in housing inventory as well as identified additional needs in infrastructure, public services and facilities, and economic revitalization. As the Authority identifies the additional needs and/or modifications for new or existing activities, an iteration to the Action Plan occurs. Currently, the Authority is on Substantial Amendment 4 (AP version 5) of the Action Plan.

The main changes in this Substantial Amendment 4 include removal of ineligible and/or unattainable housing and infrastructure projects, reallocation of funds, and the appointment of the Virgin Islands Office of Disaster Recovery (ODR) as the subrecipient that will provide programmatic oversight and project management to all CDBG-DR projects. Though ODR will provide programmatic management, VIHFA as the grantee retains overall oversight and grants management of the CDBG-DR grant and funds.

### I. Project Removal

The following projects were removed from VIHFA's Action Plan:

- Housing Project: Whispering Hills, \$10,000,000 funding reallocated to provide additional funds for the Queen Louis Condos project, budgetary allocation set aside in amendment 3 was not enough to complete the project. Housing Project: Estate Solitude, \$10,062,000 funding reallocated to provide additional funds to address increased costs for listed projects and housing development or rehabilitation (TBD) funding set aside for the Public and Affordable Housing Development Program.
- Housing Project: Croixville Preservation, \$24,993,700 subrecipient's inability to receive a Letter of Map Revision (LOMAR) to address flooding mitigation measures.
- Infrastructure Project: 1 of 2 Port Dredging Projects removed- Port Gregoire, \$15,531,558 the Virgin Islands Port Authority (VIPA) will complete dredging project without CDBG-DR funding.
  - The Charlotte Harbor Port Project was moved back to Economic Revitalization per HUD correspondence dated February 16, 2023.

### II. Reallocation of Funds

With the removal of the above projects, the Authority has \$60,587,258 available to reallocate to other projects. In addition to this amount, program and finance staff assessed all existing projects. During this assessment, projects were assessed for additional financial need as well as reduced financial need for project completion. The following reallocations were made in this substantial amendment:





## A. Housing

The Authority reallocated additional funding highlighted herein to address unmet housing needs. Specifically:

### New Housing Infrastructure Construction:

Whispering Hills and Estate Solitude projects were removed from New Housing Infrastructure Construction's (NHIC) program. This left \$20,062,500 to be reallocated. Additionally, based on assessment, Wild Pineapple/Estate Fortuna received a reduction of \$5,000,000 removed from the project while Mount Pleasant received a reduction of \$250,800 removed and Own A Lot Build a home reduced its budget by \$3,475,000. This left a total of \$28,788,500 available to be reallocated. The Authority reallocated \$13,600,000 of these funds to the Queen Louise Condos. The Queen Louise Condos will build six (6) three story condos to be sold to LMI buyers. This project will address the housing inventory needs in the territory with the development of new housing as well as increase homeownership opportunity among LMI residents.

The remaining funds of \$15,188,500 from NHIC will be reallocated for Public and Affordable Housing Program needs. Funds reallocated to the Public and Affordable Housing program will meet the housing needs of LMI in the territory by developing and/or rehabilitating existing housing units thereby increasing housing inventory in the territory.

### Public and Affordable Housing:

All funds were removed from the Croixville Preservation project due to eligibility requirements. This project accounted for \$24,993,700. Additionally, as stated above, \$12,463,500 remaining funds from NHIC were reallocated to Public and Affordable Housing programs. This left a total of \$37,457,200 funds to be reallocated to Public and Affordable Housing projects. After assessment of ongoing projects and increased costs for all the Public and Affordable Housing projects, funds were reallocated to the Ross Tarnenberg (Mix-Use) Project, Walter I.M. Hodge project, Kronegade Inn Renovation project, Ross Taarnenberg Emergency Housing, and an allocation for a proposed shovel ready Housing Development or Rehabilitation project.

## B. Public Service and Public Facilities

**Public Services:** Via the issuance of the Programs' Notice of Funding Availability (NOFA), three (3) projects were selected for funding. The funded projects totaled \$2,405,753, they include Liberty Place, Meeting the Needs of Our Community (MTOC) and Project Promise. The Authority reduced allocation to this program by \$3,970,309 and moved the project Building Professional Workforce Development to the Economic Revitalization Program.

**Public Facilities:** In the previous amendment, \$8,400,000 was allocated for Public Facilities projects to be selected via issued NOFA. Since then, the Authority selected six (6) public facility projects. This included Ten Thousand Helpers, St. Croix Foundation-Co Working Space, Salvation Army Virgin Islands, Caribbean Centers for Boys and Girls, and Catholic Charities-Bethlehem Shelter (2). The Authority increased funding to Lutheran Social Services (Sister Emma House) and will distribute \$10,733,738 in funding for various facility projects.





The remaining \$276,062 was reallocated to Housing Programs.

### *C. Infrastructure*

The Authority transferred \$38,000,000 from Infrastructure with the removal of the Port Dredging projects. These funds were transferred to Economic Revitalization (Charlotte Amalie) and the Housing Programs, respectively. The locations and costs of the six (6) convenience centers and transfer station was defined.

The Richmond Generation project approved in the 4<sup>th</sup> substantial amendment funding was reduced, the project will be funded via the Electrical Power System Enhancement and Improvement Grant. In its place an allocation of \$10,486,000 remains for Generation Project (TBD). Funding, \$29,539,000, was returned to the Non-Federal Share (Match)-DR program.

As previously stated above, the Charlotte Amalie Harbor Port Dredging Project was moved back to the Economic Revitalization Program, \$25,680,000 with the balance of the funding placed into Housing, specifically the Housing Development or Rehabilitation (TBD).

### *D. Economic Revitalization*

To address unmet economic revitalization program needs, specifically, meeting a national objective two (2) projects were moved. Building Professional Workforce Development and the Charlotte Amalie Harbor Port Dredging Projects said projects including funding, \$30,205,977, were transferred from Infrastructure and Public Service/Public Facilities, respectively.

The Building Professional Workforce Development program is designed to identify, recruit, and train low-moderate income individuals/personnel to receive International Code Council (ICC) certifications to assist in rebuilding storm damaged residential and commercial structures. NOFA will be issued to eligible firms/individuals who can provide nationally recognized certification and on-the-job training in the following occupations but are not limited to building/structural code inspectors, code enforcement, building permit technicians, architectural and historic preservation, fire inspection and building protection, waste management, energy conservation, and construction management.

## III. Program Management

The Virgin Islands Office of Disaster Recovery will provide programmatic management of all CDBG-DR projects. ODR will assist subrecipients in executing their projects, project management and coordination, verify payment activity and invoices, verify performance metrics, and submit monthly reports, maintain a system of record that VIHFA has access to, and monitor project for on time completion.

VIHFA as the grantee will maintain overall oversight and grants management of the CDBG-DR program. This includes policy and planning, compliance and monitoring, environmental compliance and monitoring, finance management and reporting, procurement and contract management, information technology and information assurance, website management, communications and outreach, data and reporting to HUD, and training and technical





assistance.

#### IV. Planning

The Authority allocates \$2,716,850.00 in planning cost for the Office of the Lieutenant Governor, Street Addressing Initiative project.

These costs are contracted services and acquisition of the information and technology software, equipment and data management services needed to provide a comprehensive, standardized street addressing system to satisfy disaster recovery and emergency use services and support.

#### V. Administration

The administrative allocation remains the same at a maximum of 5% of the total grant. From the last Substantial Amendment 3, HFA increased the allocation change that will trigger the need for a substantial amendment from 1% to 3% of the allocation amount.

Overall, the budgetary changes reflected in this Amendment with budget reductions will be evaluated to determine the best funding sources; Tranche 1, 2, 2A or 3 (Mitigation).

The following table describes the funding transfer between approved recovery activities as described in approved Action Plan Substantial Amendment Number 3, and those proposed under this Action Plan Substantial Amendment Number 4.

Programs	Substantial Amendment #3 Budget	Change in Allocation	Substantial Amendment #4 Revised Allocation	
Housing	Homeowner Rehabilitation and Reconstruction	\$ 195,046,728	\$ 195,046,728	
	New Housing for Homeownership	\$ 87,237,500	(\$15,143,300)	\$ 72,094,200
	Rental Rehabilitation and Reconstruction	\$ 50,384,097		\$ 50,384,097
	Public and Affordable Housing Development	\$ 150,465,431	\$30,499,226	\$ 180,964,657
Public Facilities	Special Needs Housing & Other Public Facilities	\$ 11,279,800	(\$276,062)	\$ 11,003,738
Public Services	Public Services for Vulnerable Populations	\$ 6,100,000	(\$3,694,247)	\$2,405,753
Infrastructure	Non-Federal Cost Share (FEMA match)	\$ 221,975,562	\$29,539,000	\$ 251,514,562
	Infrastructure Repair and Resilience	\$ 80,297,942	(\$3,591,594)	\$ 76,706,348
	Electrical Power Systems Enhancements and Improvements	\$ 135,928,330	(\$29,539,000)	\$ 135,928,330
	Ports and Airports Enhancement	\$ 38,000,000	\$ 38,000,000	\$ 0
	Ports and Airports	\$	\$25,680,000	\$25,680,000





<b>Economic Revitalization</b>	<b>Enhancement/Public Facility Rehab</b>			
	<b>Tourism Industry Support</b>	\$ 2,377,500		\$ 2,377,500
	<b>Workforce Development</b>	\$ 10,589,585	\$ 4,525,977	\$ 15,115,562
	<b>Neighborhood Revitalization</b>	\$ 14,032,915		\$ 14,032,915
	<b>Total Programs</b>	\$ 1,003,715,390	\$ -	\$ 1,003,715,390
	<b>Planning</b>	\$ 18,000,000		\$ 18,000,000
	<b>Administration</b>	\$ 53,774,494		\$ 53,774,494
	<b>TOTAL</b>	\$ 1,075,489,884	\$ -	\$ 1,075,489,884

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