



COMMUNITY DEVELOPMENT BLOCK GRANT MITIGATION (CDBG-MIT)

PUBLIC SERVICES POLICY AND PROCEDURES MANUAL

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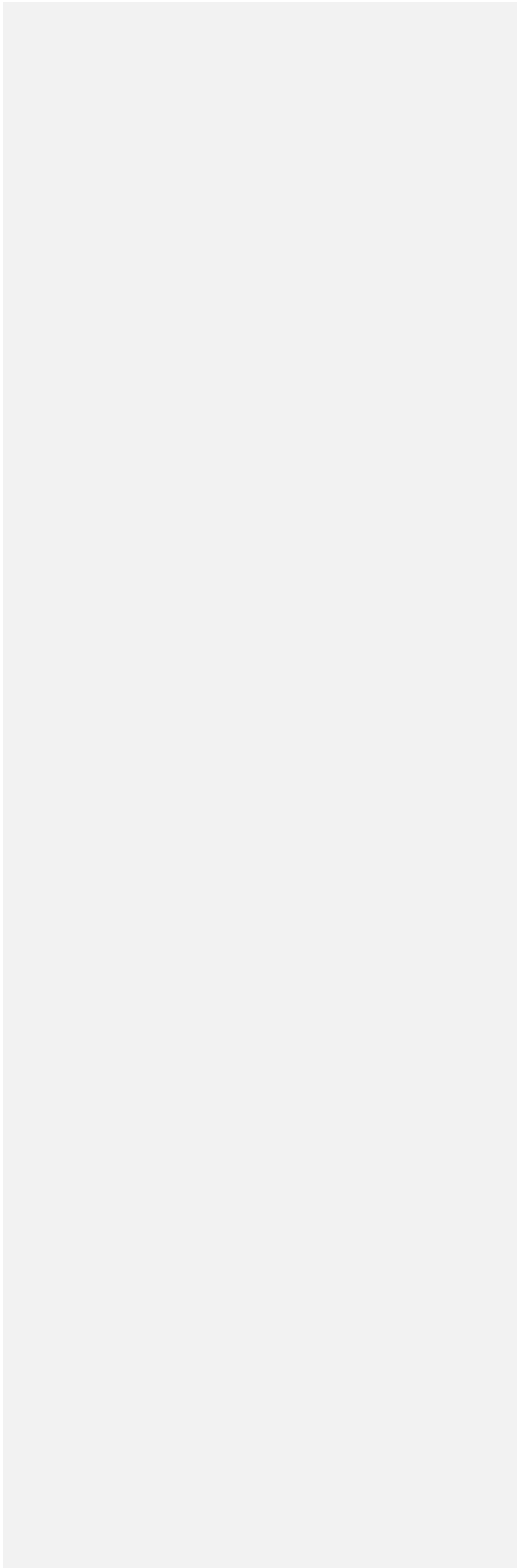


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1.0 Introduction

1.1 Background

In response to the 2017 disasters, Congress appropriated \$6.875 billion in Public Law 115-123 via the Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018. Subsequently, the United States Department of Housing and Urban Development (HUD) published 84 FR 45838 (FR-6109-N-02) on August 30, 2019, which allocated the \$6.875 billion in Community Development Block Grant – Mitigation (CDBG-MIT) funds. Funding for the United States Virgin Islands (USVI) was included in the allocation. HUD published 84 FR 47528 (FR-6109-N-03) which allocated \$774,188,000 in CDBG-MIT funds to the United States Virgin Islands.

The purpose of the CDBG-MIT program, as defined in the FRN, is to fund mitigation activities that increase resilience to disasters and reduce or eliminate the 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. The USVI Supplemental Notice provides specific guidance to the USVI that supplements the requirements outlined in the CDBG-MIT Main Notice. The USVI’s CDBG-MIT Action Plan details the Territory’s strategy to utilize the \$774,188,000 allocated in accordance with USVI Supplemental Notice. The Virgin Islands Housing Finance Authority (VIHFA) is the lead agency and the responsible entity for administering the CDBG-MIT funds allocated to the state.

1.2 Scope

This document sets forth the policy governing the Public Services Program. These program guidelines are intended to aid and provide program activity guidance in Program implementation and closeout and should not be construed as exhaustive instructions. All Program activities must comply with the policies hereby stated. In addition, all program staff must adhere to established program procedures and all federal and state laws and regulations in effect, as applicable, in the execution of program activities.

VIHFA reserves the faculty to authorize, in its sole discretion, the granting of Program benefits to any Applicant, only when exceptional circumstances, not contemplated in these, justify it. Such faculty will be exercised on a case-by-case basis in compliance with local, state and federal requirements. VIHFA is in no way obligated to grant the Program benefits in said cases.

2.0 Definitions and Acronyms

2.1 Agencies and Acronyms

ADA – Americans with Disabilities Act
AFWA – Anti-fraud, Waste, and Abuse
CDBG-MIT- Community Development Block Grant Mitigation
DBRA – Davis Bacon and Related Acts
DRGR- Disaster Recovery Grant Reporting System
DOB – Duplication of Benefits
DPP – Virgin Islands Department of Property and Procurement
EFL – Educational Functioning Levels
ESL – English as a Second Language
GVI – Government of the Virgin Islands
HCDA – Housing and Community Development Act
HUD – U. S. Department of Housing and Urban Development
LAP – Language Access Plan
LEP – Limited English Proficiency
LMI – Low- and Moderate-Income
MOU – Memorandum of Understanding
M/WBE – Minority/Women-owned Business Enterprise
NEPA - National Environmental Policy Act
NOFA – Notice of Funding Availability
QSR – Quarterly Status Report
RROF - Request for Release of Funds
TA – Technical Assistance
VIHFA – Virgin Islands Housing Finance Authority

2.2 Definitions

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

Allocation: 1) Amount of a grant award that has been determined for a particular grantee, partner agency or sub-recipient. 2) Amount of funding attributed to a program.

Applicant: An eligible entity that makes a formal application to a federally funded program.

Community Development Block Grant – Mitigation (CDBG-MIT): Discretionary Financial Assistance from HUD to assist the Territory in building resilience for manmade and natural disasters, especially in low-income areas, funding is subject to availability of supplemental appropriations.

Community Lifelines: FEMA defines these lifelines as critical business, government and essential services that provide health, safety, and economic security within a community. Community lifelines in preparedness planning and recovery provide details on the critical functions and stakeholders that facilitate the most effective response and get services and infrastructure back online after a disaster.

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

Davis Bacon and Related Acts (DBRA): Federal law requiring payment of local prevailing wages as determined by the U.S. Department of Labor on public works projects. It applies to contractors and subcontractors performing work on federally funded or assisted contracts more than \$2,000 for the construction, alteration, or repair of public buildings or public works.

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 mitigation funding with respect to any part of the loss resulting from a major disaster which he/she has already received financial assistance under any other program, from insurance or any other sources. It is an amount determined by the program that may result in the reduction of an award value.

Eligible Activity: Activities eligible to be assisted under the CDBG program. All CDBG- MIT grantees must: (1) use CDBG funds only for activities that fall under an authorized category of basic eligibility; (2) properly classify the activity; and (3) provide adequate documentation as required by the category it selects for each such activity.

Eligible Applicant: means any city or county governments, non-profit or for-profit entity that applies for funds pursuant to applicant eligibility section. (See Also: Subrecipient)

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.

Grantee: Direct recipient of HUD funding that aligns with 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 of 1973 (HCDA) - The HCDA created the CDBG Program by merging 7 categorical programs into a block of flexible community development funds distributed each year by a formula that considers population and measures of distress including poverty, age of housing, housing overcrowding, and growth lag. Grantees now determine what activities they will fund as long as certain requirements are met, including that each activity is eligible and will meet one of the three broad national objectives of the program.

Low-to-Moderate-Income (LMI): A household with combined income (including income derived from assets) 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 for each parish or metropolitan statistical area.

Mitigation: According to HUD, those activities that increase resilience to disasters and reduce or eliminate the 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.

Most Impacted and Distressed (MID): An area that meets the definition of Most Impacted and Distressed set by HUD in the Federal Register Notice. For purposes of the unmet need's allocation, HUD has defined Most Impacted and Distressed as an area (county or zip code) that meets the following criteria:

- Individual Assistance/Individual and Households Program (IHP) designation. HUD has limited allocations to those disasters where FEMA had determined the damage was sufficient to declare the disaster as eligible to receive IHP funding.
- Concentrated damage. HUD has limited its estimate of serious unmet housing needs to counties and zip codes with high levels of damage, collectively referred to as "most impacted areas". For this allocation, HUD is defining most impacted areas as either most impacted counties—counties exceeding \$10 million in serious unmet housing needs—and most impacted zip codes—zip codes with \$2 million or more of serious unmet housing needs. The calculation of serious unmet housing needs is described below.
- Disasters meeting the most impacted threshold. Only 2017 disasters within the threshold are funded: a. One or more most impacted county, and/or b. An aggregate of most impacted zip codes of \$10 million or greater than was declared by the President to be a major.

The entire USVI is considered MID.

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 give proper consideration to 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.

Request for Release of Funds (RROF): An environmental review term for a process used by Responsible Entities (the state) 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.

Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) – Public Law 100-707, signed into law November 23, 1988; amended the Disaster Relief Act of 1974. This Act constitutes the statutory authority for most Federal disaster response activities especially as they pertain to FEMA and FEMA programs.

Section 3: A provision of the Housing and Urban Development Act of 1968 (HCDA) 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 504: A provision of the Rehabilitation Act of 1973 which provides that no qualified individual

with a disability should, only by reason of his or her disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

Subrecipient: Non-profits, limited for-profits and units of government that are provided CDBG-MIT funds by VIHFA for their use in carrying out agreed-upon, eligible activities through a Subrecipient Agreement with VIHFA.

U.S. Department of Housing and Urban Development (HUD): Federal department through which the CDBG-MIT funds are provided to VIHFA.

3.0 Overview

The purpose of the CDBG-MIT Public Services Program is to support risk reduction from hazards identified within the Mitigation Needs Assessment outlined in our CDBG-MIT Action Plan. This program is dedicated to funding projects that enhance community lifelines, particularly those that support human health and safety, thereby providing essential mitigation for individuals and the territory as a whole.

The Public Services Program aims to facilitate grants to organizations that are creating or expanding innovative programs, launching pilot initiatives, or supporting the expansion of proven programs that assist individuals and families experiencing homelessness, those at risk of becoming homeless, and other vulnerable populations within the low- to moderate-income bracket in the territory. These populations are often the most at-risk during times of disaster, making targeted support crucial.

In addition to direct services, a key component of the Public Services Program is the implementation of a strong education and outreach strategy. By emphasizing education, the program seeks to inform and empower communities about disaster preparedness, resilience building, and available resources. This proactive approach not only equips vulnerable populations with the knowledge needed to mitigate risks during disasters but also fosters a culture of preparedness that can help prevent future disasters and minimize their impact.

Through stabilizing activities, coupled with informational and direct interventions, the Public Services Program aims to increase resilience to disasters. By addressing the immediate needs of vulnerable populations and reducing the long-term risks associated with loss of life, injury, property damage, and other adverse effects, the program seeks to ultimately enhance community safety and well-being. By integrating innovative programming with robust education and outreach efforts, the Community Resilience Program (CRP) positions itself to effectively mitigate risks and support the long-term resilience of the territory's most at-risk populations.

The Federal Emergency Management Agency (FEMA) created Community Lifelines to support response planning and operations. Community Lifelines prevent and mitigate potential impacts to a community, allowing the area to build back stronger and smarter during a recovery.

The following Community Lifelines are required within the Public Services Program:

- **Food, Hydration, Shelter** - Food, Hydration, Shelter,

- **Safety and Security** - Law Enforcement/Security, Fire Service, Search and Rescue, Government Service, Community Safety
- **Health and Medical-** Medical Care, Public Health, Patient Movement, Medical Supply Chain, Fatality Management

The Public Services Program has incorporated Community Lifelines to measure mitigation activities being executed within a community.

3.1 Community Planning Activities

The Housing and Community Development Act of 1974 Section 105(a)(12) identifies planning as an eligible activity and allowable use of mitigation funding. The Public Services Program seeks to support eligible entities to not only implement mitigation-centered activities but also engage in sustainability planning to ensure ongoing service provision before, during and after disasters. Additional activities identified by applicants to complete strategic planning as relates to mitigation include but are not limited to:

- determine its needs
- set long-term goals and short-term objectives
- devise programs and activities to meet these goals and objectives
- evaluate the progress of such programs in accomplishing these goals and objectives
- carry out management, coordination, and monitoring of activities necessary for effective planning implementation

Table 1. Program Overview

Community Resilience Program Overview	
Governing FRN(s)	84 FR 45838 (FR-6109-N-02) and FR 47528 (FR-6109-N-03)
Funding Level	\$15,000,000
Percent of Allocation	2%
CDBG Eligible Activity	<ul style="list-style-type: none"> • HCDA Section 105(a)(8) Public Services • HCDA Section 105(a)(12) Planning
National Objectives Fulfilled	Low- to Moderate-Income (LMI)- (Low and Moderate Income Area; Low and Moderate Income Jobs)
Method of Distribution and Eligible Entities	Subrecipient For profit businesses, Non-profit organizations, Units of Government of the USVI including its autonomous and semi-autonomous instrumentalities
Maximum Grant Award	\$7.5 Million subject to increase according to prioritization criteria
Geographic Eligibility	Territory wide
Hazard Risks Addressed	Hurricane, Riverine, Tsunami, Earthquakes, Coastal Flooding

Community Lifeline Protected	Food, Hydration, Sheltering Health and Medical Safety and Security
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3.2 Community Resilience Program Overview

The Community Resilience Program (CRP) is designed as a comprehensive initiative aimed at mitigating future disasters while promoting sustainability and addressing the needs of vulnerable populations. Based on feedback from community engagement and key stakeholders, the following program priorities have been identified to ensure that the CRP effectively addresses these critical areas.

The Community Resilience Program (CRP) is aligned with the CDBG-MIT program to promote community development and resilience to disasters. CRP is specifically designed to fund organizations committed to providing essential assistance and resources to individuals and families experiencing homelessness, at risk of becoming homeless and other vulnerable populations. CRP recognizes that these groups often face precarious living conditions that increase their risk of loss of life, injury, or property damage during disasters.

In alignment with CDBG-MIT objectives, CRP adopts a comprehensive and multi-faceted approach to building resilience in these identified populations. This includes the following key components:

1. Disaster Mitigation: Initiatives that focus on reducing hazard exposure and improving community readiness for adverse events, emphasizing proactive measures to safeguard vulnerable populations.
2. Essential Services: Critical support services that enhance the stability and well-being of individuals and families, including case management, housing assistance, and access to emergency resources that can prevent homelessness and promote recovery.
3. Community Empowerment: Efforts to strengthen community capacity by supporting local organizations that address underlying issues contributing to vulnerability, economic instability, inadequate education access, and inadequate healthcare that can further contribute to risk of loss of life, injury, or property damage during a disaster.
4. Collaborative Partnerships: A network of stakeholders, including government agencies, non-profits, and community groups, to ensure a coordinated response to disaster recovery and resilience building.
5. Focused Outreach: Targeted outreach and engagement strategies to ensure that the most at-risk populations are aware of available resources that can help mitigate the impacts of disaster and improve overall resilience.

A key emphasis of the program is on education and outreach, which are integral to equipping individuals and families within vulnerable populations with the knowledge and resources needed to navigate disasters effectively. Through targeted educational initiatives, CRP aims to raise awareness about disaster preparedness and resilience strategies, ensuring community members are well-informed and proactive.

The program will focus on applications that align with these priorities, which include:

1. Wraparound Needs
2. Enhanced Safety and Security
3. Technology-based Resiliency

These priorities not only align with three of the seven published FEMA Community Lifelines but also tackle needs that exist beyond infrastructure, construction, and business support. These specifically targeted services will be provided to low- to moderate-income (LMI) individuals and other vulnerable populations to reduce harm, injury, or loss of life during disasters.

CRP's educational and outreach campaigns are designed to actively engage communities and beneficiaries, informing them about opportunities to mitigate identified risks. By utilizing best practices and emphasizing disaster preparedness strategies, these campaigns aim to empower individuals with the tools and knowledge that enhance their resilience. Through proactive interventions, robust support networks, and a strong focus on education and outreach, the CRP strives to create more resilient and sustainable communities, enhancing their capacity to withstand and recover from future disasters.

CRP Program Priorities address mitigation needs within the community in various ways as outlined below:

3.2.1 Program Priorities

3.2.1.1. Wraparound Needs

Enhance resiliency among vulnerable individuals and families by ensuring access to nutritious food, strengthening community food assistance programs, and tackling the root causes of food insecurity to prevent loss of life. It includes robust case management services that provide disaster preparedness support and prioritize high-risk individuals during and after crises. CRP also connects individuals to resources that help them transition out of homelessness, reducing adverse outcomes and alleviating pressure on emergency shelters during emergencies. Additionally, the program improves healthcare accessibility, empowering individuals to effectively navigate the healthcare system during and after disasters, thereby mitigating risks linked to treatable conditions and mental health challenges. This holistic framework aims to foster long-term resilience and better prepare communities to withstand and recover from future disasters.

Applicants may use funds for activities that address the program priority, including but not limited to the examples listed below. It is important to note that while the activities provided are typical of those that may be eligible, certain activities will be assessed on a case-by-case basis to ensure adherence to the regulations set forth in 84 FR 458440:

- Purchase Supplies, Materials and/or Commercial Grade Equipment: to sustain day-to-day operations: increase food storage and preparation capacity (to replace, refurbish, or acquire equipment for the preparation of meals on a larger scale to increase operational resilience to disaster and ensure access to food) before and after disaster
- Lease of a facility: cost to lease a building or property out of which a proposed program operates
- Food Delivery and Food Transportation Expenses: purchase of vehicles for outreach, delivery and transport of food and materials to engage in outreach and/or to provide onsite support in case

of a disaster to individuals within the larger community without access to transportation due to individual circumstances or disaster impacted roadways

- **Assessment, Individualized Planning:** core case management activities to identify client needs and strategies for stabilization which include but are not limited to substance abuse treatment, co-occurring disorders, and mental health interventions, conflict resolution, parenting skills support, provision, referral to and facilitate access to secure stable housing and disaster response training to increase recipient stability and their resilience to disaster
- **Resource Coordination, Community Engagement and Support Programs:** manage the production of guides, videos, media content and consortium creation outreach services, data collection and information sharing to increase capacity of LMI individuals and other vulnerable populations to be their own 'first responder' after disaster
- **Income and Employment Support:** employment training, search and budgeting assistance to increase individual economic resiliency and support economic stability to manage the expenses associated with preparing for, enduring and recovering from disaster
- **Crisis Intervention:** activities which provide immediate and short-term emergency response to mental, emotional, physical, and behavioral distress that can be exacerbated by adverse events
- **Daytime Sheltering:** community accessible locations for reprieve from heat and other elements before, during and after disaster
- **Access to Hygiene Supportive Facilities:** public bathrooms for toileting and bathing, subsidized laundering equipment and supplies and self-care support before, during and after disaster

3.2.1.2 Enhanced Safety and Security Program

Improve the safety and security of the community during a disaster by funding projects that interrupt looting, violence and crimes of opportunity, increase public safety, including proactive crime deterrence, fostering community-police relationships, and providing support services increases the community's ability to safeguard necessary resources to ensure their availability when needed most. This program creates a more resilient and supportive environment where all residents can live safely and securely regardless of impending or actual catastrophe in alignment with the LMA National Objective and incorporates the FEMA Safety and Security Community Lifeline.

Applicants may use funds for activities that address the program priority, including but not limited to the examples listed below. It is important to note that while the activities provided are typical of those that may be eligible, certain activities will be assessed on a case-by-case basis to ensure adherence to the regulations set forth in 84 FR 458440:

- **Community Policing Initiative:** law enforcement engagement, educational campaigns, and outreach activities, outreach and training of youth around disaster preparedness and disaster specific interventions
- **Street Lighting Improvements and Safe Routes Initiatives:** provide increased illumination along roadways, public areas and identified high crime areas along with development and erection of signage identifying escape routes to ensure public safety before, during and after disaster

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- Public Safety Awareness, Emergency Preparedness Workshops, Education Campaigns and Neighborhood Watch Programs: information and outreach surrounding securing property, neighborhoods and facilities to prepare for disaster and foster engagement of community members to participate in neighborhood policing activities to mitigate loss of property and life

3.2.1.3. Technology-based Resiliency Program

Compromised physical spaces, operational bases, and associated documentation can hinder the ability of disaster response organizations to intervene after manmade and natural disasters. Embracing digitization, cloud-based platforms, and backup solutions allow disaster response organizations to assist those most in need more rapidly. Furthermore, by integrating mitigation efforts into their response strategies, these programs can reduce the impact of future disasters and enhance the overall resilience of communities. Programs that utilize advanced technologies to improve preparedness, response, recovery, and adaptation efforts ultimately strengthen the capacity of communities to withstand and recover from adverse events, paving the way for more resilient futures.

The goal of the Technology-based Resiliency Program is to encourage initiatives and strategies that leverage technological innovations to enhance the resilience of communities, organizations, and systems in the face of various challenges, shocks, or disruptions. This program which aligns with the LMI and LMA National Objectives and touches all the FEMA Lifelines in some way provides critical support to service organizations and governmental agencies to respond effectively in times of and in the aftermath of disaster.

Applicants may use funds for activities that address the program priority, including but not limited to the examples listed below. It is important to note that while the activities provided are typical of those that may be eligible, certain activities will be assessed on a case-by-case basis to ensure adherence to the regulations set forth in 84 FR 458440:

- Weather and Emergency Alert Systems: implementation and installation of community disaster alert systems
- Improvements in Digital Communication: back up energy solutions, installation of and/or refinement of critical software to prepare for disaster
- Cybersecurity Resilience: consistent protection for life saving information, mechanisms and resources that link the community to services (i.e. cloud storage)
- Community Engagement and Social Media Training: outreach to increase awareness and use of disaster alert notifications, provision of training to vulnerable populations to discern necessary and accurate information post disaster
- Remote Work Solutions: provision of technology, hardware, software and/or technical assistance to enable work engagement in support of community response to emergent conditions
- Telecommunications: wireless, hardwired, broadband and fiber optic hardening to prepare for disaster
- Blockchain Supply Chain Resilience: tracking, tracing and inventory of resources critical to disaster response
- Data Analytics: analysis and identification of service gaps to prepare for disaster

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3.2.2. Method of Distribution

National Objectives: Low- and Moderate-Income Area (LMA); Low- and Moderate-Income Limited Clientele (LMC); Low-to Moderate Income Jobs (LMJ)

Administering Model: Subrecipient

Eligible Entities: For profit businesses, Non-profit organizations, Units of Government of the USVI including its autonomous and semi-autonomous instrumentalities.

Eligible Activities: HCDA Section 105(a)(8), HCDA Section 105(a)(12), HCDA Section 105(a)(14)

Geographic Area(s) Served: Territory-wide, USVI

Program Allocation: \$15,000,000

Maximum Award: The maximum award for projects is \$7.5 million; however, this cap may be increased based on the prioritization criteria established for each funding round, which includes factors such as the number of beneficiaries served, project feasibility, alignment with community needs, and potential for long-term impact. The final award amount will be evaluated by assessing project costs in relation to program objectives, available funding, number of priorities addressed and the applicant's capacity to implement the proposed project effectively.

Selection Criteria: All CDBG-MIT Public Service activities performed by an awardee must meet the overall objective of benefiting low-to-moderate income persons (LMI). As such, at least 51% of the potential beneficiaries served through the activity/program must be low-to-moderate income persons. For the 2024-2025 application cycle, the Public Services Program will prioritize applicants who serve:

- Individuals and Families with special needs (seniors, clients with physical or I/D disabilities, and/or people experiencing homelessness)

Be advised, applicants are not limited to only serving the listed populations, however priority will be given to services/programs who serve these clients within the territory. Additionally, priority will be given to applications that can also demonstrate the following elements:

- **Responsive:** The applicant must demonstrate a clear understanding and description of the community need the proposed project intends to address. The desired outcomes should be relevant, measurable, feasible, and impactful.
- **Targeted:** Applicants must make clear who their target beneficiaries are and how they publicize their services to clients. Organizations that serve underserved populations should demonstrate their ability to create accessible space and services based on their client demographics.
- **Innovative:** Applicants should be able to clearly show how their program or project stands out from similar programs offered in the area.
- **Adaptable:** If applying for a project that currently exists, applicants must demonstrate how the proposed project is a clear and unique expansion or pivot.

- Collaborative: Applicants are encouraged to collaborate with peer agencies.

4.0 Program Requirements

4.1 Eligibility

4.1.2. Geographic Eligibility Criteria

Projects must benefit the area designated by HUD as the most impacted and distressed areas, or “the MID,” within the disaster declared impacted areas. The entire territory has been deemed as MID. Projects must be located within the territory.

4.1.3. Applicant Eligibility Criteria

Eligible applicants are:

- For profit businesses
- Non-profit organizations
- Units of Government of the USVI, including its autonomous and semi-autonomous instrumentalities

4.1.4. Project Eligibility Criteria

To be eligible for Public Services funding, the Project must either be a new service or a quantifiable increase to an existing service. Therefore, the Project must be either:

- A new Project
- An existing Project that is not currently funded by local or State government funds
- An existing Project that is currently funded by local or State government funds, and the Applicant’s CDBG-MIT funds will be used to fund an expansion of existing services.
 - To qualify as an expanded service, Applicants must demonstrate a quantifiable increase in the level of existing service.
 - To qualify as an existing service, the program should have been in operation for at least 12 months prior to the submission of the Application.

Proposed projects will be assessed for project eligibility. Applicants must meet the CDBG-MIT criteria for eligible public services funds and can include the following but are not limited to:

- Conform to the USVI Mitigation Action Plan
- Create jobs for predominantly LMI individuals
- Establish Mitigation-related outreach and educational campaigns regarding proper disaster evacuation, disaster preparedness, and risk reduction initiatives
- Address additional public services that enhance critical lifelines
- Fund additional services to inform the public on resilient-focused activities
- Build capacity of LMI individuals to work on community Mitigation Projects
- Code enforcement activities, including training and staffing
- Provide accessibility to community members with language and/or functional needs.
 - Funds may be used to support language access services and effective communication strategies for persons with disabilities
- Positively impact the territory and identified target populations
- Contribute to the extent practicable, to a long-term solution to the problem it is intended to address

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4.1.5. Eligible Activity Criteria

All programs must qualify as an eligible activity as defined by HUD. The eligible activities for this program are:

- HCDA Section 105(a)(8) – Public Services: Provision of public services, including but not limited to those concerned with employment, crime prevention, childcare, health, drug abuse, education, energy conservation, welfare, or recreation needs, if such services have not been provided by the unit of general local government.
- HCDA Section 105(a)(12) Planning and Capacity Building- Activities necessary to:
 - develop a comprehensive community development plan
 - develop a policy-planning management capacity so that the recipient of assistance under this title may more rationally and effectively
 - determine its needs,
 - set long-term goals and short-term objectives,
 - devise programs and activities to meet these goals and objectives,
 - evaluate the progress of such programs in accomplishing these goals and objectives, and
 - carry out management, coordination, and monitoring of activities necessary for effective planning implementation.

4.1.6 Beneficiaries

Beneficiaries are individuals that benefit from participation in a Public Services project administered by a Subrecipient. The Applicant must be able to provide information, including projected number of beneficiaries the Project will serve. The Subrecipient must provide monthly reporting on the number of beneficiaries benefiting from the project.

4.2 National Objective

In accordance with 24 CFR 570.208, Section 104(b)(3) of the HCDA, and as further outlined within the waivers and alternative requirements at Federal Register Notice 84 FR 45838, all CDBG-MIT funded activities must satisfy the Low-to Moderate-Income (LMI) national objective.

At least 50% of CDBG-MIT funds must benefit low-to-moderate- income persons. VIHFA reserves the right to make funding decisions to achieve this requirement.

National Objective Compliance

Under CDBG-MIT, a tie back to a prior disaster is not required; however, eligible projects must occur within the territory and VIHFA as well as the subrecipient must demonstrate compliance with the LMI national objective for its CDBG-MIT activities.

Public Services Projects that qualify under the Benefit to LMI Persons national objective category must meet the criteria of an activity, as defined by 24 CFR 570.208:

- Area benefit activities: An activity, the benefits of which are available to all residents in a particular area, where at least 51 percent of the residents are low- and moderate-income persons.
- Limited clientele activities: An activity which benefits a limited clientele, at least 51 percent of whom are low- and moderate-income persons
- Jobs activities: An activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involve the employment of low- and

moderate-income persons

For all Public Services projects, a national objective must (1) be identified at the time of Application and (2) be confirmed at Project closeout. The Applicant will propose a national objective in its Application. A national objective is met when the Project is complete. Documentation will be required monthly and at Project closeout to confirm the Project met the national objective identified in the Application.

Commented [AL5]: include monthly

4.3 Duplication of Benefits

Section 312 of the Robert T. Stafford Disaster Assistance and Emergency Relief Act ([42 U.S.C. §5155](#)) prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which he has received financial assistance under any other program or from insurance or any other source. In accordance with the Stafford Act, Disaster Recovery funds issued through the Department of Housing and Urban Development's CDBG-MIT program may not be used for funding previously identified for the same purpose. As mandated by law, all projects receiving CDBG-MIT funding must undergo an analysis of duplication of benefits to ensure no funds have been or will be received for the same purpose as the intended CDBG-MIT grant.

Applicants must disclose all sources of funding for project finance in accordance with the following list of potential sources of funding that may result in a duplication of benefits. Generally, financial assistance received from any other source that is provided for the same purpose as the CDBG-MIT funds is considered a Duplication of Benefit (DOB). The Territory's policy is in accordance with HUD's guidance on duplication of benefits; details for preventing Duplication of Benefits can be found in the VIHFA General Administrative Policy.

The Program must consider the total assistance available for the project. This includes all benefits, including cash, insurance proceeds, grants from FEMA, SBA loans, as well as any other assistance received by the applicant from other local, Territory, or federal programs, or private or nonprofit charities. Project DOB information must be maintained by Subrecipients and reported to VIHFA throughout the life of the project. Reporting should occur at any point where 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 should be received at a later date.

4.3.1. Duplication of Benefits Verification

The Programs will include a duplication of benefits (DOB) review as part of the application and award calculation process. Applicants are required to provide support documentation, including award letters, declined letters and other documentation supporting the amount, sources and uses of funding received for planning or public services efforts related to the 2017 disaster events. Program participants and employees will be required during the application process to certify they are not receiving additional funding, such as charitable contributions, scholarships, or other sources of duplicative financial assistance. VIHFA may contact other funders directly to confirm information submitted by applicants. The following will be checked as part of the verification process:

- All forms of insurance benefits received
- Federal Emergency Management Agency (FEMA) assistance received
- Small Business Administration (SBA) assistance received

- National Flood Insurance Program (NFIP) assistance received
- Other federal, state, or local funding received
- Other nonprofit, private sector, or charitable funding received.

4.3.2. Duplication of Benefits Calculations

Subrecipients must complete DOB calculations as part of application process and in the application. The application requests information about all other sources of funding the agency must be aware of that may impact the DOB. A standard calculation method will be used by Program staff to determine if a federal funding duplication is present. The following considerations will be part of the DOB analysis:

- Applicant's total need
- Total assistance available to the applicant
- Exclusion of non-duplicative amounts (amounts for a different purpose or for the same purpose but a different allowable cost as well as undisbursed loan amounts)
- Determined DOB based on subtraction of exclusion from total assistance
- Maximum need determined based on subtraction of DOB amount from the total need

It is the responsibility of VIHFA to ensure that project participants comply with all federal laws and regulations. Subrecipients are responsible for verifying there is no duplication of resources, such as charitable or public grants. Additionally, CDBG-MIT funds may not be used to supplant local resources. **If a DOB exists**, the subrecipient will report all DOB and make appropriate deductions. VIHFA maintains records in accordance with Federal grants requirements and will verify that the agency has accurately completed DOB reviews and made deductions as appropriate.

4.4 Eligible and Ineligible Use of Funds

4.4.1. Eligible Use of Funds

CDBG-MIT Public Services Program may fund costs considered eligible within CDBG guidelines. Consideration will be given to costs typically related to emergency management, disaster response, or disaster preparedness that are not generally eligible for CDBG funding but provide a demonstrable benefit to the community per the definition of a Mitigation activity. These costs include but are not limited to:

- Labor, supplies, and materials to carry out the public service. This includes the lease of a facility, equipment, and other property needed for public service.
- Staff time for public services activities, including:
 - Coordination, collaboration, oversight, management of public services vendors
 - Activities necessary to procure a public service vendor
 - Quality Assessments/Quality Control and review of deliverables
 - Monitoring, reporting, invoicing, evaluation
 - Outreach and coordination with the community

4.4.2. Ineligible Use of Funds

- Construction, construction equipment or construction-related activities, including capital improvements to existing facilities.
- Engineering, architectural and design costs related to a specific Project (e.g., detailed engineering specifications and working drawings).
- Purchase of land and buildings.

- Political or religious activities.
- Entertainment
- Donations and contributions, including cash, services or property.
- Fundraising activities.
- Investments in instruments or for the sole purpose of a return in investment.
- Generally, cost associated with Operations and Maintenance of the project.
- General government expenses except as otherwise authorized in this subpart or under 2 CFR part 200, subpart E.

5.0 Selection of Applicants

The Community Resilience Program will utilize direct selection and a competitive selection process. Applications will be evaluated to determine the mitigation value and benefit to the territory.

5.1 Direct Selection of Applicants

When deemed necessary by the Deputy Director of Housing and Public Services, the CDBG-MIT Public Services program will utilize direct selection through review of solicited applications received. Selection will be based on projects fitting an identified project need, inclusion of one or more program priorities and subrecipient profile. Applications will be evaluated to determine eligibility, what risk is being mitigated, capacity to complete the project, and the benefit to the territory. VIHFA will consider applicants and participants based on the following:

The availability of grant funds, the allocability of the project, and the cost reasonableness

- Applicants' ability to meet the definition of mitigation, national objective and community lifeline
- Applicants' ability to use grant funds, provide identified deliverables, and achieve the goals of the project
- The sustainability of the project, area of impact and target population

5.1.2 Subrecipient Profile

Identifying partners and projects for funding is dependent on the Public Services Program ability to solicit strong and relevant proposals. Applicants for funding will undergo capacity assessments to determine if the proposed project meets the definition of mitigation, meet a National Objective, include a FEMA Lifeline and are sustainable. The Subrecipient Profile identifies an entity that meets the minimum organizational capacity for project funding:

- Be an eligible entity: Not-for-profit, For-profit, Unit of government
- Be a duly registered and established organization for 12 months prior to application
- Possess robust financial protocols, policies and procedures (including financial reports and/or annual financial audits)
- Possess (or have a willingness to establish) procurement protocols for management of funds
- History of successful project implementation
- Has staffing capacity (or ability to hire staff in a reasonable time frame) to implement mitigation project
- Has community support (i.e. letters of support, 50 signature petition, MOUs/MOAs)

5.2 Competitive Selection of Applicants

A competitive selection application and process will be utilized for this program. Projects will be

Commented [XF6]: Profile of organization we wish to select

Commented [XF7R6]: @Jamilie Perez

Commented [XF8R6]: Added. Available for review.

selected based on the rankings from the scores with additional consideration to ensure that funding is applied in an equitable manner. Only completed applications, including all requested supporting documentation, will be considered. Applications will only be accepted during the published time period. This will be completed via a Notice of Funding Availability (NOFA)/Notice of Funding Opportunity (NOFO) through submission on the online VIHFA application web portal for project selection. A completed application and submitted documents shall be considered a completed package for project review. Technical assistance will be available for applicants needing assistance in completing the on-line application.

5.2.1. Notice of Funding Availability/Notice of Funding Opportunity

The NOFA/NOFO will advise prospective Applicants on how to obtain and complete an application and will establish deadlines and other requirements. The NOFA will specify application evaluation factors and any limitations, special rules, procedures, and restrictions for a particular application round. After receipt of an application, the Program may request clarifying or technical information on the materials submitted as part of the application.

5.2.2. Notice of Funding Availability/Notice of Funding Opportunity Evaluation Criteria

The threshold eligibility (unscored) requirements include meeting all eligibility criteria. Applicants that do not meet threshold eligibility requirements will not progress to the scoring stage. Each scored element of the application is included in a Criteria Evaluation Rubric and has a value associated with it. If eligible applications exceed available funding, applicants will be funded in rank order based on evaluation scores, with consideration for overall program funding and LMI grant requirements. VIHFA reserves the option to fund all, a portion of, or none of each application submitted by an applicant. Scored criteria is listed below in its order of importance. A total of 150 points are available. The following criteria will be used to score applications:

Criteria	Description
Project Need	Applicants will be required to complete and submit a questionnaire describing their CDBG-MIT-related needs. Supporting documentation, including photos, must be uploaded for validation.
Project Impact	How will this project benefit the town, the community, or individual beneficiaries?
Project Plan	Describe the plan and the long-term vision for the community
Project Viability	Evidence that the project can begin quickly and be completed within 24 – 36 months of contract approval and that those managing the program are qualified.
Community Support	Choose a or b: a. Evidence in the application that the community is supportive of the project, three letters of support from stakeholders and area businesses in the impacted community. b. Provide a 50-signature petition of community members (adults only) requesting or benefiting project impact. requesting or benefiting project impact.
Cost Estimate (if applicable):	All proposed projects should be accompanied by a cost estimate provided by the applicant. Note: CDBG-MIT will conduct a cost-reasonableness analysis to verify cost-estimates
Sustainability:	<ul style="list-style-type: none"> Provide an outline of how program activities will continue after the complete expenditure of grant funds Provide a plan that details sustainability of the project after CDBG-MIT Public Services funding has expired/been expended.

Note: A sworn or certified document attesting to information may be included with supporting

Commented [AL9]: Do you have prioritization criteria?

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Commented [JP11R9]: Yes

Commented [AL12]: Are these terms realistic?

Commented [XF13R12]: These terms have been decreased substantially from criteria found in other policies. Additionally, because the heavy lifting of resource acquisition will have taken place during the lifetime of the grant, subgrantees should be able to manage a preliminary plan regarding sustainability.

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documentation regardless of whether such business/organization/public entity is selected or determined to be eligible for funding under Community Resilience Wraparound Program.

The program will utilize a two-phase process to review applications:

Phase One: Applications will first be evaluated for Minimum Criteria. This phase is unscored. The program will further review only the applications that pass Phase One.

Phase Two: If the Minimum Criteria is in compliance, the second phase of the review process will be initiated. Applications will be reviewed and scored based on Scoring Criteria Evaluation Rubric.

5.3 Capacity Assessment (Risk Analysis)

The Risk/Capacity Assessment is to assess the subrecipient's risk and proactively identify the capacity and management practices of the potential subrecipients of CDBG-MIT funds being administered by VIHFA. These types of assessments can be a useful tool in identifying ways to improve economy, efficiency, and effectiveness of disaster recovery operations, understanding the level of compliance with relevant rules and regulations, and provide guidance and insight for ongoing monitoring of Implementing Partners.

The methodology to be used is based on the 2 CFR 200 requirements and HUD's guidance on assessing capacity of Implementing Partners.

Each applicant will undergo a capacity assessment after the application reaches phase two of the application review process. Applicants are required to provide documents and information as part of the assessment process. The capacity assessment may result in special conditions in the Subrecipient Agreement (SRA) to ensure the capacity to carry out mitigation activities in a timely manner. As such, the completion of the Capacity Assessment is part of the application process and a necessary prerequisite to entering into a SRA. The results of the assessment will also determine the monitoring plan should the applicant become a subrecipient.

5.4 Environmental Review

All CDBG-MIT and related activities are subject to the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as the HUD environmental regulations provided in 24 CFR part 58. These regulations' main purpose is to protect and enhance the quality of the natural environment. To meet these requirements, the subrecipient is responsible for ensuring that environmental reviews are completed for all projects. The environmental review must be completed prior to any funds being committed or disbursed toward a project. If an environmental condition identified on a proposed activity site cannot be cleared, the site may not be an eligible location for activities.

The environmental review documents compliance with 24 CFR Part 58, NEPA, and all related laws, authorities, and executive orders. No work may start on a proposed Project, or proposed site acquisition, if applicable, before both the federal and state environmental review processes are completed, even if that work/acquisition is being done using non-federal funds. VIHFA does not reimburse Projects that have been determined to have a Finding of Significant Impact (FOSI).

Commented [AL15]: Alanah to include section on environmental exemptions

5.4.1. Choice Limiting Actions

Choice-limiting actions are defined as any activity that commits HUD funds and would have an adverse environmental impact or limit the choice of reasonable alternatives, such as acquisition by the Subrecipient, construction, demolition of buildings or infrastructure, or rehabilitation or reconstruction of buildings or infrastructure.

Once an Application has been submitted by a Subrecipient for the use of CDBG-MIT funds, there can be no choice-limiting actions on the part of the Subrecipient until environmental clearance is received in the form of an Authority to Use Grant Funds (ATUGF) or environmental clearance letter issued by VIHFA. HUD Grantees, VIHFA, are permitted to adopt FEMA's environmental review if that federal agency has previously performed an environmental review for assistance under the Robert T. Stafford Disaster Relief and Emergency Assistance Act. In those cases, the work performed by FEMA and HUD must be exactly the same work.

Choice Limiting actions are put in place to prevent a Subrecipient from investing in a Project before all necessary environmental clearances are obtained. Market studies, environmental studies, plan development, engineering or design costs, inspections and tests are not considered "choice-limiting" actions.

Per 24 CFR Part 58.22, failure to comply with the prohibition against committing funds or taking physical action (using either HUD funds or non-HUD funds) before the completion of the environmental review process could result in loss of HUD assistance, cancellation of the Project, reimbursement by Subrecipient to VIHFA for the amount expended, or suspension of the disbursement of funds for the affected activity.

5.4.2. Flood Insurance and Floodplain Elevation Requirements

The Subrecipient shall comply with the requirements of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001) and the Federal Flood Risk Management Standard (FFRMS). The Subrecipient shall assure that for activities located in an area identified by FEMA as having special flood hazards, that flood insurance under the National Flood Insurance Program is obtained and maintained as a condition of financial assistance for acquisition or construction purposes (including rehabilitation).

Activities in an area identified as flood prone for land use or hazard mitigation planning purposes by the State, local, or tribal government or delineated as a Special Flood Hazard Area (or FFRMS floodplain) in FEMA's most current flood advisory maps, must minimize harm to or within the floodplain, in accordance with Executive Order 11988 and 24 CFR part 55. Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation must be elevated or floodproofed, 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.

All non-residential structures that are not Critical Actions (as defined at 24 CFR 55.2(b)(2)) must be elevated or floodproofed in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above the 500-year floodplain. Additionally, a structure (i.e. walled or roofed buildings, including mobile homes and gas or liquid storage tanks) or facility in the 500-year (or 0.2 percent annual chance) floodplain under a Critical Action (as defined at 24 CFR

Commented [XF16]: Add sentence on 500 year flood

Commented [XF17R16]: @Alanah Lavinier

55.2(b)(3)) must be elevated or floodproofed (in accordance with the FEMA standards) to the higher of the 500-year floodplain elevation or three feet above the 1 percent annual floodplain.

Subrecipients must comply with the national floodplain elevation standards for new construction, repair of substantially damaged structures, or substantial improvements to public facilities in flood hazard areas. All structures designed for public facilities use within a special flood hazard area (SFHA), or one percent annual chance, floodplain will be elevated with the lowest floor at least two feet above the base flood elevation level and comply with the requirements of 83 FR 5850 and 83 FR 5861.

6.0 Remaining Program Funds

Following the Direct Selection or NOFA Application review and approval process, if there are funds remaining, VIHFA may initiate another funding opportunity until all funds are awarded. In the event of an additional funding opportunity, VIHFA will provide notice of an upcoming NOFA as well as document any program design changes through an updated version of the program policies and procedures.

7.0 Operating Procedures

7.1 Application Process

Applicants must follow the Application Process for their Application to be processed:

1. Submit the complete NOFA Application in the Application Portal System by the application end date.
 - a. [The Application Portal will be available to the Applicant until the close of business on the closing date.]
 - b. The Applicant submitting the Application will be the Subrecipient, should the Project be approved by VIHFA.
2. Each Application will be evaluated by an evaluation committee. VIHFA's review process ensures compliance with regulatory requirements and confirms the Project is consistent with Program Application requirements
3. If the program is undersubscribed, VIHFA may extend the Application period or reallocate to another CDBG-MIT program.
4. Applicants awarded will notified of the award and next steps.

Commented [AL18]: Re-word

7.2 Application Review

VIHFA will review the following aspects of the application which includes:

- Scope
- Budget
- Eligibility
- [Priority (as applicable)]
- Environmental review
- Legal/policy issues
- Procurement
- Compliance

Commented [AL19]: Added

Applications are "complete" when all required documentation has been provided by the Applicant by the deadline. Applications received after the deadline are disqualified and not eligible for assistance.

VIHFA will review all Applications once the application deadline has occurred. Projects that meet all eligibility requirements are submitted to the evaluation committee for scoring and ranking. Once this has occurred, the evaluation committee will forward to the Deputy Director for concurrence and recommendation for approval. Final approval will be given by the Chief Disaster Recovery Officer.

Once an Application has been approved, Applicants are notified of the decision via email and an approval letter. Applicants that are recommended for awards will be contacted via email and provided with an opportunity to update program schedules or other data that may have aged during the Applicant review period. Applicants will have 10 days to respond to requests. Following the Application approval, VIHFA will work with the Applicant to execute a Subrecipient Agreement.

Applicants that are not recommended for awards will be officially notified via letter from the CDBG-Mitigation Department that their Application was not awarded.

7.3 Eligibility Verification

VIHFA will review all supporting documentation for eligibility, cost reasonableness, and perform an analysis of the national objective selected. Required documentation for each application is contingent upon the Applicant and are utilized to complete the Capacity Assessment, Compliance review, Environmental assessment to determine if the proposed activity meets the definition of mitigation and increases resilience to disasters and eliminates 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. Additionally, eligibility is further determined by alignment with HUD National objectives, FEMA Community Lifelines cost reasonableness and the sustainability of the proposed activity.

7.4 Capacity Assessment (Risk Analysis)

At the initial approval of the project application, the Capacity Assessment will be triggered, and the Compliance and Monitoring Unit will begin the capacity assessment review. The following procedures will occur:

1. *Document Request:* The Compliance and Monitoring Unit will provide the Document Request Checklist and the Capacity Assessment Process Checklist to the program staff to transmit to the applicant of any missing documentation
2. *Assessment Phase:* Once all documentation is received, the compliance and monitoring unit will begin the assessment.
 - Review of Documents- The staff (including monitoring, fiancé, and procurement staff) will review and analyze all documents for compliance and requirements.
 - Interview- the compliance and monitoring unit will interview applicant/subrecipient staff to ascertain additional information in its assessment.
3. *Assigning Risk Level-* The unit will review scoring in all areas and based on the total will assign a risk level. The Capacity Assessment Summary Worksheet and Scoring will be given to the Compliance and Monitoring Senior Manager for review and approval.
4. *Capacity Assessment Results Letter-* Upon approval by the Compliance and Monitoring Senior Manager, a Capacity Assessment Results Letter will be sent to the Deputy Director of Public Services for inclusion in the award letter. The letter will outline:
 - The risk level
 - Factors for the level
 - Potential Special Conditions in the SRA.

Commented [AL20]: Expand, what does this entail

Commented [AL21R20]: This needs to include national objective, eligibility, cost reasonables, etc.

Commented [JP22R20]: @Xawntoia Franklin please "copy & paste from another section in the document

- Monitoring frequency and type

7.6 Environmental Review

CDBG-MIT funding is contingent upon compliance with both Territorial and federal environmental regulations. This includes compliance with NEPA and related environmental and historic preservation legislation and executive orders. In general, VIHFA serves as the lead agency for purposes of NEPA. In general, environmental review of projects will consist of the following steps:

- Program provides VIHFA with a project description for review. Project descriptions must be detailed enough so that the scope of the project and its potential environmental impacts are clear.
- VIHFA reviews the project description and categorizes the action regarding the appropriate level of environmental review that must be applied.
- With regard to NEPA, VIHFA will determine whether projects are exempt from environmental review, Categorical Exclusion Subject To (Cat Ex(a)), Categorical Exclusion Not Subject To (Cat Ex(b)) or require an Environmental Assessment.
- VIHFA may issue a general exemption for qualified activities associated with project development to generate project information necessary for an environmental review, project feasibility assessment, and the creation of funding applications.
- VIHFA or contracted environmental services conduct the appropriate environmental analysis and prepare compliance documentation in support of each project, except for qualified exempt activities that fall under the general exemption for project development, in accordance with HUD and NEPA regulations. A Certificate of Exemption, where applicable, will be included in the project file.
- Upon completion of the environmental review of an action that is Categorical Exclusion but subject to 24 CFR 58.5 (Cat Ex A) or that requires an Environmental Assessment or Environmental Impact Statement, VIHFA submits a Request for Release of Funds to HUD.
- HUD reviews and approves or denies the Request for Release of Funds. If approved, HUD issues an Authority to Use Grant Funds authorizing the commitment of HUD funds to a particular project.

8.0 Program Operation and Implementation

VIHFA will oversee all activities and expenditures in connection with the CDBG-MIT funds and will ensure that the program meets all requirements, including but not limited to the disaster threshold, eligibility, national objective, compliance, fair housing, labor standards, Section 3 goals, non-discrimination, and procurement regulations.

8.1 Award Acknowledgement Process

Once the application has been determined to be complete and all documentation has been provided, the applicant has been determined to be eligible for the program, the duplication of benefits analysis has been performed and verified, and the award amount has been calculated, VIHFA issues an award letter and contacts the applicant to discuss next steps.

8.1.2. Pre-Award and Final Approval

Applications are reviewed for completeness and forwarded to the Finance Department for cost

reasonableness review. Upon establishment of cost reasonableness by the Finance Department, approved applications are examined by the Compliance Department to determine presence of applicant protocols, procedures and ability to perform work detailed in application. Applications are subject to assessment and investigation of environmental impact by the Environmental Department.

Once an Applicant's application and organization's capacity assessment is completed the application is then forwarded to the Chief Disaster Recovery Officer (CDRO) for approval, signature and generation of a Notice to Proceed. Once a Notice to Proceed has been issued a Subrecipient Agreement is generated for execution.

8.2 Agreements

“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729”

8.2.1 Subrecipient Agreements

VIHFA will enter into a Subrecipient Agreement (SRA) with the Applicant constituting a conditional commitment of funds. The agreements within the SRA define financial and development management requirements and remedies to correct deficient or non-compliant projects. The agreement also contains CDBG-MIT recapture provisions for non-performance or breach of Applicant responsibility on any requirements, including adherence with CDBG-MIT rules and regulations.

The SRA contains, but are not limited to, the following:

- A description of the Subrecipient's program implementation responsibilities;
- The amount and terms of the funding;
- The amount of Activity Delivery Costs per project;
- Provisions governing the project work;
- Terms and conditions required by federal or state law;
- The approved schedule of the program;
- The approved program budget;
- Manner, timing and conditions for disbursement of project funds;
- Reporting and recordkeeping requirements, defining the specific reports and the reporting dates, along with the records and the timeline for maintaining them to assist VIHFA in meeting HUD's recordkeeping and reporting requirements.
- Attribution of the project to VIHFA and HUD in materials and publications;
- Terms and conditions for the monitoring of the project to verify compliance with the requirements of the program;
- Provisions regarding the recapture of funds; and
- Other provisions necessary to ensure compliance with the requirements of the Community Resilience program.

VIHFA provides these documents to the awardee for signature. The documents are returned to VIHFA to execute the Agreement approval process.

Please note: it can take multiple months to process an Agreement with the state. This time can be reduced by promptly responding and providing complete requisite documentation.

All agreements must include: “Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729”

8.2.3 Subrogation Agreements

Subrogation is a legal doctrine that allows one person to take on the rights of another. All subrecipients/applicants must enter into a subrogation agreement in which VIHFA obtains the right to collect any additional payouts the participant/subrecipient receives for the same purpose after the participant/subrecipient has entered into an agreement for CDBG-MIT and CDBG-MIT funding benefits. All duplicative funding received must be remitted to or accounted for by the program, regardless of when it is received by the entity. If an entity receives additional funding for the same purpose as the award, including after the award is executed or services are completed, the entity is required to report the additional funding to the program. By accepting the award, subrecipients agree that they will report any duplicative funds to the program whenever received.

Upon receipt of a report that additional benefits have been received, the program will recalculate the entity's award and provide instructions as to whether the award will be reduced by such amount, or whether the entity must remit such amounts to the program as reimbursement (when additional assistance received after program disbursements). Each subrecipient will execute and be bound by a subrogation agreement. Subrecipients must agree to subrogate any future payments they may receive after award from any sources that represent a potential DOB. The subrogation agreement requires the applicant to notify VIHFA if additional funds are received and to assist VIHFA in collecting any amounts owed to it from these sources. All parties shall comply with standard anti-fraud measures. VIHFA will exercise all normal due diligence in collection of amounts owed through contact with awardees and will pursue investigation and collection efforts which may include demand letters, small claims court, filing of judgments, and/or other collection activity. Collection activity following demand letters will be determined in consultation with VIHFA Legal Counsel and/or the US Virgin Islands Attorney General's Office.

8.3 Disbursement of Funds

All payments for activities funded under Public Services will follow VIHFA's Financial Policies and Procedures. Financial Disbursement of funds to subgrantees will proceed in accordance with the requirements set forth by HUD's CDBG-MIT programs found in 24 CFR 570 as well as 2 CFR 200 and federal Register Notices FR-66066-N-01, FR-6109-N-02, FR-6109-N-03, FR-6182-N-01 and FR-6239-N-0. Public Services funds will primarily use a drawdown method of payment in alignment with the Subgrantee Agreement and the regulations and requirements above. Drawdown of funds will be conducted in alignment with schedules outlined within the Subrecipient Agreement. All disbursements will be initiated and processed via the grant management portal, EMGrants. *See Financial Management Policy and Procedures.*

8.3.1 Timely Expenditure of Funds

As per the Appropriations Act (P.L. 115-123), CDBG-MIT funds must be obligated as stated in the Subrecipient Agreement with VIHFA. In all cases, funds must be disbursed by the year 2035 – twelve (12) years of the signing of the initial Grant Agreement between HUD and VIHFA.

8.3.2 Activity Delivery Costs

All proposed subrecipient project delivery costs must be determined to be eligible and reasonable during the detailed project scope and budget review process. Costs must be directly related to carrying out the funded activity.

Commented [AL23]: Provide Jamillie and Ms. Franklin with paragraph

Commented [AL24]: Need to expand on this. How and when will this occur, what criteria has to be met,...

Commented [AL25R24]: This still doesn't expand

8.3.3 Program Income

Program income is defined as gross revenue received by a State or Subrecipient thereof that was directly generated from the use of CDBG-MIT funds. Program income includes, but is not limited to, the following:

- Proceeds from the disposition of equipment purchased with CDBG-MIT funds;
- Gross income from the use or rental of real or personal property acquired, constructed or rehabilitated by the Implementing Partner or a subrecipient of the Implementing Partner with CDBG-MIT funds, less the costs incidental to the generation of the income;
- Payments of principal and interest on loans made using CDBG-MIT funds;
- Interest earned on funds held in a revolving fund account; and
- Funds collected through special assessments made against non-residential properties and properties owned and occupied by households that are not low and moderate income if the special assessments are used to recover all or part of the CDBG-MIT portion of public improvements.

Program income does not include the following:

- The total amount of funds that is less than \$35,000 received in a single year and retained by the by a State or a subrecipient thereof;
- Amounts generated by activities eligible under Section 105(a)(15) of the Act and carried out by an entity under the authority of Section 105(a)(15) of the Act (non-profit organizations and local development organizations, when undertaking community economic development, neighborhood revitalization, or energy conservation projects).

8.4 Reporting Requirements

Subrecipients are required to submit Monthly Performance Reports and Quarterly Status Reports (QSR) to VIHFA. QSRs will be used to assess program progress, timeliness, and to justify needs. It is important because it provides the VIHFA with information that is required to be provided to the U.S. Department of Housing and Urban Development (HUD) on a quarterly basis. Therefore, reports must be submitted on time and contain accurate information.

Submission of required QSRs begins with the first report deadline after the Subrecipient receives project approval and continues until the Subrecipient has submitted the Final QSR and all required closeout reports and documentation.

8.5 Monitoring and Compliance

8.5.1. Monitoring Plan

The Compliance and Monitoring Plan outlines principles of governance, standards, and management supporting the VIHFA CDBG-DR and CDBG-MIT programs (Programs).

It also sets forth the activities required by the Program and expectations from subrecipients, contractors, and the Grantee (to include the records required to document these activities). In

addition, the Plan may require corrections to any issues raised as part of the monitoring process and documentation of activities required to remedy these issues. The Plan aims to do so in a way that balances VIHFA's need to monitor program activities and participants that represent the greatest risk and susceptibility to fraud, waste, and mismanagement while maximizing available resources within VIHFA for this purpose.

As a result, the VIHFA CDBG-DR and MIT monitoring strategy will assess subrecipients and apply a monitoring approach that aligns with the level of risk. Monitoring of projects occurs through a series of activities conducted throughout its life. Frequency of monitoring will be determined, in part, based on a capacity assessment analysis. At a minimum, VIHFA shall assess potential subrecipients by function, risk potential (capacity), and financial integrity. VIHFA shall also confirm that recorded documentation aligns with the needs of CRP and is in line with established policies and procedures included in the Action Plan.

The compliance and monitoring unit will create an annual "Monitoring Schedule and Plan" that prioritizes monitoring activities of subrecipients based on:

- Risk Level
- Unresolved Findings
- Projects with Unclear Progress

The type and frequency of monitoring will vary by subrecipients. There will be instances where a subrecipient is not monitored. That includes projects that have not started, subrecipients with no projects, and/or subrecipients/programs that may have undergone a recent HUD monitoring or HUD OIG audit. Subrecipients and programs that have gone through a HUD monitoring and/or HUD OIG Audit within the past six (6) months (from date of monitoring report) will be waived from onsite or desktop monitoring for at least six (6) months after receipt of report. Instead, the compliance and monitoring unit will provide technical assistance to both subrecipient and program in resolving the findings and/or audit actions. See Compliance and Monitoring Policy and Procedures.

8.5.2. Monitoring

Compliance monitoring is necessary to ensure that subrecipients are undertaking a federally assisted activity in accordance with the applicable subrecipient agreement and federal rules and regulations.

VIHFA's monitoring process will include, but is not limited to, the following areas:

- National Objectives
 - Environmental Reviews
 - Eligible Activities / Cost Allowability
 - Procurement
 - Flow of Funds (including subrecipient disbursements)
 - Financial Management
 - Fair Housing and Equal Opportunity
 - Public Facility Improvements
 - Labor Standards
-

- Acquisition and Relocation
- Property Management/Lead-Based Paint
- Duplication of Benefits
- Section 3
- New Construction (Housing)
- Public Service
- Davis Bacon

The VIHFA's Compliance and Monitoring Plan includes the use of desktop monitoring reviews and onsite monitoring visits. Onsite monitoring may include visits to the subrecipient base of operation as well as project sites. The monitor should sample program, project, contractor, or subrecipient documentation to draw conclusions about performance and capacity. Sample sizes can vary depending on the nature of the activity. A subrecipient with only a few activities might need very few samples; however, one with a high number of activities may require a larger number of samples. In all cases, the monitoring staff will select a sample to be reviewed, not the subrecipient.

The overall level of risk identified for the subrecipient should dictate the frequency and depth of monitoring including how to mitigate identified risks, e.g., provide additional training, technical assistance, or increase the frequency of onsite reviews.

8.5.3. Technical Assistance

To assist Subrecipients in complying with all CDBG-MIT regulations and any VIHFA policies, as well as to build capacity, CDBG-MIT Division staff will provide subrecipients and training providers with necessary Technical Assistance (TA) throughout the life cycle of the program. The nature and rigor of TA is continuously tailored to meet the agency or provider's unique needs in addition to mandatory TA in which all subgrantees are required to participate.

8.5.4 Subrecipient Management Responsibilities

Subrecipients have the following responsibilities and must:

- Demonstrate how the proposed project meets one or more of the national objectives;
- Comply with all terms and conditions of the subrecipient agreement, program guidelines, Mitigation Action Plan and applicable federal, state and local laws;
- Develop policies and procedures to detect and prevent fraud, waste and abuse that describe how the subrecipient will verify the accuracy of information and report instances of suspected fraud, waste or abuse;
- Follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486;
- Develop policies and procedures for complaints and grievances and for appeals. These policies and procedures must be made available to participants and beneficiaries (if applicable);
- Update application or program policies and procedures upon VIHFA request;
- Document all complaints, grievances and appeals received. To comply with HUD requirements, a response to each complaint, grievance or appeal must be made within 15 working days of receipt; Maintain organized files and make them accessible to VIHFA or its representatives upon request;

- Maintain books, records and documents relating to the project in accordance with generally accepted accounting procedures and practices which sufficiently and properly reflect all expenditures of funds provided by VIHFA under this program. All records must be maintained for five years beyond the closeout of the grant;
- Retain sufficient records to document program activities, participants, and services and to demonstrate compliance with the CDBG-MIT Public Services Program Guidelines, subrecipient agreement and applicable federal, state and local laws and regulations. All records must be maintained for five years beyond the closeout of the grant;
- Ensure that any partners, subcontractors, vendors or other entities to whom the subrecipient intends to disburse Public Services funds are not listed as excluded, debarred, or 16 suspended on the System for Award Management (<https://sam.gov/SAM/>), including affiliated businesses with the same EIN;
- Comply with the requirement that subrecipients will not carry out any of the activities under their agreement with VIHFA in a manner that results in a prohibited duplication of benefits as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974;
- Provide a detailed timeline for implementation consistent with the milestones outlined in these Public Services Program Guidelines and report actual progress against the projected progress monthly;
- Provide a quarterly report to VIHFA that outlines the activities completed in the previous quarter.
 - The report must include financial metrics that demonstrate the implementation costs date with projected spending.
 - Reporting must include documentation of the number of complaints received, the nature of the complaint, and that complaint was responded to within 15 days of receipt. ○ Additional quarterly reporting requirements may be required, depending on the specific program design implemented by a subrecipient.
- Provide a monthly report to VHFA that details program outcomes, activities, and the grant funding approved versus funding disbursed;
- Monitor compliance with the terms and conditions of the subrecipient agreement; and
- Maintain organized files and make them accessible to VIHFA or its representatives upon request.

8.6 Procurement

Subrecipients seeking to procure services and supplies using CDBG-MIT Public Services funds must follow federal procurement requirements found in 2 CFR 200 and VIHFA procurement policy and procedures when purchasing services, supplies, materials or equipment. Established standards and guidelines for the procurement of supplies, equipment, construction, engineering, architectural, consulting, and other professional services are a requirement for all programs across VIHFA, CDBG-MIT and Public Services.

Procurement Policy Information can be found in VIHFA's Procurement Policies and Procedures.

In addition to the stated procurement requirements, all subcontractors are subject to the requirements detailed in the [HUD Rider](#). These requirements will be reviewed in detail at the onset of every project and compliance will be continually monitored.

Commented [AL26]: Include that subrecipients may opt to adopting VIHFA or doing their own but it must be in accordance with CFRs

8.7 Record Keeping and Retention

Subrecipients must establish a system for record keeping that assists VIHFA with the review of files for compliance. The Subrecipient is responsible for maintaining all records pertinent to a grant, including supporting documentation, for five (5) years from the date VIHFA closes the CDBG-MIT program with HUD. VIHFA will notify Subrecipients when the program has been closed with HUD and include the end date of the record retention period. A list of potential records, by activity, can be found in VIHFA's Recordkeeping and Reporting Policy.

8.9 Grant Closeout

The project closeout is the process by which VIHFA determines whether all requirements of the subrecipient agreement or MOU for a specific project have been completed in accordance with the terms and conditions of the agreement.

After any disbursement or over-disbursement reconciliations and resolution of findings, the file is ready for final closeout and archiving by VIHFA. The applicant is instructed to keep all receipts and documentation for a minimum of five (5) years in the event their file is audited or reviewed.

9.0 General Provisions

9.1 Version History

Changes to this document are tracked in the Version Control Table in this document. The dates of each publication are also tracked in this table. The first version of this document is 1.0.

Additional revisions to this document that are considered substantive changes will result in the issuance of a new version evidenced by an increase in the primary version number. This includes complete program design, criteria, additional sections added, new law and/or regulation being included, and any revision that involves the increase of financials.

Non-substantive changes such as minor wording and editing, or clarification of existing policy and procedures, standard operating procedures, and or the document that do not affect the interpretation or applicability of the document 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 1.1, 1.2, etc.

9.2 Program Guidelines Amendments

VIHFA reserves the right to modify the policies established in these guidelines if the program guidelines, as written, do not reflect the intended policy or cause procedures to be impracticable, among any other circumstances. If an amended version of these guidelines is approved, the amended version fully supersedes all other previous versions and should be used as the basis for the evaluation of all situations encountered in the implementation and/or continuance of the Program from the date of its issuance, that is, the date that appears on the cover of these guidelines. Each version of the program guidelines will contain a detailed version control log that outlines any substantive amendment, inclusions and/or changes.

9.3 Policy and Program Design Change Control Board

Policy reviews and changes for the Economic Resilience and Revitalization Program such as design and standard operating procedures are considered through a change control process. When clarifications,

additions, or deletions are needed to define the rules, process, and/or procedures by which the Program will operate, Program staff will submit a Policy and Program Design Change Request 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 or a standard operating procedure issue, rather than a process issue, the Policy and Program Design Change Request Form is forwarded to the entire Policy and Program Design Change Control Board for consideration. The requests are compiled and brought before the entire PCCB for a final policy and standard operating procedure change determination.

The PCCB is composed of representatives from Legal, Finance, Policy, Communications, Deputy Director of Economic Resilience and Revitalization Program, the Executive level, the subject matter expert, and other program staff as needed.

The PCCB meets once a month to consider all pending requests but may meet as frequently as necessary to consider critical policy decisions.

9.4 Recapture

An applicant may be required to repay all, or a portion of the funds received, provide for approved reallocation of equipment or resources acquired with CDBG-MIT funds, and or distribute resources to other subrecipients. 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 the project;
- A subrecipient fails to meet a national objective of the program;
- A subrecipient is found to have used program funds for an ineligible activity;
- A subrecipient does not report funding earmarked for same project after receiving award funding.
- A subrecipient will not or cannot expend drawn down funds due to closure, termination of program or inability to provide services
- A subrecipient has acquired equipment or resources purchased using funds provided by the Public Services program that are procured improperly or cannot be utilized for the purpose outlined in the subrecipient agreement

All Subrecipients shall comply with the CDBG-MIT Recapture policy.

9.5 Crosscutting Requirements

9.5.1 Citizen Participation

9.5.1.1. Affirmative Furthering Fair Housing

The Fair Housing Act requires all grantees, subrecipients, and/or developers funded in whole or in part with HUD financial assistance to certify that no person was excluded from participation in, denied the benefit of, or subjected to discrimination in any housing program or activity because of their age, race, color, creed, religion, familial status, national origin, sexual orientation, military status, sex, disability, or marital status. The Program complies with and enforces the Civil Rights requirements of Title I of the Housing and Community Development Act (HCDA) and the Fair Housing Law.

9.5.1.2 Limited English Proficiency (LEP)

Federal Executive Order 131661 and Final Guidance (72 FR 2732) require VIHFA and all satellite offices, programs, subrecipients, contractors, subcontractors, and/or developers funded whole or in part with CDBG-MIT financial assistance to ensure fair and meaningful access to programs and services for families and individuals with Limited English Proficiency (LEP).

Compliance with this requirement is detailed in VIHFA's Language Action Plan (LAP) and must be adhered to. It is VIHFA's policy to provide language access services to LEP individuals needing access to CDBG-MIT funded programs; to manage and train VIHFA staff, contractors and subrecipients on procedures for implementing the LAP; to inform LEP individuals that language access services are available; and to continuously monitor and evaluate the implementation of the LAP. Subrecipients will be responsible for providing reasonable accommodations to ensure equal opportunities are made available in the training programs for both LEP individuals and businesses.

9.5.2 Minority and/or Women-Owned Business Enterprises

The Federal Executive Order 12432 guidelines require selected federal agencies to promote and increase the utilization of Minority-Owned and Women-Owned Business Enterprises (M/WBEs). 2 CFR 200.321 requires VIHFA to take all necessary steps to ensure that all subrecipients, contractors, subcontractors, and/or developers funded in whole or in part with HUD CDBG-MIT financial assistance allow for contracts and other economic opportunities to be directed to small and minority firms, women-owned business enterprises (WBEs), and labor surplus area firms whenever possible. Goals regarding M/WBE percentages and reporting will be determined in the MOU.

9.5.3 Section 3 Economic Opportunities

Awardee shall comply with 12 U.S.C. 1701u and its regulations ("Section 3"). In compliance with Section 3, the CDBG-MIT Program will require Subrecipients to establish training, employment, contracting and other economic opportunities arising from HUD funding. The requirements of Section 3 apply to recipients of HUD funding for Section 3 covered project(s) in which the amount of

of the assistance is more than \$200,000. Contractors and Subcontractors are also subject to Section 3's requirements when performing any type of activity on Section 3 covered projects for which the amount of funding is more than \$200,000 and the contract or subcontract exceeds \$100,000.

If these thresholds are met, the Section 3 requirements apply to the entire project or activity funded with Section 3 covered assistance, regardless of whether it is fully or partially funded with Section 3 covered funds. If a Subrecipient receives Section 3 covered housing construction or infrastructure or economic revitalization assistance greater than \$200,000, but no individual contract exceeds \$100,000, Section 3 requirements will only apply to the recipient (e.g., hiring and training goals). When Section 3 is triggered by the thresholds mentioned above, all parties must attempt, to the "greatest extent feasible," to meet the minimum numerical goals as follows:

- At least thirty percent (30%) of all new hires must be Section 3 Residents; and
- At least ten percent (10%) of the total dollar amount of all Section 3 covered contracts for housing rehabilitation, construction, and other public construction should be awarded to eligible Section 3 Business Concerns; and,
- At least three percent (3%) of the total dollar amount of all Section 3 covered non- construction (e.g., professional services) contracts should be awarded to eligible Section 3 Business Concerns.

Section 3 language must be included in all construction contracts over \$100,000.

9.5.4. Section 504

All entities receiving an award from these Programs are required to comply with Section 504 of the Rehabilitation Act of 1973, as amended, the Americans with Disabilities Act (ADA), and Equal Employment Opportunity (EEO) requirements in the execution of job training, creation, or retention activities. All facilities that are constructed or modified using CDBG-MIT funds, the provision of public services, as well as employment practices, must comply with Section 504 and ADA to be accessible to persons with disabilities. Trainers and employers must comply with regards to employment requirements under these statutes as well as EEO.

9.6 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 Implementing Partners. The Program's Anti-Fraud, Waste and Abuse (AFWA) check is designed to identify discrepancies and risk-relevant issues in information provided by third parties that may be indicative of fraud, waste, and abuse. The Program will ensure that accurate information obtained from third party vendors and AFWA checks are conducted systematically, utilizing standardized research methodologies and flag identification processes for consistency and equitable treatment across relevant sources. Flag codes, notations, and relevant supporting documents are checked for errors.

9.7 Conflicts of Interest

The CDBG-MIT Division requires all program staff to disclose any relationship with a subrecipient or contractor. Program staff, sub-grantees, program administrators, and contractors who disclose such relationships are placed in roles where there is no opportunity for them to display favoritism or collude to benefit themselves financially or otherwise, the agency, or the contractor. For example, a customer representative may not perform work on the application of family member. For purposes of this regulation, "family" is defined to include spouse, parents, mother-in-law, father-in-law, grandparents, siblings, brother-in-law, sister-in-law, and children of an official covered under the CDBG conflict of interest regulations at 24 CFR 570.489(h).

VIHFA may request that HUD grant an exception to the conflict-of-interest provisions per 24 CFR 570.489(h)(4) if VIHFA has determined that the relevant party (employee, agent, consultant, officer, or elected or appointed official) has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the HCDA, as amended and the individual has complied with the requirements listed in 24 CFR 570.489(h)(4)(i) and (ii). Subrecipients for this program should report all conflict-of-interest situations and requests for exceptions to the VIHFA CDBG-MIT Program Staff.

When granting an exception, HUD will consider whether the:

- exception provides a significant cost benefit or essential degree of expertise;
- opportunity was provided for under open competitive bidding or negotiation;
- person affected is an LMI person,
- affected person has withdrawn from his or her functions or responsibilities;
- Interest or benefit was present before the affected person could benefit from the conflict of interest, or undue hardship would result from failure to grant the exception.

9.8 Citizen Complaints

VIHFA will accept written citizen complaints from citizens related to the disaster recovery programs, the Action Plan, substantial amendments, or quarterly performance reports.

Written complaints should either be submitted via email to: cdbgdrcomplaints@vihfa.gov or mailed to the address below:

Virgin Islands Housing Finance Authority

Attention: Citizen Complaints

1110 Beltjen Road,

Suite 200,

St. Thomas, VI 00802-6735

The CDBG-MIT Program will provide a written response to every citizen's complaint within 15 working days of the complaint. See the Citizen Complaints Policy for more information.

Appendix A:

APPLICATION SAMPLE

This sample application has been provided solely for informational purposes to guide you through the application process. Please note that we will not accept hardcopy application forms; all submissions must be completed and submitted electronically. This ensures a streamlined review process and enhances our ability to manage applications more efficiently.

Index and Instructions

This application will be completed by non-government agencies, for-profit organizations, and non-profit organizations interested in obtaining Community Development Block Grant Mitigation funds for Public Services in the 20XX Program Year.

Funded activities should be ready to start no later than XXXX and be completed by XXXX.

The application must be completed through VIHFA's CDBG-MIT website at <https://cdbgdr.vihfa.gov/cdbg-mitigation/>

SECTION 1: APPLICANT INFORMATION

This section is to be completed by all applicants.

1. Name of organization or agency: _____
2. Project Contact Person: _____ Position: _____
3. Physical Address: _____
4. Mailing Address: _____
(If different from above)

Zip Code: _____

5. Daytime Phone No: _____

6. Fax No: _____

Cell No: _____

Email Address _____

7. EIN/Tax ID # _____ DUNS # _____

8. Type of organization:

Government

For-profit, Sole

For-profit, Corporation

Proprietorship
Not For-profit

9. Number of years the organization has been in operation: _____

10. Major purpose of the organization: _____

11. Describe the types of services the organization normally provides:

12. Identify clients normally served (for instance, high school drop-outs):

13. **If the applicant is a governmental entity, please skip to Question #15.**

Please provide the following documents. **Note:** For any documents which are not included with the application, please also provide a separate narrative to indicate the dates by which the remaining documents will be submitted.

Required Documents:

- Accounting Policies and Procedures
- Grants Management Policies and Procedures (including fraud, waste and abuse reporting)
- Most Recent Final Single (A-133) Audit Report
- Most Recent Final Annual Audit Report
- Most Recent Final Internal Audit Report

- Organizational Chart
- Procurement Policies and Procedures
- Record Keeping and Retention Policy
- Resumes or Job Descriptions of the organization's key personnel
- System of Internal Controls
- Source Documentation Policy (i.e. cancelled checks, invoices, payroll, expenses, etc)
 - o **For Non-Profit and For-Profit Organizations**
- Articles of Incorporation (Non-Profit Only)
- Certificate of Good Standing
- Current Business License (For-Profit Only)
- Financial Statements
- Listing of Current Board Members
- Minutes of last three (3) board meetings ratified by the President of the organization

14. Is the organization currently, or has it ever been, barred from participating in any federal or federally funded program or project (including CDBG): Yes () No ()

15. Please list below all the federal funds (including CDBG) that the organization has received over the last 3 years:

<i>Funding Source</i>	<i>Amt of Funds Received</i>	<i>Purpose for which funds were used</i>	<i>Finished or Ongoing</i>

Attach a separate sheet if additional space is required.

16. Is the organization current in its reporting on these grants? Yes () No ()

17. Provide a letter from each of these funding sources to show that the organization is in compliance with its requirements.

18. Describe the organization's fundraising activities within the last year and the amount of funds that were raised: _____

SECTION 2: ORGANIZATIONAL CAPACITY

- 1.. Describe in detail the following:
 - Experience of staff and organizational leadership of the agency with similar projects.
 - Experience of the staff and organizational leadership with federal funding.
 - Projected staffing to support the program/project being proposed.
 - Do you anticipate a need for technical assistance to complete the project and comply with all federal requirements?
2. Describe in detail the following:
 - Does the agency have policies and procedures for the proposed program already in place?
 - Does the organization have an understanding of the compliance requirements under 2 CFR Part 200 (for use of federal funds)?
3. Please attach a copy of the organization's most recent audit:
 - If there were findings, what corrective actions have been taken
 - If no recent audit is available, please submit the organization's financial information
4. Describe how this proposed project compares with the projects currently undertaken by the agency:
 - Relative amount of funding being requested to agency's total budget
 - Environmental/historic preservation considerations (if rehab or reconstruction)
 - Anticipated number of procurements/contracts/vendors will be involved?
 - If construction is proposed, experience in overseeing construction projects and managing architects, construction contractors
 - Number of funding sources anticipated for the project (awardees will be required to undergo a duplication of benefits analysis, and sign a subrogation agreement with VIHFA)
5. Describe in detail the financial management systems currently in use by the organization:
 - Invoice processing, including program and finance approvals process
 - Internal processes and controls
 - Experience with federal fiscal reporting and procurement requirements
 - Procurement process, including solicitation, evaluation and award
- 6.. Describe in detail, the organization's experience with CDBG or other federal funds:
 - Environmental review
 - Section 3
 - Davis Bacon

(To be executed by organization's head)

I certify that the information contained in this application is true and correct. I agree to commit the agency to the implementation of this project if it is approved:

SECTION 3: PROJECT SUMMARY

This section is to be completed by all applicants.

A. ELIGIBLE ACTIVITIES

- Health and welfare programs to increase personal resilience to disasters and protect the health and safety of residents during and after disasters
- Apprenticeship/Mentorship programs in key sectors
- Homelessness prevention
- Improved Access to Healthcare

1. Describe the project/program for which CDBG-MIT funding is being requested.

2. Why is this project necessary and appropriate for the community? _____

3. Why are CDBG-MIT funds necessary and appropriate for the project? Please include how your project relates to or responds to the mitigation for a resilient community toward future disasters.

4. Can the project proceed without CDBG-MIT funding? Yes No

5. Indicate the beneficiaries, clients or persons for whom the project is intended (for instance, "the homeless", "youth ages 6 – 12", "residents of public housing"):

B. National Objectives

In order to be eligible for CDBG-MIT funding, a project must meet at least one of the national objectives of the CDBG-MIT Program outlined in Section 101(c), Section 104(b)(3),105(c)

§570.208 of the Code of Federal Regulations. Select from below the national objective(s) to be met by this project.

Benefit to low- and moderate- income (LMI) persons;

C. Low/Moderate Income Benefits

If the project will meet the low/moderate national objective above, please select one of the following beneficiary categories:

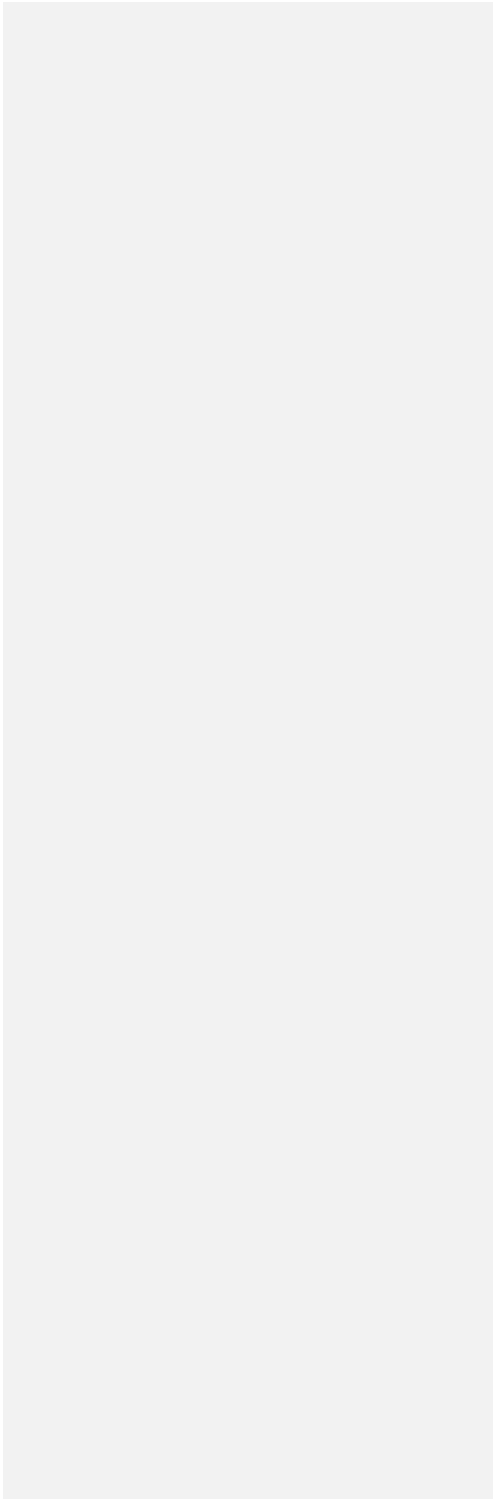
Limited Clientele: Participation in the program would be limited to a specific group of persons and at least 51% of them qualify as low to moderate income.

Presumed Benefits: These following persons are assumed to be of low to moderate income: elderly, severely disabled adults, homeless persons, illiterate adults, migrant farm workers, abused children, persons with AIDS or battered spouses

Area-wide benefits to persons of low to moderate income (**Note:** This selection is applicable only if the project will be located in a neighborhood or census tract where more than 51% of the persons or households qualify as low to moderate income. Please refer to the census maps attached at the end of the application).

D. Public Service Projects

1. Street Address of Project: _____



2. Number of persons or households to be directly served by the project ____
3. Percentage meeting the definition of low/moderate income _____%
4. Describe how you will ensure participation of low/moderate income beneficiaries:

Note: If the public service project is seeking to qualify as either limited clientele or presumed benefit, documentation of family income will have to be provided for each participant before the start-up of the project activity.

E. Consolidated Plan Consistency

Does your proposed project address either or both needs identified in the USVI's Consolidated Plan?

1. Reduce and prevent homelessness
Examples of projects meeting this objective include, but are not limited to, projects which entail construction of, or improvements to, emergency shelters, transitional facilities, or permanent supportive housing; operations of emergency shelters, transitional housing facilities, or permanent supportive housing; construction of other homeless facilities such as soup kitchens and outreach facilities; homeless prevention, rapid re-housing, and other services, including but not limited to outreach, counseling, medical and mental assistance and case management.
2. Provide services and community support
Examples of projects meeting this objective include, but are not limited to, projects which provide services that assist low-income households and neighborhoods; also, projects that assist special needs populations – e.g., youth, the elderly, disabled persons, the mentally ill, victims of domestic violence, and victims of substance

F. Funding

The Territory of the Virgin Islands received an allocation of Community Development Block Grant – Mitigation funds. These funds must be expended by January 2036. However 50 % of the allocated funding must be expended no later than January 2030 For this reason, applicants are required to propose only those programs or projects where funding can be expended, and a national objective achieved by XXXX.

If an awarded project is not projected to achieve a national objective by the deadline above, grant funding will be withdrawn and reprogrammed to another project. Therefore, the organization should not apply for any more funds than it expects to be able to use to achieve a national objective in the time allotted.

1. Amount of CDBG-MIT funding requested by this application: \$ _____
2. Anticipated amount of CDBG-MIT funding required in subsequent years:\$ _____
3. Total amount of CDBG-MIT funding required for the project: \$ _____
4. Activities for which the funding in this application would be used:

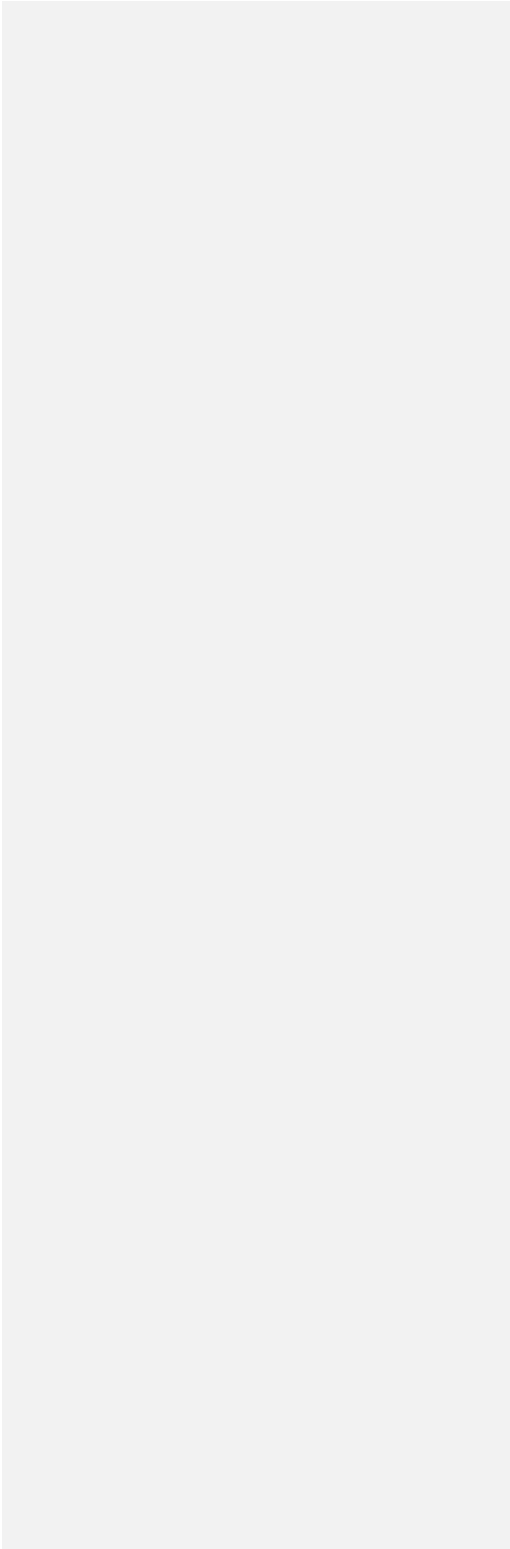
PROJECT BUDGET BREAKDOWN - (Amounts on this page must match amounts stated elsewhere within the application)

	DESCRIPTION	ESTIMATED COST OF PROJECT	AMOUNT OF CDBG-MIT \$\$ BEING REQUESTED	OTHER FUNDS AVAILABLE FOR THIS PROJECT
1.	Operation of a program or provision of public services	\$	\$.	\$.
2.	Planning Services	\$	\$	\$
3.	GRAND TOTAL	\$	\$.	\$.

5. Explain source(s) of amounts listed under “Other Funds Available for This Project” above:

6. Please complete the schedule below in order to demonstrate that the organization will be able to spend the CDBG-MIT by the deadline.

SAMPLE



SECTION 4: PROVISION OF SERVICES

Complete this section only if CDBG-MIT funds are required to operate a program such as training, counseling, after-school programs, operation of soup kitchens, etc.

1. Describe the services to be provided: _____

2. Physical address from which the services will be provided:

3. Is the building properly zoned for the proposed use? Yes No
4. Hours of operation of the proposed program:

5. Describe the number and common characteristics of the persons to be directly served by the program (**e.g., 32 low-income youths between the ages of 17 and 22**):

6. Describe other indirect beneficiaries: _____

7. Is the applicant currently licensed by the Department of Human Services(?) Yes No
* License will require if the proposed program will serve children under the age of 15.
8. Has the applicant previously provided the services being proposed(?) Yes No
If yes, how long has the applicant been providing these services? _____

9. What was the program's primary source of financing? _____

10. How many persons were served in each of the previous cycles? _____

11. How did the organization measure the success of its program?

12. How does the experience of the organization relate to its role in providing the proposed services? _____

13. Describe the administrative, managerial, and operational capabilities of the organization's staff. Please also identify those members of the staff that would be involved in providing the proposed services.

(Use additional sheets, if necessary)

14. Describe your program's client screening, intake, and selection process – i.e., how, and when client assessment will be performed, and by whom: _____

15. What distinguishes your program from other programs providing similar services?

Complete Items 16 and 17 below only if the organization is currently providing the proposed services. If the organization is not currently providing the proposed services, skip to Item 18.

16. Will CDBG-MIT funds be used to increase the number of people served by your existing program? Yes No

17. List your current services and the additional services:

CURRENT SERVICES	ADDITIONAL SERVICES TO BE OFFERED BY PROPOSAL
_____	_____
_____	_____
_____	_____
_____	_____

18. Estimated cost of the services for which CDBG-MIT funds are being sought: \$_____

19. **PROPOSED BUDGET**

CATEGORY	CDBG-MIT FUNDS	OTHER FUNDS <i>(Identify other funds available or committed)</i>
Personnel Services	\$	\$
Material & Supplies	\$	\$
Travel	\$	\$
Equipment	\$	\$
Advertisement	\$	\$
Rent	\$	\$
OTHER (please specify)		
1. Utilities	\$	\$
2. Insurance	\$	\$
3. _____	\$	\$
4. _____	\$	\$
TOTAL	\$	\$

20. Sources and amounts of other funds available or required to carry out the project listed under "Other Funds Available" at Question 19 above:

SOURCES	AMOUNTS
_____	\$ _____
_____	\$ _____
_____	\$ _____

21. Does the organization have any written commitment(s) of these funds?) Yes
No

If yes, attach letter(s) of commitment. If no, indicate date(s) by which commitment(s) will be secured:

SOURCE	DATE
_____	_____
_____	_____
_____	_____

22. If your program receives CDBG-MIT funds for this funding cycle, how will it continue to operate once the CDBG-MIT funding is no longer available

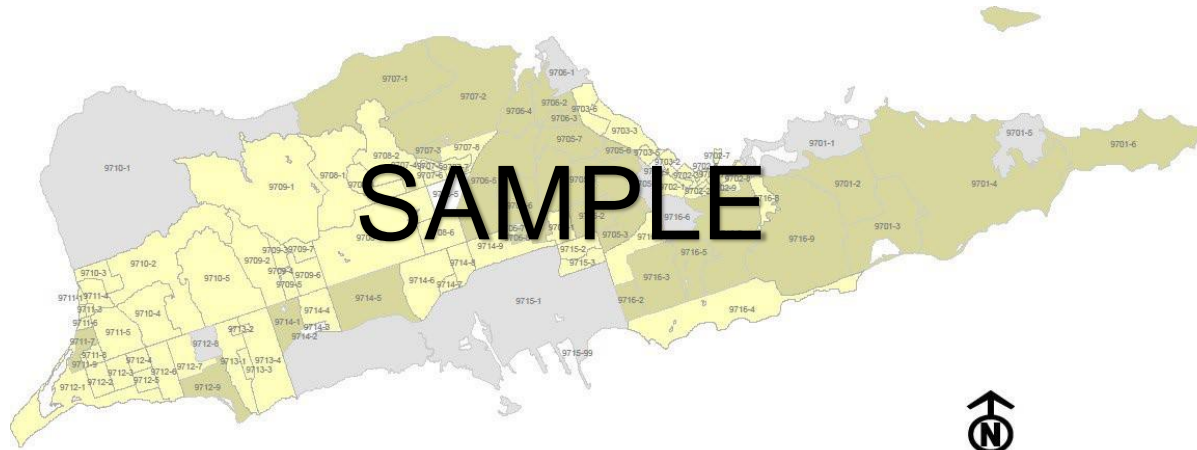
SAMPLE

22. Personnel to be paid with and without program funds

Position Title	#Of Perso ns	Duration of Employment		# of hours weekly	Total # of hours	Hourly Rate	Total Payme nt	Amount to be Paid from CDBG-MIT funds
		From	To					
TOTAL								

23. Describe the job duties for each position that will be participating in this program listed above (attach separate sheet(s) if necessary)

CENSUS MAP – ST. CROIX



SAMPLE

Legend

Low to Moderate Income Population (percent)

- Under 33%
- 33%-50%
- Greater than 50%



1:88,000

0 0.5 1 2 Miles

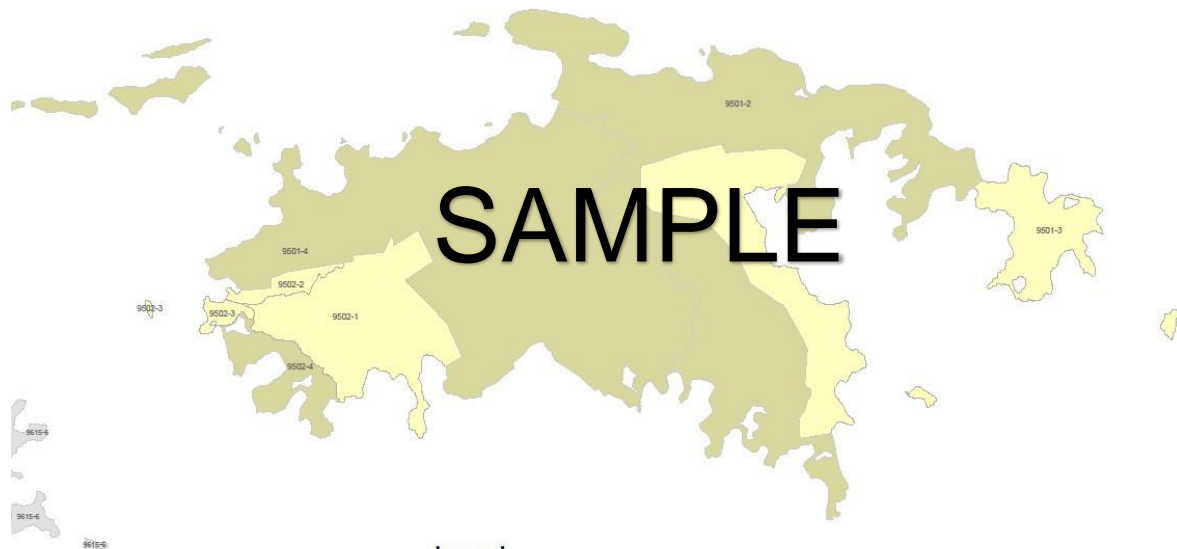


Census 2000 Low and Moderate Income
St. Croix, VI

Map Prepared:
September 2008
Conservation Data Center
Eastern Caribbean Center
University of the Virgin Islands
#2 John Brewer's Bay
St. Thomas, U.S.V.I. 00802

Source:
U.S. Department of Housing
and Urban Development's Homes
and Communities
Web site at: <http://www.hud.gov/offices/cpd/systems/census/lowmod/index.cfm>

CENSUS MAP – ST. JOHN



Legend

Low to Moderate Income

2000 Population (Percent)

-  Under 33%
-  33%-50%
-  Greater than 50%



1:47,724

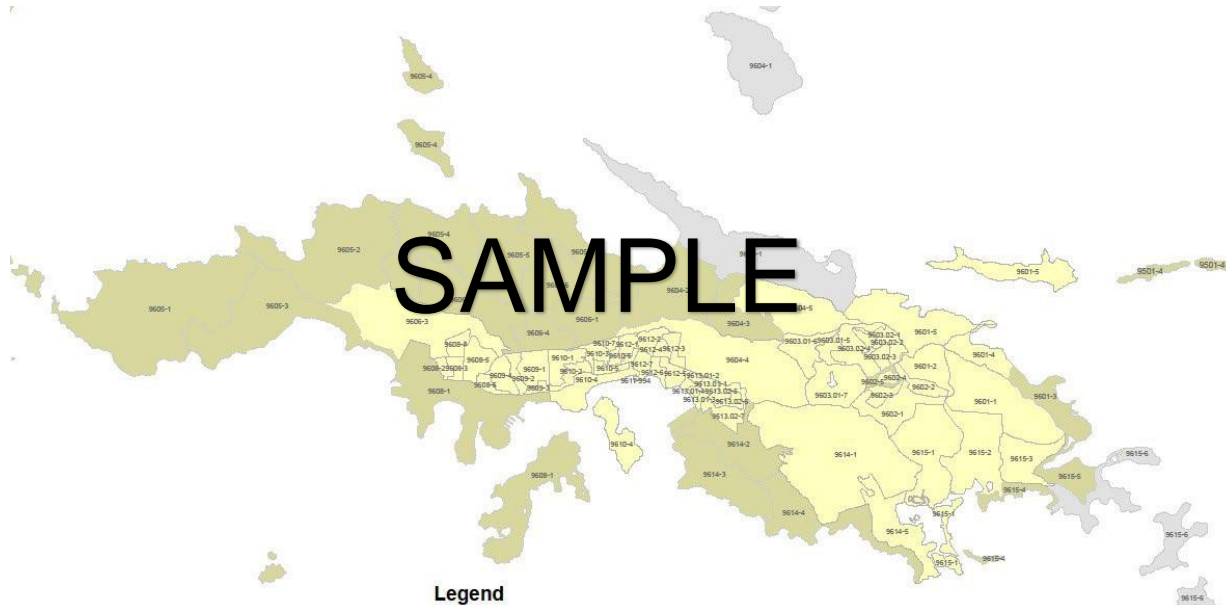
Census 2000 Low and Moderate Income
St. John, VI



Map Prepared:
September 2008
Conservation Data Center
Eastern Caribbean Center
University of the Virgin Islands
#2 John Brewer's Bay
St. Thomas, U.S.V.I. 00802

Source:
U.S. Department of Housing
and Urban Development's Homes
and Communities
Web site at: <http://www.hud.gov/offices/cpd/systems/census/lowmod/index.cfm>

CENSUS MAP – ST. THOMAS



Map Prepared:
September 2008
Conservation Data Center
Eastern Caribbean Center
University of the Virgin Islands
#2 John Brewer's Bay
St. Thomas, U.S.V.I. 00802

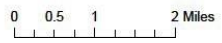
Source:
U.S. Department of Housing
and Urban Development's Homes
and Communities
Web site at: <http://www.hud.gov/offices/cpd/systems/census/lowmod/index.cfm>

Legend
Low to Moderate Income
2000 Population (Percent)

- Under 33%
- 33%-50%
- Greater than 50%

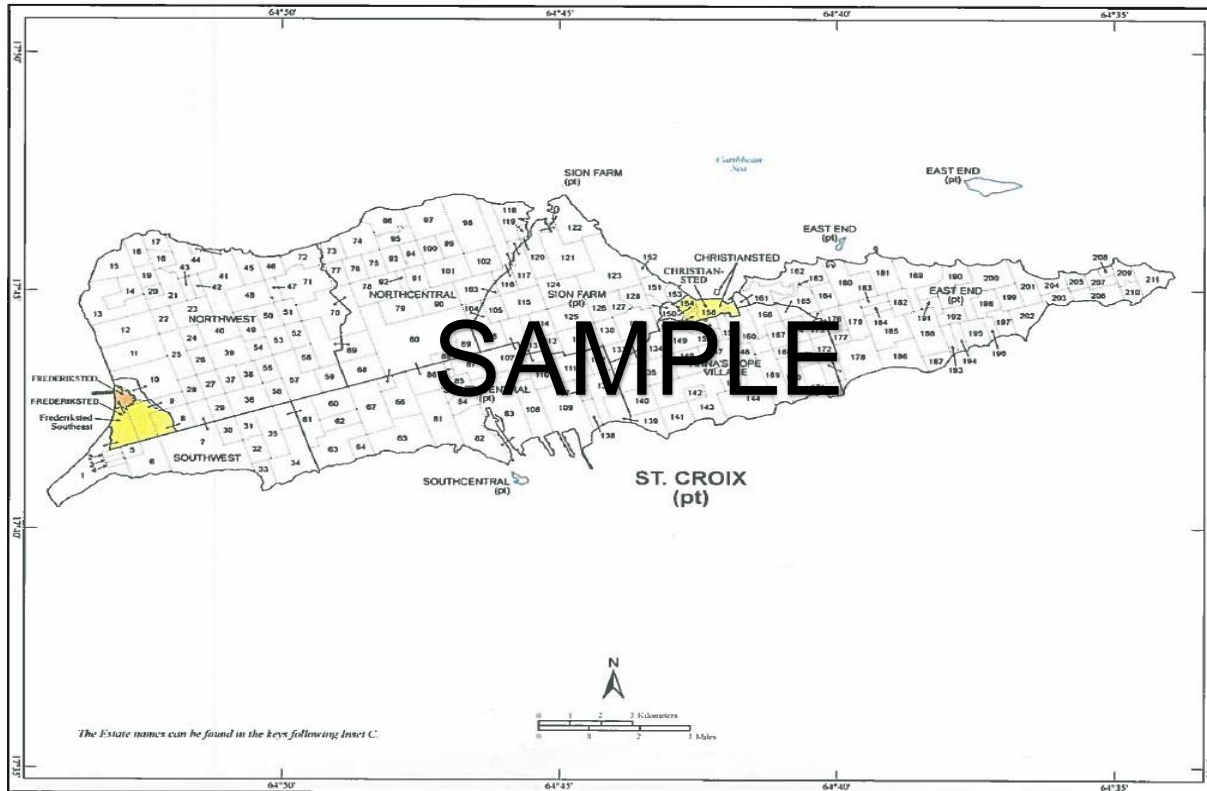


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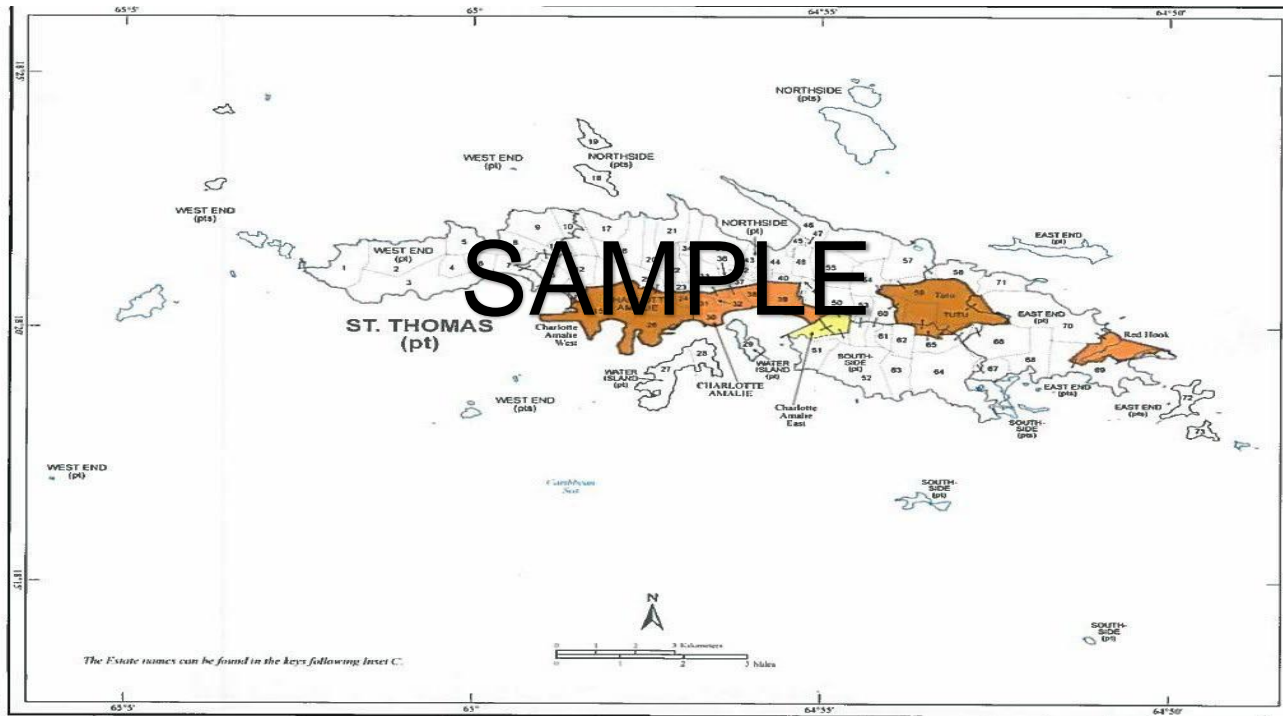


Census 2000 Low and Moderate Income
St. Thomas, VI

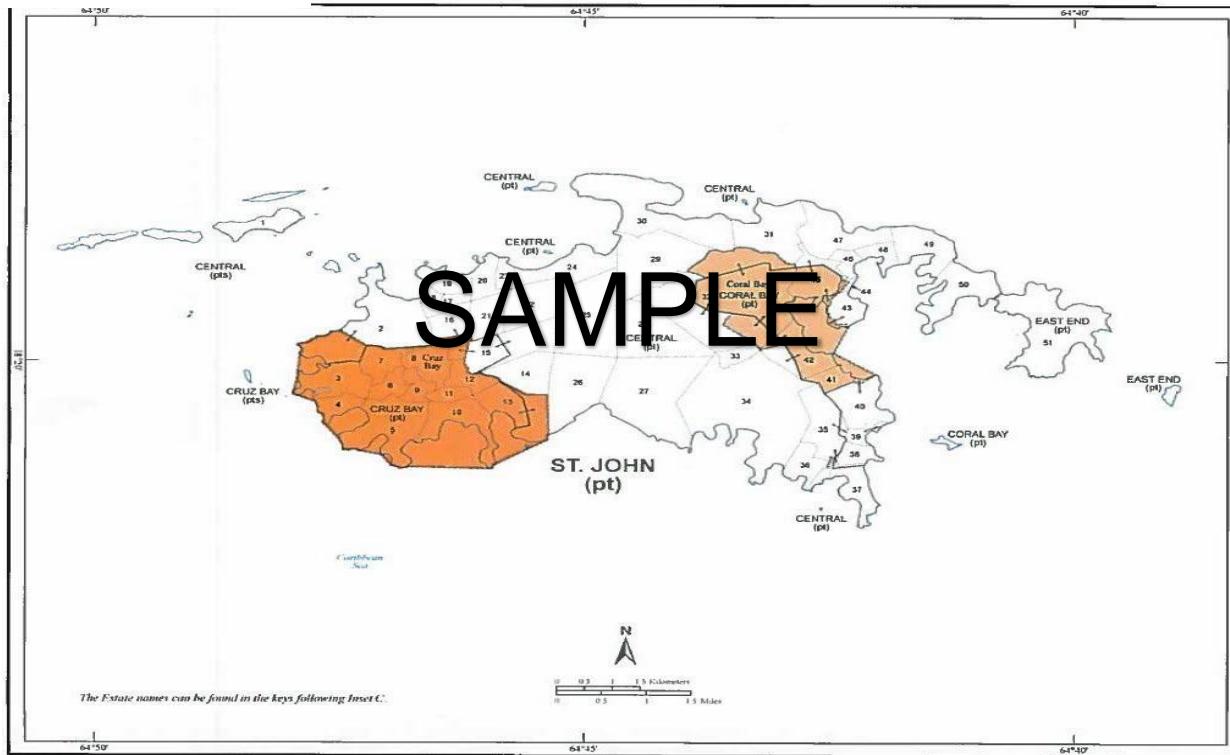
ESTATE MAP - ST. CROIX



ESTATE MAP - ST. THOMAS



ESTATE MAP - ST. JOHN



LEAD-SAFE HOUSING RULE -- APPLICABILITY FORM

Address/location of subject property:

Regulation Eligibility Statements (check all that apply):

- Property is receiving OR applying for federal funds
 Unit was built prior to 1978.

Note: If both Eligibility Statements above have been checked, continue with the Exemption Statements below. Otherwise, the regulation does not apply, sign and date the form.

Regulation Exemption Statements [24 CFR 35.115] (check all that apply):

- Emergency repairs to the property are being performed to safeguard against imminent danger to human life, health, or safety, or to protect the property from further structural damage due to natural disaster, fire, or structural collapse. The exemption applies only to repairs necessary to respond to the emergency.
- The property will not be used for human residential habitation. Note: This exemption *does not* apply to common areas such as hallways and stairways of residential and mixed-use properties.
- Housing "exclusively" for the elderly or persons with disabilities, with the provision that children less than six years of age *will not* reside in the dwelling unit.
- An inspection performed according to HUD standards found the property contained no lead-based paint.
- According to documented methodologies, lead-based paint has been identified and removed; and the property has achieved clearance.
- The proposed rehabilitation will not disturb any painted surface. The property has no bedrooms.
- The property is currently vacant and will remain vacant until demolition.

If any of the above Exemption Statements have been checked, the Regulation does not apply.

In all cases, sign, and date the form.

I, _____, certify that the information listed above is true and accurate to the (Printed Name)
best of my knowledge.

Signature

Date _____

Organization