

## 2<sup>nd</sup> Substantial Amendment to CDBG-Mitigation Action Plan

# Public Hearing

**April 8, 2024**      **6:00 pm**  
STX Board of Elections

**April 9, 2024**      **6:00 pm**  
STT UVI Innovation Center

**April 10, 2024**      **6:00 pm**  
Julius Sprauve School

# Presenters

**Monee Edwards**

VIHFA, Public Information Officer

**Yeisan Matthew**

VIHFA, Director of Mitigation

**Donnie Dorsett**

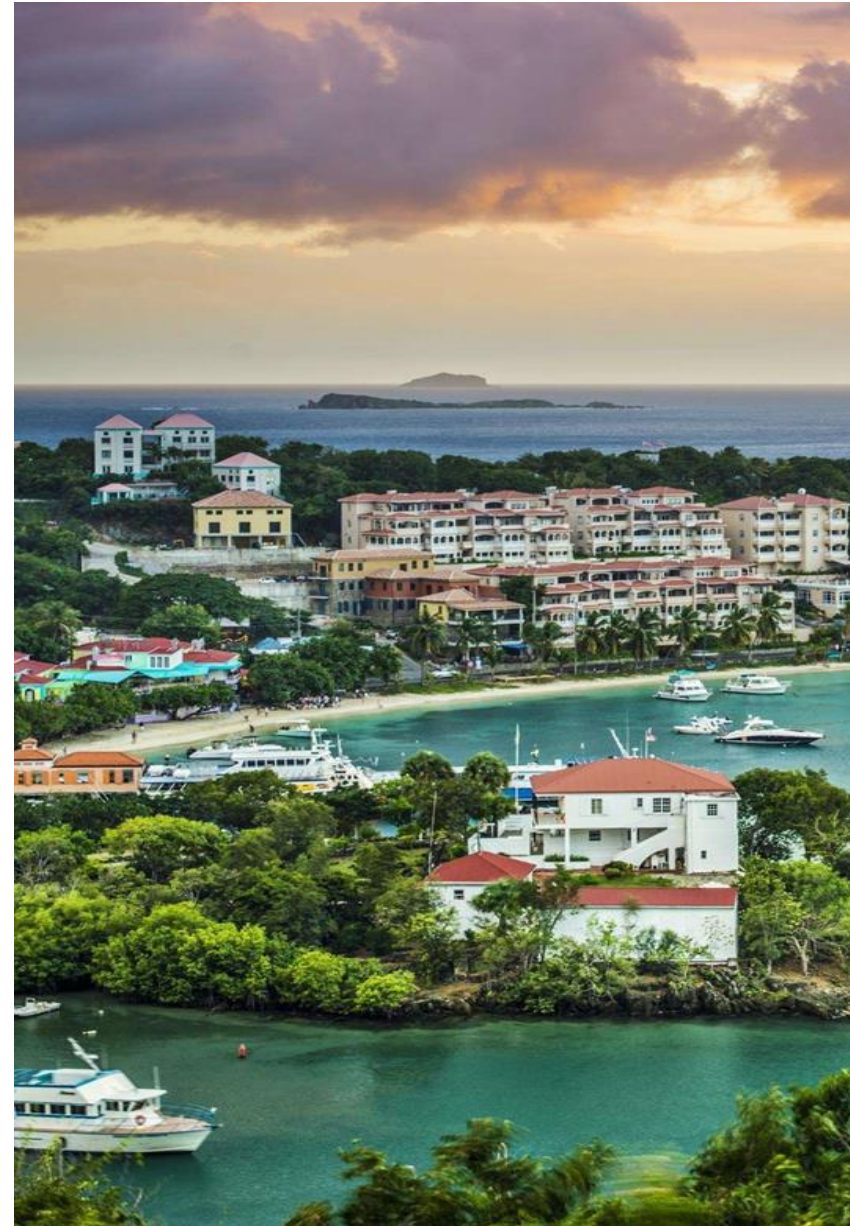
VIHFA, Deputy Director Economic  
Resilience and Revitalization

**Rupert Pelle**

VIHFA, Deputy Director of Infrastructure  
& Public Facilities

**Jamillie Pérez**

VIHFA, Deputy Director of Housing &  
Public Services



# 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](mailto:media@vihfa.gov)
- ✓ Please label your comments: **Substantial Amendment 2 – 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.



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
- 3** CDBG-eligibility activities under Title I of the Housing and Community Development Act 1974 (HCDA)
- 4** \* Meet a HUD National Objective

*\* Additional criteria for Cover Projects*

# Mitigation Needs Assessment (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 with<sup>1</sup>:

- ✓ 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

<sup>1</sup>Main Notice , Section V.a.13.a.b.c.d.e.f.



# Mitigation Activities

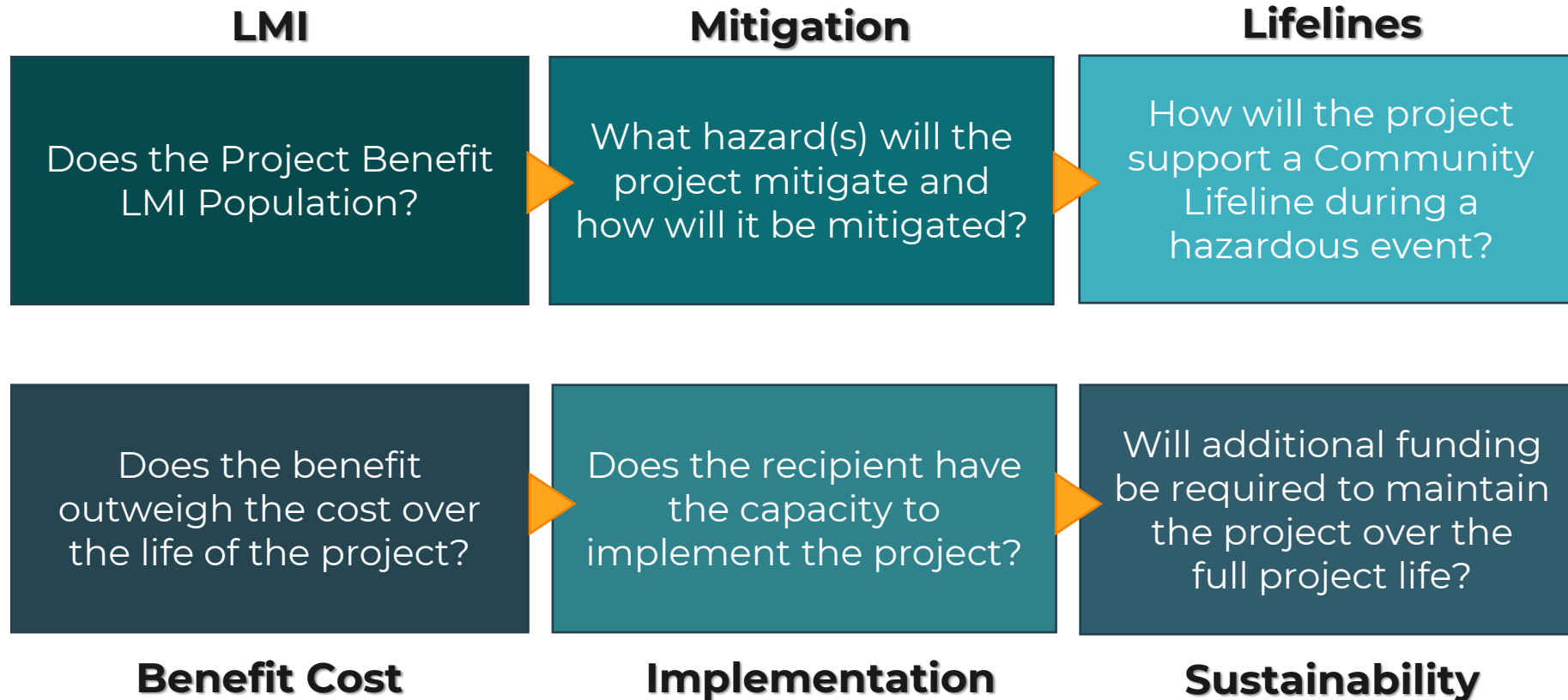


## Activity Categories

<b>Infrastructure &amp; Public Facilities</b>	<b>Housing &amp; Public Services</b>	<b>Economic Resilience &amp; Revitalization</b>	<b>Planning &amp; Grant Administration</b>
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- ✓ 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



# Substantial Amendment

- ✓ Details the proposed use of all funds

<b>Benefits or Eligibility Criteria</b>	<b>Project Activities</b>	<b>Allocation Thresholds</b>	<b>Covered Projects</b>
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

# Proposed Activity Allocation

## 1st Amendment

Housing and Public Services	\$203,000,000
Infrastructure and Public Facilities	\$363,000,000
Economic Resilience and Revitalization	\$75,000,000
Planning	\$29,750,000

\$203,000,000

Housing and Public Services

\$423,000,000

Infrastructure and Public Facilities

\$35,000,000


Economic Resilience and Revitalization

\$9,750,000

Planning

## 2nd Amendment

# Economic Resilience and Revitalization

 <b>Allocation</b>	<b>\$35,000,000</b>
<b>Commercial Hardening and Financing (CH&amp;F)</b>	<p>CH&amp;F program's intent is to upgrade eligible commercial\private buildings and return them to business uses and ensure the ability for such facilities to operate during emergencies. Alternate harbor/port sites may be eligible for program funding. Commercial Hardening and Funding will be comprised of two project activities: Commercial Resilience and Façade and Maritime Industrial Harbor Improvements.</p>
<b>Small Business Mitigation (SBM)</b>	<p>SBM program creates a supportive business environment by facilitating mitigation activities that lessen or prevent operational commerce downtime.</p>



<b>Entrepreneurship Resilience and Innovation Program</b>	<p>The Entrepreneurship Resilience and Innovation Program (ERIP) provides a wealth of opportunities to existing and newly established small businesses. This program focuses on providing financial capital to sustain and build economic resilience to entrepreneurs, while fostering small business innovation and risk management guidance.</p>
<b>Workforce Development Mitigation Program</b>	<p>This program will fund industry sector training needed within the Territory. Emphasis will be placed on training the workforce to better handle or be prepared for unexpected events whether manmade or natural disaster.</p>

# Economic Resilience and Revitalization

<b>Entrepreneurship Resilience and Innovation Program</b>	<b>\$8,000,000</b>
Small Business Risk Management Grant	The Small Business Risk Management Grant (SBRM) provides funding towards mitigation activities which lessens operational downtime of commerce/trade.
Resilience Small Business Technical Assistance	The technical assistance component of ERIP is designed to support entrepreneurs by providing specialized training to eligible businesses to build economic resilience and to lessen future business disruptions. The courses taught shall provide strategic methods for entrepreneurs to obtain sustainable business growth and counseling towards preventing drawbacks or snares that may affect start-up businesses or industries.

# Economic Resilience and Revitalization

## Small Business Risk Management Grant

Eligible Applicants	Sample usage
<ul style="list-style-type: none"> <li>• For Profit businesses</li> <li>• Non-profit organizations</li> <li>• Microenterprises</li> <li>• Units of Government, semiautonomous or independent</li> <li>• Small businesses as defined the SBA at 13 CFR part 121 or businesses engaged in “farming operations” that meet the U.S Department of Agriculture Farm Service Agency criteria described at 7 CFR 1400.500</li> </ul>	<ul style="list-style-type: none"> <li>• Mitigation Advertising or Marketing</li> <li>• Networking/Communications Resilience</li> <li>• Industry Expansion</li> <li>• Mitigation Small Business Infrastructure</li> <li>• Mitigation Workforce Development</li> <li>• Development of Environmental/Green Business</li> <li>• Inventory/Machinery/Equipment</li> <li>• Diversification of Products and Services</li> </ul>

# Economic Resilience and Revitalization

## Resilience Small Business Technical Assistance

Eligible Applicants	Sample usage
<ul style="list-style-type: none"> <li>• Certified technical assistance providers</li> <li>• Public and Private, including non-profit and for profits</li> <li>• Technical Assistance Providers</li> <li>• Units of Government, semiautonomous or independent</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a mitigation/economic resilience business plan</li> <li>• Emergency Disaster Business Plan</li> <li>• Capacity building</li> <li>• Communication resilience</li> <li>• Diversifying operational funding opportunities</li> <li>• Environmental/Green Technology</li> <li>• Expansion of products and services being offered</li> <li>• Information Technology</li> <li>• Infrastructure Mitigation</li> <li>• Emergency Commerce</li> <li>• Inventory</li> </ul>



# Economic Resilience and Revitalization

<b>Workforce Development Mitigation Program</b>	<b>\$8,000,000</b>
<b>Eligible Applicants</b>	<b>Sample usage</b>
<ul style="list-style-type: none"><li>• Certified technical assistance providers</li><li>• Public and Private, Non-Profit, For-Profit Entities</li><li>• Technical Assistance Providers</li><li>• Units of Government, semiautonomous or independent</li></ul>	<ul style="list-style-type: none"><li>• Leisure and hospitality</li><li>• Construction</li><li>• Information technology</li><li>• Medical and healthcare</li><li>• Personal home healthcare</li><li>• Environmental and green technology</li><li>• Sector innovation training</li></ul>

# CDBG-MIT COVERED PROJECTS



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

# 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.

# Veterans Drive Phase I







## What Are We Getting?

### Overall, the project will:

- ✓ Provide resiliency
- ✓ Upgrade roadway capacity
- ✓ Provide green infrastructure improvements
- ✓ Improve streetscape and pedestrian corridor

### It will also:

- ✓ Provide for stormwater improvements
- ✓ Provide BMP to minimize erosion and pollution
- ✓ Enhance pedestrian mobility and safety
- ✓ More effective evacuations

## Veterans Drive Phase II



## Transportation Lifeline

The Transportation Lifeline encompasses a wide range of transportation modes, including roads, bridges, railways, ports, airports, public transit systems, and private transportation providers.

Its primary goal is to facilitate the efficient and safe transportation of personnel, equipment, and supplies to areas affected by disasters, as well as the evacuation of individuals from hazardous areas.

# 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%**

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



# Should We Do It?

## BENEFIT COST ANALYSIS

- ✓ The total benefits from the project improvements within the analysis period are calculated to be \$90.85 million in discounted 2021 dollars.
- ✓ The total capital costs are calculated to be \$83.48 million in discounted 2021 dollars.
- ✓ The difference of the discounted benefits and costs equal a net present value of \$7.37 million in discounted 2021 dollars, resulting in a benefit-cost ratio (BCR) of 1.09.
- ✓ The internal rate of return for the project is 1.0 percent.

## BENEFIT COST SUMMARY

BCA Metric	Project Lifecycle	
	Undiscounted	Discounted (7%)
<b>Total Benefits</b>	\$261.22	\$90.85
<b>Total Costs</b>	\$116.68	\$83.48
<b>Net Present Value (NPV)</b>	\$144.53	\$7.37
<b>Benefit Cost Ratio (BCR)</b>	2.24	1.09
<b>Internal Rate of Return (IRR)</b>	1.0%	

*Benefit Cost Analysis Results, Millions of 2021 Dollars*

# Eligible Activities

The Housing and Community Development Act (**HCDA**) plays a crucial role in shaping and implementing programs aimed at improving housing and community development.



## Single Family Resilient New Home Construction Program



## Resilient Multifamily Housing Program



By carefully considering several factors, you can increase the effectiveness and success of your community development efforts.

# 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](mailto:media@vihfa.gov)
    - Please label your comments: ***Substantial Amendment 2 - CDBG-MIT Action Plan***

For additional information, please visit VIHFA's website at: <https://cdbgdr.vihfa.gov/programs/cdbg-mitigation/>

# Public Engagement

MAR | MON

 **LIVE** 6 pm

**25**

**Prehearing**  
30-Day Comment Period Opens  
Pre-Action Plan Publication

APR | TUE

**St. Thomas** 6 pm  
SBDC Training Room  
UVI Innovation Center

**09**

**2<sup>nd</sup> Public Hearing**

APR | MON

**St. Croix** 6 pm  
Elections Office in Sunny Isle

**08**

**1st Public Hearing**

APR | WED

**St. John** 6 pm  
Julius E. Sprauve Cafeteria

**10**

**3<sup>rd</sup> Public Hearing**



APR | THU

April 26, 2024

**26**

**Last Day for Public Comments**  
30-Day Comment Period Ends

MAY | TUE

May 07, 2024

**07**

**Action Plan Amendment 2  
Submitted to HUD for  
Approval**

**Thank You!**