

**U.S. VIRGIN ISLANDS
2020- 2024 CONSOLIDATED PLAN FOR
HOUSING AND COMMUNITY DEVELOPMENT**



2022 -2023 PROGRAM YEAR ACTION PLAN

Submitted by:
Virgin Islands Housing Finance Authority

THIRD YEAR ACTION PLAN

Executive Summary

AP-05 Executive Summary – 24 CFR 91.200(c), 91.220(b)

Introduction

The Annual Plan describes the goals and objectives to be pursued and the projects to be funded under the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), the Home Investments Partnership Program (HOME), and the National Housing Trust Fund (HTF) during the 2022 program year to implement strategies to address identified needs.

Summarize the objectives and outcomes identified in the Plan

Priority needs and corresponding goals were established after an assessment of needs and capacity, review of relevant economic information and statistical data, discussions in the community, consideration of strategic plans of partner agencies and providers in the region, and review of available planning documents. These serve as the framework for setting actions during the five-year period covered by the Consolidated Plan.

Four priority needs were established, each a high priority:

- Affordable housing choice
- Homelessness services and facilities
- Public and community services
- Infrastructure, facilities and economic development

Four goals were established to meet the needs:

- Increase and preserve affordable housing units
- Reduce and prevent homelessness
- Provide services and community support
- Support community and economic development

Evaluation of past performance

The past several program years have been challenging for the Territory. Starting with the massive devastation and the resulting prolonged disruption of normal activities in the aftermath of the 2017 hurricanes, the Territory has struggled to return to full normalcy. The arrival of the COVID-19 pandemic in early 2020 led to extended shutdowns of schools, construction sites, etc. As a result of the Territory's relative geographic isolation, the effects of world-wide supply chain issues were exacerbated causing an unprecedented increase in prices – particular construction prices. These disruptions had various impacts

on virtually all the HUD programs covered by the Consolidated Plan. The biggest impact has been low expenditure rates due to closure of various public service programs (many of the CDBG-funded programs are after-school programs for which only a few were able to pivot to operate in the virtual environment); several construction projects experiencing long delays and now require additional funds to meet the sharp increase in material prices. In addition, the lack of contractor availability has also resulted in start-up delays for several projects.

Despite the challenges, there were some accomplishments over the past two program years. Several CDBG subrecipients - Mon Bijou After-school Program, Frederiksted Boys & Girls Club of the VI (now known as Caribbean Center for Boys and Girls), and Project Promise operated after-school programs on St. Croix while the St. Thomas Boys & Girls Club - operated an after-school program on St. Thomas. Family Resource Center operated a counseling program providing services to youth on St. Thomas and St. John who exhibited unhealthy or unsafe behaviors as a result of traumatic experiences. Several of the referenced programs were able to pivot and provide virtual programming during the COVID-19 pandemic.

Another noteworthy accomplishment was the completion of the construction of the St. John Rescue Headquarters and Operational Base on the island of St. John. CDBG funds totaling \$1.03M were used by all-volunteer non-profit, St. John Rescue, to acquire land and construct a state-of-the-art facility equipped with community meeting space, back-up power, and communications equipment that provides vital services to the community – especially in the event of natural disasters.

In the area of homeless services, Liberty Place started to operate its Community First shelter on St. Croix. The shelter is located at the site of the former Villa Morales Restaurant and Guest House which facility was purchased with CDBG funds. This has added much-needed emergency shelter beds on St. Croix -filling a void created when the Bethlehem House shelter was forced to close after 2017's Hurricane Maria. Other homeless providers continued to operate programming during the period. Several providers will utilize funding awards under the ESG CARES Act (ESG-CV) to reimburse eligible expenses incurred to prevent, prepare for, and respond to the coronavirus pandemic among shelter residents and unsheltered persons.

Summary of Citizen Participation Process and consultation process

Beginning on May 3 of this year, a series of public hearings was conducted to to present all the Community Development Block Grant proposals received. The hearing also provided an opportunity to receive public input from citizens and other stakeholders relative to the needs of the Territory with regards to housing, homelessness, and community development. A second round of hearings was held during the week of July 4. Finally, a public hearing was held on July 20, 2022 which hearing presented the proposals submitted for consideration for funding under the CDBG-CV allocation. The July 20th public hearing was also advertised as an opportunity to gather critical public input relative to identifying needs and establishing priorities for projects/activities that can directly help the Territory's ongoing efforts to prevent, prepare for, and respond to the COVID-19 pandemic.

At the conclusion of the round of hearings, the CDBG staff completed the evaluation of the proposals and will make recommendations to the VIHFA's Board of Directors accordingly relative to the projects that should be selected for funding.

Summary of public comments

No comments were received.

Summary of comments or views not accepted and the reasons for not accepting them

Not applicable.

PR-05 Lead and Responsible Agencies – 91.200(B)

CDBG Administrator: Virgin Islands Housing Finance Authority
HOME Administrator: Virgin Islands Housing Finance Authority
ESG Administrator: Virgin Islands Housing Finance Authority
HTF Administrator: Virgin Islands Housing Finance Authority

Narrative

The Virgin Islands Housing Finance Authority (VIHFA) has as its mission to increase to housing and community development opportunities by developing innovative programs and projects. The VIHFA's Federal Programs Division exercises direct oversight over the various Consolidated Plan programs. Federal Programs is tasked promoting, planning, implementing and administering federal grants and programs to help the Authority achieve its mission of increasing housing access across the housing continuum and supporting community development initiatives which improve the living environment for all residents of Territory.

Consolidated Plan Public Contact Information

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AP-10 Consultation – 91.100, 91.200(b), 91.215(l)

Introduction

The Virgin Islands Housing Finance Authority actively participates in planning efforts in the Territory, including affordable housing, housing and services for persons who are homeless and housing and services for other vulnerable populations. In addition to coordinating vital funding for services related to health, safety, housing, and support for youth, the VIHFA is represented in planning activities with representatives from key agencies from the government, nonprofit sector, and foundations. The VIHFA has been an active participant in the USVI Hurricane Recovery and Resilience Taskforce which developed a comprehensive report on the 2017 hurricanes' impact, as well as produced recommendations for effective recovery and resilience. The VIHFA led the housing sector portion of the taskforce.

In addition, in its role as the lead agency for the administration of the Community Development Block Grant - Disaster Recovery (CDBG-DR), the VIHFA has been in consultation with numerous public and non-profit service agencies. One of the more recent consultations engaged more than 55 participants representing various non-profit entities interested in accessing funding for Public Services and Public Facilities aimed at vulnerable populations. Many of the entities that participated highlighted the Territory's on-going need for programs and services especially for homeless and persons with co-occurring conditions.

Summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l))

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During the 2021 Action Plan Year, the VIHFA in its role as the CoC Collaborative Applicant, played a key role in the team leading the CoC's effort to launch the Emergency Housing Vouchers (EHV) program. By design, the EHV program requires collaboration between the CoC and the local public housing authority (VIHA). The CoC developed a process to allow member agencies to refer clients for consideration for the EHV Program. A case conferencing process is used to identify and prioritize cases to be referred to VIHA. A key support that VIHFA has offered to share insights from its TA provider to help facilitate/coordinate the successful implementation of the program. Referring agencies will continue to provide wraparound services and linkages to care and care navigation for clients that they have referred to the EHV program.

Coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

As the designated Collaborative Applicant, VIHFA is an active participant in the Continuum of Care (CoC). This position helps to improve coordination between the two major homeless planning and policy

development organizations - the Interagency Council on Homelessness and the Continuum of Care. A full-staff position at the VIHFA is responsible for implementation of the ESG Program and development of policies and procedures for homelessness and increasing services for homeless persons and those at risk of becoming homeless.

Over the past several years, the VIHFA has been leading the CoC's efforts to strengthen the organization and bring it into full compliance with HUD requirements. Strengthening the organization is key to increasing the jurisdiction's overall score in the annual CoC grant competition - which will ultimately increase the funding available to the CoC for projects to address the needs of homeless persons.

A large part of the collaboration with the CoC to address the needs of homeless persons centers around implementation of the Coordinated Entry (CE) system.

The USVI CES will help people access the housing crisis system faster, by ensuring that persons with the greatest needs receive priority for the housing and homeless assistance available in the Territory of the USVI. To ensure that all systems and processes best meet the needs of the homeless, design principles for the CES include:

- Client-centered practices where every person at risk of or experiencing homelessness is treated with dignity, offered at least minimal assistance, afforded the opportunity to participate in the development and execution of their own housing plan (if applicable) and with clients offered choice during the referral process whenever possible.
- Degree of vulnerability as the primary factor in determining where the Territory's limited resources should be directed first
- Avoidance of system practices and individual project eligibility criteria which may pose barriers to housing access
- Policies and practices that respect cultural, regional, programmatic, linguistic, and philosophical differences.
- A diversity of housing options created through collaborative and inclusive planning and decision-making practices based on data analysis of local housing needs

The completion of its Coordinated Entry protocol and implementation of the CE system was delayed by the disruption of normal operations after Hurricanes Irma and Maria in September 2017. The CES sub-committee of the local Continuum of Care developed a draft protocol which draft document was provided to HUD in July 2018. Some technical assistance was provided by HUD contractor, Abt Associates, to help the CoC identify gaps in the homeless crisis response system and the steps needed to enhance the system to so that it can better address the needs of homeless persons across all cohorts. In this effort, the technical assistance provider met with homeless providers as well as other community stakeholders to explore the nature of homelessness pre- and post-storms. This process also reviewed available resources, identified the most significant system gaps, and outlined a vision for necessary homeless system improvement and expansion in the future. The arrival of the pandemic stalled the CoC's efforts to finalize the design and begin the implementation of the CES; however, during the 2021 Action Plan Year, the

VIHFA in its role as the CoC Collaborative Applicant, played a key role in spearheading the CoC's effort to launch the Emergency Housing Vouchers (EHV) program. Under the EHV program, up to 20 homeless or at-risk households will receive vouchers and assistance with housing search and placement, utility deposit assistance, and basic furnishings as needed, to achieve housing stability. The case conferencing approach allows member agencies to refer clients for consideration for the EHV Program. It is intended that the case conferencing process that has been developed to identify and prioritize cases will provide a framework that will inform the final design of the CES; thus, the process has all the basic elements of the Coordinated Entry System which the CoC has formulated. The case-conferencing has already served to facilitate the efficient management of the Territory's scarce homeless resources.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

As the designated Collaborative Applicant, VIHFA is an active participant in the Continuum of Care. A full-staff staff position at the VIHFA is responsible for implementation of the ESG Program and development of policies and procedures for homelessness and increasing services for homeless persons and those at risk of becoming homeless.

ESG and CoC recipients are required to coordinate to develop performance standards for evaluating the effectiveness of ESG Program-funded activities within the jurisdiction. VIHFA and the CoC, working closely with HUD-assigned technical assistance provider, Technical Assistance Collaborative (TAC), had identified gaps in the homeless crisis response system and had begun to quantify the needs in the areas of emergency shelter, transitional housing, rapid re-housing, and permanent supportive housing. This analysis helps to inform the allocation of not only ESG funds but also CDBG funds (as the Territory's ESG allocation is relatively small). The technical assistance had also highlighted improved reporting capability and tracking via HMIS as a critical need for monitoring and improving system performance. Going forward, understanding this relationship will help inform the development of policies and procedures for the Territory's HMIS. One aspect of reporting that has been addressed recently is the use of a comparable database by a local DV service provider agency that is an ESG subrecipient.

Unfortunately, the second phase of the technical assistance engagement never materialized. The second phase of the engagement would have entailed focused trainings to more fully prepare the CoC for its consultative role relative to the development of written standards for both ESG- and CoC-funded programs and policies and procedures for HMIS. Written Standards were developed and provided to HUD for review. VIHFA is awaiting feedback on the draft document so the written standards are still pending finalization.

The establishment of formal performance standards will enable the CoC to more fully participate in the evaluation of the outcomes of ESG-assisted projects and activities against established performance measures.

Describe agencies, groups, organizations and others who participated in the process and describe the jurisdiction’s consultations with housing, social service agencies and other entities.

Sort	Agency	Type	Plan Sections
	Catholic Charities of the VI	Services-homeless	Homeless needs-chronically homeless Homeless needs-families with children Homelessness strategy Housing
	VI Dept. Human Services	Other government-local	Homeless needs-chronically homeless Homeless needs-families with children Homelessness strategy Non-homeless special needs Non-housing community development strategy
	Methodist Training & Outreach Center, Inc.	Continuum of Care Services-homeless	Homeless needs-families with children Homeless needs-veterans Homeless strategy
	Ten Thousand Helpers of STX	Services-homeless	Homeless needs-chronically homeless Non-homeless special needs Housing
	St. Croix Mission Outreach	Services-persons with disabilities Housing	Homeless needs-chronically homeless Non-homeless special needs
	Frederiksted Health Care	Health Agency Housing Services-Homeless Services-Health	Homeless needs-chronically homeless Non-homeless special needs Non-housing community development strategy Housing
	Family Resource Center	Services-domestic violence Housing	Homeless needs-families with children Non-homeless special needs
	DHS, Adult Protective Services	Other government-local	Non-homeless special needs Non-housing community development strategy
	VI Housing Authority	PHA	Housing needs assessment Public housing needs Non-homeless special needs Non-housing community development strategy
	VIHFA	Other government-Local	Housing needs Assessment Homeless needs-chronically homeless Homeless needs- families with children Homeless strategy Market analysis Non-housing community development strategy

Identify any Agency Types not consulted and provide rationale for not consulting

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care		
Christiansted Community Town Plan	USVIEDA- Enterprise Zone Commission	

Table 1 – Other local / regional / federal planning efforts

Narrative (optional)

The ongoing pandemic impacts continue to be the focus of many organizations (both governmental and nongovernmental agencies). Nonetheless, there have been extensive meetings with local agencies that provide service to the various special populations (i.e., homeless, persons with disabilities, children and youth, victims of domestic violence) as part of the extensive needs assessment gathering that continues to inform the CDBG-DR implementation and also the planning for CDBG-Mitigation (CDBG-MIT).

AP-12 Participation – 91.105, 91.200(C)

**Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

Three rounds of public hearings were held during the plan development process. As a result of the ongoing pandemic impacts, the hearings were held virtually via the Zoom platform. This provided an opportunity for participation by persons who might not typically attend an in-person hearing. Public hearings present the opportunity for gathering input regarding program proposals received in the current cycle.

AP-15 Expected Resources – 91.220(c)(1,2)

Introduction

Resources from federal CDBG, ESG, HOME, HTF grants and CARES Act funding expected during the remaining years of the Consolidated Plan are based on allocations during the first two years, with a reasonable expectation of program and other income shown. However, allocations have been fluctuating over the past several years and, if that continues to be the case, both expected funding amounts and outcomes will be modified accordingly.

Anticipated Resources

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Although there are no designated or HUD-approved geographic target areas defined in the Territory's Consolidated Plan, according to the evaluation criteria outlined in the HTF Plan, projects that will be located in the Territory's downtown areas will receive a score for five (5) points. A proposed project within these areas that has occupancy restrictions or preferences that favor tenants with special needs will receive five (5) bonus points.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicant Capacity has been included as one of the evaluation criteria that will be used to determine which project will be selected for HTF funding.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

A commitment of project-based assistance has been included as one of the evaluation criteria that will be used to determine which project will be selected for HTF funding. A maximum of five points will be awarded in this category. To receive points in this category, Eligible Projects shall have a commitment of project-based rental assistance for at least 66% of the units for a period of at least five years so that rents are affordable to extremely low-income households. The applicant is required to provide a commitment letter or executed Housing Assistance Payment contract as documentation of the project-based rental assistance.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

As one of the evaluation criteria that will be used to determine which project will be selected for HTF funding, five (5) points will be awarded to projects which propose to remain affordable for at least five years beyond the required 30-year affordability period. The Affordability Period requirement shall be imposed either by a deed restriction, covenant, or land use agreement restricting the property. The

applicable document shall be recorded in the official records of the Recorder of Deeds.

h. Describe the grantee’s required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

Satisfaction of Priority Housing Needs has been included as one of the evaluation criteria that will be used to determine which projects will be selected for HTF funding. A maximum of fifteen (15) points will be awarded in this category. By assigning the highest relative priority to this factor, the Territory ensure that priority for funding is based on the merits of the application in meeting the priority housing needs established in the Consolidated Plan. To receive points in this category, the proposed project’s units must be permanent units and the project may not use the SRO model. The project also cannot be age-restricted.

i. Describe the grantee’s required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter “N/A”.

A requirement for leveraging non-federal funding sources has been included as one of the evaluation criteria that will be used to determine which projects will be selected for HTF funding. A maximum of ten (10) points will be awarded in this category. To receive points in this category, the proposed project must have at least one nonfederal funding source in addition to the LIHTC equity proceeds.

4. Does the grantee’s application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

5. Does the grantee’s application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select “N/A”.

Yes

6. **Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress,

consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.

Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

As described in its HTF Plan, the grantee has chosen to adopt the HOME Program's maximum per-unit subsidy amounts and the limits for housing assisted with HTF funds. See HTF Allocation Plan included as an attachment.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below. In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

See HTF Allocation Plan included as an attachment.

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

See HTF Allocation Plan included as an attachment.

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

The grantee has determined its own affordable homeownership limits using the methodology described in § 93.305(a)(2) and the limits are attached.

The Territory will not utilize HTF funds for homebuyer assistance in the current Action Plan year.

11. Grantee Limited Beneficiaries or Preferences. Describe how the grantee will limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population to serve unmet needs identified in its consolidated plan or annual action plan. If the grantee will not limit the beneficiaries or give preferences to a particular segment of the extremely low- or very low-income population, enter "N/A."

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

See HTF Allocation Plan included as an attachment.

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

The Territory does not intend to allow eligible recipients to use HTF funds for refinancing of existing debt.

Discussion: