



USVI Housing Ecosystem
Development Grants Program

Accessing Affordable Housing Funding Resources in the US Virgin Islands

Webinar

December 6th, 2023

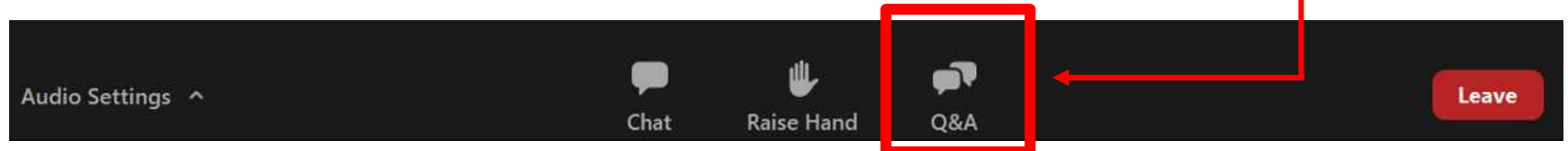


The background features a complex, abstract pattern of overlapping geometric shapes. The colors used are a muted beige, a vibrant green, and a bright blue. The shapes are irregular and some have white outlines, creating a layered, mosaic-like effect. A thick, dark blue border frames the entire composition.

Welcome

Housekeeping

1. This webinar is scheduled to last 1.5 hours including Q&A.
2. All participants will be muted to enable the speakers to present without interruption.
3. Questions can be submitted via Q&A at any time.
4. The slides and recording of this presentation will be available online after the session.



Agenda

- Opening Remarks
- FHLBNY Affordable Housing Program (AHP)
- Low Income Housing Tax Credit Program (LIHTC)
- Community Development Block Grant-Mitigation (CDBG MIT)
- Q&A
- Closing Remarks



OPENING REMARKS

PRESENTERS



Federal Home Loan Bank
NEW YORK



- Antoinette Fleming
- Jelani Newton
- Michelle Sugden

- Jahmila Vincent

- Janine Hector



FHLBNY Affordable Housing Program





Federal Home Loan Bank
NEW YORK

Affordable Housing Program General Fund

Accessing Affordable Housing Funding Resources in the US Virgin Islands

December 6, 2023

AHP General Fund Agenda

1. Overview of AHP General Fund
2. Application Process for the AHP General Fund
3. Brief Overview of AHP Lifecycle
4. AHP General Fund Resources
5. Closing Thoughts
 - 2024 AHP General Fund announcement and training schedule will be posted to FHLBANY's website: www.fhlbny.com/community/housing-programs/ahp.
 - Seek technical assistance from FHLBANY as you prepare the application.

Overview of AHP General Fund

What is the AHP General Fund?

- The Affordable Housing Program (AHP) General Fund via FHLBNY provides grants to Member Financial Institutions that submit applications on behalf of project sponsors that are planning to purchase, rehabilitate, or construct affordable homes or apartments.
 - Enable organizations to purchase, rehabilitate, or construct apartment buildings in which at least 20% of the units are affordable to households earning 50% or less of the area median income.
 - Help households earning 80% or less of the area median income to purchase or maintain their homes.
- 2023 AHP General Fund Parameters (note 2024 updates are pending approvals)
 - Maximum of \$40,000 per AHP targeted unit
 - Maximum of \$1,500,000 per project
- The AHP General Fund is administered in accordance with Federal Housing Finance Agency rules and regulations.

When are applications accepted for the AHP General Fund?

- The launch of the 2024 AHP General Fund round will be announced in the coming weeks
- Application submission deadline will be approximately 45 days from when application material is made available on FHLBNY's website

Who can apply to the AHP General Fund?

- AHP funds may only be accessed through a participating FHLBNY Member Financial Institution
- Members partner with a sponsor (government entity, profit or for-profit organizations) who will remain in the project through the duration of the AHP retention period



APPLICATION PROCESS

AHP General Fund Application Process – The Three Phases



Project Eligibility

- Project must meet minimum eligibility thresholds.



Project Scoring

- All eligible applications are scored and ranked.
- Most reviewed applications receive fewer points than project sponsors expect.



Financial Review

- Highest ranking applications are subject to the financial review phase.
- Highest scoring, financially feasible applications are awarded subsidy.



AHP General Fund Application Review – Eligibility Criteria

- Use of funds for acquisition, construction, or rehabilitation
- Rental Housing
 - Permanent rental units or transitional housing
 - At least 20% of the units must be reserved for households that earn 50% or less of the area median income
- Owner-Occupied
 - Single-family, two-family, condos, co-ops
 - All units for households earning 80% or less of the area median income
- Demonstrate project feasibility via development and operating budgets
 - Need for AHP Subsidy
 - Sound development schedule
 - Financial feasibility through AHP retention period

AHP General Fund Application Review – Scoring

Use of donated or conveyed government-owned or other properties – 5 pts

Sponsorship by a not-for-profit organization or government entity – 7 pts

Targeting – 20 pts

Underserved Communities and Populations – max. 12 pts

Homeless Households – 6 pts

Supportive Housing – 6 pts

Extremely Low Income – 6 pts

Projects in U.S. Territories - 6 pts

Creating Economic Opportunity: Residential Economic Diversity

Mixed Income Housing – 10 pts

High Opportunity Area – 10 pts

Community Stability: Preservation of Affordable Housing – 10 pts

District Priorities – max. 36 pts

Project Readiness – 10 pts

Owner-Occupied Projects – 5 pts

Small Projects – 5 pts

In-District – 5 pts

Green Building Innovation – 5 pts

Member Financial Participation – 6 pts

AHP Subsidy per Unit – 5 pts

AHP General Fund Application Review – Financial Review

- Each project must demonstrate a need for the AHP subsidy and confirm that it will be operationally feasible
- The FHLBNY will cross reference submitted information with data in the Rental or Owner Project Workbooks
 - Workbooks are MS Excel files that store the project's site information, capital stack, development and operational budgets among other pertinent project information
- The FHLBNY may contact the Sponsor at this stage for additional information. The Sponsor is required to respond immediately.



BRIEF OVERVIEW OF THE AHP LIFECYCLE

AHP General Fund: Subsidy Award

- Announcement of 2024 AHP General Fund awardees is scheduled for Q4 2024
- Direct Subsidy Agreement
 - The agreement is between FHLBNY, the AHP Sponsor and Member Financial Institution
 - All three (3) parties execute the agreement
 - Sponsor and Member Financial Institution agree to comply with the terms and conditions governing the approval and funding of the AHP Application
 - Subsidy is committed to the Member Financial Institution

AHP General Fund Project Lifecycle



Progress Reporting

- Periodic review of the progress made by the project to ensure the project is making progress towards construction completion, and occupancy; and review/ approval of drawdown requests

Initial Monitoring

- Gathering and analysis of documentation to determine that the project is occupied, subsidies were used appropriately, income and rents comply, AHP retention mechanisms are in place, where applicable, etc.

Long Term Monitoring

- Rental projects monitored for 15 years; periodic review to ensure household incomes and rents comply. Owner-Occupied monitored for 5 years where applicable, via the AHP retention mechanism.

AHP GENERAL FUND RESOURCES

AHP General Fund Resources

- Outreach
 - FHLBNY is planning a visit to Puerto Rico and U.S. Virgin Islands for an in-person AHP presentation in March
- AHP Virtual Trainings
 - Multiple virtual webinars planned in 2024 leading up to application launch
- AHP General Fund Tutorials
 - Recorded application tutorials available on FHLBNY's website
- Technical Assistance
 - 1:1 assistance to applicants prior to application deadline
- Debriefing
 - 1:1 assistance to applicants that did not receive an AHP subsidy award



CLOSING THOUGHTS





Advancing Housing and Community Growth

For more information on the
AHP General Fund or outreach activities
email ahp@fhlbny.com

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Low Income Housing Tax Credit Program



Low Income Housing Tax Credit (LIHTC) 101

**LOW INCOME HOUSING TAX CREDIT PROGRAM BASIC
OVERVIEW**

PRESENTED BY:

MS. MICHELLE SUGDEN-CASTILLO, MSCONSULTA

**MS. JANINE HECTOR, VIRGIN ISLANDS HOUSING
FINANCE AUTHORITY**

LIHTC Basics

- **CREATED UNDER THE TAX REFORM ACT OF 1986 WITHIN SECTION 42 OF THE INTERNAL REVENUE CODE**
 - **Modified by 2008 and 2009 Legislation**
- **THE ACT PROVIDES A TAX CREDIT THAT MAY BE CLAIMED BY OWNERS OF RESIDENTIAL RENTAL PROPERTY USES FOR LOW-INCOME HOUSING**
- **ADMINISTERED BY EACH STATE'S HOUSING FINANCE AGENCY**

LIHTC Basics

- I. EACH STATE RECEIVES AN AMOUNT OF CREDITS ANNUALLY IN TAX CREDITS TO ALLOCATE TO PROJECTS
 - A. \$1.75 per capita in 2003, inflated annually
 - B. \$2.00 in 2008 (“published rate”)
 - 1. Increased to \$2.20 by 2008 legislation
 - C. Returned to published rate after 2009
 - 1. \$2.60 in 2023

What Do Tax Credits Finance?

- I. NEW CONSTRUCTION AND REHABILITATION PROJECTS**
- II. ACQUISITION IN SOME CASES**
- III. HOUSING FOR FAMILIES, SPECIAL NEEDS TENANTS (E.G. VICTIMS OF DV, TRANSITIONAL HOUSING FOR HOMELESS, ARTISTS' COMMUNITY, VETERANS), SINGLE ROOM OCCUPANCY AND THE ELDERLY**
- IV. URBAN, RURAL AND SUBURBAN LOCATIONS**
- V. ADDITIONAL TAX INCENTIVES FOR PROJECTS IN HIGH-COST OR DIFFICULT-TO-DEVELOP AREAS**

How Do Housing Tax Credits Work?

- **PROJECTS SERVE RENTERS AT OR BELOW 60% AREA MEDIAN INCOME (AMI)**
- **INVESTORS EARN DOLLAR-FOR-DOLLAR CREDITS AGAINST THEIR FEDERAL TAX LIABILITY**
- **INVESTORS ALSO GET TAX BENEFITS FROM LOSSES**
- **GENERALLY, TAX CREDITS ARE RECEIVED OVER THE FIRST 10 YEARS OF OPERATION**
- **SOME TAX CREDITS ARE RECAPTURED BY THE IRS IF THE PROJECT DOES NOT COMPLY FOR 15 YEARS**

Unit Restrictions and Tenant Income Restrictions

- **THRESHOLD ELECTIONS – WHO CAN LIVE THERE?**
 - 40%/ 60% AMI election
 - 20%/ 50% AMI election
 - All tax credit units must be within election parameters
- **RENT RESTRICTED – HOW MUCH CAN TENANTS PAY?**
 - Rents and utilities – limited to 30% of threshold income
 - Allowable rent based on size of unit
- **FAMILIES MUST EARN LESS THAN THRESHOLD INCOME**
 - Based on HUD median income data, adjusted for family size

Structure – Tax Credit Syndication

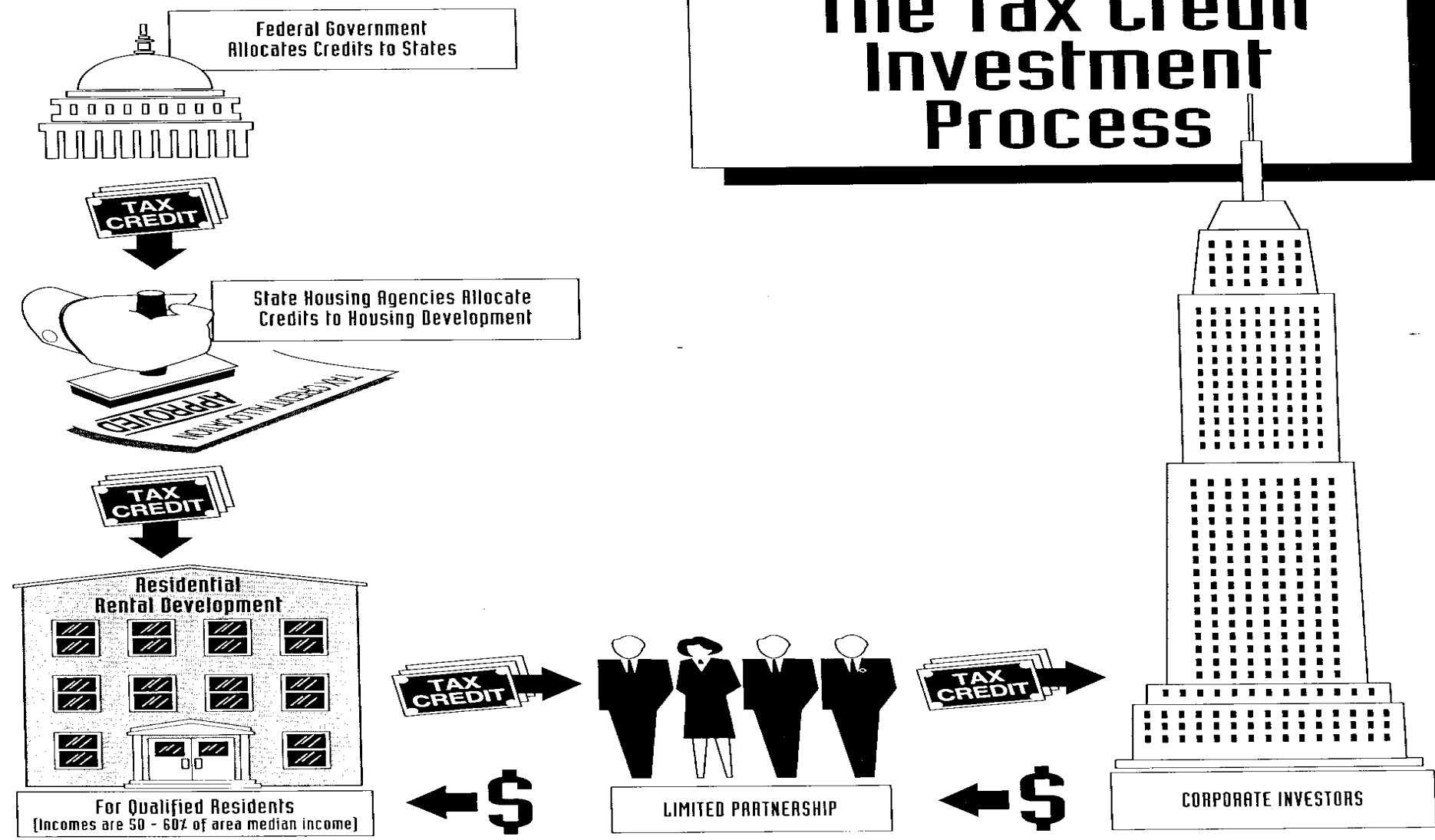
LIMITED PARTNERSHIP STRUCTURE

- **GENERAL PARTNER OWNS JUST 0.01%, BUT CONTROLS AND OPERATES THE PROJECT**
 - Generally, a single-purpose entity set-up and controlled by the Sponsor/Developer
- **PASSIVE LIMITED PARTNER INVESTS EQUITY**
- **IN RETURN FOR 99.99% OWNERSHIP**

Structure – Tax Credit Syndication

- **Sale to investor Limited Partner (L.P.) Of most of (99.99%) the Tax Credits and Tax Losses maximizes investor equity**
- **More investor equity reduces other financing needs and helps project development**
- **L.P. Is a passive investor, and gets its return almost exclusively from the tax credits and losses**

The Tax Credit Investment Process



Types of Tax Credits: New Construction/Rehab

- **9% NEW CONSTRUCTION/ REHAB CREDIT - THE STANDARD KIND OF TAX CREDIT**
- **4% NEW CONSTRUCTION/ REHAB CREDIT - USED WHEN PROJECT IS FINANCED BY TAX-EXEMPT BONDS**

Computing Basis to Calculate Credits

- **BASIS BOOST – INCREASE TAX CREDIT BASIS BY**
- **30% IF PROJECT IS IN**
 - A “qualified census tract” (QCT)
 - A “difficult to develop area” (DDA) or
 - A state designated difficult development area
 - Does not apply to tax-exempt financed projects

Types of Tax Credits

ACTUAL CREDIT RATES PUBLISHED MONTHLY

DECEMBER 2023:

9.00% AND 3.49%

Tax Exempt Bonds

- **ELIGIBLE FOR 4% CREDITS**
 - No allocation of credits needed
 - No carryover allocation required
 - No 10% Test
- **50% TEST: BOND AMOUNT MUST EXCEED 50% OF DEPRECIABLE BASIS PLUS LAND**
 - Construction period bond financing
 - Bonds must stay in place until at least one month after completion

Types of Tax Credits: Acquisition Credit

- 4% ACQUISITION CREDIT
- USED WHEN YOU PURCHASE AN EXISTING BUILDING THAT QUALIFIES
 - Substantial rehab
 - 10 year rule, if applicable
 - Exceptions
 - No basis boost

Eligible Basis – Excludes the following:

- **LAND AND LAND-RELATED COSTS**
- **BUILDING ACQUISITION AND RELATED COSTS**
- **HISTORIC TAX CREDITS TAKEN ON RESIDENTIAL PART OF PROJECT**
- **FEEES AND COSTS RELATED TO PERMANENT LOAN FINANCING**
- **SYNDICATION-RELATED COSTS**
- **TAX CREDIT FEES**
- **RESERVES**
- **POST-CONSTRUCTION WORKING CAPITAL**
- **FEDERAL GRANTS**
- **NON-RESIDENTIAL COSTS**

Structuring the Project

STEP 1: ESTIMATE TAX CREDIT BASIS

- $\text{Eligible Basis} \times \text{Applicable Fraction} \times \text{Basis Boost (if applicable)} = \text{Qualified Basis}$

STEP 2: ESTIMATE TAX CREDITS GENERATED USING BOTH THE 9% AND 4% RATES

- $\text{Qualified Basis} \times \text{Tax Credit Rate} = \text{Annual Credits}$
- $\text{Annual Credits} \times 10 \text{ years} = \text{Total Tax Credits}$

STEP 3: ESTIMATE INVESTOR EQUITY

- $\text{Total Tax Credits} \times \text{Pay Price (cent per dollar)} = \text{Equity}$

Computing Annual Tax Credits

I.	TOTAL DEVELOPMENT BUDGET	\$9,632,000
II.	LESS INELIGIBLE COSTS	1,062,500
III.	ELIGIBLE BASIS	\$8,569,500
IV.	APPLICABLE FRACTION	X100%
V.	QCT/DDA BASIS BOOST	X 130%
VI.	QUALIFIED BASIS	\$11,140,350

Computing Annual Tax Credits & Equity Raise: 9% Credit

- Qualified Basis \$11,140,350
- Applicable Rate x 9%
- Annual Tax Credits \$ 1,002,632

Annual Tax Credits	\$ 1,002,632
10 Years	x 10 years
Total Tax Credits	\$ 10,026,320
Price Paid	x \$0.90
Equity	\$ 9,023,688

Equity represents 93% of development costs

The Gap Using 9% Credits

- TOTAL DEVELOPMENT COSTS \$ 9,632,000
- LESS ESTIMATED EQUITY \$ 9,023,688
- **GAP REMAINING \$ 608,312**

Computing Annual Tax Credits: 4% Credit

■ Qualified Basis	\$11,140,350
■ Applicable Rate (Jan 2018)	3.24%
■ Annual Tax Credits	\$ 360,947

Annual Tax Credits	\$ 360,947
10 Years	x 10 years
Total Tax Credits	\$ 3,609,470
Price Paid	x \$0.90
Equity	\$ 3,248,523

Equity represents 33% of development costs

The Gap Using 4% Credits

- TOTAL DEVELOPMENT COSTS \$ 9,632,000
- LESS ESTIMATED EQUITY \$ 3,248,523
- **GAP REMAINING** **\$ 6,383,477**

Virgin Islands Housing Finance Authority's LIHTC Program

- I. **THE VIRGIN ISLANDS HOUSING AUTHORITY (VIHFA) IS THE TAX CREDIT ALLOCATING AGENCY FOR THE U.S. VIRGIN ISLANDS**
- II. VIHFA WAS ESTABLISHED IN 1981 TO ADDRESS THE EXISTING SHORTAGE OF LOW-AND MODERATE-INCOME HOUSING IN THE UNITED STATES VIRGIN ISLANDS.
- III. VIHFA USES TAX EXEMPT MORTGAGE REVENUE BONDS, LOW INCOME HOUSING TAX CREDITS, HOME FUNDING, COMMUNITY DEVELOPMENT BLOCK GRANTS, LOCAL SUBSIDIES AND OTHER FUNDING TO STIMULATE THE DEVELOPMENT OF AFFORDABLE HOUSING THROUGHOUT THE TERRITORY.

VIHFA Qualified Allocation Plan (QAP)

- **CREDITS ARE AWARDED PURSUANT TO A QUALIFIED ALLOCATION PLAN (QAP)**
 - Written by the jurisdiction
 - Outlines priority selection criteria based on the needs identified by the jurisdiction
 - 2023 QAP establishes the selection criteria and defines the process for allocation and/or award of LIHTCs to include 4% credits associated with the use of multifamily bonds in the Territory (**QAP awaiting approval from Board and Governor**)
 - 2023 QAP was open for public comment for a 30-day comment period. Comments received and the updated draft Plan incorporating accepted comments are presently available on VIHFA's website.
 - Distributed as part of the LIHTC Packet

Virgin Islands Housing Finance Authority's LIHTC Program

- **ANNUAL TAX CREDIT AUTHORITY:**
 - “Small states minimums” = \$3,185,000 [2023]
 - IRC Section 42 requires that 10% of the allocation must be set aside for projects carried out by qualified non-profit organizations
 - A jurisdiction has 2 years to award housing tax credits to projects; unused authority may be carried forward to the subsequent year
 - If a jurisdiction is unable to award its LIHTC over a 2-year period, they are returned to a national pool for re-allocation

VIHFA Qualified Allocation Plan (QAP)

PRESCRIBED PROJECT PREFERENCES PURSUANT TO IRS CODE:

- Serving the lowest income tenants
- Serving qualified tenants for longest period of time
- Waiving the option to terminate extended use period
- Located in “targeted areas” which will contribute to revitalization efforts

VIHFA QAP Priorities

- **VIHFA QAP CURRENT PRIORITIES**
 - New Construction (adding units to the market)
 - Non-age restricted housing
 - Replacement of housing significantly impacted by natural disaster
 - Readiness to proceed
 - Non-profit sponsored housing
 - High quality of construction (incl. energy efficiency)
 - Projects that achieve broad community development objectives including “smart” growth and neighborhood revitalization
 - Cost containment

VIHFA Application Process

- **APPLICATION DEADLINES AND FEES:**
 - **9% LIHTC** – June 30 of each year
 - Applicant must provide a letter of intent to submit an application by April 30
 - Non-refundable application fee of \$750.00; \$600.00 for non-profits
- **4% LIHTC**- Open application cycle= applications accepted year-round, credits awarded on first-come, first-serve basis
- Non-refundable application fee: \$2,000.00
- Issuance Fee: 3% of estimated credit amount (payable upon issuance of the determination letter)

VIHFA LIHTC Application Review

- **PROJECT DATA:**
 - New construction or rehabilitation
 - # of units, buildings
 - Targeted population- i.e., family, elderly, special needs
 - Minimum set-aside
 - Proposed rents
- **PROPERTY DATA:**
 - Site acreage, zoning, characteristics
 - Planned amenities; services
 - Typical unit plan (renderings)
- **CERTIFICATES AND QUALIFICATIONS OF DEVELOPER, ARCHITECT, GENERAL CONTRACTOR, MARKETING/MANAGEMENT AGENT**

VIHFA LIHTC Application Review (continued)

- **CERTIFICATES AND QUALIFICATIONS OF DEVELOPER, ARCHITECT, GENERAL CONTRACTOR, MARKETING/MANAGEMENT AGENT**
 - Experience in affordable housing
 - Marketing/Management Agent LIHTC experience/certification; experience with any other programs on property such as USDA/RD, HUD or HOME
 - Relevant experience in the territory
- **PROJECT DEVELOPMENT BUDGETS; PRO FORMA INCOME STATEMENT AND OPERATING BUDGETS**

VIHFA Application Requirements

- **APPLICANT MUST COMPLETE VIHFA LIHTC DEVELOPER'S APPLICATION & PROVIDE REQUIRED ATTACHMENTS**
- **APPLICATION COMPONENTS INCLUDE:**
 - Project data (# of units, minimum set-aside, proposed rents; target population)
 - Property data (site zoning, characteristics, planned amenities)
 - Certificates and qualifications of developer, architect, general contractor, and marketing/management agent
 - Project development budgets; pro forma income statement and operating budgets
 - Maps; typical unit plan (renderings)
 - Hiring plan
 - Market study

VIHFA Application Selection Priorities

- **LOCATION & SITE SUITABILITY**
- **HOUSING NEED CHARACTERISTICS & MARKET DEMAND**
- **PROJECT CHARACTERISTICS – INCLUDING USE OF EXISTING HOUSING AS PART OF A COMMUNITY REVITALIZATION PLAN**
- **SPONSOR CHARACTERISTICS**
- **TARGETING SPECIAL NEEDS POPULATIONS**
- **WILLINGNESS TO SOLICIT REFERRALS FROM PUBLIC HOUSING WAITING LIST**
- **PROJECTS SERVING TENANTS WITH CHILDREN**

VIHFA Application Selection Priorities (continued)

- ENERGY EFFICIENCY
- PERCENTAGE OF LOW-INCOME UNITS
- CONSTRUCTION DESIGN
- FINANCIAL STRUCTURE AND LONG-TERM VIABILITY
- USE OF FEDERAL PROJECT-BASED RENTAL ASSISTANCE/MORTGAGE SUBSIDIES
- PROJECTS INTENDED FOR EVENTUAL TENANT OWNERSHIP

VIHFA LIHTC Award Process

- **APPLICATION REVIEW BY VIHFA**
- **REVIEW WRITE-UP SUBMITTED TO VIHFA EXECUTIVE DIRECTOR**
 - Includes recommendation re: approval of issuance of LIHTC Reservation
- **RESERVATION CERTIFICATE PREPARED & ISSUED**
- **UPON ISSUANCE OF RESERVATION CERTIFICATE, PROJECT SPONSOR PAYS RESERVATION FEE**

LIHTC Compliance

- **COMPLIANCE WITH FEDERAL, STATE AND VIHFA REGULATIONS**
- **ALL PROJECTS RECEIVING LIHTC ALLOCATIONS (INCLUDING “OUT-OF-CAP” ALLOCATIONS) MUST COMPLY WITH ALL RELEVANT VIHFA, STATE AND FEDERAL REGULATIONS, INCLUDING BUT NOT LIMITED TO:**
 - Section 42
 - Federal Uniform Physical Condition Standards (UPCS at CFR 5 et al.)
 - Federal Fair Housing Act 42 USC §3601 et seq.
 - Federal Section 504 Accessibility requirements, as applicable
 - VIHFA Design and Construction Standards (HFA:111)
 - VIHFA Underwriting and Development Policies for Multi-Family Bond Financing

For More Information about LIHTC and LIHTC in USVI

- [LIHTC IN USVI](#)
- [USVI 2023 DRAFT QAP](#)
- [NOVOGRADAC & COMPANY](#)
- [ENTERPRISE COMMUNITY PARTNERS](#)



Community Development Block Grant Mitigation



Community Development Block Grant (CDBG) Program

- U.S. Department of Housing and Urban Development (HUD) grant program
- Provides annual grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons
- Authorized under Title 1 of the Housing and Community Development Act of 1974, as amended

Community Development Block Grant (CDBG) Program

Eligible Activities:

Funds must be used for CDBG eligible activities that meet a 'national objective'

Example of eligible activities include:

- Housing rehabilitation
- Economic development projects
- Infrastructure

Examples of ineligible activities include:

- General government expenses
- Income payments

Community Development Block Grant (CDBG) Program

National Objectives:

All CDBG activities must meet one or more national objectives:

- Providing benefit to low- and moderate-income persons
- Preventing or eliminating slum and blighting conditions
- Addressing a severe and recently arising urgent community welfare or health need



CDBG Disaster Recovery / Mitigation

- Additional CDBG funding appropriated by Congress and allocated to communities in response to **extraordinary impacts from disasters**
- CDBG DR and CDBG MIT funding allocated to USVI after **2017 Hurricanes Irma and Maria**
- CDBG Disaster Recovery (CDBG-DR) – used to **meet the recovery needs** caused by specific disasters
- CDBG Mitigation (CDBG-MIT) – used to **mitigate disaster risks** and reduce future losses

Program	Funding
CDBG Formula FY23	\$1.9 million
CDBG-DR	\$1.1 billion
CDBG-MIT	\$774.2 million

CDBG Mitigation Overview

Definition of Mitigation Activities: Activities that increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.

- Grantees must submit an action plan before expending MIT funds
- Action planning process requirements include:
 - Citizen and stakeholder engagement
 - Coordination with entity administering the FEMA Hazard Mitigation Grant Program
 - Conduct a mitigation needs assessment

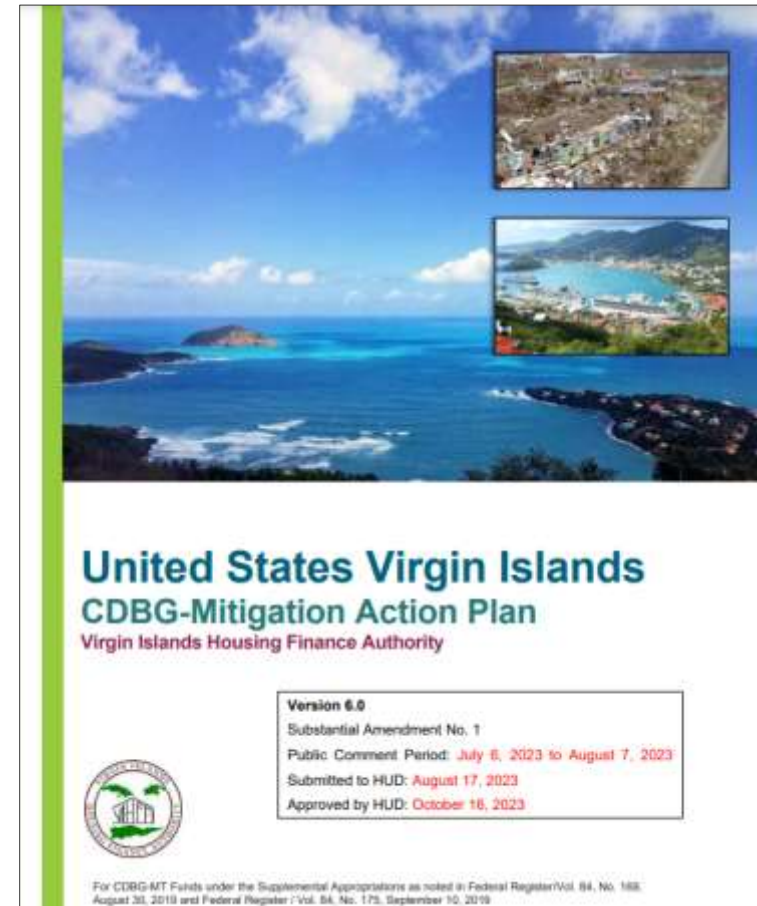
CDBG Mitigation Overview

National Objectives for CDBG-MIT:

- Providing benefit to low- and moderate-income persons – i.e. LMI housing
- No “slum and blight” national objective under CDBG-MIT
- Addressing an urgent need - Mitigation




CDBG Mitigation Funding in the USVI

- Grantee for USVI funding is the Virgin Islands Housing Finance Authority (VIHFA)
- Latest version of the USVI CDBG-MIT Action Plan approved by HUD on October 16, 2023
- Action plan includes assessment of mitigation needs and plans for mitigation activities
- Available online at: <https://cdbgdr.vihfa.gov/plans/>



CDBG Mitigation Funding in the USVI

- Planned activities include infrastructure, housing, economic resilience, and public services.
- Housing programs account for 25% of the allocated funding (\$192.7M)

Activity Category	Project/Program	Project Costs	VIHFA Project Delivery Costs	Total Allocations	% of Total
Infrastructure & Public Facilities 	Community Resilience & Public Facilities	\$100,000,000	\$2,500,000	\$102,500,000	
	Resilient Critical & Natural Infrastructure	\$308,000,000	\$7,700,000	\$315,700,000	
	Total Allocation	\$408,000,000	\$10,200,000	\$418,200,000	54%
Economic Resilience & Revitalization 	Commercial Hardening & Financing	\$40,000,000	\$962,500	\$40,962,500	
	Small Business Mitigation	\$35,000,000	\$787,500	\$35,787,500	
	Total Allocation	\$75,000,000	\$1,750,000	\$76,750,000	10%
Housing 	Multifamily Housing	\$100,000,000	\$2,500,000	\$102,500,000	
	VIHFA New Home Construction (Home Ownership)	\$60,000,000	\$1,500,000	\$61,500,000	
	Homeless Housing Initiative	\$23,000,000	\$575,000	\$23,575,000	
	Innovative Resilient Housing	\$5,000,000	\$125,000	\$5,125,000	
	Total Allocation	\$188,000,000	\$4,700,000	\$192,700,000	25%
Public Services		\$15,000,000	\$400,000	\$15,400,000	2%
Planning		\$29,750,000	\$2,678,600	\$32,428,600	4%
Administration		\$38,709,400	\$0	\$38,709,400	5%
Totals		\$754,459,400	\$19,728,600	\$774,188,000	100%

CDBG Mitigation Funding in the USVI

- The Mitigation Action Plan includes four resilient housing programs.
- All housing construction and repairs are projected to use sustainable building code standards and prioritize opportunities to include advanced housing mitigation solutions.
- Any changes to the existing programs will be reflected through an action plan amendment.

Program	Funding Allocation	National Objective
Single Family Resilient New Home Construction	\$60 million	LMI / UNM
Resilient Multifamily Housing	\$100 million	LMI / UNM
Homeless Housing Initiative	\$23 million	LMI
Innovative Resilient Housing	\$5 million	UNM

Who Can Access Housing Program Funding?

Eligible Applicants:

- Units of government of the USVI
- Public housing authorities
- For-profit developers
- Not-for-profit developers

Who Can Access Housing Program Funding?

Subrecipients:

- Designated/selected by the grantee (VIHFA)
- Subject to all applicable administrative, financial & crosscutting rules
- Must adhere to written agreement outlining responsibilities
- VIHFA monitors all aspects of program/project

Contractors and Developers:

- Selected through a competitive procurement process
- Deliver services identified in the contract or agreement
- VIHFA monitors performance of service in contract or agreement

Application Process

Subrecipient application process includes several steps

- Capacity assessment
- Subrecipient agreement
- Project application

Contractor / developer responds to a solicitation from the Grantee (VIHFA) or a CDBG-MIT housing subrecipient

Requirements for Using CDBG-MIT Funds

Cross-Cutting Federal Requirements:

Environmental review

Flood insurance

Labor standards

Section 3

Federal Funding Accountability and
Transparency Act

Procurement

Fair housing

Lead-based paint

Accessibility

Equal opportunity

Relocation and acquisition

Grant and financial management (2 CFR
200)

Financial forecasts

Reporting and recordkeeping

Requirements for Using CDBG-MIT Funds

Contractors and Developers:

- Contractors or Developers working on construction projects that are assisted in part or whole by CDBG-Mitigation funds are subject to federal rules and regulation, including:
 - Labor Standards
 - Davis Bacon (DBRA)
 - Copeland Act (Anti-Kickback Act)
 - Contract Work and Safety Standard Act (CWHSSA)
 - Section 3

For More Information...

HUD CDBG Program: https://www.hud.gov/program_offices/comm_planning/cdbg

CDBG-MIT Program: <https://www.hudexchange.info/programs/cdbg-mit/>

CDBG-MIT Federal Register Notices (USVI):

- <https://www.govinfo.gov/content/pkg/FR-2019-08-30/pdf/2019-18607.pdf>
- <https://www.govinfo.gov/content/pkg/FR-2019-09-10/pdf/2019-19506.pdf>

VIHFA CDBG-MIT website: <https://cdbgdr.vihfa.gov/cdbg-mitigation/>

VIFHA Mitigation Action Plan: <https://cdbgdr.vihfa.gov/plans/>

SAVE THE DATE - MARCH 12, 2024: IN-PERSON WORKSHOP IN ST. THOMAS, VI

Questions?

Stay up to date on information by visiting the USVIHEDGP website @ [USVI Housing Ecosystem Development Grants Program](#)

Thank you!