U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

Eugene Jones, Jr.
Executive Director
Virgin Islands Housing Finance Authority
3202 Demarara Plaza, Suite 200
St. Thomas, VI 00802-6447

Dear Mr. Jones:

The U.S. Department of Housing and Urban Development (HUD) has completed its review of the U.S. Virgin Islands' (USVI) Fourth Substantial Action Plan Amendment (APA) for Community Development Block Grant Mitigation (CDBG-MIT) funds appropriated by the Supplemental Appropriations for Disaster Relief Act, Public Law 115-123. This allocation of CDBG-MIT funds is administered under grant number B-18-DP-78-0002. The Fourth Substantial APA was originally submitted for HUD's review on September 30, 2025. After reviewing the information submitted, the Department was unable to approve the APA because it was not in compliance with the applicable CDBG-MIT requirements contained at 84 FR 45838 and 84 FR 47528. As advised by the Department, the Virgin Islands Housing Finance Authority (VIHFA) worked with HUD staff to correct the multiple errors and the information missing from the APA detailed below and resubmitted the amendment for HUD's review on February 4, 2026. The resubmitted APA now meets the requirements of the applicable *Federal Register* Notices, and HUD is approving the amendment.

VIHFA is proposing to remove the Public Services program that did not meet CDBG- MIT requirements and reallocate this funding to the Public Facilities, Economic Revitalization and Housing Programs, including in its budget the activity delivery costs. It also removed the Workforce Development Mitigation Program and the Entrepreneurship Resilience and Innovation Program. Additionally, the grantee removed the Innovative Resilient Housing Program as these needs are being addressed by other programs and funding.

Through this amendment, the grantee proposed two new activities: Single Family Resilient New Home Construction- Homeownership Bundle Option and a Buyout and Acquisition Program. The first one will assist families building homes on VIHFA owned lots with housing plans, cistern integration, and energy tie-ins. The second aims to reduce disaster risks. Appendix A of this letter includes the new budget allocations. Additional changes proposed in this APA include the following:

1. The Resilient Multifamily Housing program amended the Total Development Cost (TDC) per unit for Resilient Multifamily Housing. The TDC was increased from $524,823 to $611,000 due to the increased cost of labor and materials. Additionally, the Housing Program Method of Distribution Model was updated to include grantee direct administration to allow VIHFA to directly administer programs and projects.

2. A correction to the classification of the Propane Acquisition Activity was made categorizing it under the Critical and Natural Infrastructure Programs, rather than under Community Resilience & Public Facilities.
3. VIHFA is also changing the change criteria that defines when a Substantial Amendment is triggered to the following: "The allocation or reallocation of any change constituting more than 25% ($193,547,000) of the overall CDBG MIT grant's budget."

Concerns that HUD identified in the original APA submission, regarding the narrative of the the Buyout and Acquisition Program and the activity budget tables, were addressed by VIHFA in the resubmitted APA.

As for next steps, VIHFA should continue the full reconciliation of its DRGR and financial management systems concurrently with the approval of this APA. The Department remains committed to assisting VIHFA in its efforts to address the recovery needs of its region and looks forward to working with you and your staff to achieve this goal. If you have any questions regarding the information in this letter, please contact Ms. Ada Ortiz, Community Planning and Development Specialist by email at Ada.V.OrtizNavarro@hud.gov.

Sincerely,

WILLIAM BEDFORD

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Date: 2026.04.03 11:51:05 -04'00'

William L. Bedford
Director, Grants Management Division
Office of Disaster Recovery

Appendix A: Reallocation of Funds Table

Program	Project	Substantial Amendment 3	Change	Substantial Amendment 4
Infrastructure	Community Resilience and Public Facilities	$100,000,000	(86,830,063)	13,169,937
	Critical Resilience and Natural Infrastructure	$322,218,874	$86,830,063	$409,048,937
Total		$422,218,874	-	$422,218,874
Economic Resilience	Commercial Hardening & Financing	$12,988,935	$20,935,724	$33,924,659
	Small Business Mitigation	$7,863,935	($1,500,000)	$6,363,935
	Entrepreneurship Resilience and Innovation Program	$9,008,935	($9,008,935)	-
	Workforce Development Mitigation Program	$9,008,934	($9,008,934)	-
Total		$38,870,739	$1,417,855	$40,288,594
Housing	Resilient Multifamily Housing	$165,572,126	-	$165,572,126
	Single Family Resilient New Home Construction	57,063,632	$16,052,145	$73,115,777
	Homeless Housing Initiative	$20,475,368	-	$20,475,368
	Innovative Resilient Housing	$5,250,000	(5,250,000)	-
	Buyout	-	$3,180,000	$3,180,000
Total		$248,361,126	13,982,145	$262,343,271
Public Services	Increase Access to Healthcare	$15,400,000	($15,400,000)	-
Total		$15,400,000	($15,400,000)	-
Planning	Planning Activities	$10,627,861	-	$10,627,861
Total		$10,627,861	-	$10,627,861
Administration	Administration	$38,709,400	-	$38,709,400
Total		$38,709,400	-	$38,709,400
Grant Total		$774,188,000	-	$774,188,000