

**U.S. VIRGIN ISLANDS
2015- 2019 CONSOLIDATED PLAN FOR HOUSING AND
COMMUNITY DEVELOPMENT**



**SUBSTANTIAL AMENDMENT TO THE
2019- 2020 PROGRAM YEAR ACTION PLAN**

FEBRUARY 2021

Submitted by:

Virgin Islands Housing Finance Authority

SUBSTANTIAL AMENDMENT TO 2019 ANNUAL PLAN

Background

In September 2015, the U.S. Department of Housing and Urban Development (“HUD”) approved the Territory’s Consolidated Plan which describes the priority housing and community development needs for Program Years 2015-2019 and long-term strategies for using federal funds provided under the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), the Home Investments Partnership Program (HOME), and the Housing Trust Fund, to address the identified needs. Each year, the Territory prepares an Annual Action Plan which describes the activities to be undertaken during the current program year to implement the identified strategies. A substantial amendment is required for any change of 25% or greater in the amount of funds reserved for a particular project, or any change in the purpose, scope, or intended beneficiaries of a project, or any proposed addition of a new project/activity not previously described in the Annual Plan.

On March 27, 2020, President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which makes available funding for coronavirus response. The Act included various funding allocations including supplemental funds for Community Development Block Grant (hereinafter CDBG-CV) and also Emergency Solutions Grant (hereinafter ESG-CV) to prevent, prepare for, and respond to coronavirus. Per HUD guidance, jurisdictions are required to prepare a Substantial Amendment to their existing Consolidated Plan in order to gain access to the CARES Act grant funds.

Allocated Funds – CARES Act Rounds 1 and 2

The first three rounds of funding allocated a total of \$5,068,127 (ESG-CV in the amount of \$2,243,982 and CDBG-CV in the amount of \$2,824,145) to the Territory. Additional funds may be allocated through HUD to assist with the response to the pandemic and may necessitate future amendments.

Given the severity of the crisis and the many impacts on jurisdictions, considerable flexibility has been granted in establishing activities and working with partners to meet the needs of residents, businesses, and agencies working to serve both.

CDBG-CV Project and Potential Activities

The 2019 Annual Action Plan will be amended to include a new CDBG-CV project in the amount of \$2,824,145. Funds will support a variety of activities to prevent, prepare, and respond to COVID-19 potentially including, but not limited to assistance for housing stabilization (emergency assistance with rent, mortgage, utilities); shelter and support for at-risk populations; public services to support at-risk and vulnerable populations (transportation, meals, emergency assistance, training and capacity development among agencies); internet connectivity and use

(extension of service, connection, training, technical assistance to students and other users); infrastructure/construction projects that contribute to COVID-19 prevention and response; assistance for businesses and micro-enterprises; other activities that prevent, prepare for and respond to the coronavirus; and, program administration.

The Virgin Islands Housing Finance Authority will use CDBG-CV funds to support a variety of activities to prevent, prepare for and respond to the coronavirus (COVID-19) crisis, including some or all of the potential activities listed below and others to be identified as consideration of implementation, needs, and capacity are identified:

- Rental and mortgage assistance for eligible households
- Small business assistance
- Micro Enterprise assistance
- Public Social Services – particularly those directed to, but not limited to, senior services, homelessness prevention, food provision, emergency assistance and domestic violence services
- Infrastructure/Construction projects that directly contribute to addressing COVID-19 related issues
- Other eligible activities that directly prevent, prepare for and respond to coronavirus
- Eligible program administration expenses

At least 70% of the funded activities will benefit persons of low and moderate income. The jurisdiction also anticipates utilizing funds for additional eligible activities authorized under the Notice of Program Rules, Waivers and Alternative Requirements under the CARES Act for Community Development Block Grant Program Coronavirus Response Grants on August 7, 2020 or otherwise allowed by HUD policy, guidance and approved waivers.

The Virgin Islands Housing Finance Authority anticipates carrying out some activities itself internally or through contractors while utilizing sub-recipients to implement others. Pursuant to this amendment, the Virgin Islands Housing Finance Authority will issue guidance detailing the method for applying, requirements for applying and the date on which applications will be accepted for CDBG-CV funds. The agency reserves the right to distribute CDBG-CV funds in any eligible manner that it deems suitable to be the most expeditious and effective to prevent, prepare for and respond to coronavirus.

The various programmatic decisions made herein are contingent upon unknown factors which include, but are not limited to additional guidance on the CDBG-CV Notice, local natural disaster emergency planning and response, other considerations including but not limited to the scope of the COVID-19 crisis in the Territory.

Alternative Requirements/ New Eligible Activity Type(s)

Currently, the Virgin Islands Housing Finance Authority anticipates funding the activities identified above; however, the Authority reserves the right to revise its funding decisions via allowable reprogramming processes if additional future CDBG-CV guidance should establish alternative requirements that impact the implementation of the above-listed activities or establish new eligible activities not outlined above.

Reprogramming CDBG-CV activities

In order to be responsive to the needs of the Territory of the U.S. Virgin Islands in preparing, preventing, and responding to coronavirus, the Virgin Islands Housing Finance Authority will routinely re-evaluate its funding decisions throughout the period of performance. Consistent with the terms of all sub-recipient grant agreements or contracts, the Virgin Islands Housing Finance Authority reserves the right to reprogram CDBG-CV funding between selected activities or to include additional CDBG-CV activities if/when necessary, based on identified needs and response efforts related to preventing, preparing and responding to COVID-19.

Waivers Requested

In order to facilitate timely implementation, HUD has made a number of waivers available to jurisdictions to meet the challenges of implementation. To date, the Virgin Islands Housing Finance Authority has notified HUD of its intent to make use of the following blanket waivers pursuant to the various memoranda issued to date:

Consolidated Plan Requirements:

- Waiver #8: Citizen Participation Public Comment Period for Consolidated Plan Amendment
- Waiver #9: Citizen Participation Reasonable Notice & Opportunity to Comment

The Virgin Islands Housing Finance Authority may request additional waiver(s) from HUD in the future - although no specific topics are presently under consideration.

ESG-CV Project and Potential Activities

The 2019 Annual Action Plan will be amended to include a new ESG-CV project in the amount of \$2,243,982. Funds will support a variety of activities to prevent, prepare, and respond to the coronavirus (COVID-19) crisis specifically for persons who are homeless or receiving homeless assistance, or to expand homeless assistance/homeless prevention activities to mitigate the impacts of COVID-19.

Although no specific activities have yet been identified, it is anticipated that the following categories of activities will be funded as needed:

- Emergency shelter
- Homelessness prevention
- Rapid re-housing
- Street outreach

- HMIS
- Program administration expenses

The jurisdiction may also utilize funds for additional eligible activities authorized under Notice CPD 20-08: Waivers and Alternative Requirements for the Emergency Solutions Grants (ESG) Program Under the CARES Act issued on September 1, 2020 or otherwise allowed by HUD policy, guidance and approved waivers.

The Virgin Islands Housing Finance Authority, as the grantee, is tasked with administering the funds. It is likely that various sub-recipient partners will utilize the funds to implement programs.

The various programmatic decisions made herein are contingent upon unknown factors which include, but are not limited to, additional guidance on the ESG-CV Notice, local natural disaster emergency planning and response, other considerations including but not limited to the scope of the COVID-19 crisis in the Territory.

Alternative Requirements/ New Eligible Activity Type(s)

Currently, Virgin Islands Housing Finance Authority plans to fund the activities identified above; however, the Authority reserves the right to revise its funding decisions via allowable reprogramming processes if additional future ESG-CV guidance should establish alternative requirements that impact the implementation of the above-listed activities or establish new eligible activities not outlined above.

Reprogramming ESG-CV Activities

In order to be responsive to the needs of the Territory of the U.S. Virgin Islands in preparing, preventing, and responding to coronavirus and its impact on people at risk of and experiencing homelessness, the Virgin Islands Housing Finance Authority will routinely re-evaluate its funding decisions throughout the period of performance. Consistent with the terms of all sub-recipient grant agreements or contracts, the Virgin Islands Housing Finance Authority reserves the right to reprogram ESG-CV funding between selected activities or to include additional ESG-CV activities if/when necessary, based on identified needs and response efforts related to preventing, preparing and responding to COVID-19.

Waiver Requests

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Consolidated Plan Requirements:

- Waiver #8: Citizen Participation Public Comment Period for Consolidated Plan Amendment
- Waiver #9: Citizen Participation Reasonable Notice & Opportunity to Comment Emergency Solutions Grant:

- Waiver #5: Housing Quality Standards (HQS) – Initial Physical Inspection of Units
- Waiver #6: Housing Quality Standards (HQS) – Re-inspection of Units
- Waiver #11: Re-evaluations for Homelessness Prevention Assistance
- Waiver #12: Housing Stability Case Management

The **Virgin Islands Housing Finance Authority** may request additional waiver(s) from HUD in the future although no specific topics are presently under consideration.

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