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ODR's Annual Report on USVI's Recovery: Rising From Devastation, Securing Resilient Future, Challenges With Matching Funds and Capacity

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Pathway to the Clocktower in Frederiksted, St. Croix with debris piled on the right side following Hurricane Maria in Sept. 2017. By. NEW YORK TIMES

Five years onwards from the territory being brought to its knees by the devastating 2017 Hurricanes Irma and Maria, the Office of Disaster Recovery (ODR) is assessing the progress made in rebuilding a resilient U.S. Virgin Islands.

ODR has used its 2022 Annual Report, released on Monday, as a retrospective on the time since it was established in 2019 by Governor Albert Bryan Jr., using funds from the Department of Interior. Two years earlier, the twin Category 5 hurricanes had destroyed 90% of the territory's

above-ground power lines, and destroyed or damaged 85% of the housing stock. Over 400 vessels were sunk, 940 roadways were marked as unsafe, and over half the territory's schools suffered significant roof and structural damage.

Since then, there has been \$5.8 billion obligated to the territory in federal recovery funds, almost half of which has already been spent on projects that are currently underway or have already been completed.

According to ODR, efforts have been made to maximize the impact of the funding obligated, received and anticipated, by prioritizing projects that "build, strengthen and mitigate future risks to public facilities, roadways, ports, and coastal areas."

However, the report tells a story of a formidable task ahead. The work seems simple, from the agency's outlined strategic priorities. "Get the Funds. Spend The Funds, Spend the Funds Correctly," are highlighted as the steps in the process by which a resilient recovery will be achieved for the USVI. But the hurdles become clearer upon a closer reading.

"There are several ongoing challenges outlined in this report, the two most critical of which are resolving the 10% local match requirement on the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program, and figuring out how to undertake a decade-long, multibillion-dollar reconstruction program with the resource constraints of a territory of less than 100,000 residents and more than 1,000 miles away from the U.S. mainland," ODR noted.

The constraint of having to find enough money locally to meet the matching requirements for accessing various federal grant programs has been addressed by either requesting and receiving waivers of those requirements from federal partners, or by leveraging money from the U.S. Department of Housing and Urban Development (HUD) funding sources to use as the needed matching funds for other programs. However, ODR says that the territory's extreme success in getting approvals from FEMA for replacement projects beyond what was originally estimated is posing a major challenge. Now, to qualify for all the funding available in the expanded scope, the territory could have to find over \$1.5 billion to meet FEMA's 10% matching requirement. Continuing to rely on diverting HUD funds would leave critical projects in that portfolio at risk, ODR warns.

Other of the constraints highlighted by the report are within the Office of Disaster Recovery Itself. Just 23 employees handle the workload involved in managing the funds received from FEMA's PA grant program. Thirteen staffers work with the funds from the federal agency's Hazard Mitigation grant program, with eighteen more employees at the heart of ODR itself, "supporting the compliance, financial and portfolio management mandates of the Territory's disaster recovery initiatives."

These 54 people must coordinate with an array of partner agencies, both local and federal, to deploy billions of dollars in funding and manage contractors working on a number of urgent rebuilding and repair projects. With more than \$10 billion in "anticipated recovery funding" to come from FEMA, another \$2 billion from HUD, ODR is currently striving to rapidly expand its capacity, with training and onboarding new staff. Recent hires include a director of policy and regulatory services, for example, and a director of finance to implement strategies that reduce administrative costs and facilitate timely payments to vendors.

The ODR also, in 2021, launched a management system called Odysseus which is "designed to serve as a centralized system to track milestones, schedule performance, financial data and risks

for recovery projects.” The tool is deployed across government and statutory agencies that use recovery funds, providing end-to-end tracking of disaster recovery projects across the territory on one platform. ODR expects this to enable the Government of the Virgin Islands (GVI) to work expeditiously while meeting federal compliance standards and regulations.

After the hurricanes, Governor Bryan declared five top priority areas for disaster recovery: health and hospitals, schools, housing, utilities, and roads. Projects in these categories were understood to “affect the largest percentage of the community,” and were deemed to be the most critical services needed by Virgin Islanders. Over 780 recovery projects across these categories have been completed, ODR reports, with 500 currently ongoing.

One example of the critical nature of the recovery work is the completion of the [Magens Junction Apartments](#), where 108 families displaced by the hurricanes now reside. Similar projects in the pipeline mean that many Virgin Islanders are anxiously awaiting their own chance to regain their footing after the hurricanes’ disruption, an implicit understanding that provides the impetus for the sense of urgency that undergirds [this annual report](#).

The annual report ends with a look towards the future. ODR expects the next five years to feature the completion of “all minor and most major building reconstruction projects,” notwithstanding the challenges facing the agency. The urgent housing recovery should be complete, “including single-family repair/reconstruction and large-scale reconstruction and new construction of public and affordable housing.”

ODR says projects to improve drainage, stabilize slopes, and make the power grid more resilient should all be completed, making the territory better able to withstand adverse weather events. By then, “reconstruction should be well underway on the potable water and wastewater systems territory-wide, with substantial completion achieved in the more densely populated areas,” the agency believes. The next chapters in the territory’s march towards a more resilient future will be documented in future annual reports from the agency at the center of the USVI’s largest recovery and development effort to date.