U.S. Virgin Islands Community Development Block Grant – Disaster Recovery (CDBG-DR)

Proposed Amendment 1 to Action Plan

Overview

The United States Virgin Islands (U.S. Virgin Islands or "the Territory") is the recipient of $1.86 billion of Community Development Block Grant – Disaster Recovery (CDBG-DR) funding from the U.S. Department of Housing and Urban Development (HUD) to assist in disaster recovery and rebuilding efforts resulting from Hurricanes Irma and Maria. The Territory's approved CDBG-DR Action Plan details how the U.S. Virgin Islands plans to spend $242,684,000 grant funds on eligible disaster recovery and rebuilding activities. This proposed amendment would add $779,217,000 to the approved amount, for a total of $1,021,901,000 in grant funds. This is a proposed substantial amendment to the approved Action Plan. Any change greater than 1% in total funding, the addition or deletion of any program, or change in eligibility criteria or designated beneficiaries of a program constitutes a substantial amendment and such amendment will be available for review by the public and approval by HUD.

Notice of Public Comment Period and Meeting Opportunities

The comment period on the proposed CDBG-DR Action Plan Amendment 1 opens September 17, 2018, and **comments must be received no later than Tuesday, October 16, 2018, at 11:59 PM (AST).** The proposed CDBG-DR Action Amendment 1 and the public commenting information are available at **https://www.vihfa.gov/disaster-recovery/citizen-participation.** Individuals will be able to read the amendment, the currently approved Action Plan, and comment on the amendment in English and Spanish; a French Creole translation of the amendment will be available upon request. The online materials will also be accessible for the visually impaired.

The following public meetings will be held throughout the Territory:

- **St. Croix Meeting**
  Date: Monday, September 24, 2018
  Time: 6:30 PM - 8:00 PM
  Location: UVI Albert A. Sheen Campus on St. Croix - Great Hall

- **St. John Meeting**
  Date: Wednesday, September 26, 2018
  Time: 6:30 PM - 8:00 PM
  Location: Julius E. Sprauve School Cafeteria, Cruz Bay

- **St. Thomas Meeting**
  Date: Tuesday, October 2, 2018
  Time: 6:30 PM - 8:00 PM
  Location: Charlotte Amalie High School – Auditorium

Mail/Fax Comments to:
Virgin Islands Housing Finance Authority
ATTN: CDBG-DR Comments
100 Lagoon Complex, Suite 4
Fredriksted, VI 00840-3912

Fax: (340) 772-4002

For questions, please call:
Phone: (340) 772-4HFA (4432)

Physical copies of the amendment and the Spanish translation will be available at VIHFA and partner government offices, public libraries, and post offices. **Digital comments can be submitted by emailing to cdbg-drcomments@vihfa.gov.** A large print version and an automated translation in Haitian Creole is available online and in print upon request. For accessibility or language assistance please call or email (see above).

At the end of the comment period, all public comments will be reviewed, and any necessary changes will be made to the plan to incorporate public comments. A summary of the public comments and the Territory's responses will be submitted to HUD for approval in the final CDBG-DR Action Plan Incorporating Amendment 1.

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Some notes about the formatting of this Disaster Recovery Action Plan amendment document:

The changes this substantial amendment (Amendment 1) proposes are described below.

1. A summary of changes by chapter has been provided in narrative form with indications of where new text will replace existing text. Minor content changes such as grammatical edits or small clarifications have been added directly to the full plan. Major content changes are included individually in this Amendment 1.
2. Context for these major changes are indicated by ***Bold Italics text.***
3. In the full plan, these changes are distributed and indicated under each chapter header where they appear.
4. Once Amendment 1 is approved by HUD, the text of Amendment 1 will be incorporated into the Territory's overall approved Action Plan.
5. The approved CDBG Disaster Recovery Action Plan, without indication of the changes made through this amendment, will be published at https://www.vihfa.gov/disaster-recovery/action-plan. In the future, in addition to the current approved Action Plan, the Territory's CDBG Disaster Recovery website will include a full history of all amendments associated with the Action Plan.

AMENDMENT SUMMARY

The Territory is publishing this Amendment 1 for public comment, with the following proposed changes:

General

- Updates unmet needs assessment and the allocation distribution by program based on remaining unmet needs.
- Updates program descriptions and timelines.

Unmet Needs

- Updates the unmet needs analysis from the date the Action Plan was submitted to HUD on May 25, 2018, accounting for new data and information available.
- The overall unmet needs have decreased by $1.18 billion to now be $6.39 billion.

Housing

- Increases the Tranche 1 allocation of $72 million by $225 million for a total allocation of $297 million to housing programs.
- Revises the prioritization within the Homeowner Rehabilitation and Reconstruction program.
- Per the Federal Register Notice governing the second allocation [FR-6109-N-01], modifies the affordability periods of Rental programs and the New Construction for Homeownership program; includes resale and recapture provisions for the New Construction for Homeownership program; and notes development of policies and procedures for determining cost effectiveness for rehabilitation and reconstruction.

Infrastructure

- Increases the allocation to infrastructure programs by $488 million for a total allocation of $609 million.
- Reallocates $5,000,000 from Tranche 1 for the Local Match for Federal Disaster Recovery program to Planning activities.
- Makes adjustments to procedures and programs in keeping with the Federal Register Notice governing the second allocation [FR-6109-N-01].

Economic Revitalization

- Adds an additional $27,000,000 to the economic revitalization program increasing the total allocation to $60,000,000.
- Makes adjustments to procedures and programs in keeping with the Federal Register Notice governing the second allocation [FR-6109-N-01].

Planning and Administration

- Adds $5,000,000 to the Tranche 1 budget for Planning reallocated from the Local Match for Federal Disaster Recovery program.
- Accounts for 5% of the second allocation to increase the overall budget for Administration to $51,095,050.

General Administration

- Makes adjustments to procedures and programs in keeping with the Federal Register Notice governing the second allocation [FR-6109-N-01].
- Updates projections of expenditures and outcomes to include the second allocation.

Changes are proposed for all major chapters of the Action Plan, including the Appendices.

There are no changes to the Figures, except for changes to Figures 11, 13, 15, and 16.

There are no changes to Maps 1-18.

There are changes to most of the Tables, except for the following Tables: 5, 6, 11, 13, 14, 21, 22, 23, and 24.

Proposed Amendment 1

A list of Acronyms and Agencies has been added to the beginning of the document:

ACRONYMS AND AGENCIES

ADC – Activity Delivery Cost
AMI – Area Median Income
DR-4335 – Major Disaster Declaration for Hurricane Irma
DR-4340 - Major Disaster Declaration for Hurricane Maria
DRGR – Disaster Recovery Grant Reporting System
DR-4340 - Major Disaster Declaration for Maria
DRGR – Disaster Recovery Grant Reporting System
BIR – Virgin Islands Bureau of Internal Revenue
BIT – Virgin Islands Bureau of Information Technology
CAPER - Consolidated Annual Performance & Evaluation Report
CDBG-DR - Community Development Block Grant Disaster Recovery
CoC – Virgin Islands Continuum of Care
DAC – [FEMA] Direct Administrative Cost
DHS – Virgin Islands Department of Human Services
DOA – Virgin Islands Department of Agriculture
DOB – Duplication of Benefits
DOC – U.S. Department of Commerce
DoD – U.S. Department of Defense
DOE – Virgin Islands Department of Energy
DOF – Virgin Islands Department of Finance
DOI – U.S. Department of the Interior
DOL – Virgin Islands Department of Labor
DPNR – Virgin Islands Department of Planning and Natural Resources
DPP – Virgin Islands Department of Property and Procurement
DPW – Virgin Islands Department of Public Works
DSPR – Virgin Islands Department of Sports, Parks and Recreation
ED – U.S. Department of Education
EDA – U.S. Economic Development Administration [part of the U.S. Department of Commerce]
EIA – U.S. Energy Information Administration
EPA – U.S. Environmental Protection Agency
FAPs – Fiber Access Points
FEMA – Federal Emergency Management Agency [part of the U.S. Department of Homeland Security]
FEMA IA – FEMA's Individual Assistance Program
FEMA PA – FEMA's Public Assistance Program
FHWA-ER – U.S. Federal Highways Administration Emergency Relief Program
FHWA-ER – U.S. Federal Highways Administration Emergency Relief

FVL – Full Verified Loss
GDP – Gross Domestic Product
GIS – Geographic Information Systems
HBCU – Historically Black Colleges and Universities
HCDA – Housing and Community Development Act of 1974
HCV – Housing Choice Voucher
HMGP – [FEMA] Hazard Mitigation Grant Program
HMIS – Homeless Management Information System
HQS – Housing Quality Standards
HUD – U.S. Department of Housing and Urban Development
IHP – Individual and Household Programs
IP – Internet Protocol
ISP – Internet Service Provider
LEP – Persons of limited-English proficiency
LIHTC – Low Income Housing Tax Credit
LMA – Low- to Moderate- income Area
LMI – Low- to Moderate- income Individual
LMR – Land Mobile Radio
LSS – Lutheran Social Services
MA – [FEMA] Mission Assignments
NFIP – National Flood Insurance Program
NG911 – Next Generation 911
NIST – National Institute of Standards and Technology
OIA – U.S. Department of Justice's Office of Insular Affairs
PAAP – FEMA Public Assistance Alternatives Procedures
PAC – Program Administration Cost
PDM – FEMA Pre-Disaster Mitigation Grant Program
PDVSA – Petróleos de Venezuela
PFA – Virgin Islands Public Finance Authority
PP FVL – Personal Property Full Verified Loss
PV – Solar Photovoltaic System
PW – [FEMA] Project Worksheet
QPR – Quarterly Performance Report
RARAP – Residential Anti-displacement and Relocation Assistance Plan
RDA – U.S. Department of Agriculture's Rural Development Program
RP FVL – Real Property Full Verified Loss
SBA – U.S. Small Business Administration
SCADA - System Control And Data Acquisition system
STEP – FEMA's Sheltering and Temporary Essential Power Program
STJ – Shorthand for St. John
STT – Cyril E. King International Airport, also shorthand for St. Thomas
STX – Henry E. Rohlsen Airport, also shorthand for St. Croix
TIGER - U.S. Department of Transportation's Transportation Investment Generating Economic Recovery Grants
UFAS – Uniform Federal Accessibility Standards
URA – Uniform Relocation Assistance and Real Property Acquisition Policies Act

USACE – U.S. Army Corps of Engineers
USDA – U.S. Department of Agriculture
USPS – U.S. Postal Service
UVI – University of the Virgin Islands
VICS – Virgin Islands Community Survey
VIDE – Virgin Islands Department of Education
VIHA – Virgin Islands Housing Authority
VIHFA – Virgin Islands Housing Finance Authority
VITEMA – Virgin Islands Territorial Emergency Management Agency
viNGN – Virgin Islands Next Generation Network
VIPA – Virgin Islands Port Authority
WAPA – Virgin Islands Water and Power Authority
WICO – West Indian Company, Ltd.
WIFIA – Water Infrastructure Finance and Innovation Act
WIIN – Water Infrastructure Improvements for the Nation
WMA – Virgin Islands Waste Management Authority
WTTC – World Travel and Tourism Council

Significant content changes and revised tables for the Executive Summary are detailed below:

1. EXECUTIVE SUMMARY

Total Damage Estimate: The two back-to-back Category 5 storms in September 2017 caused significant destruction to housing, infrastructure, and the economy; the current total damage is now estimated at $11.25 billion, marking a $490 million increase from the initial Action Plan.

Table 1 has been updated as follows:

Table 1. Program Allocations from Tranches 1 & 2 CDBG-DR Funds

Program		Tranche 1			Tranche 2	
		Allocation: Tranche 1	Variance to Tranche 1	Revised Allocation: Tranche 1	Allocation: Tranche 2	Allocation: TOTAL
Housing	Homeowner Rehabilitation and Reconstruction Program	$10,000,000	-	$10,000,000	$50,000,000	$60,000,000
	New Construction for Homeownership Opportunity and First Time Homebuyer Assistance	$10,000,000	-	$10,000,000	$40,000,000	$50,000,000
	Rental Rehabilitation & Reconstruction	$5,000,000	-	$5,000,000	$20,000,000	$25,000,000
	Public & Affordable Housing Development	$32,000,000	-	$32,000,000	$40,000,000	$72,000,000
	Supportive Housing & Sheltering Programs	$15,000,000	-	$15,000,000	$75,000,000	$90,000,000
Infrastructure	Local Match for Federal Disaster Recovery	$50,549,800	$(5,000,000)	$45,549,800	$123,256,150	$168,805,950
	Infrastructure Repair & Resilience	$30,000,000	-	$30,000,000	$275,000,000	$305,000,000
	Electrical Power Systems Enhancement and Improvement	$45,000,000	-	$45,000,000	$90,000,000	$135,000,000
Economic Revitalization	Ports and Airports Enhancement	$23,000,000	-	$23,000,000	$17,000,000	$40,000,000
	Tourism Industry Support Program	$5,000,000	-	$5,000,000	$5,000,000	$10,000,000
	Workforce Development	$5,000,000	-	$5,000,000	$5,000,000	$10,000,000
	Neighborhood Revitalization	$0	-	$0	$0	$0
	Small Business and Entrepreneurship Technical Assistance	$0	-	$0	$0	$0
	Total Programs	**$230,549,800**	**($5,000,000)**	**$225,549,800**	**$740,256,150**	**$965,805,950**
	Planning	$0	$5,000,000	$5,000,000	$0	$5,000,000
	Administration	$12,134,200	-	$12,134,200	$38,960,850	$51,095,050
	TOTAL	**$242,684,000**		**$242,684,000**	**$779,217,000**	**$1,021,901,000**

* Administration costs are capped at 5% of the overall allocation

Due to space limitation in Table 1, Table 1A has been added:

Table 1.A. Low- to Moderate- Income Projections for Tranche 1 and 2

Program		Tranche 1 Low- and Moderate-Income Projection		Tranche 2 Low- and Moderate-Income Projection		Total Low- and Moderate-Income Projection	
		$	%	$	%	$	%
Housing	Homeowner Rehabilitation and Reconstruction Program	$8,000,000	80%	$40,000,000	80%	$48,000,000	80%
	New Construction for Homeownership Opportunity and First Time Homebuyer Assistance	$9,000,000	90%	$36,000,000	90%	$45,000,000	90%
	Rental Rehabilitation & Reconstruction	$4,000,000	80%	$16,000,000	80%	$20,000,000	80%
	Public & Affordable Housing Development	$28,800,000	90%	$36,000,000	90%	$64,800,000	90%
	Supportive Housing & Sheltering Programs	$15,000,000	100%	$75,000,000	100%	$90,000,000	100%
Infrastructure	Local Match for Federal Disaster Recovery	$29,607,370	65%	$80,116,498	65%	$109,723,868	65%
	Infrastructure Repair & Resilience	$19,500,000	65%	$178,750,000	65%	$198,250,000	65%
	Electrical Power Systems Enhancement and Improvement	$36,000,000	80%	$72,000,000	80%	$108,000,000	80%
Economic Revitalization	Ports and Airports Enhancement	$4,600,000	20%	$3,400,000	20%	$8,000,000	20%
	Tourism Industry Support Program	$1,000,000	20%	$1,000,000	20%	$2,000,000	20%
	Workforce Development	$5,000,000	100%	$5,000,000	100%	$10,000,000	100%
	Neighborhood Revitalization	$0		$0		$0	
	Small Business and Entrepreneurship Technical Assistance	$0		$0		$0	
	Planning		N/A		N/A		
	Administration		N/A		N/A		
	TOTAL	**$160,507,370**	**71.2%**	**$543,266,498**	**73.4%**	**$703,773,868**	**72.9%**

* Administration costs are capped at 5% of the overall allocation

Table 2 has been updated as follows:

Table 2. Proportionality between Share of Unmet Needs and Share of Tranche 1 and 2 Program Allocations

Sector	Unmet Needs Assessment		Tranche 1 + 2 Program Allocation*	
	$	%	$	%
Housing	$1,075,429,283	16.8%	$297,000,000	30.8%
Infrastructure**	$4,996,661,377	78.1%	$603,805,950	63.0%
Economic Revitalization	$322,766,670	5.0%	$60,000,000	6.2%
Total	**$6,394,857,330**	**100%**	**$960,805,950**	**100%**

*Excludes Administrative costs
**Includes local match for housing.

Eight paragraphs following Table 2 are being replaced as follows:

Housing for displaced Virgin Islanders and those living in damaged homes remains the Territory's highest priority. The overall unmet housing need represents 17% of total unmet needs. In addition to FEMA IA and SBA disaster loans available for home repair, the Territory has committed approximately $900 million from multiple sources, primarily FEMA and HUD, to address this most critical need.

Prior to the CDBG-DR allocation, the Government of the U.S. Virgin Islands and FEMA established two home repair programs in the Territory: Sheltering and Temporary Essential Power (STEP), known locally as the Emergency Housing Repair Virgin Islands (EHRVI) and the Permanent Home Construction program. In an ideal circumstance, the STEP program would have been deployed one month after the hurricanes, but was not initiated in earnest until January 2018. As of September 4, 2018, the STEP program has completed repairs on more than 5,129 homeowners out of 10,350 applicants. Another 2,168 homes are currently under construction. It is estimated that 7,500 applicants will complete the program.

While all residents with storm damage from either hurricane are eligible for STEP, hundreds of homeowners were initially not able to complete the program due to the level of damage to their roofs. While the U.S. Army Corps of Engineers placed temporary Blue Roofs in the early days after the storms, the temporary roofs have a shelf life of approximately 60 days. Prior to the onset of the 2018 hurrricane season in June, the Government of the U.S. Virgin Islands requested that FEMA, in recognition of the urgent need to rebuild homes and the deterioration of many of the Blue Roofs, allow the STEP program to complete repairs to roofs that were damaged by the hurricanes.

On August 9, 2018, FEMA authorized the STEP program to repair or reconstruct roofs for homes that had roof damage from the storms. FEMA also approved the ability for the Federal Coordinating Officer to make a case-by-case exception to increase the $25,000 program cap.

The need for roof repair had prevented many homeowners from being able to complete the STEP program. This new solution within the STEP program will enable more than 4,000 homeowners to receive a repaired or replaced roof that will meet local building code. It is estimated that the roof repair/replacement solution will result in an additional $300 million being invested to repair hurricane-damaged homes.

As of September 5, 2018, the STEP program has analyzed approximately 2,400 of the 4,000-plus homes that may be eligible for roof repair or replacement. Of these homes, 1,000 will need full replacement, while the remaining 3,000 will need some level of repair. This includes many homeowners that may have been ineligible for the STEP without this solution.

As detailed in the *Action Plan*, the Territory is in a unique position to take advantage of FEMA's full authority under the Insular Areas Act through the Section 408 Permanent Housing Construction program which allows full repairs and reconstruction for both owner-occupied and rental housing. FEMA's unique Permanent Housing Construction authority under the Section 408 of the Stafford Act allows them to do repairs and reconstruction in Insular Areas well beyond what the normal programs permit.[1]

Under this program, FEMA has agreed to repair 22 single family homes. While the Territory requested that FEMA utilize its full authority under the Insular Areas Act to complete more home repairs and reconstruction under this program, on May 25, 2018, FEMA declined to do new construction under this program. The new roof repair solution provides an alternative to address remaining needs.

Housing is further supported by FEMA through the Public Assistance program for the repair and replacement of the damaged public housing and other HUD-assisted housing. The amount of funding obligated or dispersed for repair and replacement of public housing under the Public Assistance program has increased from $330,275 in March 2018 to more than $22 million as of August 11, 2018. FEMA has also agreed to full replacement of the five most damaged buildings at the Tutu complex estimated to be $170 million. The Territory currently owes more than $ 65.4 million in match for critical infrastructure repair, reconstruction, and mitigation needs and public housing and other publicly assisted housing. Currently it is estimated that Phase I of the Tutu High Rise Public Housing development will require a match of approximately $11 million for PA repairs.[2] The Territory will prioritize critical infrastructure payments for WAPA and other entities as well as dedicate $30 million for public and publicly-assisted housing over the first and second tranches.

In total, approximately $573 million is being dedicated through FEMA programs beyond Individual Assistance for repairs. This includes approximately $536 million dedicated to the

[1] *Permanent Housing Construction - The President may provide financial assistance or direct assistance to individuals or households to construct permanent or semi-permanent housing in insular areas outside the continental United States and in other locations in cases in which - (A) no alternative housing resources are available; and (B) the types of temporary housing assistance described in paragraph (1) are unavailable, infeasible, or not cost-effective.*

[2] *The match calculation for housing is based on a 10% match requirement.*

STEP program including the roof solution; $22 million under the FEMA PA program to repair public- and publicly-assisted housing; and $15 million from the HMGP program for buyouts.

As discussed, housing for displaced Virgin Islanders, especially low- and moderate-income families, remains the Territory's highest priority. In addition to the repairs underway in the FEMA-funded STEP and Permanent Home Construction programs, the Territory has dedicated at least $327 million of CDBG-DR funding from Tranches 1 and 2 of the CDBG-DR allocations be used to support housing programs. This includes $72 million from the first tranche, $225 million from the second tranche and $30 million local match contribution for public housing across both tranches. This funding will help to rehabilitate, reconstruct and construct new single-family and affordable rental housing as well as supportive housing and sheltering for emergency and vulnerable populations.

The total impact on housing, including rental and public housing, is estimated at $2.5 billion with 86% of households that suffered "major" or "severe" damage occupied by LMI households. To date, $1.43 billion has been disbursed from federal and other sources of funds. In total, $900 million is dedicated from FEMA Permanent Construction, PA, STEP and HMGP programs as well as the first and second allocation of CDBG-DR to address the remaining unmet needs of $1.08 billion. The Territory also plans to invest a portion of its third allocation to further meet the housing and sheltering needs of its residents.

In order to maximize the benefits to restoring damaged and destroyed homes, the Territory has developed a series of programs to support the housing needs of those most impacted by the storms. The programs will be delivered as a "one program, many paths" approach with robust case management to assist residents based on their remaining housing needs. Priority will be given to the most vulnerable Virgin Islanders, especially those who remain displaced or living in severely damaged homes more than a year after the 2017 hurricanes. The Territory has identified low- and moderate-income households whose homes were either completely destroyed or with major or severe damage with no other resources to complete rehabilitation or reconstruction. The roof repair solution under STEP has drastically reduced the number with unmet needs. Households not eligible for STEP are being evaluated for CDBG-DR funded home rehabilitation or reconstruction.

Additionally, the Territory will build new affordable housing for eligible owners and renters. The program will case manage disaster impacted, low- to moderate-income households that may be ready to move up to home ownership or are interested in subsidized and affordable rental housing. The proposed housing program will also support the repair and development of affordable rental and public housing and sheltering initiatives. The program will support landlords who continue to make repairs or build new rental housing to more quickly repair and expand the availability of affordable rental. New public housing and affordable rental units, the need for which predates but was exacerbated by the storms, will be built to provide long-term housing for LMI families throughout the U.S. Virgin Islands. Residential units for particularly vulnerable populations—the homeless, disabled, mentally ill, and elderly—will also be prioritized. New housing units funded through this Action Plan will meet the U.S. Virgin Islands' enhanced building codes and HUD's resilience standards, which will reduce

the future need for emergency sheltering. Still, new and stronger sheltering facilities will be necessary to guarantee the safety of residents in the likely event of future disasters.

Per the guidance in the HUD Federal Register, the Territory understands the sequencing of funding which cautions that CDBG-DR funds should not be used for "activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency" or other federal agencies.

2. INTRODUCTION

Coordination with the Task Force and the Office of Disaster Recovery: The Task Force's 2018 Report was published on July 20, 2018, for public comment and was finalized September 6, 2018, with 288 recommendations.[3]

To reflect this, the following is being added to page 30:

In addition, the U.S. Department of the Interior granted $3 million in 2018 Hurricane Supplemental Funding for the U.S. Virgin Islands (USVI) to create and fund an Office of Disaster Recovery (ODR). Established by the Governor of the U.S. Virgin Islands within the Virgin Islands Public Finance Agency (PFA), ODR will provide programmatic oversight and centralized coordination across the government to maximize coordination and integration among governmental entities and departments administering recovery dollars. Information sharing, and cross departmental coordination will be essential as disaster resiliency projects get underway. The ODR will track all federal expenditures for disaster assistance programs and transmit collected data through an electronic system and publication on a website to be updated monthly for transparency and awareness.[4] The Territory understands federal relief funds are a precious resource and is fully committed to carrying out recovery in the most efficient, cost-effective, and resilient manner.

Allocations: The second allocation of CDBG-DR funds for the Territory was announced on April 10, 2018, totaling $1,621,058,000 (Tranche 2). Of this amount, $779,217,000 is intended to address the U.S. Virgin Islands' remaining serious unmet housing, infrastructure, and economic needs, including the enhancement and improvement of the electrical power system. FR-6109-N-01 establishes the requirements for the second allocation, amounting to $779,217,000 for the U.S. Virgin Islands. The Territory has amended its Action Plan accordingly to ensure compliance and allocate Tranche 2 funds to the programs proposed herein.

A remaining tranche of funds for $841,188,000 is intended to support mitigation activities that protect communities against predictable damage from future natural disasters.

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[3] USVI Hurricane Recovery and Resilience Task Force Report, September 6, 2018, https://www.usvihurricanetaskforce.org/

[4] Press Release, August 28,2018, DOI OIA. https://www.doi.gov/oia/interior-provides-3-million-hurricane-supplemental-funding-create-office-disaster-recovery-us

3. IMPACT AND UNMET NEEDS ASSESSMENT

Table 3 is being updated as follows:

Table 3. Agencies and Organizations Engaged in Preparation of CDBG-DR Action Plan (Updated September 6, 2018)

Federal Agencies	
• Environmental Protection Agency (EPA)	• U.S. Army Corps of Engineers (USACE)
• Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program	• U.S. Census [2000 and 2010 data]
• FEMA Individual Assistance Program	• U.S. Department of Agriculture (USDA)
• FEMA Inundation Shapefiles	• U.S. Department of Commerce (DOC)
• FEMA Pre-Disaster Mitigation Program	• U.S. Department of Defense (DoD)
• FEMA Public Assistance Program	• U.S. Department of Education (ED)
• FEMA Shelter and Temporary Essential Power (STEP) Program	• U.S. Department of Housing and Urban Development (HUD)
• Federal Highway Administration Emergency Relief (FHWA-ER) Program	• U.S. Department of the Interior, Office of Insular Affairs
• Federal Reserve Bank of New York	• U.S. Energy Information Administration (EIA)
• National Center for Education Statistics	• U.S. Postal Service (USPS)
• Small Business Administration (SBA)	
International and Multilateral Organizations	
• Euromonitor International	• World Bank
• Florida-Caribbean Cruise Association	• World Travel and Tourism Council
• U.S. Virgin Islands Salvation Army	
Local Agencies and Authorities	
• University of the Virgin Islands	• Virgin Islands Economic Development Authority
• Virgin Islands Bureau of Economic Research	• Virgin Islands Housing Authority
• Virgin Islands Bureau of Information Technology	• Virgin Islands Housing Finance Authority
• Virgin Islands Community Survey (VICS) 2014	• Virgin Islands Hurricane Recovery and Resilience Task Force
• Virgin Islands Division of Banking, Insurance, and Financial Regulation	• Virgin Islands Next Generation Network
• Virgin Islands Department of Education	• Virgin Islands Port Authority
• Virgin Islands Department of Health	• Virgin Islands Public Services Commission
• Virgin Islands Department of Human Services	• Virgin Islands Territorial Emergency Management Agency
• Virgin Islands Department of Labor	• Virgin Islands Waste Management Authority
• Virgin Islands Department of Property and Procurement	• Virgin Islands Water and Power Authority
• Virgin Islands Department of Public Works	• The West Indian Company, Ltd. (WICO)
• Virgin Islands Office of Public Authority	• Virgin Islands Department of Finance

• Virgin Islands Office of Management and Budget	• Virgin Islands Department of Tourism
• Virgin Islands Department of Planning and Natural Resources	
Community Organizations and Private Businesses	
• American Red Cross	• Methodist Training and Outreach Center
• Catholic Charities of the Virgin Islands	• Gov. Juan F. Luis Hospital & Med Center
• Coldwell Banker	• My Brother's Workshop
• Community Foundation of VI	• Rialto
• Continuum of Care	• St. Thomas Senior Housing
• Crucian Heritage and Nature Tourism, Inc	• St. Croix Foundation for Community Development
• Cruzan Rum	• St. Croix Mission Outreach
• Disability Rights Center of the Virgin Islands	• St. Croix Renaissance Group, LLP
• Downtown Charlotte Amalie Revitalization Project	• St. John Community Foundation
• DWH Business Services Inc.	• Sugar Mills Villas
• Eagle's Nest Men's Shelter	• Sunny Isles Elderly Housing
• East Caribbean Center at the University of the Virgin Islands	• Ten Thousand Helpers of St. Croix
• Family Resource Center	• The Carambola Hotel
• Frederiksted Health Care	• The Salvation Army of the Virgin Islands
• Gold Coast Yachts, Inc.	• The Village – VI Partners in Recovery
• Island Therapy Solutions	• Virgin Islands Hotel and Tourism Association
• Jackson Development Inc.	• Virgin Islands Ja Goju Jitsu-Ryu Federation STT Parental Committee, Inc
• Limetree Bay Terminals, LLC	• WestCare Foundation
• Lutheran Social Services of the VI	• Women's Coalition of St. Croix
• Renaissance St. Croix Carambola Beach Resort & Spa	

3.2 Summary of Impact and Unmet Needs

Table 4 is being updated as follows:

Table 4. Estimated Unmet Needs for the U.S. Virgin Islands

Sector	Total Need	Funding Awarded or Obligated	Unmet Need
Housing	$2,504,410,899	$1,428,981,616	$1,075,429,283
Infrastructure	$7,175,262,720	$2,178,601,343	$4,996,661,377
Economic Revitalization	$1,568,356,952	$1,245,590,282	$322,766,670
Total	**$11,248,030,571**	**$4,853,173,241**	**$6,394,857,330**

Note: 'Funding Obligated' refers to funds awarded or known through an obligated PW (in the case of FEMA PA). This does not include 'anticipated' funding such as an estimated PW that has not yet been obligated.
Sources: FEMA Individual Assistance, Public Assistance, Hazard Mitigation Grant Program, Mission Assignments, and Pre-Disaster Mitigation program data; Federal Highway Administration Emergency Relief Program, SBA disaster loan approvals; U.S. Virgin Islands Division of Banking, Insurance, and Financial Regulation; effective August 10, 2018.

The second paragraph now reads:

The total need for the U.S. Virgin Islands is currently estimated to be $11.25 billion, an increase of $490 million from the initial Action Plan. With $4.84 billion in other funding obligated to date, there is a current total unmet need of $6.39 billion, down from $7.58 billion as reported in the initial Action Plan. These estimates will be more refined as more recent, geographically-specific, and precise data are collected and analyzed, and as additional funding is committed and disbursed.

3.4 Unmet Housing Needs

Damaged Household Estimates are being updated: Based on the FEMA IA data as of August 10, 2018, the Territory estimates that approximately 23,301 households sustained some damage to their primary residences from one or both hurricanes, representing 54% of all housing stock on the islands. Of the 23,301 households that were impacted, 5,340 suffered Major or Severe damage; of these, approximately 2,510 are the owners' primary residences and 2,830 are renter-occupied homes. Current data also indicate an additional 12,394 owner-occupied residences and 5,567 rental units sustained Minor damage. *Table 6* describes housing damage by severity among FEMA IA applicants.

Table 7 and 8 are being updated with the following:

Table 7. Housing Units Damaged by Severity and Occupant Type for FEMA IA Applicants

Level of Damage	Owner		Renter		All Households		
	No. of Households	% of Damaged Households	No. of Households	% of Damaged Households	No. of Damaged Households	% of Damaged Households	% of Total Households
Minor Damage	12,394	83%	5,567	66%	17,961	77%	42%
Major Damage	1,955	13%	2,703	32%	4,658	20%	11%
Severe Damage	555	4%	126	2%	682	3%	2%
Total	**14,904**	**100%**	**8,397**	**100%**	**23,301**	**100%**	**54%**

Source: FEMA Individual Assistance Data, effective August 10, 2018; 2010 U.S. Census.

Table 8. Percent of Housing Stock with Major to Severe Damage and Impact on LMI

Tenure	No. of Households with Major to Severe Damage	No. of Households with Major to Severe Damage that are LMI	% of Households with Major to Severe Damage that are LMI
Owner	2,510	1,752	70%
Renter	2,830	2,830	100%
Total	**5,340**	**4,582**	**86%**

Source: FEMA Individual Assistance Data, effective August 10, 2018; 2010 U.S. Census

Summary of Unmet Needs: The analysis of damages and unmet housing needs was based initially on the best available data as of April 27, 2018, updated as of August 10, 2018. Using the methodology outlined in Section **Error! Reference source not found.** below, the total need identified via damages to the Territory's housing stock is now estimated at $2.50 billion, an increase of approximately $210 million from the initial Action Plan. Of that amount, $1.43 billion is now currently obligated for housing recovery, marking a $180 million increase from the initial Action Plan. The remaining unmet need for housing is estimated at $1.08 billion.

3.4.2 Impact on Homeowners

Table 9 is being updated as follows:

Table 9. FEMA Damage to Owner Stock

HUD-Defined Damage Categories*			No. of Damaged Housing Units	% of Total Damaged Housing Units
Level of Damage	Real Property FVL Range	Personal Property FVL Range		
Minor – Low	$1 to $2,999	$1 to $2,500	9,547	64%
Minor – High	$3,000 to $7,999	$2,500 to $3,499	2,847	19%
Major – Low	$8,000 to $14,999	$3,500 to $4,999	1,230	8%
Major – High	$15,000 to $28,800	$5,000 to $8,999	725	5%
Severe	$28,000 or more	$9,000 or more	555	4%
Total			**14,904**	**100%**

* For any given household, the Level of Damage is deemed to be the highest one in which it is placed by either Real Property or Personal Property FVL.
Source: FEMA Individual Assistance Data, effective August 10, 2018; FR 6066-N-01; FR 6109-N-01

STEP Application Counts: The STEP program has been accepting applications from homeowners since early February. As of May 18, 2018, 9,326 applications had been received. Since May, the total number of applicants increased by 1,024 for a total of 10,350 applicants as of September 5, 2018. Application review has been completed for 8,962 homes and construction is complete on 5,129 homes.

Administrators anticipate that there will be approximately 7,500 households served.

3.4.3 Impact on Rental Stock

Table 10 is being updated as follows:

Table 10. FEMA Damage to Rental Stock

HUD-Defined Damage Categories*			No. of Damaged Housing Units	% of Total Damaged Housing Units
Level of Damage	Real Property FVL	Flooding Threshold		
Minor – Low	$1 to $1,000	N/A	2,841	34%
Minor – High	$1 to $1,000	N/A	2,727	32%
Major – Low	$2,000 to $3,499	1-4 feet of flooding on the first floor	1,630	19%
Major – High	$3,500 to $7,499	4-6 feet of flooding on the first floor	1,073	13%
Severe	$7,500 or more	Destroyed and/or 6 or more feet of flooding on the first floor	126	2%
Total			**8,397**	100%

* For any given household, the Level of Damage is deemed to be the highest one in which it is placed by either Real Property FVL or Flooding Threshold.
Source: FEMA Individual Assistance Data, effective August 10, 2018; FR 6066-N-01; FR 6109-N-01

Mortgage-ready Families: VIHFA holds a waiting list of mortgage-ready families for their first-time home buyer programs. As of March 2018, 49 families on St. Croix and 92 families on St. Thomas were on the waitlist. Currently, there are 50 households on the waiting list on St. Croix and 103 on St. Thomas. Even more households were mortgage-ready but dropped out of the program due to a long waiting period for available inventory.

Insurance spikes: Current repair estimates for the properties are quoted at $20 million. Many developers of these communities are facing spikes in insurance two to three times pre-hurricane amounts.

3.4.4 Impact on Public Housing

Updated voucher statistics: As of March 20, 2018, VIHA was managing 1,733 tenant-based vouchers for households and a 24-unit VASH Voucher Program for homeless veterans. As of August 30, 2018, this number increased to 2,394.

While demand for vouchers remains high, VIHA reported in April 2018 that about 30% of vouchers are being returned unused, and that many households with vouchers are choosing to "port" their voucher and move away from the Territory to the mainland to find affordable housing. As of the end of August 2018, approximately seven households a week are choosing the option to port their vouchers.

3.4.7 Funding

Table 15 is being updated as follows:

Table 15. Housing Funding Sources as of September 2, 2018

Entity	Funded activities	Obligated or Disbursed
FEMA	Individual Assistance for Homeowners: Repair and Replacement awards	$33,324,952
FEMA	Individual Assistance for Renters: Rental Assistance awards	$22,055,097
FEMA	Individual Assistance for Homeowners and Renters: Other Needs Assistance awards	$10,241,160
FEMA	Public Assistance (Public Housing. HUD-assisted housing, and other affordable housing)	$22,225,892
FEMA	STEP - Temporary repairs to homes	$235,898,083
SBA	Approved Disaster Loans for homes	$399,133,800
NFIP	Publicly funded flood insurance	$13,851,443
Private insurance	Payout for private insurance	$620,251,188
CDBG-DR Tranche 1		$72,000,000
Total		**$1,428,981,616**

***** Obligated or Disbursed are combined given some complexities in separating them for some funding sources, such as SBA. This does not included funds anticipated but not yet obligated or disbursed. **Source:** FEMA Individual Assistance Data, effective August 10, 2018; FEMA Public Assistance PWs effective August 10, 2018; SBA Disaster Loan Data and NFIP data via July 22, 2018 FEMA Incident Storyboard; Division of Banking, Insurance and Financial Regulation, April 26, 2018.

Private insurance: Homeowners, renters and businesses may receive private insurance payments for any of their real estate and personal property that is insured. As of August 23, 2018, 1.66 billion had been disbursed in insurance claims according to the Territory's Division of Banking, Insurance, and Financial Regulation. Of this $1.66 billion in insurance claims, $620.3 million went to households with 4,420 claims settled with payments from Irma and 3,189 from Maria.

Philanthropic funding: To date, $11 million in disaster-related grants (as of September 7, 2018) have been disbursed via their Fund for the Virgin Islands, which was established just after the storms to support a broad set of recovery efforts. An increase of $6.8 million since the initial Action Plan.

3.4.8 Unmet Need

Unmet Need Summary: The U.S. Virgin Islands currently has an identified total need of $2.5 billion, with its unmet housing need as approximately $1.08 billion. These amounts mark an approximate increase of $210 million and $40 million, respectively, from the initial Action Plan. 14,904 owner-occupied homes incurred damage as a result of the storm, including 2,510 that incurred serious damage. Using estimated costs to reconstruct less assumed assistance from the SBA, this amounts to an unmet need for owner-occupied homes of $575.7

million. Similarly, 8,397 renter-occupied homes incurred damage as a result of the storm, including 2,830 that incurred serious damage. Using the estimated cost to reconstruct less assumed assistance from the SBA, this amounts to an unmet need for renter-occupied homes of $499.7 million. The figures are detailed below in Tables 16 and 17.

Table 16 and 17 are being updated as follows:

Table 16. Serious Unmet Housing Need

Category	Number of units	Serious Unmet Housing Need Multipliers	Estimated unmet need for mitigation	Total unmet need ($ value)
Owner				
Major-low	1,230	$80,142	$24,043	$128,138,104
Major-high	725	$97,672	$29,302	$92,006,400
Severe	555	$116,351	$34,905	$83,995,792
Renter				
Major-low	1,630	$80,142	$24,043	$169,872,340
Major-high	1,073	$97,672	$29,302	$136,231,891
Severe	126	$116,351	$34,905	$19,124,603
Total	**5,340**			**$629,369,131**

Source: FEMA Individual Assistance Data, effective August 10, 2018; FR 6066-N-01; FR 6109-N-01

Table 17. Total Unmet Housing Need

Category	Number of units	Unmet Housing Need Multipliers	Estimated unmet need for mitigation	Total unmet need ($ value)
Owner				
Minor-Low	9,547	$10,453	$3,136	$129,735,692
Minor-High	2,847	$38,329	$11,499	$141,865,735
Major-low	1,230	$80,142	$24,043	$128,138,104
Major-high	725	$97,672	$29,302	$92,006,400
Severe	555	$116,351	$34,905	$83,995,792
Renter				
Minor-Low	2,841	$10,453	$3,136	$38,603,850
Minor-High	2,727	$38,329	$11,499	$135,854,877
Major-low	1,630	$80,142	$24,043	$169,872,340
Major-high	1,073	$97,672	$29,302	$136,231,891
Severe	126	$116,351	$34,905	$19,124,603
Total	**23,301**			**$1,075,429,283**

Source: FEMA Individual Assistance Data, effective August 10, 2018; FR 6066-N-01; FR 6109-N-01

Total Need: Current funding, as shown above in *Table 10*, amounts to approximately $1.43 billion, consisting largely of private insurance, SBA Disaster Loans, and FEMA's STEP program for temporary home repair. By aggregating unmet need with existing funding (met need), the U.S. Virgin Islands currently calculates its total housing need as $2.5 billion, a $210 million increase from the initial Action Plan.

STEP Data: Many of these households were able to apply to the STEP program after the FEMA IA period closed. As a result, it is assumed that most households that sustained damage have entered an existing program for resources. As the Territory identifies the full impact of outstanding first-in funding support from programs like FEMA's Temporary Sheltering and Direct Lease programs, its Multi-Family Lease and Repair program for rental housing, the Permanent Housing Construction program for owner-occupied units, and the STEP program it will compile and analyze data to understand ongoing repair needs.

GVI Contribution: In recognition of the extreme unmet housing needs in the U.S. Virgin Islands, the Government of the Virgin Islands (GVI) is committed to allocating substantive federal funding to ensure that Virgin Islanders have suitable permanent housing solutions. To this end, the GVI has committed more than $900 million to address a portion of overall unmet housing needs across the full range of housing programs as outlined in this Action Plan. This includes $327 million in CDBG-DR as well as more than $573 million in FEMA (Public Assistance Program, STEP, Hazard Mitigation Grant Program, Permanent Housing Construction, etc.). The Territory also plans to invest a portion of its third allocation to further meet the housing and sheltering needs of its residents.

3.5 Unmet Infrastructure Needs

All public schools were closed for just over one month; 17 schools were severely affected with damages to more than 50% to their facilities.[5] Through the remainder of the 2017-18 school year, those schools that were open operated on a split session schedule with shortened class schedules. The new school year began on September 4th for 21 schools across the Territory, but construction delays for modular facilities postponed the start of classes for 13 others until September 17th and 27th. With the threat of Tropical Storm Beryl in July and Tropical Storm Isaac in September 2018, schools were once again being prepared as emergency shelters for the Territory. This yet again demonstrates that there's a need for emergency shelters that do not impact school schedules.

***FEMA Public Assistance Program*:** For the 2017 disasters, the Territory's local cost share, initially set at 25%, was reduced to 10% for (i) permanent work, and (ii) emergency work (except for STEP) beyond May 18, 2018. The STEP Program was extended to include additional funding for permanent roof repair for qualified homes of a pool of about 4,000 homes. As of August 27, 2018, $187 million has been obligated and $49,248,083 is pending obligation for this expanded program.

As of August 27, 2018, $1,557,482,393 in FEMA PA project costs have been identified, marking an approximate decrease of $48 million decrease from the initial Action Plan. This includes $924,872,323 in emergency work and $632,610,070 in permanent work, not including administrative costs. The Territory estimates a final total of $5 billion in PA permanent work. Based on the current federal cost share requirements, the current match required for PA work is $63.4 million, including $90,414 for emergency work and $63.3 million for permanent work (see *Table 18)*. In addition, Direct Administrative Costs are

[5] U.S. Virgin Islands Department of Education.

anticipated to be $200,000,000 requiring a 10% local cost share of $20,000,000, see *Table 19.*

Table 18 is being updated as follows:

Table 18. Local Share Need for FEMA Public Assistance as of August 25, 2018

FEMA Public Assistance work	Total Project Cost	FEMA Share 90%	Local Share 10%
Permanent Work PWs already Obligated that requires a local match	$407,024,700	$366,322,230	$40,702,470
Permanent Work PWs pending Obligation that requires a local match	$225,585,370	$203,026,833	$22,558,537
Emergency work already Obligated that requires a local match	$904,141	$813,727	$90,414
Emergency work pending Obligation that requires a local match	$0	$0	$0
Total	**$633,514,212**	**$570,162,790**	**$63,351,421**

Source: FEMA Public Assistance data as of August 25, 2018.

FEMA Hazard Mitigation Grant Program: The FEMA Hazard Mitigation Grant Program (HMGP) will be a critical part of the long-term recovery process in both rebuilding and protecting housing stock and vital infrastructure. These grant funds are calculated as 15% of the total FEMA IA and PA allocations attributable to the disasters. As of September 9, 2018, FEMA's HMGP projected funds ceiling for the Territory is $456 million. On May 18, 2018, the White House announced that FEMA will cover 100% of the federal cost share for HMGP. To date, $26.5 million has been obligated in HMGP funds, an increase of $14.5 million from the initial Action Plan. HMGP projects provide support across multiple infrastructure sectors and fund hazard mitigation planning activities; thus, HMGP the federal obligation will be included in the total unmet needs in Table 19 but not split across specific sectors.

FEMA Pre-Disaster Mitigation Program (PDM): PDM grants are funded annually by Congressional appropriations and are awarded on a nationally competitive basis. FEMA has awarded the U.S. Virgin Islands $8.2 million in PDM grants for four projects for FY 2017, including the Territorial Hazard Mitigation Plan Update. FEMA announced the availability of $235.2 million in FY 2018 for grant applications, which could be an additional source of funding for the Territory. For PDM, the Territory's local match obligation has been established at 25% of eligible project costs.

FEMA Mission Assignments (MA): MAs provide emergency support across multiple sectors; thus, MA obligations will be included in the total unmet needs (Table 19) but not split across specific sectors (Table 20). As of September 1, 2018, there have been 46 DFA Mission Assignments awarded to the U.S. Virgin Islands totaling $486 million. Approximately six MAs are still operational. The federal share for MAs was 100% until the extension for emergency federal cost share expired on May 3, 2018 for Hurricane Irma and May 14, 2018 for Hurricane Maria.

Federal Highway Administration Emergency Relief (FHWA-ER): The Federal Highway Administration (FHWA) also offers several funding programs, including an Emergency Relief program (FHWA-ER). FHWA-ER is for the repair or reconstruction of federal-aid highways and roads on federal lands which have suffered serious damage as a result of (i) natural disasters or (ii) catastrophic failures from an external cause. For this disaster, the U.S. Virgin Islands' federal share is 100%.[6] As of August 27, 2018, $32 million in FHWA-ER quick release funds have been approved for 86 total projects. This FHWA funding is expected to increase with the addition of several FHWA BUILD Transportation Discretionary Grants, for which applications were submitted on July 10, 2018.

[6] Confirmed with DOT on 9/5/18.

Table 19 is being updated as follows:

Table 19. Required Local Match for Federal Disaster Relief Programs by Category as of August 25, 2018

Federal Disaster Relief Program	Total Project Amount	Total Amount Awarded or Obligated (Federal Share)	Federal Share of Total Project Amount		Nonfederal Share Estimate of Total Project Amount	
			%	$	%	$
FEMA PA Category A (Debris Removal) [Emergency]*	$135,488,102	$93,220,650	100%	$135,488,102	0%	$0
FEMA PA Category B STEP [Emergency]*	$235,898,083	$186,650,000	100%	$235,898,083	0%	$0
FEMA PA Category B (except STEP-100%) [Emergency]*	$552,581,996	$538,870,183	100%	$552,581,996	0%	$0
FEMA PA Category B (except STEP-90%) [Emergency]*	$904,141	$904,141	90%	$813,727	10%	$90,414
FEMA PA Categories C-G [Permanent]*	$632,610,070	$407,024,700	90%	$569,349,063	10%	$63,261,007
FEMA PA Direct Administrative Costs [DAC]	$16,821	$16,821	90%	$15,139	10%	$1,682
CAT Z	$59,706,927	$7,413,548	100%	$59,706,927	0%	$0
FEMA HMGP **	$455,920,388	$26,469,377	100%	$455,920,388	0%	$0
FEMA PDM	$8,222,164	$0	75%	$6,166,623	25%	$2,055,541
FEMA MA	$486,000,000	$486,000,000	100%	$486,000,000	0%	$0
FHWA-ER	$32,000,000	$32,000,000	100%	$32,000,000	0%	$0
TOTAL	**$2,599,348,693**	**$1,778,569,420**		**$2,533,940,049**		**$65,408,644**

* Cat A is 100% Federal Share until September 15, 2018, 90% thereafter; Cat B STEP is 100% Federal Share until November 30, 2018, 90% thereafter; Cat B non-STEP and Cat C-G 90% federal share began May 18, 2018. The White House statement says "Under the President's order today, the Federal share for Other Needs Assistance under section 408 of the Stafford Act and all categories of Public Assistance is authorized at 90 percent, except for assistance previously approved at 100 percent; the 100 percent Federal cost share for debris removal and emergency protective measures is extended for 120 days, with the extension of emergency protective measures being limited to Sheltering and Temporary Essential Power (STEP); and the Federal share for hazard mitigation measures under section 404 of the Stafford Act is authorized at 100 percent of total eligible costs."[7]

** Includes 6-month lock-in amounts of $33,324,269.32 for Hurricane Irma & $422,596,118.68 for Hurricane Maria.

Source: FEMA Public Assistance data as of August 25, 2018; Hazard Mitigation Grant Program, Pre-Disaster Mitigation, and Mission Assignments program data; and Federal Highway Administration Emergency Relief program effective April 21, 2018.

[7] https://www.whitehouse.gov/briefings-statements/president-donald-j-trump-amends-u-s-virgin-islands-disaster-declarations-2/

U.S. Department of the Interior August 28, 2018, the office announced an additional $3 million in 2018 Hurricane Supplemental Funding for the U.S. Virgin Islands (USVI) to create and fund an Office of Disaster Recovery. The Office of Disaster Recovery (ODR) will assess expenditures of all federal disaster assistance programs and transmit collected data through an electronic system and publication on a website to be updated monthly for transparency and awareness.[8] The office will be staffed by several new or reassigned public sector employees along with support from consultants and advisors with experience in federal disaster assistance programs. While individual departments are capable and responsible for managing their own distinct projects, ODR will play a critical coordination, integration and oversight role to maximize the effective use of disaster aid and promote accountability and transparency in the spending of government funds.

Summary: Based on available data for total needs and funding sources, the current unmet need for the Territory's infrastructure is $4.99 billion, a decrease of approximately $88 million from the initial Action Plan.

[8] Press Release, August 28,2018, DOI OIA. https://www.doi.gov/oia/interior-provides-3-million-hurricane-supplemental-funding-create-office-disaster-recovery-us

Table 20 is being updated as follows:

Table 20. Infrastructure Unmet Needs by Sector* as of August 25, 2018

Sector	Emergency & Temporary Repairs	Permanent Repairs & Resilience	Total Need	Total Awarded or Obligated	Unmet need
Energy**	$594,000,000	$1,688,000,000	$2,282,000,000	$1,001,044,927	$1,280,955,073
Roads	$45,862,720	$1,200,000,000	$1,245,862,720	$56,861,486	$1,189,001,234
Education	$112,000,000	$793,000,000	$905,000,000	$104,521,979	$800,478,021
Healthcare	$225,000,000	$572,000,000	$797,000,000	$10,562,601	$786,437,399
Public and Community Facilities	$69,000,000	$500,000,000	$569,000,000	$155,029,215	$413,970,785
Waste and Wastewater	$176,300,000	$291,000,000	$467,300,000	$15,350,238	$451,949,762
Telecom	$15,600,000	$424,500,000	$440,100,000	$1,161,045	$438,938,955
Ports and Airports	$35,000,000	$111,000,000	$146,000,000	$11,141,784	$134,858,216
Water	$10,000,000	$113,000,000	$123,000,000	$3,392,069	$119,607,931
***Direct Administrative Costs (DAC)**	$30,000,000	$170,000,000	$200,000,000	$16,821	$199,983,179
CDBG-DR Tranche 1 - Infrastructure				$120,549,800	($120,549,800)
FCC				$186,500,000	($186,500,000)
FEMA HMGP				$26,469,377	($26,469,377)
FEMA MA				$486,000,000	($486,000,000)
Total	**$1,312,762,720**	**$5,862,500,000**	**$7,175,262,720**	**$2,178,601,343**	**$4,996,661,377**

* Most totals are rounded with the exception of total awarded and obligated.
** This only captures the emergency needs of Energy (not funds received but total damage).
*** It is anticipated that DAC will be determined at the 2-year anniversary of the storm. DAC is estimated to be 4% of $5 billion in FEMA PWs = $200 million, of which 10% will require a cost share.
Sources: FEMA Public Assistance data as of August 25, 2018; Hazard Mitigation Grant Program, Mission Assignments, and Pre-Disaster Mitigation program data; Federal Highway Administration Emergency Relief program; and input from Government of the Virgin Islands agencies effective August 13, 2018.

3.5.1 Energy

The costs of building a more resilient electrical power system will be significant. WAPA has identified a need of $594 million for emergency and temporary repairs to utility infrastructure from Hurricanes Irma and Maria, in addition to $1.69 billion for permanent repairs and measures to prevent future storm damage to generation, transmission, and electricity delivery infrastructure. As of August 25, 2018, $1,001,044,927 in federal funding has been awarded.[9] Hazard Mitigation Grant Program and Pre-Disaster Mitigation funding projects have also been proposed for energy infrastructure and as of August 25, 2018, $174 million in permanent work is awaiting obligation for electrical distribution system-wide repairs.

Therefore, excluding the federal share, the U.S. Virgin Islands' current estimate of its unmet energy infrastructure needs totals approximately $1.28 billion, a decrease of roughly $600 million from the initial Action Plan.

3.5.2 Roads

Damage Update: The U.S. Virgin Islands has 1,120 miles of public roads across St. Croix, St. John, and St. Thomas, including 885 miles in local roads and 235 miles in federal highways. All the Territory's public roads are operated and maintained by the U.S. Virgin Islands Department of Public Works (DPW), and 21% of public roads are also federal-aid highways.[10] One of the challenges the Territory faces is of many private roads that do not belong to the government but are nonetheless critical for access (often to residential property owners in an area) that have sustained heavy damages. In some cases, the owners of these private roads lack the financial resources necessary to effectuate the appropriate repairs, while in other instances, the corporations that owned certain roads have gone defunct. This challenge is present is several instances across the Territory and has resulted in severely damaged roads in residential neighborhoods that remain unaccounted for, increasing the challenge of accessing homes for repairs.

DPW Survey and Mandate: DPW has completed surveying the islands to create a comprehensive view of roads damages and identify remaining emergency needs, permanent repair and reconstruction projects incorporating resilience and mitigation. DPW continues to work on developing the scope of work and cost estimates to address eroded shoulders, filled ditches and culverts, pavement settlement, mud and debris deposits, slope sloughing, and slip-outs in cut or fill slopes. As per a gubernatorial mandate established December 20, 2017, DPW will repair all roads not maintained by federal funds in accordance with FHWA's Standard Specifications for Construction from FP-14.

Total Unmet Need: DPW expects the cost of resilience and mitigation measures to be up to $1.25 billion, an $80 million increase from the initial Action Plan, for projects to permanently

[9] In the initial Action Plan, only the "obligated" amount was presented. This version presents an "awarded" amount, which is a more accurate representation.
[10] Federal Highway Administration.

repair, build up to code, and make resilient the islands' road system. This is based on a $1 million per mile cost estimate and does not include the additional anticipated costs of building in stormwater management structures and utilities, which is estimated could increase costs to $10 million per mile. As of August 25, 2018, $56.8 million has been obligated in federal funding for roads, marking a $6.39 million increase from the initial Action Plan.

The current total unmet need for the U.S. Virgin Islands' roads is approximately $1.18 billion, marking a $60 million increase from the initial Action Plan.

3.5.3 Educational Facilities

Damage Status: As of August 27, 2018, 52 schools were in need of permanent work, with several schools possibly needing full reconstruction. At this time, FEMA is still determining if the 50% damage threshold was met in these instances. The need for permanent work is currently estimated at approximately $793 million, marking an increase of $117 million from the initial Action Plan. This includes contingency and resilience. The extent of damages includes leaks in roofs, flooding, structural damage, and broken windows.

The U.S. Virgin Islands Department of Education has deployed temporary facilities, comprising 246 modular buildings and 6 sprung structures. As of September 4, 2018, 21 schools across the Territory opened for regular classes, but construction delays for modular facilities postponed the start of classes for 13 others until at least September 17th and some until the 27th, with Central High School having to close again within the first week due to electrical outages. An estimated completion date for all modular facilities currently set for September 24, 2018.

Total Unmet Need: As of August 25, 2018, $1.46 million in FEMA PA project costs has been identified for VIDE and UVI. Hazard mitigation projects have also been submitted by VIDE for HMGP funding. VIDE also has several other potential funding sources, including the U.S. Department of the Interior's Office of Insular Affairs, the U.S. Department of Agriculture's Rural Development programs, and the U.S. Department of Education's Pell Grant and charter school programs.

The current total unmet need for the U.S. Virgin Islands' education infrastructure is $800 million, a $104 million decrease from the initial Action Plan.

3.5.4 Healthcare Facilities

Damage Statues: Although the damaged facilities are still being used for noncritical patients, temporary clinics, including three portable operating rooms, have been built on St. Thomas and St. Croix to provide supplementary patient care and a 4,000-square foot temporary clinic is expected to be completed by the end of May 2018. The estimated cost of all emergency measures, such as these, is $225 million.

Total Unmet Need: The estimated need amounts to $572 million for permanent repair, resilience, and mitigation activities making a total need of $797 billion.

As of August 25, 2018, $10.5 million has been obligated for healthcare facilities, marking an $8.3 million increase from the initial Action Plan. The Department of Health has also requested HMGP funding. The Center for Disease Control, the U.S. Department of Agriculture's Rural Development programs, and private insurance are also possible sources of funding.

Other sources of funding for healthcare infrastructure will be continuously assessed and unmet need will be updated accordingly to ensure no duplication of benefits. The total unmet need for the U.S. Virgin Islands' healthcare infrastructure is $786 million.

3.5.5 Public and Community Facilities

Total Unmet Need: As of August 2018, $155 million has been obligated.

The total unmet need to date for the U.S. Virgin Islands' public and community facilities is $413 million, a decrease of $103 million from the initial Action Plan.

3.5.6 Waste and Wastewater

Total Unmet Need: As of August 25, 2018, $15.35 million obligated to date, . Other potential funding sources include the Environmental Protection Agency, the U.S. Department of Agriculture's Rural Development programs, and the U.S. Army Corps of Engineers, and $2.4 million for a 406 Hazard Mitigation project has been proposed to FEMA to improve an underground sewer pump station.

Currently, the total unmet need for the U.S. Virgin Islands' waste and wastewater infrastructure is $452 million, marking a $10 million increase from the initial Action Plan.

3.5.7 Telecommunications

Total Unmet Need: The telecommunications sector has estimated a need of $424 million for additional mitigation measures.

The total unmet need for the U.S. Virgin Islands' telecommunications infrastructure is $438 million, a $1 million decrease from the initial Action Plan.

Funding Awarded: viNGN has been awarded a grant from the DOI OIA for $497,000 in technology expansion and a possible grant for $500,000 for maintenance issues is pending.

As of August 25, 2018, the telecommunications sector has been awarded $1.16 million by FEMA. Other potential sources of funding include FEMA HMGP, viNGN's private insurance, the U.S. Department of Agriculture's Rural Development programs, and the Federal

Communications Commission (FCC). On May 28, 2018 the FCC announced almost $900 million in medium- and long-term funding for telecom recovery and improvements in the U.S. Virgin Islands and Puerto Rico. Of this, it is anticipated at least $186.5 million will go to the expansion of connectivity in the Territory over the next decade, with final distribution for short-term restoration and 4G LTE mobile broadband still being finalized.

3.5.8 Ports and Airports

Total Unmet Need: As of August 25, 2018, the Port Authority had a total need of $146 million, of which $11,141,784 obligated.

The total unmet need for the U.S. Virgin Islands' airports and ports is $134.8 million, marking an approximate decrease of $10 million.

3.5.9 Water

Total Unmet Need: WAPA has identified potable water emergency repair and reconstruction needs of $10 million, with additional resilience and mitigation needs of $113 million. As of August 25, 2018, $3,392,069 has been obligated for drainageways and water-related projects.

The total unmet need for the U.S. Virgin Islands' public water infrastructure is $119.9 million, a $3 million decrease from the initial Action Plan.

Funding Awarded: The Environmental Protection Agency (EPA) has already allocated $100,000 to WAPA for protecting and improving water quality in the Territory.[11] The U.S. Army Corps of Engineers has authorized $400,000 (each) for two studies on flood control projects and has several potential projects under review for funding, three of which qualify for a feasibility study and carry an estimated total of $30 million for each.

3.6 Unmet Needs Economic

Hotel Occupancy: Given the scale of hotel closures caused by the storms, the Territory-wide hotel occupancy rate averaged 11% in the first quarter of 2018 fiscal year compared to 51% in fiscal year 2017. Before the storm, there were approximately 4,500 accommodations available compared to an estimated amount of 1,800 currently available.

Limetree Agreement Updated: On July 31, 2018, The Government House announced Governor Kenneth Mapp's approval of an agreement with Limetree Bay Terminals, LLC to resume oil refining operations on St. Croix. The agreement is expected to create an estimated 1,300 construction jobs and as many as 700 long-term positions in addition to the hundreds of Virgin Islanders already employed at Limetree's oil terminal storage facility. The

[11] U.S. Environmental Protection Agency.

reopening of the refinery will inject hundreds of millions of dollars into the economy, providing support to new and existing businesses.

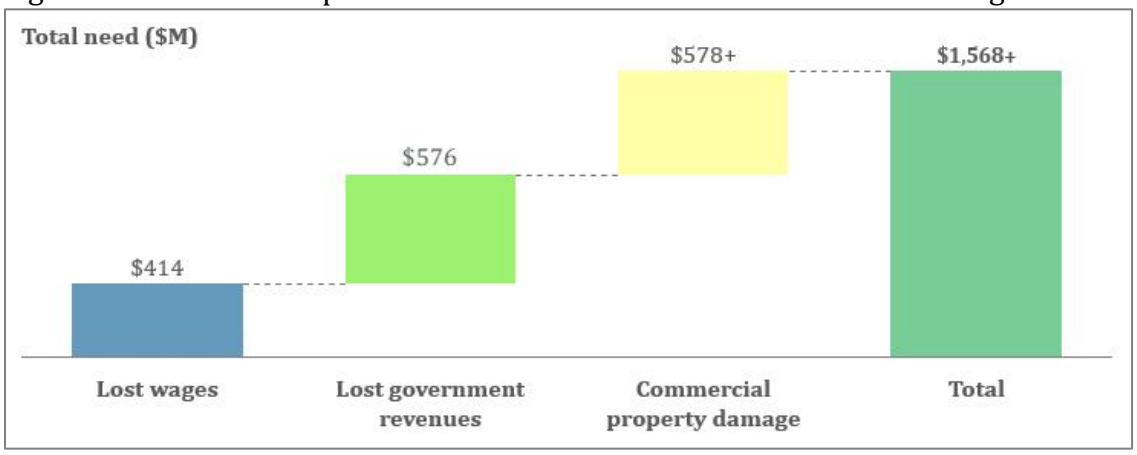
Revenue generated from the agreement will be used to construct the first hotel of such a large capacity built in the Territory in more than 38 years. The hotel will be branded as a Hilton, Hyatt, or Intercontinental. The newly constructed hotel will be a 110-room hotel at Yacht Haven Grande in St. Thomas.[12]

Rum Shipments Status: During the first two quarters of fiscal year 2018, the amount of rum shipments to the United States declined approximately 11% compared to the first six-months of fiscal year 2017. March 2018 fiscal year-to-date rum excise tax collections were $125.7 million.[13]

Total Unmet Needs: Given the far-reaching impact of the storms, the total damages to the U.S. Virgin Islands' economy are calculated by aggregating lost wages, lost government tax revenue, and damage to commercial property. This approach yields approximately $1.57 billion in damages to the U.S. Virgin Islands economy as a result of Hurricanes Irma and Maria.

Figure 11 has been updated to the following:

Figure 11. Economic Impact of Hurricanes Irma and Maria on the U.S. Virgin Islands



3.6.1 Lost Wages

Unemployment Statistic Update: In fact, 5,295 individuals claimed unemployment between September 2017 and April 2018, compared with 1,444 claims in the same period last year.[14]

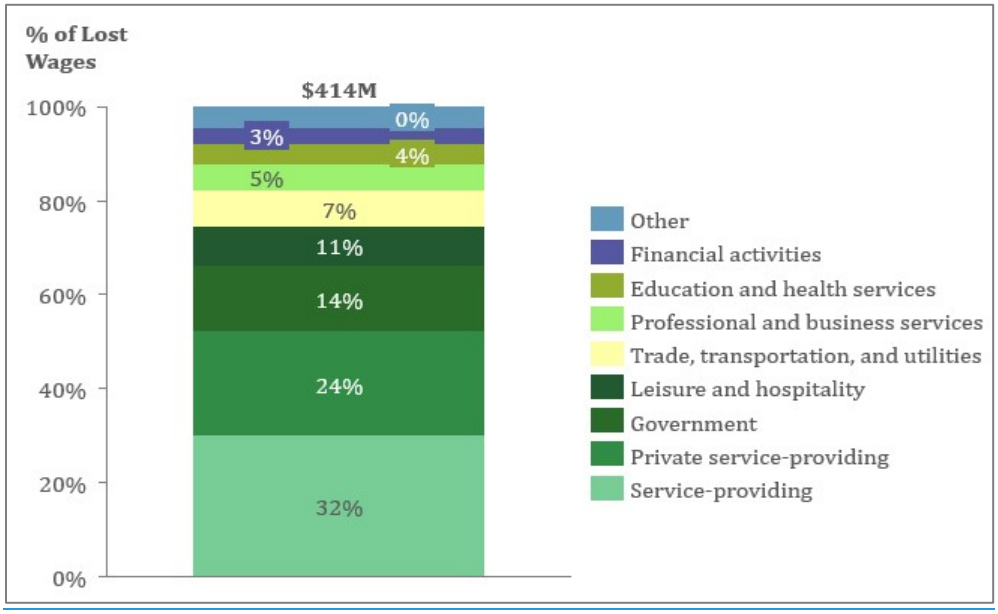
[12] https://viconsortium.com/breaking-news/first-new-hotel-built-in-territory-in-over-38-years-mapp-says/
[13] US Virgin Islands Economic Review & Outlook Fiscal Year-to-Date May 2017.
[14] U.S. Virgin Islands Department of Labor.

Wages Lost: As illustrated in Figure 13 ***has been updated to the following:***

Figure 2, the total amount of wages lost due to the 2017 storms is estimated to be approximately $414.1 million. This updated amount represents an increase of roughly $16 million from the initial Action Plan.

Figure 13 has been updated to the following:

Figure 13. Lost Wages in the U.S. Virgin Islands by Sector through 2020

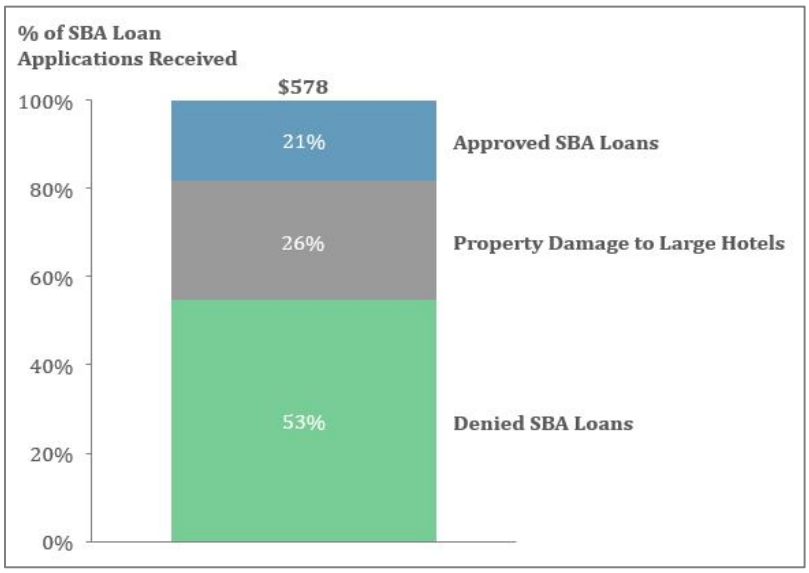


3.6.3 Commercial Property Damages

SBA Loans Damage Estimate: The total amount of physical damage to businesses based on SBA loans is estimated to be over $426 million, an increase of $18 million from the initial Action Plan, as shown in
Figure 3.

Figure 15 has been updated as follows:

Figure 15. Value of SBA Small Business Disaster Loan Applications



Source: U.S. Small Business Administration. Includes all approved as well as denied applications

Total Damages: Aggregating the damages to small businesses (based on SBA loan applications) and the damages to the biggest hotels, total commercial property damage now amounts to $578 million, a $17 million increase from the initial Action Plan.

3.6.4 Analysis of Unmet Economic Needs

Amount Disbursed: So far, recovery funds disbursed amount to $1,245,590,282.

Table 25 is being updated as follows:

Table 25. Disbursement of Funds for Economic Revitalization

Funding Source	Total Funding to Date
Private Insurance Payments	$1,044,299,480
SBA Small Business Disaster Loans	$119,265,800
Unemployment Insurance	$30,918,917
SBA Economic Injury Disaster Loans	$7,871,900
U.S. Dept. of Labor Dislocated Worker Grants	$3,000,000
FEMA Disaster Unemployment Assistance	$7,234,185
CDBG-DR Tranche 1	$33,000,000
Total	**$1,245,590,282**

Source: Small Business Administration, U.S. Virgin Islands Department of Labor, U.S. Virgin Islands Division of Banking, Insurance, & Financial Regulation. Data as of August 23, 2018. Insurance include 311 commercial property claims settled with payment for Maria and 865 for Irma adding up to $1.03 billion. Remaining $14 million includes business interruption and commercial auto insurance.

Total Unmet Need: The unmet need for the Territory's economy is $322,766,670 million and unmet needs will be updated accordingly to ensure no duplication of benefits. This amount marks a $346.3 million decrease from the initial Action Plan.

3.7 Unmet Need Public Services

Significant content changes were made to the Public Services description of needs, therefore, the previous content is proposed to be removed completely and replaced with the following:

To date, the Territory has identified a number of resource needs that may fall within the public services activities including a need for increased health and human services needs as a result of disaster, including critical hospital services such as dialysis and mental health services. While some of these needs are being addressed through other funding sources such as disaster case management through FEMA and support to rebuild hospitals through FEMA and the U.S. Department of Health and Human Services.

Several acute public services needs include activities that will reduce crime, improve emergency response times, improve public safety, and improve the efficiency of multiple government services. The cornerstone public service needed in the Territory is a standardized address mapping system. Currently, HMGP is anticipated to fund this important project as there are many homes and buildings that have no verified address,

making recovery planning and future mitigation difficult. This also has distinct negative impacts on the ability for health and safety emergency services to find people in need. This initiative is therefore closely tied to the need for enhanced 911 services, called E-911, which seeks to strengthen the 911 networks to better withstand power and telecommunications outages.

A unique public service to the area is the need for improved water delivery services. As described in Section 3.5.9, cisterns are a critical part of homes in the Territory. However, they can also be a cost burden as the household's cistern will occasionally run out of water due to a lack of rainfall and continued usage. That household will then need to purchase a water truck from a commercial provider; though there are varying sizes of water trucks, customers typically have to pay for an entire truck-load of water for the service to be delivered. A 5,200-gallon truck costs between $400 and $500. These one-time, unpredictably high costs can be particularly taxing for the largely low- and moderate-income population of the Territory. This is a pressing concern given the fact that the Territory experienced drought conditions as recently as 2015, requiring increased water services and imports.[15] The service and cistern re-fill options available to residents for water delivery may be a need to be addressed through the public services activities.

Another suite of activities that may be undertaken as public services are a wide variety of job training and young adult to adult educational opportunities facilitated by VIDOL and VIDE. An example of a pressing need in this area is the lacking availability of industry-certified trainers. In the past, employment centers and programs have provided training opportunities, particularly for larger industrial employers like HOVENSA. With the closing of HOVENSA in 2012, many jobs and trainers left the Territory. While VIDOL has worked to bring back these training programs, there is a distinct gap in individuals qualified to run certification and apprenticeship programs, as well as, businesses willing to commit to the expenses of a full certification program.

Despite the isolated geography and imminent concerns of overflowing landfills, there is no public recycling program in the U.S. Virgin Islands. The 825,316 cubic yards of debris from the storms overwhelmed current facilities but an advanced recycling service will help curb landfill waste significantly. This will be a necessity for enhancing both sustainability and resilience of larger public systems and may require CDBG-DR funding.

Additional public services needs include homelessness support systems, particularly for those needing shelter and supplies for coming storms. Meals on Wheels has been identified by the USVI DHS as a growing need as staff has reduced despite an increase in demand after the storms. Additionally, DHS has had to fill gaps in missing non-profit support services for the elderly and home-bound. Their house call and food delivery services are spread thin, resulting in delayed deliveries and long wait lists for the area's aging population.

Although the USVI has chosen not to include Public Services as a standalone program, these types of services will likely be addressed within compatible programs for territory-wide

[15] https://www.nrcs.usda.gov/wps/portal/nrcs/detailfull/pr/technical/?cid=nrcseprd390019

resilience and public safety. In fact, of the thirteen programs listed in this Plan, nine have the potential for Public Services activity (as listed in "Eligible Activities" under each program).

4. METHOD OF DISTRIBUTION, PROGRAMS, AND ALLOCATIONS

Changes to the program designs and descriptions were made for every program, significant changes are listed here.

4.2 Connection to Unmet Needs

Percent of Allocation for Administration: Up to 5% of the overall allocation ($51,095,050 from Tranches 1 & 2) will be used for administration of the grant.

Total Unmet Needs: The Territory has identified approximately $11.25 billion in damages and, despite funds committed for emergency response and immediate recovery efforts, at least $6.39 billion in unmet needs remain based on the best available data.

Table 26 is being updated as follows:

Table 26. Proportionality between Share of Unmet Needs and Share of Tranche 1 and 2 Program Allocations

Sector	Unmet Needs Assessment		Tranche 1 +2 Program Allocation	
	$	%	$	%
Housing	$1,075,429,283	16.82%	$297,000,000	30.75%
Infrastructure	$4,996,661,377	78.14%	$608,805,950	63.04%
Economic Revitalization	$322,766,670	5.05%	$60,000,000	6.21%
Total	**$6,394,857,330**	**100%**	**$965,805,950**	**100%**

4.3 Housing

STEP Program Update: As of September 4, 2018, the STEP program has completed repairs on more than 5,129 homeowners out of 10,350 applicants. Another 2,168 homes are currently under construction.[16] It is estimated that 7,500 applicants will complete the program.

As of August 9, 2018, FEMA approved the roof replacement solution under the STEP program. Therefore, the HMGP program will dedicate approximately $15 million to buyout of homes in repetitive flood zones., This new solution within the STEP program will enable more than 4,000 homeowners to receive a repaired or replaced roof up to hurricane

[16] STEP Program Dashboard September 4, 2018.

standards. It is estimated that the roof repair/replacement solution will result in an additional $300 million being invested to repair hurricane-damaged homes.

Funding Options: With the expectation that FEMA could provide at least $536 million to STEP and additional funding through the Permanent Housing Construction and the Hazard Mitigation programs, the Territory is getting a better picture of the remaining housing repairs.

While FEMA has not exercised its full power under the Insular Areas Act in the Permanent Reconstruction Program, the allowance of the roof repair solution is significant and will contribute another approximately $300 million to households to provide permanent, hurricane proof roofs. The Government of the Virgin Islands has also dedicated $225 million from its second tranche of CDBG-DR funds to address remaining unmet housing needs.

To this end, the GVI has pledged approximately $900 million to meet the $250 million identified by HUD as serious unmet housing need and to continue to address a portion of overall unmet housing needs across the full range of housing programs as outlined in this Action Plan using federal funds that may be made available by FEMA (Public Assistance Program, Hazard Mitigation Grant Program, Permanent Housing Construction, etc.), HUD (CDBG-DR) or other federal agencies.

To complement the federal assistance programs, and to ensure that CDBG-DR is used as the funding of last resort, the Territory is dedicating 31% of Tranches 1 and 2 program funding to housing.

Public Housing Funding: To date, approximately $22 million has been obligated for repairs for public, HUD-assisted housing, and other affordable housing through this program. In addition, FEMA has recently approved approximately $170 million for the replacement of the 5 most damaged buildings at the Tutu complex.

Connection to 2018 Task Force Plan: In alignment with the USVI Hurricane Recovery Task Force's 2018 Plan, the CDBG-DR programs concur that steps must be taken to avoid buyouts. Several homes are anticipated to be require a buyout through the HMGP program to keep residents out of harm's way, but wherever possible, programs promote repairs over reconstruction.1 The housing programs in CDBG-DR have been designed to provide resources for homeowners and renters to make necessary repairs, but also provide temporary housing options and new shelters, which has been prioritized by the Task Force. All housing construction and repairs are projected to use sustainable building code standards as well as looking to opportunities to include retrofits, a program detail supported by the recommendations of the Task Force and in keeping with the Department of Natural Resource's *Stronger Home Guide* released in May 2018.

4.4 Infrastructure

Percent of Total Allocation: The Territory is committed to dedicating 17% ($168,805,950) of the first and second allocation of CDBG-DR funds to cover projects deemed eligible for CDBG-DR funding under the Local Match for Federal Disaster Relief Programs. Some federal recovery funds, including FEMA Public Assistance, require a "local match" contribution.

Match Requirement: The Territory currently owes more than $65 million in match for critical infrastructure repair, reconstruction, and mitigation needs and public housing and other publicly assisted housing. This is reduced significantly from the previously estimated $112 million because many Category B PWs were determined to fall under the 100% cost share.

Connection to 2018 Task Force Plan: The USVI Hurricane Recovery Task Force's 2018 Plan (Task Force Plan) takes care to prioritize the need for territory-wide studies and planning efforts and create the necessary information foundations to recover effectively.[17] The projects and programs under CDBG-DR will align with any planning recommendations undertaken by the Territory as the recovery continues. The Task Force Plan's infrastructure recommendations also prioritize hardening of infrastructure, burying telecoms and power lines, and improving pipelines and cistern infrastructure. CDBG-DR programs will address many of these recommendations, further prioritizing systems-wide resilience in addition to physical hardening and mitigation activities. A major concern throughout the Task Force Plan is the impact of climate change and need for adaptation. The Territory's attention to climate impacts is a priority for infrastructure recovery as resiliency measures must consider the likelihood of more frequent and intense future storms. Much of the activities related to climate adaptation and resilience are ongoing through HMGP and PDM. CDBG-DR Infrastructure Programs, along with other programs, will further address this need with funding from the third tranche.

4.5 Economic Revitalization

Ports and Airports Enhancement Program allocation increased from $23 million to $40 million.

Tourism Industry Support Program allocation increased from $5 million to $10 million.

Connection to 2018 Task Force Plan: In alignment with the USVI Hurricane Recovery Task Force's 2018 Plan, Economic Revitalization programs will prioritize the tourism industry's recovery by modernizing and mitigating ports and airports. Beyond the tourism industry, this plan and the recommendations of the Task Force will together ensure that a diversified economy, education and training programs, workforce development, and entrepreneurship all contribute to a more resilient U.S. Virgin Islands. VIHFA will coordinate with the USVI Hurricane Recovery Task Force and VIDOL to ensure the project-specific requests of the

[17] https://first.bloomberglp.com/documents/257521_USVI_Hurricane+Recovery+Taskforce+Report_DIGITAL.pdf

Task Force Plan are incorporated into the implementation of these Economic Revitalization programs.

Table 27 is being updated as follows:

Table 27. Allocations from Tranche 1 & 2 of CDBG-DR Funds (FR 6066-N-01)

Programs		Funds Allocated: Tranche 1-2
Housing	Homeowner rehabilitation and reconstruction program	$60,000,000
	New construction for homeownership opportunity and first-time homebuyer assistance	$50,000,000
	Rental rehabilitation & reconstruction	$25,000,000
	Public & affordable housing development	$72,000,000
	Supportive housing & sheltering programs	$90,000,000
Infrastructure	Local match for federal disaster recovery	$168,805,950
	Infrastructure repair & resilience	$305,000,000
	Electrical power systems enhancement and improvement	$135,000,000
Economic Revitalization	Ports and airports enhancement	$40,000,000
	Tourism industry support program	$10,000,000
	Workforce development	$10,000,000
	Neighborhood revitalization	$0
	Total programs	$965,805,950
	Planning	$5,000,000
	Administration*	$51,095,050
	Total	**$1,021,901,000**

4.3 Housing Programs

Table 28 is being updated as follows:

Table 28. Summary of Housing Programs for Tranches 1 & 2

Beneficiary	Program	Total Allocation
Homeowners	Homeowner Rehabilitation and Reconstruction Program	$60,000,000
Homeowners	New Construction for Homeownership Opportunity and First Time Homebuyer Assistance	$50,000,000
Landlords	Rental Rehabilitation & Reconstruction	$25,000,000
Developers (public, for-profit, nonprofit)	Public & Affordable Housing Development	$72,000,000
Supportive Housing and Sheltering Programs	Supportive Housing & Sheltering Programs	$90,000,000
Total Allocation for Housing Programs		**$297,000,000**

*Local Match funding will be administered in the Infrastructure program – Local Match for Federal Disaster Relief Program.

URA Compliance: Program activities will be reviewed to determine URA and 104d compliance and required actions. The policies and procedures will be further developed in modifications to the existing Residential Anti-displacement and Relocation Assistance Plan (RARAP) and a soon to be developed Optional Relocation Policy.

STEP Update: More than 10,000 homeowners have applied to the STEP program. The recent approval by FEMA to repair and replace roofs under the STEP program will assist an estimated 4,000 of these households in getting secure, hurricane-proof roofs. It is estimated that approximately 7,500 people will complete the program.

Planned Expenditures: With ongoing FEMA funding and planned expenditures of $236 million for STEP and additional funding from the Permanent Housing Construction program, the Territory is identifying homeowners and renters who may have remaining needs even with the current resources.

Cost Effectiveness: In keeping with the requirement outlined in FR 6109-N-01, the Territory will develop policies and procedures to outline the process to assess the cost-effectiveness of each proposed project through its residential rehabilitation or reconstruction programs funded under the CDBG-DR program. This will include a methodology to determine if potential alternatives such as elevation or buyouts are more suitable. The policies and procedures will also include a process for determining exceptions to the amount of maximum assistance or cost effectiveness criteria.

Duplication of Benefits: As in all programs, VIHFA and other implementing entities will conduct a thorough review of the sources of funding received by all eligible applicants within the housing programs to prevent duplication of benefits. This includes an analysis of households that received support under FEMA's Permanent and Semi-Permanent Housing Programs. The Territory will implement resilient home construction standards including a focus on retrofits for housing to make it more able to withstand future disasters.

4.3.1 Owner Occupied Housing for Disaster Impacted Households

Homeowner Eligibility: Homeowners who participate in a voluntary acquisition or buyout are not eligible to receive temporary or permanent relocation assistance. If it is determined a needed solution, additional details of this program will be included within a future action plan amendment. VIHFA will also seek technical assistance from HUD on URA requirements if such a program is developed.

4.3.2 Homeowner Rehabilitation and Reconstruction Program

Eligible Activities: Removed Acquisition of Real Property and Disposition of Real Property as eligible activities.

Program Allocation: $60,000,000 (($10,000,000 (initial allocation); $50,000,000 (second allocation))

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 2, 2020.

Prioritization Criteria: Updated based on unmet needs for housing analysis.

Priority 1: Reconstruction:

- The impacted home experienced is destroyed or has Major/Severe Damages by either a FEMA-designation or has damage which meets the Major/Severe damage standard that FEMA has defined; and
- The applicant household meets federal LMI requirements.
- The applicant has not received other resources to reconstruct the home.

Priority 2: Rehabilitation:

- The impacted home experienced Major/Severe Damages by either a FEMA-designation OR has damage which meets the Major/Severe Damage standard that FEMA has defined; and
- The applicant household meets federal LMI requirements; and
- The applicant has not received other resources to rehabilitate the home.

4.3.3 New Construction for Homeownership Opportunity and First Time Home Buyer Assistance

Program Allocation: $50,000,000 (($10,000,000 (initial allocation); $40,000,000 (second allocation))

Estimated Start and End Dates: Quarter 4, 2018 through Quarter 3, 2022.

New: Resale and Recapture Provisions Requirements: VIHFA will develop resale and recapture provisions based on its existing homeownership and single-family construction programs. VIHFA's affordability period and resale provisions are outlined in Title 21, Chapter 1 of the U.S. Virgin Islands' code and are carried forward with the property through a conveyance in the mortgage. The VIHFA's recapture provisions are triggered by a transfer in title, whether voluntary or involuntary, during the affordability period. In instances where CDBG-DR funds are used for developing property, the recapture option, will require repayment of any subsidy that is the difference between the fair market value and the actual purchase price. The homeowner, or grantee in this situation, shall be repaid in full their investment before the participating jurisdiction, VIHFA, recaptures funds. Under no circumstances shall the amount recaptured by the participating jurisdiction exceed available net proceeds.

The recapture provisions shall be incorporated in a Second Priority Mortgage in the amount of the subsidy. This mortgage creates a lien on the buyer and the property and shall be subordinate only to the primary mortgage.

The resale and recapture requirements will be further outlined in the program's policies and procedures.

4.3.4 Rental Rehabilitation and Reconstruction

Program Allocation: $25,000,000 (($5,000,000 (initial allocation); $20,000,000))

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 3, 2021.

Affordability Period: Rehabilitation or reconstruction of multi-family rental projects with eight or more units will be required to adhere to an affordability period of 15 years.

4.3.5 Public and Affordable Housing Development

Program Allocation: $72,000,000 (($32,000,000 (initial allocation); $40,000,000 (second allocation))

Estimated Start and End Dates: Quarter 4, 2018 through Quarter 4, 2022.

Affordability Period: New construction of multi-family rental projects with five or more units will be required to adhere to an affordability period of 20 years.

4.3.7 Supportive Housing for Vulnerable Populations

Program Allocation: $60,000,000 (($15,000,000 (initial allocation); $45,000,000 (second allocation))

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 2, 2023.

4.3.8 Emergency Shelter Development

Geographic Area(s) Served: University of Virgin Islands, St. Croix, and other areas in the Territory as determined by the program.

Program Allocation: $30,000,000 (second allocation)

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 4, 2022.

4.4 Infrastructure Programs

URA Compliance: Program activities will be reviewed to determine URA and 104d compliance and required actions. The policies and procedures will be further developed in modifications to the existing Residential Anti-displacement and Relocation Assistance Plan (RARAP) and a soon to be developed Optional Relocation Policy.

Significant content additions have been made to this section to address new guidance from HUD through the Federal Register Notice's Infrastructure-specific applicable rules (83 FR 40321).

All infrastructure under the FEMA PA program is being designed to consider mitigation components to protect against future damages. Proactive measures to promote risk-informed infrastructure development include diversification of power generation, micro-grid development, relocation of critical facilities, and flood-mitigated roads. Many of these activities have begun under HMGP funding and may continue under CDBG-DR. As part of the HMGP program, VITEMA is currently updating the 2014
Territory Hazard Mitigation Plan to account for post-storm needs. All projects undertaken through the CBDG-DR infrastructure programs will be coordinated with the results of this planning process. In addition, HMGP funding for important mapping and hydrologic studies are anticipated to be obligated soon, which will provide up-to-date data and land use recommendations that are critical for roads and power-related projects. VIHFA is working closely with VITEMA to stay up-to-date on related efforts being funded through HMGP.

A key consideration for future storms is mitigating the water distribution systems on the island through WAPA. It is estimated that over 50% of the island is not connected to

municipal water and rely on cisterns. While resilient expansion of water systems will be part of the infrastructure programs, CBDG-DR funding will also consider household-level cistern mitigation as a form of critical infrastructure to ensure these homes can access water in the event of another long-term power outage. Some of this work may be supported by funding from the upcoming tranche of mitigation funds. Additional resilience measures for future extreme weather events may include the burying of power lines, hardening of power poles, and the elevation of homes and critical infrastructure, such as substations. Home elevation is not common in the Territory, as the cistern is often connected to foundation of the home. However, elevation will be done where required by the Territory's building code, which in accordance with 44 CFR 59.1, requires the first floor of structures located in the 1 percent annual (or 100-year) floodplain that receive federal assistance to be at least two to three feet above the 1 percent annual floodplain elevation as determined by best available data.

Table 29 is being updated as follows:

Table 29. Summary of Proposed Infrastructure Programs

Program	Sectors	HCDA Eligible Activities (Section 105(a))	Total Allocation
Local Match for Federal Disaster Relief Programs	• Educational Facilities • Energy • Government Facilities • Hospitals & Healthcare Facilities • Telecommunications • Transportation (including roads, ports, & airports) • Waste: Solid Waste / Landfill Debris • Water & Wastewater	• Payment of the Nonfederal Share • Acquisition of Real Property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Public Services • Relocation • Assistance to Institutions of Higher Education	$168,805,950
Infrastructure Repair and Resilience	Same as above	• Acquisition of Real Property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Public Services • Relocation • Assistance to Institutions of Higher Education	$305,000,000
Electrical Power Systems Enhancement and Improvement	Energy	• Acquisition of Real property • Public Facilities and Improvements • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings • Relocation • Payment of the Nonfederal Share	$135,000,000
Total			**$608,805,950**

Significant content additions to address 83 FR 40321 are continued below:

Infrastructure projects typically carry a high cost of labor and materials, relative to the continental U.S., due to the isolated geography and limited workforce in the Territory. Each project will be informed by a consideration of cost and benefits, considering these unique circumstances, but whenever possible, will utilize local/regional talent and materials to reduce costs. Benefits that may be considered beyond financial include risk-reduction and economic impacts, like job creation. Infrastructure programs will generate a wide array of employment opportunities and the Workforce Development Program can assist in recruiting, training, and providing resources for local firms and jobseekers to be fully engaged in this work. Section 3 residents and businesses will also be a priority of the Territory to help develop entrepreneurship and provide opportunities to low-income job seekers. Coordination is underway with the Virgin Islands Department of Labor to ensure employers' and jobseekers' needs are being considered for both large and small-scale infrastructure projects. Further information on Section 3 efforts is outlined in Section 5.1.9. Additionally, 65% of Local Match program funding and the Repair and Resilience funding are allocated for LMI beneficiaries, while 80% of the Electrical Power Systems Enhancement and Improvements program is anticipated to benefit LMI residents and businesses, especially low-income residents and businesses (see Table 1).

To align future CBDG-DR projects with existing territory capital improvement projects, DPNR's Division of Comprehensive and Coastal Zone Planning may be consulted for multiple projects. Given the historic and cultural significance of a multitude of buildings and areas, infrastructure projects should also address the historic preservation priorities of DPNR's Division of Historic Preservation. Much of the proposed energy and water-related work through these programs already align with goals and previous capital projects envisioned by WAPA in their 2012 Power Generation Action Plan and will continue to build on this vision. Projects should comply with Executive Order No. 474-2015 which ensures that that climate change adaptation policy and planning is conducted in a coordinated and collaborative manner, also a key focus of the USVI Hurricane Recovery Task Force's Plan. While local agencies and authorities' plans will guide many projects, the funding should also provide opportunities for enhanced private investment. For example, mitigated road designs may include investment opportunities for broadband and telephone infrastructure with pre-fabricated channels to provide the foundations for future underground fiber optic cables.

The Territory understands the critical need to strike a balance between advanced technology and reliable results. That is why the projects under the infrastructure program may incorporate sustainability standards that have already been set and tested around the world, such as LEED and ICC. Under each program, prioritization criteria will consider the technical feasibility of a project as a factor in how it will receive funding to encourage realistic project design from the onset. However, it is also understood that traditional energy systems and infrastructure pathways might not be the most geographically relevant or effective solution for long-term recovery, so resiliency will be heavily weighted as a prioritization criterion as well.

Requirements under 83 FR 40314 state that projects surpassing a total investment of $200 million threshold or that are complex enough in the opinion of the Federal Permitting Improvement Steering Council will require enhanced oversight including additional environmental reviews. While the Territory has not identified any infrastructure projects that currently reach this threshold, should any projects meet this criteria, the Territory may choose to complete these additional requirements under Fixing America's Surface Transportation, Title 41 (FAST-41), which established federally accepted procedure to improve early consultation and coordination among government agencies; increase transparency through the publication of project-specific timetables with completion dates for all federal authorizations and environmental reviews; and increase accountability through consultation and reporting on projects.[18]

4.4.1 Local Match for Federal Disaster Relief Program

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 3, 2024.

Proposed Use of Funds Updates:

Data Update: The U.S. Virgin Islands is receiving FEMA Public Assistance (PA) funds through two disasters: FEMA-4335-DR-VI for Hurricane Irma and FEMA-4340-DR-VI for Hurricane Maria. As of August 25, 2018, FEMA has written 710 Project Worksheets (PWs) for a total of $1,617,189,320which includes $63.1 million for DR-4335 and $1.55 billion for DR-4340. These amounts will continue to increase.

Direct Administrative Costs Match Requirement: Additionally, a 10% local share amount is required for FEMA Direct Administrative Costs (DAC), which is anticipated to total approximately $20 million.

Eligibility Criteria: The projects must have an active FEMA PW and be able to meet additional CDBG-DR cross-cutting requirements (see Section 5.1)

***Prioritization Criteria Definitions Updated – The following definitions now take the place of previous criteria definitions for all three Infrastructure Programs*:** Projects will be selected based on a weighted scale with the following criteria:

- **LMI:** Project beneficiaries are evidenced to be at least 51% low- and moderate-income persons or communities.
- **Shovel-ready:** Projects demonstrate they are ready to begin rehabilitation or construction. A project is considered "shovel-ready" if environmental review and engineering have already been completed, where required OR the project can demonstrate an accelerated timeline.
- **Criticality:** Determined based on the extent to which the normal conduct of social, economic, or government processes is impeded without the project. Special

[18] https://www.energy.gov/oe/mission/transmission-permitting-and-technical-assistance-division/fast-4

consideration will be given to projects that have a strong tie to housing unmet needs or will contribute to long-term recovery and restoration of housing.

- **Resilience:** Project includes measures that prevent vulnerability in the future or provide innovative solutions to existing vulnerabilities.
- **Technical Feasibility:** The degree of specialized equipment or advanced technical capacity required.
- **Sustainability:** Degree to which modern sustainability standards or best practices are taken into consideration for the project.
- **Execution Timeline:** The project's environmental study status, permitting, design and construction timeline ensure project meets CDBG-DR funding, disbursement, and drawdown requirements.
- **Economic Benefit:** The project is evidenced to resolve an impediment to or create new opportunities for economic activities.

Program Allocation: $168,805,950 ($45,549,800 (initial allocation), $123,256,150 (second allocation))

Table 30 is being updated as follows:

Table 30. Infrastructure Match Requirements for Federal Programs

Federal Agency	FEMA Section	Category of Work	Program	Type of Work	Federal Cost Share*	Local Cost Share
FEMA	Section 407	A	Debris Removal	Emergency	100%	0%
FEMA	Section 403	B	Emergency Protective Measures	Emergency	100%; 90%**	0%; 10%
FEMA	Section 403	B	Sheltering and Temporary Essential Power (STEP)	Emergency	100%; 90%**	0%; 10%
FEMA	Section 406	C-G	Public Assistance	Permanent	90%	10%
FEMA	Section 428	C-G	Public Assistance Alternative Procedures (PAAP)	Permanent	90%	10%
FEMA	N/A	N/A	Direct Administrative Costs (DAC)	N/A	90%	10%
FEMA	N/A	Z	State Management Costs (SMC)	N/A	100%	0%
FEMA	Section 404	N/A	Hazard Mitigation Grant Program (HMGP)	Mitigation	100%	0%
FEMA	Section 203	N/A	Pre-Disaster Mitigation (PDM)	Mitigation	75%	25%
FHWA	N/A	N/A	Emergency Relief Program	Emergency, Permanent	100%	0%
USACE	N/A	N/A	N/A	Permanent	100%	$250,000 max. per project

*Subject to change per Congress.
**100% federal cost share for 240 days from the start of the incident period for Hurricanes Irma and Maria, ending August 31, 2018, for Hurricane Irma and September 11, 2018, for Hurricane Maria; 90% thereafter.
***100% federal cost share from the first 180 days after the disaster occurs, 90% thereafter.

4.4.2 Infrastructure Repair and Resilience Program

***Estimated Start and End Dates*:** Quarter 2, 2019 through Quarter 3, 2024.

Eligible Applicants: WAPA, DPW, BIT, and other infrastructure related governmental and quasi-governmental entities.

Eligibility Criteria: The projects must demonstrate a tie to the storm or have clear evidence of resiliency functions to prevent future damage.

***Prioritization Criteria Definitions Updated*:** (See 4.4.1 note)

***Program Allocation*:** $305,000,000 ($30,000,000 (initial allocation), $275,000,000 (second allocation))

4.4.3 Electrical Power Systems Enhancement and Improvement Program

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 4, 2022.

Eligible Applicants: WAPA and other governmental entities which may have electrical projects outside of the existing WAPA network.

Program Allocation: $135,000,000 ($45,000,000 (initial allocation), $90,000,000 (second allocation))

4.5 Economic Revitalization Programs

URA Compliance: Program activities will be reviewed to determine URA and 104d compliance and required actions. The policies and procedures will be further developed in modifications to the existing Residential Anti-displacement and Relocation Assistance Plan (RARAP) and a soon to be developed Optional Relocation Policy.

Figure 16 was replaced with Table 31 to include the allocation from Tranche 2:

Table 31. Economic Revitalization Programs and Tranche 1 & 2 Allocations

Program	HCDA Eligible Activities	Tranche 1 Allocation	Tranche 2 Allocation	Total Allocation
Ports and Airports Enhancement Program	Public Facilities and Improvements	$23,000,000	$17,000,000	$40,000,000
	Clearance, Rehabilitation, Reconstruction, and Construction of Buildings			
	Special Economic Development Activity			
Tourism Industry Support Program	Waiver Request Approved.	$5,000,000	$5,000,000	$10,000,000
Workforce Development Program	Public Services	$5,000,000	$5,000,000	$10,000,000
Neighborhood Revitalization Program	Code Enforcement	$0	$0	$0
	Clearance, Rehabilitation, Reconstruction, and Construction			
	Public Services			
	Special Economic Development Activity			
Small Business and Entrepreneurship Technical Assistance Program	Technical Assistance	$0	$0	$0
	Special Economic Activity			
Total		**$33,000,000**	**$27,000,000**	**$60,000,000**

4.5.1 Ports and Airports Enhancement Program

***Estimated Start and End Dates*:** Quarter 1, 2019 through Quarter 2, 2023.

Proposed Use of Funds Data Update: The number of flights fell dramatically as a result of the 2017 hurricanes and have only very slowly recovered since. During the eight-month period of fiscal year 2018, air arrivals were 225,702, representing a loss of 60% compared to the 566,828, air visitors one year ago. Major carrier seats in fiscal year 2017 averaged 17,123 compared to 17,293 seats in fiscal year 2016, a decline of 1%. The number of major carrier seats during the seven months of fiscal year 2018 was 8,817. The average number of seats during the same period in fiscal year 2017 was 18,401, a decline of 52%.[19]

[19] U.S.V.I. Bureau of Economic Research.

Program Allocation: $40,000,000 ($23,000,000 (initial allocation); $17,000,000 (second allocation))

4.5.2 Tourism Industry Support Program

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 4, 2021

Proposed Use of Funds Data Update: The most recent cruise passenger arrival statistics highlights the extent of the problem: during the eight- month period of fiscal year 2018, cruise passengers were 850,193 compared to 1,266,802 cruise passengers who came in 2017, representing a decline of 33%. The drop-in cruise passengers is expected to continue for the remainder of fiscal year 2018, due to the summer season and scheduled cruise calls to St. Croix ended in May 2018.

Program Allocation: $10,000,000 ($5,000,000 (initial allocation), $5,0000,000 (second allocation), including $9,000,000 to Tourism Marketing; $1,000,000 to business and entrepreneurial support))

4.5.3 Workforce Development Program

Low- and Moderate-Income Projection: 100%; At least 51% of participants of the Workforce Development Program will be Low- and Moderate-Income.

Estimated Start and End Dates: Quarter 1, 2019 through Quarter 3, 2023.

Proposed Use of Funds Data Update: The U.S. Virgin Islands Department of Tourism and the Bureau of Economic Research will collect annual statistics and will measure jobs retained related to tourism activity in the Territory. Post-disaster metrics to measure the return of pre-storm rates of tourism activity to the most impacted areas will be developed and may include:

- Number of pre-disaster tourists and visitors
- Revenue generated by impacted areas through tourism industry
- Number of businesses stabilized
- Number of jobs retained

Program Allocation: $10,000,000 (5,000,000 (initial allocation), $5,000,000 (second allocation))

5. GENERAL ADMINISTRATION

5.1.5 "Demonstrable Hardship" and "Not Suitable for Rehabilitation"

Removed: For the purpose of providing temporary relocation assistance to property owners through CDBG-DR funded activities, demonstrable hardship may include such conditions as prolonged job loss, substantial reduction to household income, death of a family member, unexpected and extraordinary medical bills, disability, etc. The VIHFA will incorporate this definition and the process by which it will consider requests for accommodation in its program policies and procedures.

5.1.10 Environmental Review

Added: Per the new Federal Register notice, the Appropriations Act goes beyond the Prior Appropriation and authorizes recipients of CDBG-DR funds under the Appropriations Act that use such funds to supplement Federal assistance provided under section 408(c)(4) as well as sections 402, 403, 404, 406, 407 or 502 of the Stafford Act may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency to satisfy responsibilities with respect to environmental review, approval or permit. Such adoption shall satisfy the responsibilities of the recipient for environmental review, approval, or permit that is required by the HCD Act. VIHFA will notify HUD in writing of its decision to adopt another agency's environmental review. VIHFA will also retain a copy of the review in its environmental records.

5.1.11 Cost Verification

Added: VIHFA understands that it must develop controls to assure that construction costs are reasonable and consistent with market costs at the time and place of construction. Cost estimating is difficult for the Territory given its position at the end of the supply chain from the mainland. This is a primary driver of the high cost of imported goods and materials, which mean higher-than-average costs of reconstruction—with construction costs nearly 1.4 times the U.S. national average—and contributes to the high cost of power, almost three times the U.S. average.[20]

Construction costs can be prohibitively high due to both a lack of skilled labor and the high cost of shipping materials to the islands, which sit at the end of the supply chain. On St. Thomas, the cost to build can exceed $250 per square foot according to the Global Property Guide.[21]

[20] U.S. Department of Defense, UFC3-701-01 DoD Facilities Pricing Guide (Revision Date: 07-01-2017); U.S. Energy Information Administration, Territory Profile: U.S. Virgin Islands: April 2018.
[21] April 2016 Global Property Guide Property Market Report.

In addition to these challenges, costs vary by island. For example, the Consumer Price Index (CPI) in the 4th Quarter of 2017 was 124.1 for St. Croix, 128.4 for St. Thomas, and 138.4 for St. John; an 11.5% difference in the CPI between St. Croix and St. John. In housing for the same period, the CPI was 124.3 for St. Croix, 134.7 for St. John, 151.8 for St. John; a difference of 22% between St. Croix and St. John.[22] These island-by-island variances reveal a statistically significant difference in cost comparison between islands, further making cost verification a challenge.

Independent estimating tools like RS Means and Xactimate no longer contain multipliers for the Virgin Islands. To develop standard controls for cost reasonableness for each program area, the VIHFA will take a multi-pronged approach that consults best available data from existing sources including historical data from previous similar construction projects pre-disaster along with an evaluation of cost estimates for projects in the current post-disaster setting. VIHFA's cost control guidance to assure cost reasonableness for housing projects with 8 or more units, economic revitalization and infrastructure projects will be furthered develop in policies and procedures.

5.2.2 Consultation with Local Governments and Public Housing Authority

Hurricane Recovery and Resilience Task Force
Added: The Task Force released its initial 280-page report on September 9, 2018, containing 288 actionable recommendations pertaining to the long-term recovery to improve critical infrastructure and public services, and to make businesses more resilient to future storms and other natural disasters. The recommendations generally fall into four major strategies: hardening infrastructure; re-configuring systems; changing governance and regulation; and improving planning, coordination and preparation. Many of these are already in the process of implementation.

6. APPENDICES

A Glossary of Terms is being added to the Appendices:

6.1 Glossary of Definitions

Action Plan: A plan to guide the spending of a HUD *CDBG-DR* grant *award* to address unmet housing and infrastructure needs after a disaster.
Amendment: A change to the *Action Plan*, can be a *substantial amendment*, constituting a financial change of $1 million or significant change to a program, or non-substantial amendment which includes data or content updates that do not impact the structure of the programs.
Allocation: 1) Amount of a *grant award* that has been determined for a particular *grantee.* 2) Amount of funding attributed to a program.
Applicant: An individual or the head of a household who has applied for Federal disaster assistance.

[22] All data from USVI Bureau of Economic Research, "Historical Consumer Price Indexes for the All Islands CPI," 8/14/2018.

Area Median Income: The midpoint of a region's income distribution – half of families in a defined area earn more than the median and half earn less than the median.
Award: Funds determined to be given to a beneficiary or a project based on eligibility and project scope.
Blight: A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.
Community Development Block Grant Program (CDBG): Created under the Housing and Community Development Act of 1974, this program provides grant funds to local and state governments to develop viable urban communities by providing decent housing with a suitable living environment and expanding economic opportunities to assist low- and moderate-income residents. *CDBG* replaced several categorical grant programs, such as the Model Cities program, the Urban Renewal program, and the Housing Rehabilitation Loan and Grant program.
Community Development Block Grant – Disaster Recovery (CDBG-DR): Flexible grant assistance from HUD to help the Territory recover from presidentially declared disasters, especially in low-income areas, subject to availability of supplemental appropriations.
Cross-cutting regulations: Regulations outside of *CDBG-DR* regulations that apply to *CDBG-DR* 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 Department of Labor on public works projects. It applies to contractors and subcontractors performing work on federally funded or assisted contracts in excess of $2,000 for the construction, alteration, or *repair* of public buildings, public works or residential buildings with more than 7 units.
Direct Assistance: Assistance provided to disaster survivors by the Federal Government in the form of physical resources; essentially all assistance that is not provided monetarily. This includes housing units that are acquired by purchase or lease, directly for individuals or households who, because of a lack of available housing resources, would be unable to make use of financial assistance as well as direct activities by the government to *repair* or rent units, such as contracting with a company to *repair* a rental property.
Duplication of Benefits (DOB): 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-DR* funding with respect to any part of the loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other sources for the same purpose.
Eligible Activity: Activities eligible to be assisted under the CDBG program. All *CDBG-DR 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.
Emergency Shelter: Any facility, the primary purpose of which is to provide temporary or transitional *shelter* for the homeless in general or for specific populations of the homeless.
Emergency work: FEMA's *Public Assistance* program designation for disaster response tasks including debris removal (Category A) and emergency protective measures (Category B) that occur immediately after a disaster.
Extremely Low-Income Households: Those with incomes below 30 percent of *area median income*. Department of Housing and Urban Development (HUD) programs use "area median incomes" calculated on the basis of local family incomes, with adjustments for household size.
Fair Housing Act: The 1968 federal act (amended in 1974 and 1988) providing the HUD Secretary with fair housing enforcement and investigation responsibilities. A law that prohibits

discrimination in all facets of the homebuying process on the basis of race, color, national origin, religion, sex, familial status, or disability.

Fair Market Rent (FMR): An amount determined by the U.S. Department of Housing and Urban Development to be the monthly cost of modest, non-luxury rental units in a specific market area, plus the cost of utilities, excluding telephone service.

FEMA Individual Assistance Program (FEMA IA): FEMA IA provides financial help or direct services to those who have necessary expenses and serious needs if they are unable to meet these needs through other means. The forms of help available are housing assistance (temporary housing, *repair*, replacement) and other needs assistance (personal property, other items).

FEMA Public Assistance Program (FEMA PA): Provides grants to state, tribal, territorial, and local governments, and certain types of private non-profit organizations so that communities can quickly respond to and recover from major disasters or emergencies. Through the program, FEMA provides supplemental federal disaster grant assistance for debris removal, life-saving emergency protective measures, and the *repair*, replacement, or restoration of disaster-damaged publicly-owned facilities, and the facilities of certain private non-profit organizations.

Grantee: HUD *grantees* receive funding from HUD to support 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.

Hazard: A process, phenomenon or human activity that may cause loss of life, injury or other health impacts, property damage, social and economic disruption or environmental degradation.

Household: All residents of the pre-disaster residence who request temporary housing assistance, plus any additions during the temporary housing period, such as infants, spouses, or part-time residents who were not present at the time of the disaster but who are expected to return during the temporary housing period. 44 CFR 206.111

Income Limit (IL): Determines the eligibility of *applicants* for HUD's assisted housing programs. The major active assisted housing programs are the Public Housing program, the Section 8 Housing Assistance Payments program, Section 202 housing for the elderly, and Section 811 housing for persons with disabilities.

Interim Housing: The intermediate period of housing assistance that covers the gap between *sheltering* and the return of disaster survivors to *permanent housing*. Generally, this period may span from the day after the disaster is declared through a period up to 18 months.

Long-Term Housing: Safe, sanitary, and secure housing that can be sustained without continued disaster-related assistance.

Low- and Moderate-Income (LMI): A household is considered to be of low- and moderate-income if the household income (including income derived from assets) is 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.

Low-Income Housing Tax Credit (LIHTC): A tax incentive intended to increase the availability of low-income housing. The program provides an income tax credit to owners of newly constructed or substantially *rehabilitated* low-income rental housing projects.

Mitigation: The lessening or minimizing of the adverse impacts of a hazardous event. Mitigation measures include engineering techniques and hazard-resistant construction as well as improved environmental and social policies and public awareness.

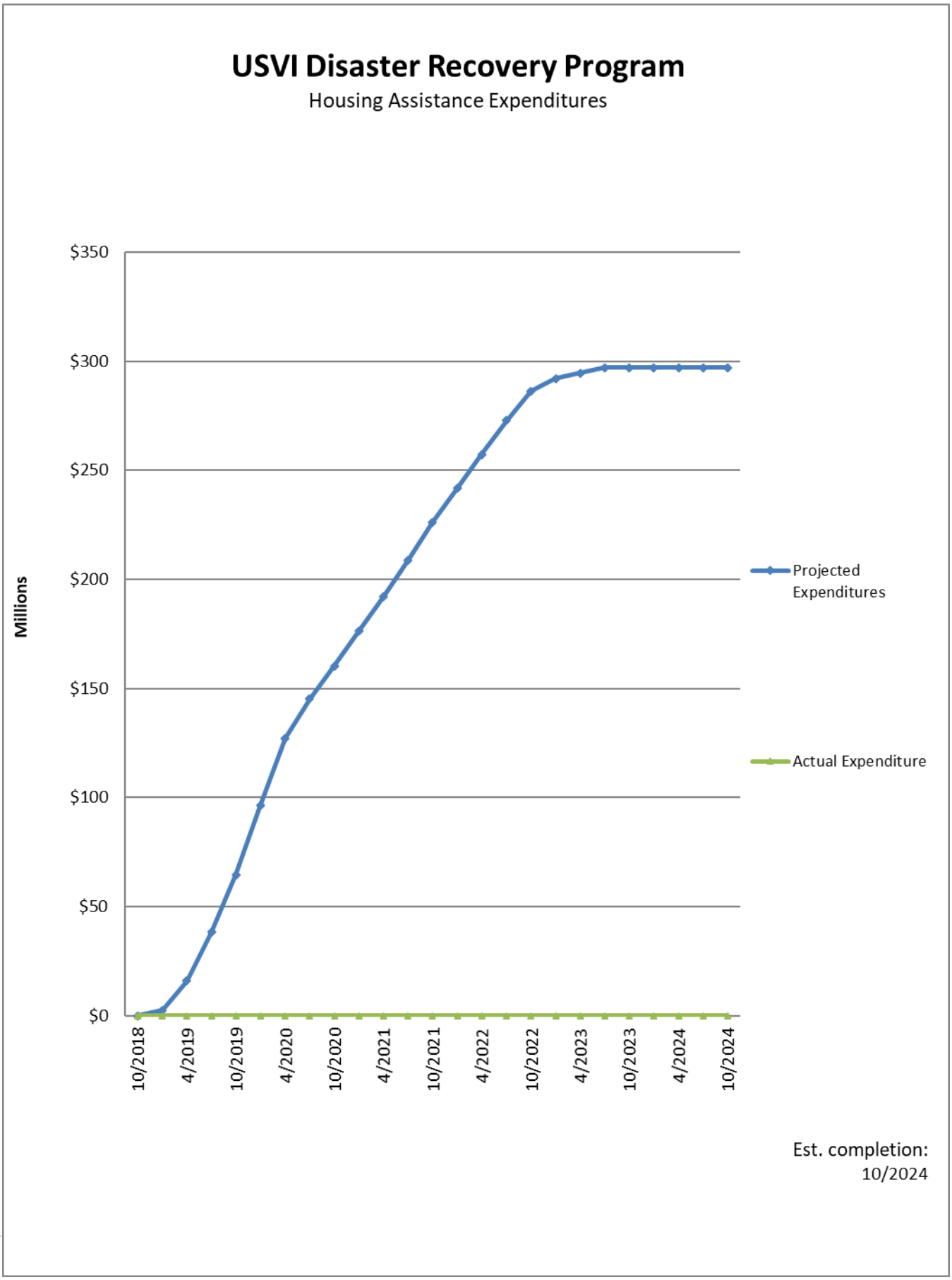
Moderate-Income: Households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined by HUD, with adjustments for smaller or larger families. HUD may establish income ceilings higher or lower than 95 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction costs, *fair market rents*, or unusually high or low family incomes.

Multi-family [Housing]: A property consisting of five or more units, also including health care facilities. Sometimes referred to as multi-family homes, as opposed to a single-family residential dwelling.
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 not compliant with *CDBG* requirements and may be subject to remedial actions.
Obligation/ obligated funds: A FEMA adjustment of the amount of the grant to reflect the actual cost of the eligible work.
Owner: Any private person or entity, including a cooperative, an agency of the federal government, or a public housing agency, having the legal right to lease or sublease dwelling units.
Owner-occupied: (of a house or apartment) used as a dwelling by the owner.
Permanent Housing: This refers to the state of "*long-term housing*."
Permanent work: FEMA's Public Assistance program designation for "*recovery* work" which restores or rebuilds a damaged asset and is comprised of five categories: roads and bridges (Category C); water control facilities (Category D); buildings and equipment (Category E); utilities (Category F); and parks, recreation facilities, and other facilities (Category G).
Project Worksheet (PW): FEMA form used to document the scope of work and cost estimate for a FEMA Public Assistance project. This form supplies FEMA with the information necessary to approve the scope of work and itemized cost estimate prior to funding.
Reconstruction: The medium- and long-term rebuilding and sustainable restoration of *resilient* critical infrastructures, services, housing, facilities and livelihoods required for the full functioning of a community or a society affected by a disaster to avoid or reduce future disaster risk.
Recovery: The restoring or improving of livelihoods and health, as well as economic, physical, social, cultural and environmental assets, systems and activities, of a disaster-affected community or society
Rehabilitation: The return of housing and infrastructure damaged by a major disaster to a safe and sanitary living or functioning condition. Specifically refers to returning to a habitable condition.
Repair: The return of housing and infrastructure damaged by a major disaster to a safe and sanitary living or functioning condition.
Resilience/resilient: The ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform and recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.
Section 3: A provision of the Housing and Urban Development Act of 1968 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 the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
Shelter: A place of refuge that provides life-sustaining services in a congregate facility for individuals who have been displaced by an emergency or a disaster.
Sheltering: Housing that provides short-term refuge and life-sustaining services for disaster survivors who have been displaced from their homes and are unable to meet their own immediate post-disaster housing needs.

Sheltering and Temporary Essential Power (STEP) program: A FEMA program, referred to in the Virgin Islands as the Emergency Home Repairs VI program, intended to protect public health and safety, to protect property and to enable hurricane-displaced residents to *shelter* at home. The program is for disaster-damaged *single-family*, *owner-occupied* residential properties.
Short Term Housing: This refers to the states of "*sheltering*" and "*interim housing*."
Single-family [Housing]: A stand-alone house is a free-standing residential building. Sometimes referred to as a single-family home, as opposed to a *multi-family* residential dwelling.
Subrecipient: Subrecipients (sometimes referred to as Subgrantees) are entities that are provided *CDBG* funds by a grantee for their use in carrying out agreed-upon, *eligible activities*. There are three basic kinds of subrecipients: Governmental agencies, non-profits, and limited for-profits.
Substantial Amendment: A change to the *Action Plan* by either an addition or deletion of any *CDBG-DR*-funded program, any funding change greater than 1% of the total *CDBG-DR allocation*, or any change in the designated beneficiaries of a program. Substantial amendments are subject to public notification and public comment requirements.
Supportive Housing Program: A program designed to promote the development of *supportive housing* and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of *supportive housing* to homeless persons to enable them to live as independently as possible.
Technical (or Non-Substantial) Amendment: Changes to the *Action Plan* that do not materially alter the activities or eligible beneficiaries. The grantee must notify HUD five business days before the effective date of any technical amendments. Technical amendments are not subject to public notification and public comment requirements.
Tranche: A segment of the total HUD grant *award* that is allocated based on specific requirements and expectations through a Federal Register Notice and supplemental HUD guidance.
Unmet Needs: The deficit between verified disaster-caused damages and obtainable disaster aid, including insurance assistance, Federal and State assistance, and personal resources.
Very Low-Income: Households whose incomes do not exceed 50 percent of the *median area income* for the area, as determined by HUD, with adjustments for smaller and larger families and for areas with unusually high or low incomes or where needed because of facility, college, or other training facility; prevailing levels of construction costs; or *fair market rents*.
Vulnerability: The conditions determined by physical, social, economic and environmental factors or processes which increase the susceptibility of an individual, a community, assets or systems to the impacts of hazards.

The Projections of Expenditures and Outcomes is renumbered to section 6.5 and has been updated as follows:

6.6 Projections of Expenditures and Outcomes


USVI Disaster Recovery Program
Housing Assistance Expenditures
Millions
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$300
$250
$200
$150
$100
$50
$0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
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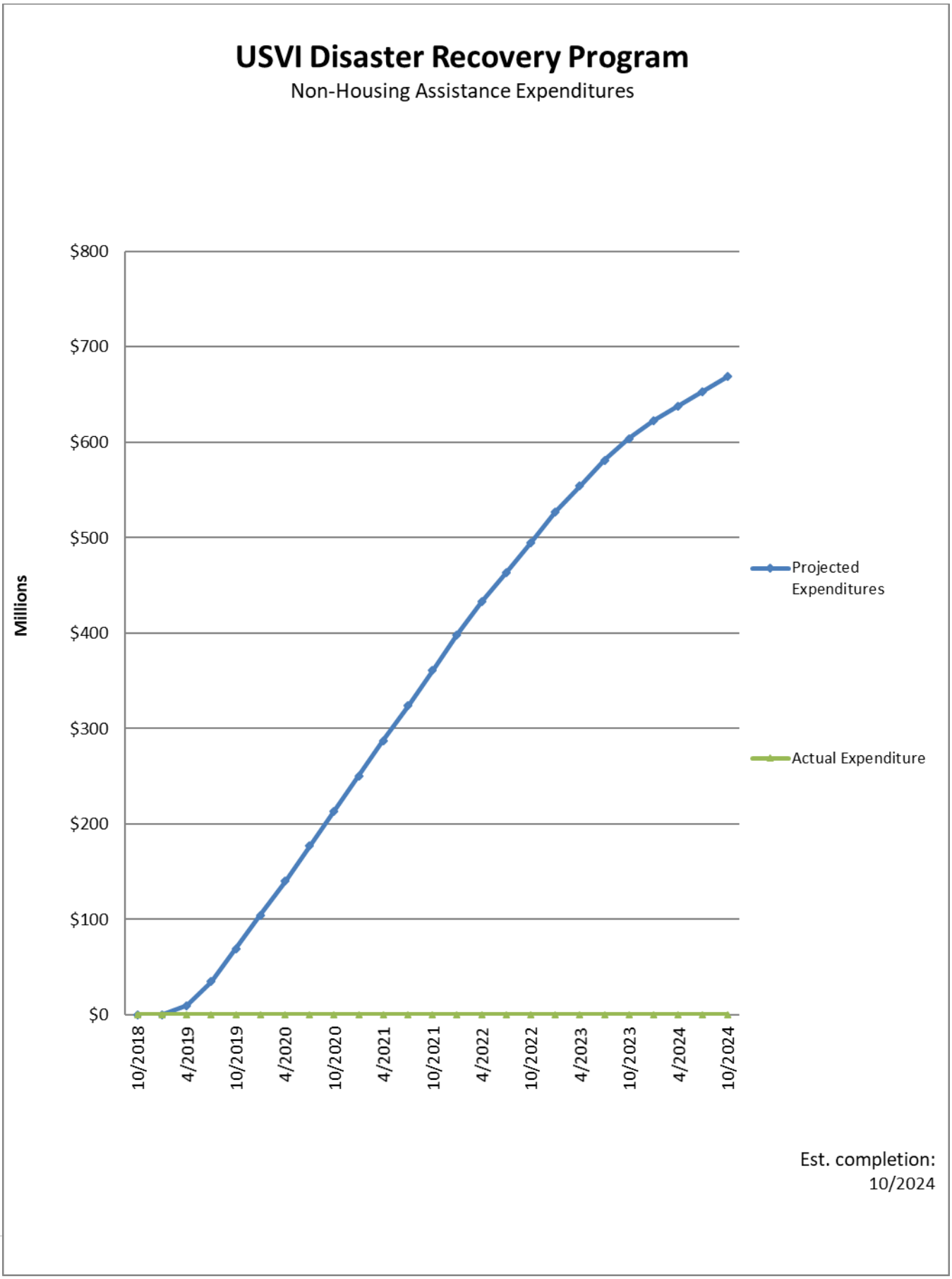
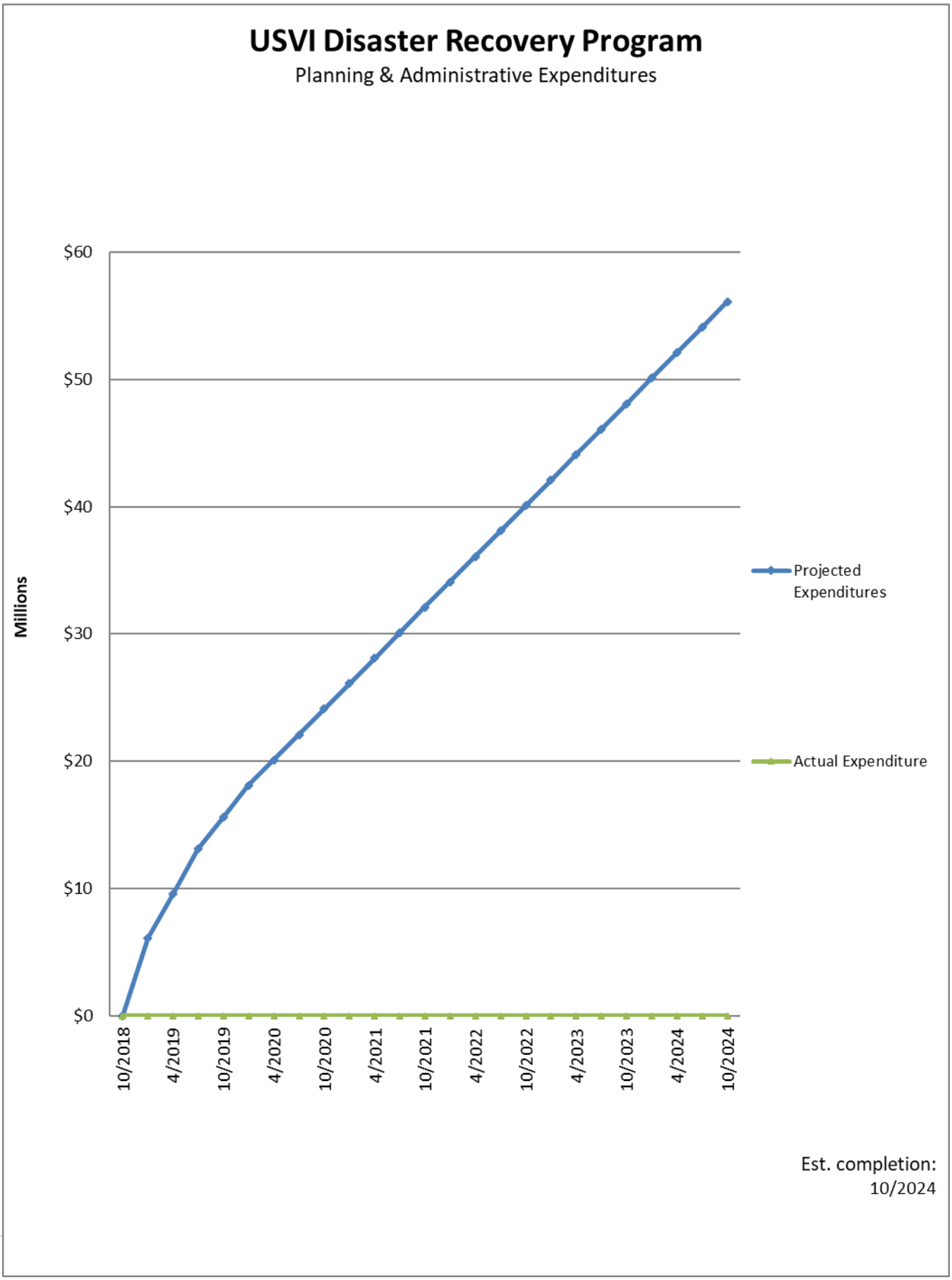
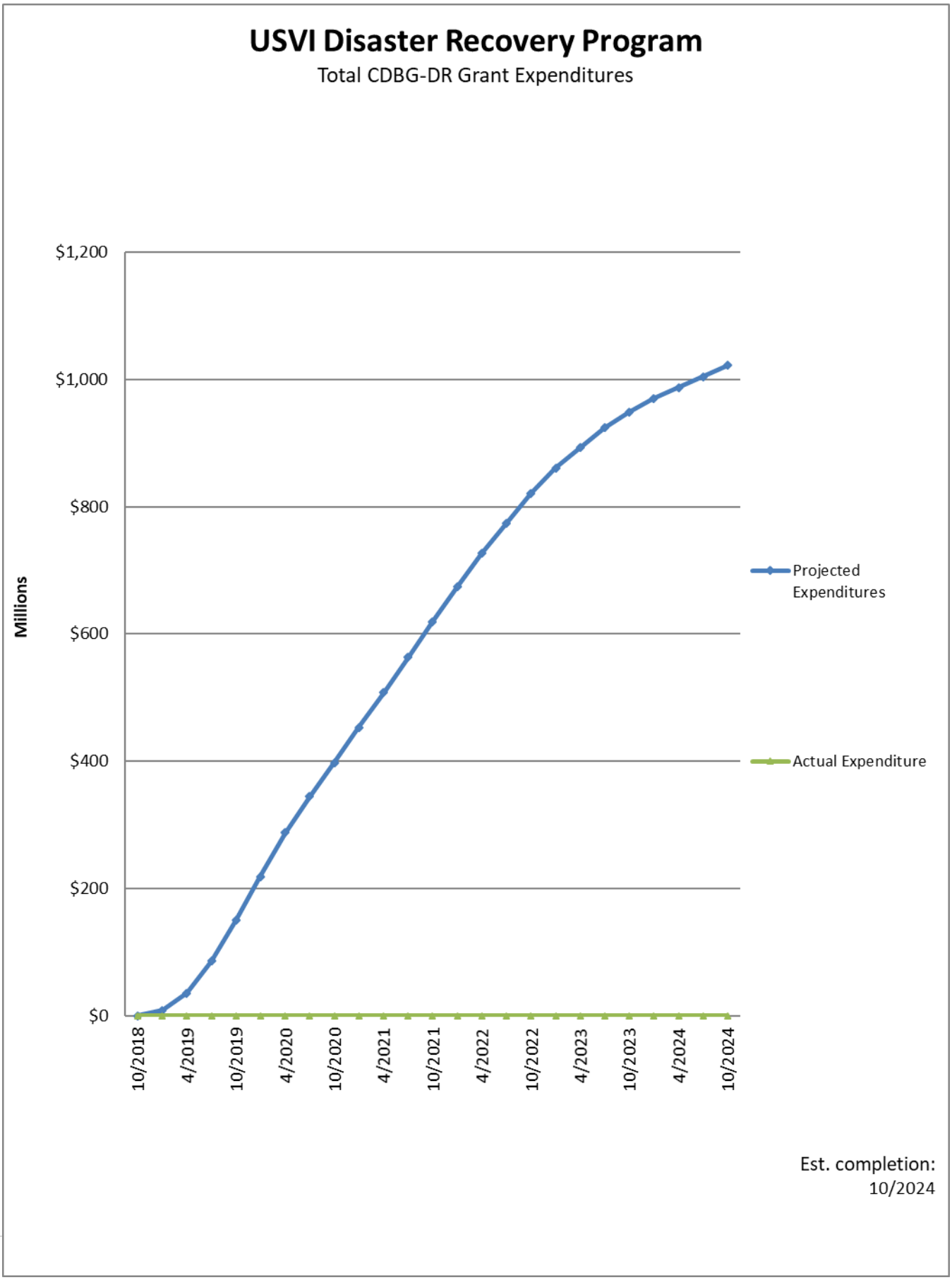
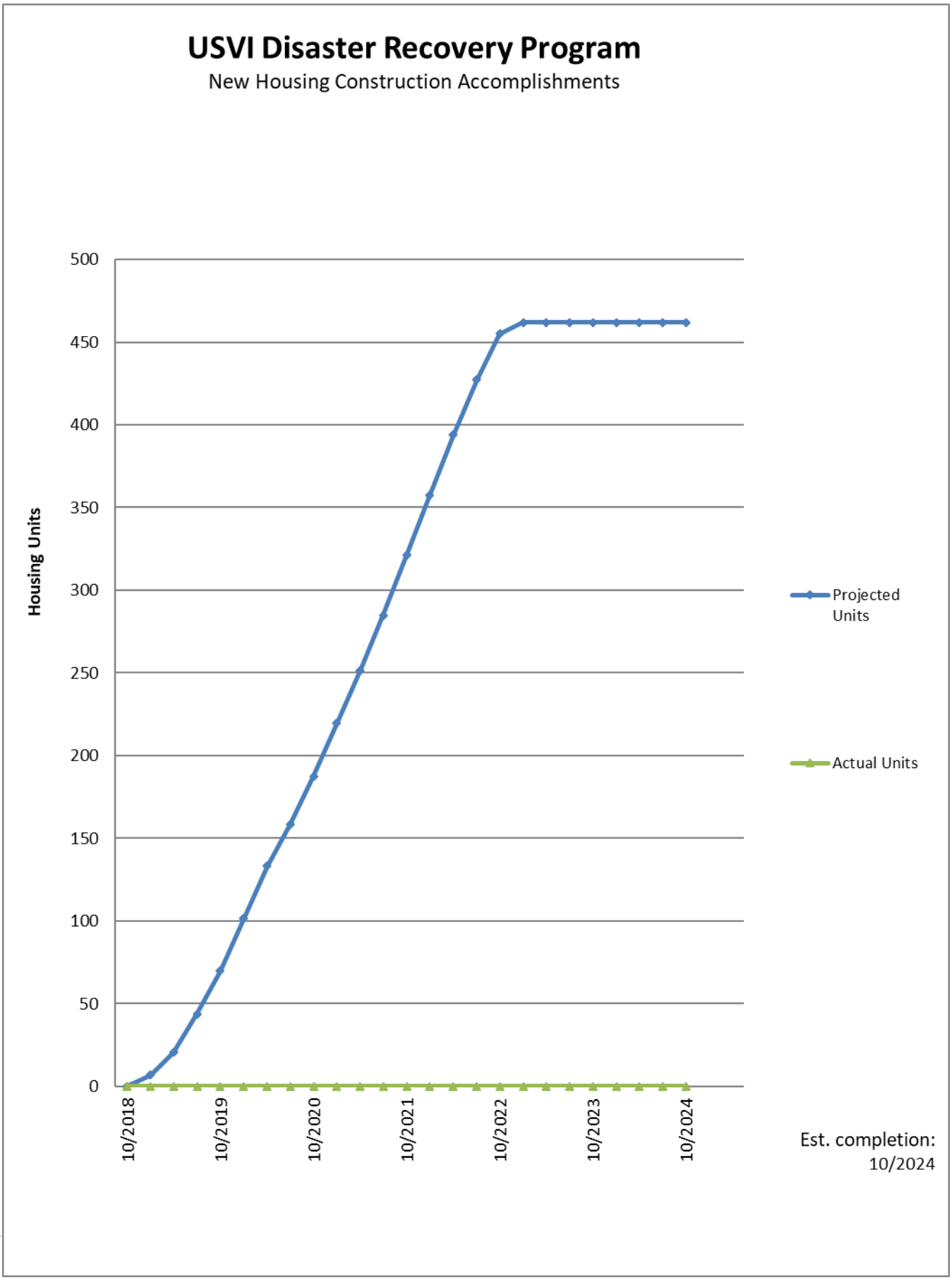
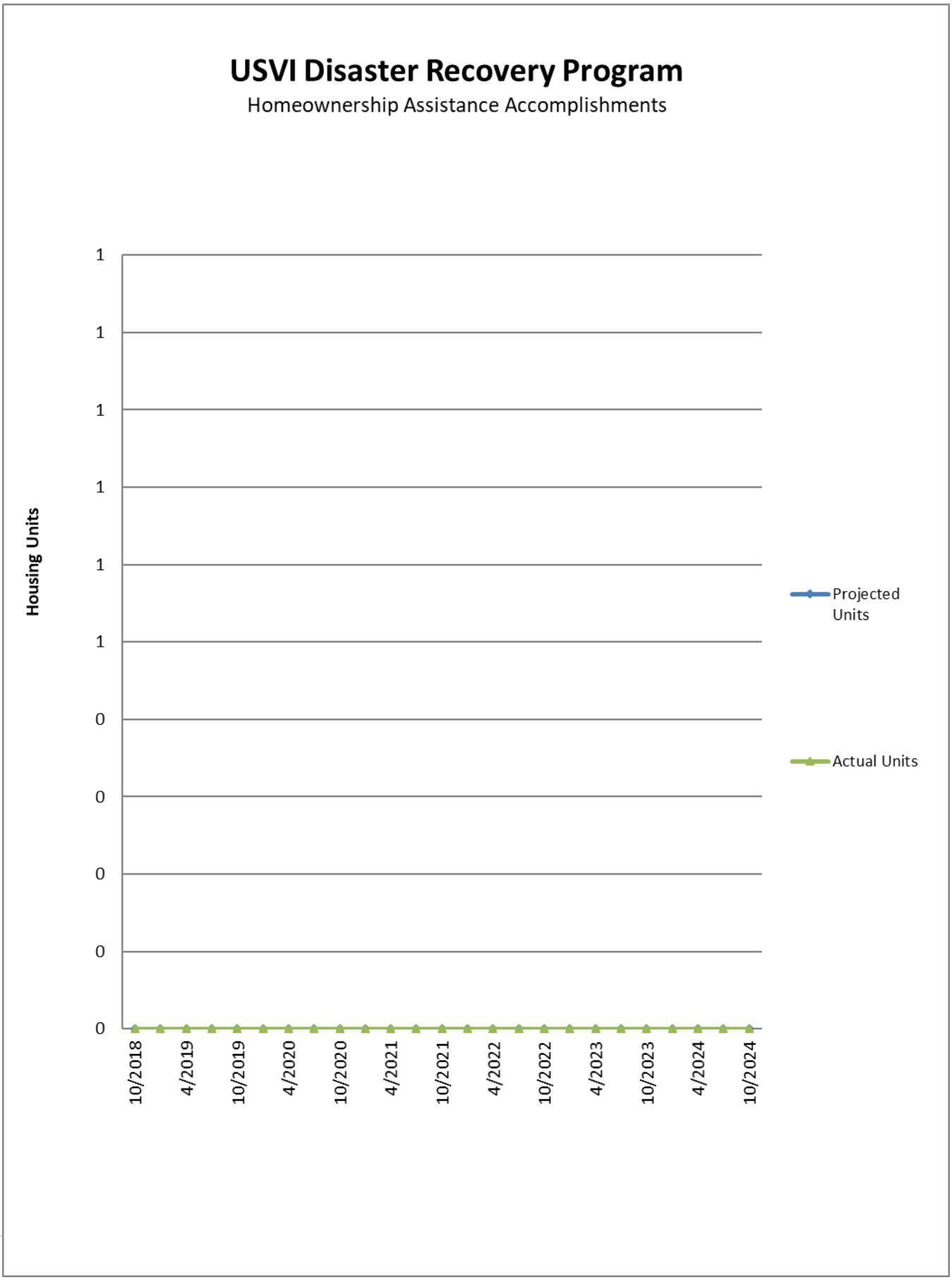
Projected Expenditures
Actual Expenditure
Est. completion:
10/2024

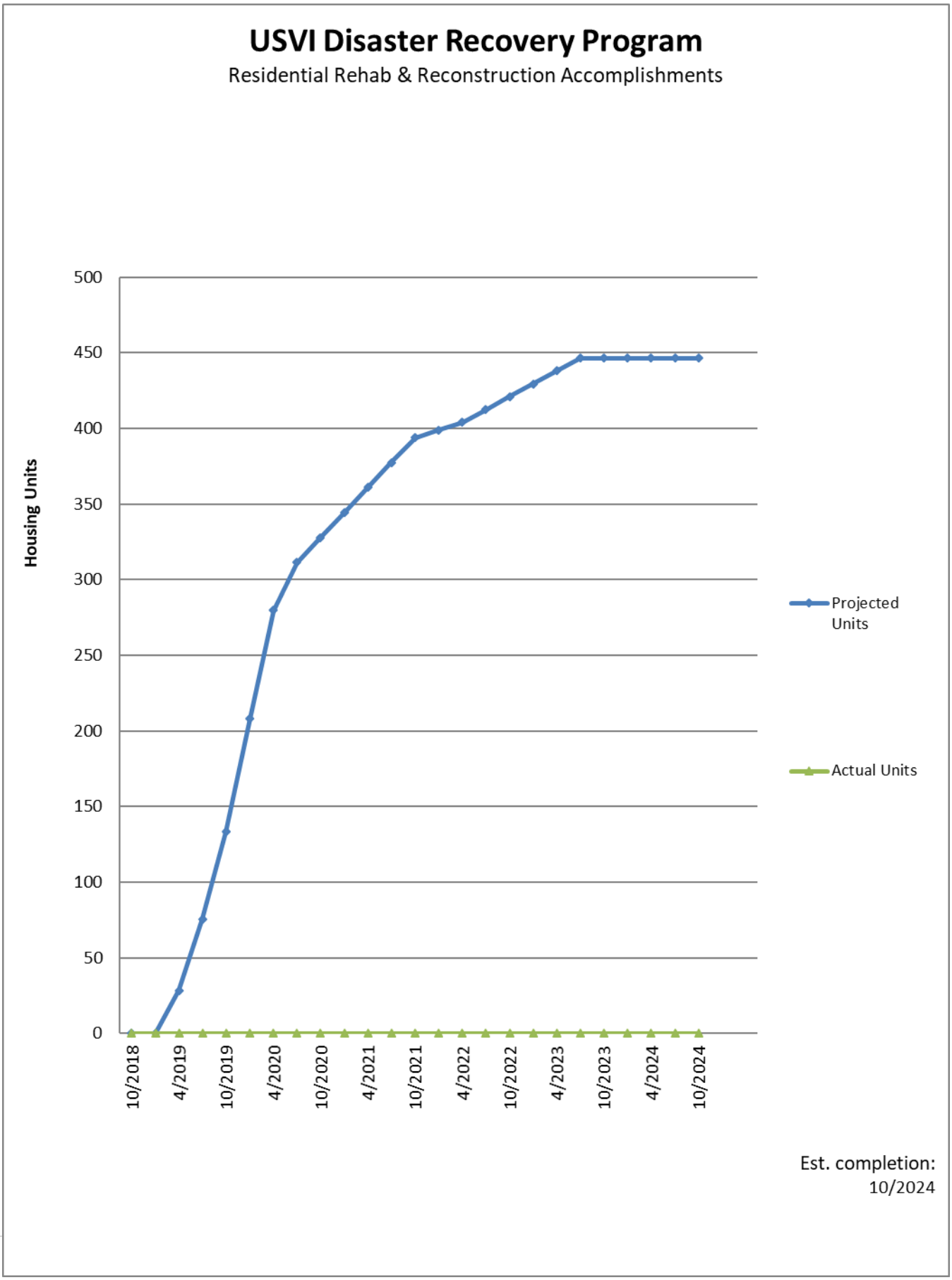

USVI Disaster Recovery Program
Non-Housing Assistance Expenditures
Millions
$800
$700
$600
$500
$400
$300
$200
$100
$0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
10/2022
4/2023
10/2023
4/2024
10/2024
Projected Expenditures
Actual Expenditure
Est. completion:
10/2024


USVI Disaster Recovery Program
Planning & Administrative Expenditures
Millions
$60
$50
$40
$30
$20
$10
$0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
10/2022
4/2023
10/2023
4/2024
10/2024
Projected Expenditures
Actual Expenditure
Est. completion:
10/2024


USVI Disaster Recovery Program
Total CDBG-DR Grant Expenditures
Millions
$1,200
$1,000
$800
$600
$400
$200
$0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
10/2022
4/2023
10/2023
4/2024
10/2024
Projected Expenditures
Actual Expenditure
Est. completion:
10/2024

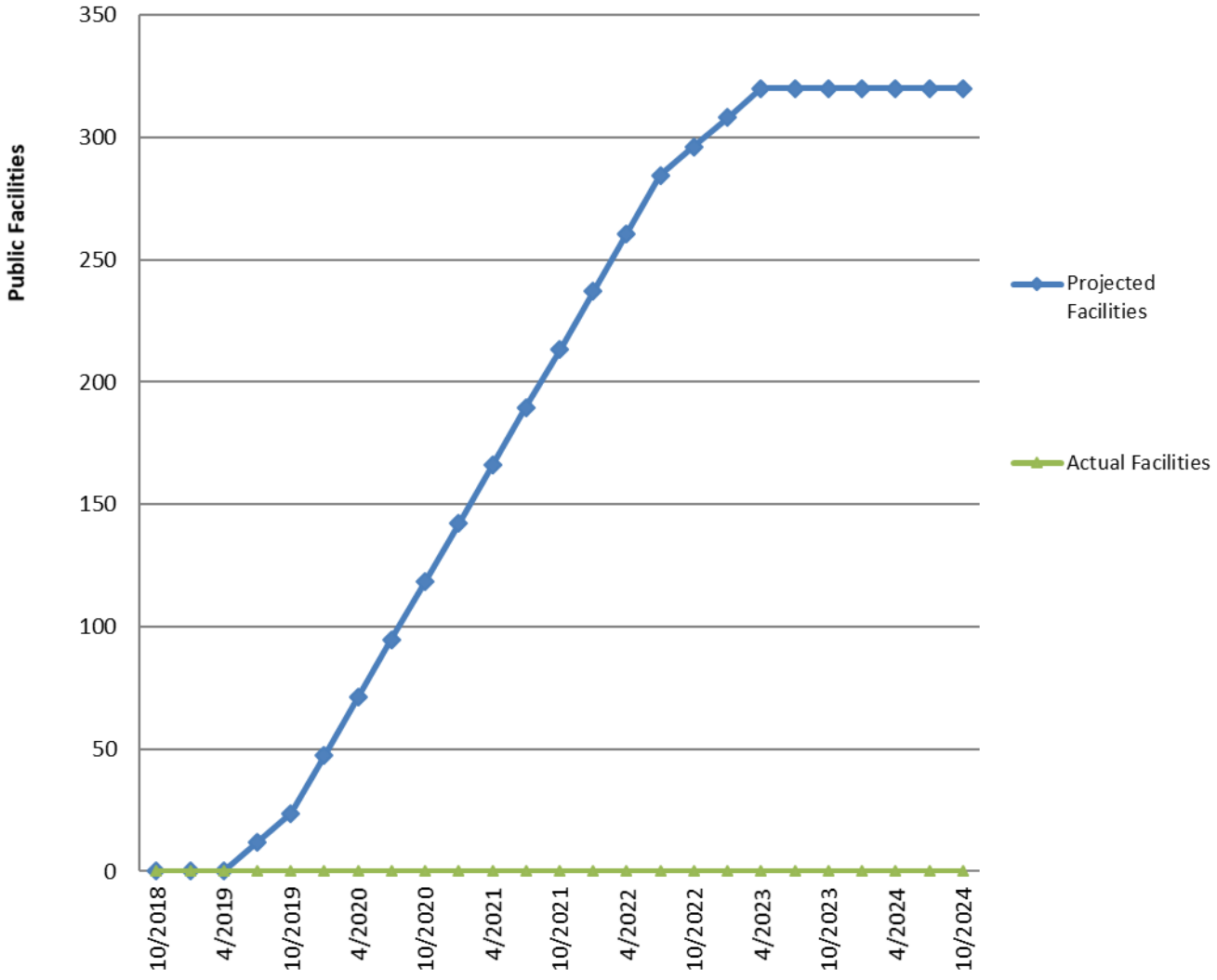

USVI Disaster Recovery Program
New Housing Construction Accomplishments
Housing Units
500
450
400
350
300
250
200
150
100
50
0
10/2018
10/2019
10/2020
10/2021
10/2022
10/2023
10/2024
Projected Units
Actual Units
Est. completion:
10/2024


USVI Disaster Recovery Program
Homeownership Assistance Accomplishments
Housing Units
1
1
1
1
1
1
0
0
0
0
0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
10/2022
4/2023
10/2023
4/2024
10/2024
Projected Units
Actual Units


USVI Disaster Recovery Program
Residential Rehab & Reconstruction Accomplishments
Housing Units
500
450
400
350
300
250
200
150
100
50
0
10/2018
4/2019
10/2019
4/2020
10/2020
4/2021
10/2021
4/2022
10/2022
4/2023
10/2023
4/2024
10/2024
Projected Units
Actual Units
Est. completion:
10/2024

USVI Disaster Recovery Program

Public Facilities Accomplishments

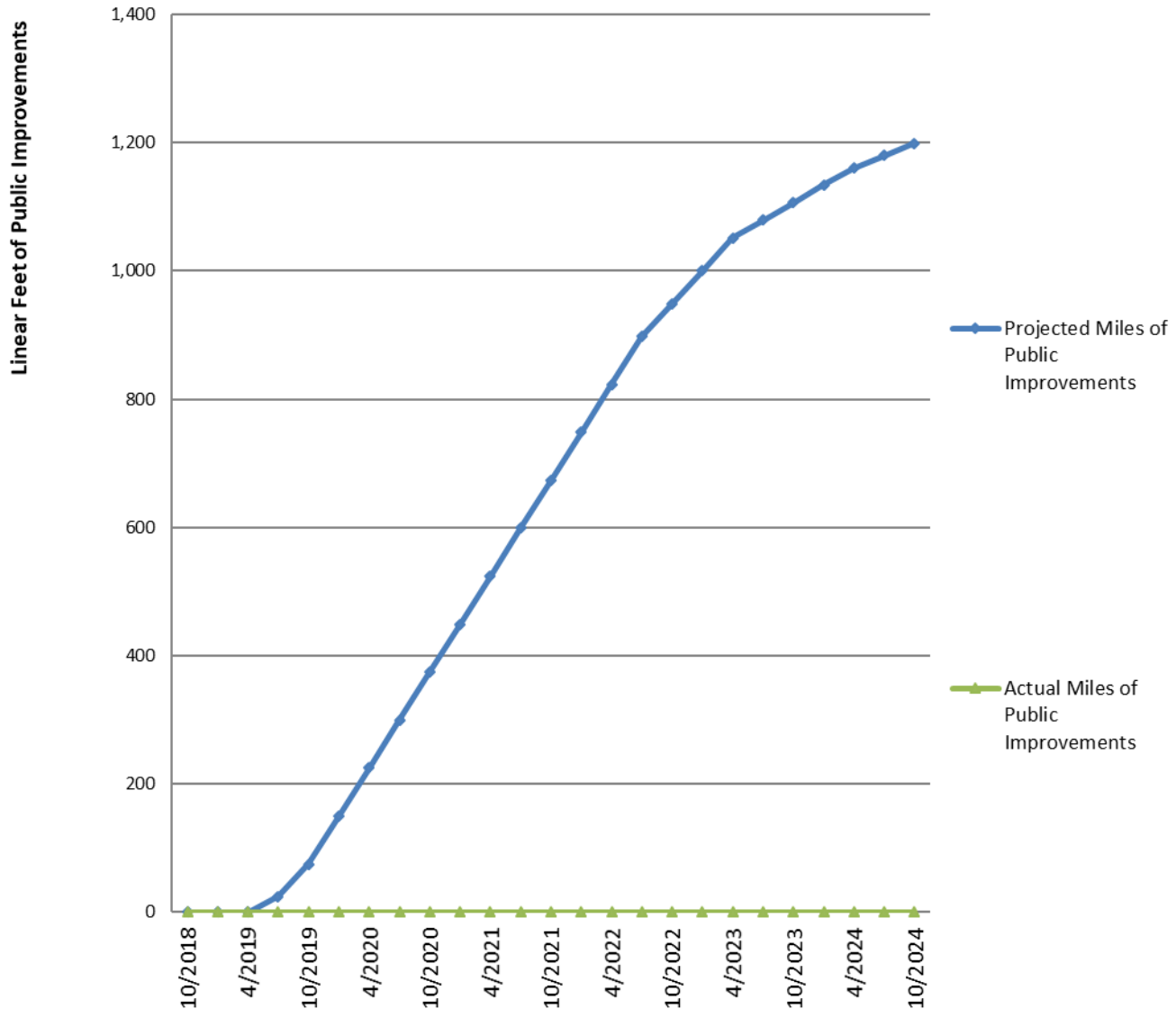


DRGR Activity Types: (1) Acq, constr, reconstr of public facilities; (2) Constr/reconstr of water lift stations; (3) Constr/reconstr of water/sewer lines or systems; (4) Dike/dam/stream-river bank repairs; and (5) Rehab/reconstr of public facilities

Est. completion:
10/2024

USVI Disaster Recovery Program

Public Infrastructure Accomplishments

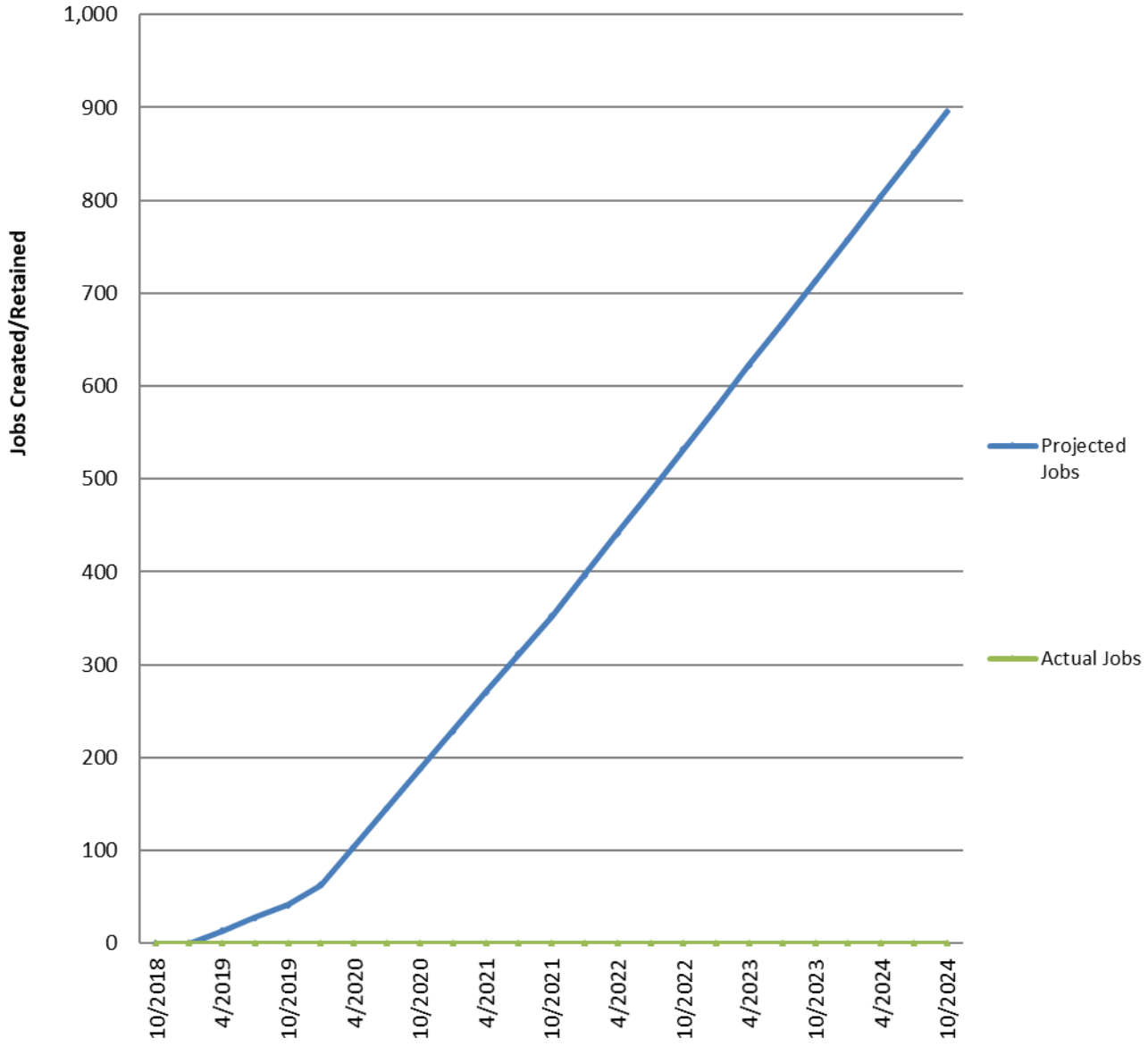


DRGR Activity Types: (1) Constr/Reconst of water/sewer lines or systems; (2) Dike/dam/ stream-river bank repairs; and (3) Rehab/Reconstr of a public improvement

Est. completion: 10/2024

USVI Disaster Recovery Program

Economic Development Accomplishments



Est. completion:
10/2024

DRGR Measure Types: (1) # of Permanent Jobs Created; and (2) # of Permanent Jobs Retained