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HUD Approves \$774 Million Community Development Block Grant for USVI

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The United States Department of Housing and Urban Development (HUD) approved the territory's Community Development Block Grant – Mitigation (CDBG-MIT) Action Plan, giving the Virgin Islands through the Housing Finance Authority (VIHFA) authorization to spend \$774 million (Tranche Four) for disaster mitigation and planning efforts that minimize or eliminate risks and reduce losses from future disasters, V.I.H.F.A. made known via release Thursday.

“The 2017 hurricanes crippled the Virgin Islands and truly revealed our weaknesses in disaster response. This approval is a major win for the territory because this is the first time that we’ve ever had access to such a large volume of capital to address issues in our community that surface after natural disasters. With mitigation funds, we can adequately prepare not just for hurricanes, but for earthquakes, flash floods, and tsunamis as well,” said VIHFA Executive Director Daryl

Griffith, who said during a recent Senate hearing that he expects the funds to be available for use beginning early 2022.

According to the release, the action plan was shaped by community input provided through a series of town hall meetings, focus groups and surveys conducted in 2020. A draft followed in November and was published for review and further comment before being submitted to HUD in January. Partial approval was granted in March, along with access to \$71 million in funds and additional time for revisions and cross-collaboration with the Federal Emergency Management Agency's Hazard Mitigation Grant program currently being spearheaded by the University of the Virgin Islands.

A final action plan was submitted in June and includes a mitigation needs assessment of the territory, which includes an analysis of weather conditions on each island and weaknesses in the disaster recovery cycle, V.I.H.F.A. said. Further, the analysis identifies several "community lifelines" – those critical components of a community that, when damaged, severely prevent the territory from fully recovering from a natural disaster, including communications; safety and security; food, water, and shelter; health and medical; and transportation.

The plan also outlines how the funds will be used to support projects and programs for: infrastructure and public facilities, economic resilience and revitalization; housing; public services; and planning.

- Infrastructure & Public Facilities projects will focus on developing multi-purpose facilities such as shelters, that are dedicated to disaster preparedness; and hardening and upgrading existing infrastructure throughout the territory. Infrastructure projects could potentially include the repair, reconstruction, and improvement of bridges, culverts, and embankments. This category accounts for 54 percent of the CDBG-MIT funding.
- Economic Resilience & Revitalization projects aim to minimize operational downtime and accelerate the recovery of commercial areas after a disaster. Activities include small business mitigation, which can create jobs for predominately low-and-moderate income residents and stabilize and grow the tourism industry through key infrastructure improvements to ports and commercial areas.
- Housing activities include new construction and rehabilitation of single and multi-family homes; facilities that support the homeless population, the voluntary acquisition or buyout of high-risk properties, and projects that increase the affordability of rental stock. This category accounts for 25 percent of the CDBG-MIT funding.
- Planning funds will support the development of historic preservation plans, community recovery plans, land use plans, the development of building codes, zoning ordinances, and related studies.
- Public Services funds will provide grants through an application process to social services organizations that support several of the community lifelines.

All CDBG-MIT funded projects must meet two of HUD's national objectives: be of benefit to vulnerable and lower-income people and communities and address an urgent need, said the authority. The need identified through the Mitigation Needs Assessment is the reduction in the risk of loss of life and property. In addition, projects must demonstrate the ability to operate for their estimated useful life. Infrastructure and public facility projects must include a plan for long-term operation and maintenance.

Projects that are ineligible under CDBG-MIT include the funding of buildings used for the general conduct of government, emergency response services, and assistance to private utilities.

The MIT program is separate from the CDBG Disaster Recovery (DR) program currently in motion. Unlike DR, mitigation activities do not have to have a tie to the 2017 hurricanes and the timeline for the expenditure of funds is twelve years from the date the grant agreement is signed.

The final Federal Register notice for the electrical power systems, Tranche 5 has been issued, and a separate action plan will be developed in the coming months. HUD has allocated approximately \$1.9 billion to the territory in response to the 2017 hurricanes.

The CDBG-MIT Action Plan and additional information can be found on the website at <https://cdbgdr.vihfa.gov/programs/cdbg-mitigation/>.