



## WRITTEN TESTIMONY

# COMMITTEE ON DISASTER RECOVERY, INFRASTRUCTURE & PLANNING

Presented by:

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*Interim Executive Director*  
*Chief Disaster Recovery Officer*

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Greetings, Senator Milton Potter, Chair of the Committee on Disaster Recovery, Infrastructure, and Planning; members of the Committee; other Senators present; and the listening and viewing audience. I am Dayna Clendinen, and I serve as the Interim Executive Director and Chief Disaster Recovery Officer of the Virgin Islands Housing Finance Authority (VIHFA).

Today, I appear before you accompanied by: Royan Robinson, Deputy Director of Finance; Ann Hanley, Director of Programs; Verlene Marcellin-Constable, Senior Infrastructure Program Manager; Alanah Lavinier, Director of Compliance and Regulatory Services; Yeisan Matthew, Director of Mitigation; Odari Thomas, Director of Energy Solutions for MIT and Electrical Grid; Jamillie Perez, Mitigation Deputy Director of Housing; Rupert Pelle, Chief Engineer; Rick Grant, Senior Project Manager; Donnie Dorsett, Economic Revitalization Senior Program Manager; Gregory Miller III, EnVIsion Senior Program Manager; Janine Hector, Director of Federal Programs; Nichole Johnson, Rental Properties Manager; and Mone't Francis-Gardner, ARPA Grant Administrator.

At your request, I am here to share the remarkable progress and achievements we have made at the Virgin Islands Housing Finance Authority (VIHFA) over the last year. It has been a period of growth, development, and transformation as we continue our critical work in aiding the territory's ongoing recovery, reconstruction, and resilience-building efforts.

At a glance...

- Because of the due diligence and unwavering commitment to excellence in all stages of the process, our team was able to secure approval – on it first attempt – from the U.S. Department of Housing and Urban Development on our First Substantial Amendment to the V.I. Housing Finance Authority's Mitigation Action Plan (MIT Plan.) This lays the foundation for the V.I. Water and Power Authority to complete the acquisition of Vitol's propane supply infrastructure for the territory.

The acquisition of the propane infrastructure is a robust effort to meet the resiliency needs of the residents of the territory. VIHFA will continue to collaborate with the administration, HUD and WAPA to ensure continued progress on this front. This is the first step in accessing \$145 million in Mitigation funding, which, as stated in the amendment, requires WAPA's commitment to maintaining lower fuel prices, increasing fuel security, and addressing the vulnerability of the territory's fuel storage to future storms and disasters.

VIHFA, as HUD's grantee, is also responsible for monitoring WAPA, ensuring that the utility publishes its Utility Reliability Metrics, demonstrates the financial ability to maintain and operate the propane infrastructure throughout its useful life (20 years), maintains the territory's access to multiple fuel sources, and ensures that WAPA is using its most reliable modern generators to facilitate increased power reliability. We have submitted policies and procedures to HUD last week for their review and approval. In addition, VIHFA will collaborate with WAPA to complete the application process and move forward with an environmental review to keep us in compliance with all federal and local regulatory requirements and performance metrics.

- We also celebrated the successful launch of our Neighborhood Revitalization program, which garnered an overwhelming response. From the more than 400 residents who participated in our public hearings to the 77 dynamic project proposals we've received, as indicated in the chart below, we've been truly excited to hear our community's vision for the revitalization of our towns and the development of our small businesses. An internal selection committee was assembled this past summer and has been reviewing applications as many were initially submitted incomplete, requiring VIHFA to do an extensive follow-up. We have initially selected fourteen (14) projects, totaling \$4.96 million in recovery dollars that will be invested directly into building façade and street enhancement within our towns, along with providing technical assistance for small businesses.

Projects include: repairs, from painting to light installation, to the St. Croix Seventh Day Adventist School; restoration of Zora's Sandal Shop on St. Thomas; the development of a disaster-recovery training program and small business incubator at the Economic Development Authority; and the creation of a skills program through Gold Coast Yachts for boat construction and other marine professions, among others.

- In October, we were able to celebrate the graduation of two of our own – Mr. Kenobi Milligan and Mr. Dante Molloy – from the V.I. Department of Labor's Skills for Today Construction Program. In total, 174 residents of St. Croix received certifications from the National Center for Construction Education and Research in Core Construction, while several of the participants went on to complete specialties in Welding, Pipe Fitting, Plumbing, and Electrical. Skills for Today was originally intended to train 640 participants, and to our delight, it successfully provided instruction to 964 participants, which is truly remarkable!
- VIHFA invested \$10 million in CDBG-DR funding for the program, which has also provided training in leisure hospitality, culinary, medical billing/coding, information technology, and data science. To date, we have expended \$6.1 million on the program.

The charts below give a more in-depth picture of the impact of the program. Congratulations to all of our Skills for Today graduates!

Table 2-Skills for Today (NCCER Construction only)

| Eligible Construction applicants | Enrolled /In Training | Completed with Certificates | Eligible, Not yet Placed in Training |
|----------------------------------|-----------------------|-----------------------------|--------------------------------------|
| St. Thomas-St. John district     | 0                     | 40                          | 0                                    |
| St. Croix district               | 0                     | 465                         | 0                                    |
| Total (Territory-Wide)           | 0                     | 505                         | 0                                    |

Source: Skills for Today\On-the Job Training

Table 3-On-the-Job Training (Work Based Learning-OJT, CT, Apprenticeships-Non-Construction)

| Eligible Applicants          | Enrolled/In Training | Complete with Certificates | Eligible, Not yet Placed in Training |
|------------------------------|----------------------|----------------------------|--------------------------------------|
| St. Thomas-St. John district | 17                   | 275                        | 0                                    |
| St. Croix district           | 28                   | 184                        | 0                                    |
| Total (Territory-Wide)       | 45                   | 459                        | 0                                    |

Source: Skills for Today\On-the Job Training

- Under our New Housing Infrastructure Construction Program, we’re already laying the foundation for a busy year ahead, including the building of 43 single-family homes – **23 that will begin construction in March of 2024, with the remaining 20 to start in June.** Architectural and engineering services for 30 percent of the designs have been put out to bid. These include the Queen Louise Revitalization (16 townhouses) and Estate Fortuna (12, with an additional 8) projects on St. Thomas and seven homes in Estate Mount Pleasant (West) on St. Croix. We remain committed to exploring opportunities on the island of St. John as well.
- We’ve taken an aggressive approach to securing the help we need in construction – including engaging our contractors in a face-to-face Meet and Greet that gave them a chance to ask questions of our team and better understand our payment and procurement processes. We have also increased our advertising, with new billboards, branding, and outreach to national publications such as Leading Lenders and NEI General Contracting, which target developers and contractors and, combined, have an audience of more than 40,000. We hope to partner with ODR to continue those efforts in earnest over the next few months as we look at enhanced Google Business Ads, engaging in social media housing forums, planning additional Meet and Greets in December

for interested contractors on St. Thomas-St. John, and leveraging relationships, we began to build with qualified contractors and environmental consultants during the recent Congressional Black Caucus meetings.

- And, as you heard two weeks ago, we strategically positioned ourselves for success by evaluating our existing resources, tools, and processes and replacing them with new, more efficient ones that enhance our job performance. A prime example is the new procurement portal our team designed and launched that gives prospective bidders a chance to quickly see what projects are available, apply online, and track in real-time. As we have adjusted our solicitation strategy, we now promptly issue solicitations as opportunities emerge. Additionally, by allowing multiple contractors to bid on each project, we have awarded more contracts and continue to expedite the pace of home reconstruction.

As you are aware, VIHFA proposed in its fourth substantial amendment that the V.I. Public Finance Authority's (VIPFA's) Office of Disaster Recovery has programmatic oversight of the CDBG-DR grant. HUD's approval of this structure came on August 24, 2023, with conditions to include detailing specific tasks delegated to ODR, creating clear performance and outcome metrics, and providing VIHFA's monitoring plan to ensure continued progress in the recovery. HUD responded to our submission late last week with additional recommendations; we anticipate having the completed agreement to ODR the week of November 6.

## **HOUSING**

### **Public and Affordable Housing Development**

Six months ago, the Donoe Redevelopment on St. Thomas was 38 percent complete and a year behind schedule, with \$10.2 million of the \$34 million allocated for the project spent. However, new movement with our partner V.I. Housing Authority has put Donoe back on track, with the goal of restarting in the first quarter of 2024. Donoe includes the construction of 84 units in 14 buildings that will serve as replacement rental housing for residents of the Estate Tutu Hi-Rise Apartments. VIHFA continues its work

with the Housing Authority to include reviewing cost reasonableness, environmental reviews, and soil remediation efforts to ensure the site is ready for immediate construction.

I was thrilled to take part in the October 5 groundbreaking ceremony for the first phase of the Walter IM Hodge Pavilion on St. Croix - a 248-unit rehabilitation project that includes the installation of a wind retrofit system, new hurricane-wind-resistant windows, new recreation facilities and a new senior center to accommodate the needs of the residents living there. The approved funding amount is \$22,650,000. Thus far, 94 units have been rehabbed, keeping the project on track with its overall completion date of October 2024.

### **New Housing Infrastructure Construction Program**

VIHFA's "Own a Lot, Build a Home" Program, designed for first-time homebuyers, offers 20-year, zero-percent forgivable mortgages to facilitate single-family home construction. Despite initial challenges, including limited local bank loans, we recently explored innovative solutions, including VIHFA potentially becoming the primary lender. Additionally, we are exploring a partnership with the U.S. Department of Agriculture's Office of Rural Development to access their pool of eligible low-to-moderate income residents in the territory. We are awaiting their review and approval of our Memorandum of Understanding to start accepting applicants.

### **Emergency Housing**

VIHFA's Emergency Housing Program provides short-term, or "transient lodging," with a total of six emergency housing facilities in the territory, four of which are currently occupied. Construction and renovations for 29 additional emergency housing units are in progress, including eight units in Campo Rico. We are pending site control for Estate Taarneberg, expected to provide 11 more emergency housing units on St. Thomas. Funding for this project is estimated at \$4.3 million, pending CDBG-DR approval for renovations.

The Kronegade Inn Renovation Project, involving 18 emergency housing units in Christiansted, St. Croix, has recently received approval. Upon securing funding, contractor solicitation will begin, and renovations are anticipated to start in the second quarter of FY 2024, with a budget of \$3.6 million. VIHFA is evaluating its existing emergency housing stock, including Charlotte and Staabiland Apartments in St. Thomas and Anna's Hope, Profit, and Campo Rico in St. Croix, to support partner agencies in addressing the needs of the homeless and those in need of emergency, transitional, and supportive housing.

### **EnVIsion Tomorrow**

Our EnVIsion Tomorrow program remains committed to rehabilitating and reconstructing homes damaged by the 2017 storms. To date, 29 homes have been completed – two were added since we testified before you on October 27 – and 40 additional homes across the territory are in various stages of solicitation, design, and construction. Despite successes, challenges persist, such as incomplete payment packages from contractors hindering the payment process. Over \$5 million has been paid to contractors so far, with payments pending final inspections or contractor actions. The pending transition to ODR will not impact current EnVIsion applications, and inquiries can be made by phone or appointment or by emailing [envisionprogram@vihfa.gov](mailto:envisionprogram@vihfa.gov).

### **Public Services and Facilities**

Progress continues on the reconstruction of Sister Emma Cottage in St. Croix, aimed at supplanting the existing Queen Louise facility for children with profound disabilities. The new structure will feature two mirror-image wings dedicated to bedrooms: one designated for girls and the other for boys. While Lutheran Social Services is in the process of finalizing designs and preparing to issue a Request for Proposals, sparking the commencement of construction, we remain optimistic that 10 percent of the project will be achieved by March 2024, with full completion anticipated by September 2025. Following a Notice of Funding Availability released in 2022, we have allocated \$13.4 million to various public service initiatives, encompassing Liberty Place, Meeting the



Needs of our Community, and Project Promise, which recently received their application approvals.

## **INFRASTRUCTURE**

We are also overseeing several significant projects that, when complete, will significantly improve our community's quality of life.

- Approximately \$95 million was allocated for the Randolph Harley New Generation Project acquisition, installation, and commissioning of 36-to-40 megawatt capacity for power generation. This includes the control systems for spinning reserve and voltage and frequency management for grid stability. The project also incorporates Battery Energy Storage Systems. The VI Water and Power Authority has begun commissioning the newly installed generators, with the project slated for completion in December.
- The VIHFA has dedicated \$19.6 million (CDBG-DR funds) to the V.I. Waste Management Authority to construct six convenience centers across the territory and a transfer station on St. John. With grant funding now authorized, we're poised to select a vendor for the St. Croix facilities and issue a request for a proposal for St. Thomas next month. Vendor contracts are expected to be signed by January 2024, aiming for 30 percent project completion by May 2024 and completion by January 2025. For the Red Hook Center, the construction contract is set for February 2024, with the project wrapping up a year later in February 2025.
- Finally, the Anguilla Landfill Phased Closure and Southeast Extension project will be completed in six phases, with a projected start date of October 2023. Along with addressing the closure of the 30-acre plus site, the project also calls for using the southeast region of the landfill to receive municipal solid waste. The delineated area will be used until a new landfill is constructed. Funding consideration for this project is approximately \$51 million from CDBG-DR. The

project is required to the environmental review, leading to the Authority to Use Grant Funds (AUGF) and project implementation.

### **Non-Federal Cost Share Program (MATCH)**

The Non-Federal Cost Share Program (MATCH) is designed to expedite recovery efforts by allowing public entities, local non-profits, and other eligible applicants to utilize CDBG-DR funds in conjunction with FEMA Public Assistance (FEMA PA), specifically covering the 10% non-federal portion of total project costs for FEMA PA-eligible projects. Notably, four agencies—WAPA, Juan F Luis (JFL), the Department of Education, and VIHFA (STEP Program)—have been the primary beneficiaries of this allocation, and we have expended to date approximately \$124 million.

### **Community Development Block Grant – CARES (CDBG-CV) – and Emergency Grant Solutions – CARES (ESG-CV)**

The CARES Act provided supplemental Community Development Block Grant (CDBG) funds for jurisdictions to use in combating the coronavirus pandemic. The Territory received a total of \$2.8 million, distributed over three rounds. A public call for proposals resulted in nineteen applications, requesting a collective \$4.24 million. Out of these, ten were selected to receive a share of the \$2.8 million in funding. Notable recipients include Project Promise and Community First on St. Croix, Family Resource Center and Community Action Now on St. Thomas, as well as St. John Rescue. As of September 27, 2023, the CDBG-CV funds drawn down amounted to \$119,387.62. The funds must be fully utilized by September 2026.

ESG-CV funds, totaling \$1.65 million, are dedicated to addressing the COVID-19 crisis, particularly for those who are homeless, receiving homeless aid, or for expanding prevention and assistance programs. Six organizations, including Catholic Charities STT/STJ, Meeting the Needs of Our Community, and the Department of Human Services, among others, received funding for nine projects. These cover a range of activities such as emergency shelter operations, homelessness prevention, rapid re-housing, and more. As of now, over \$978,483 has been drawn from the funds, all of

which need to be expended by September 2023. As these organizations continue their work, more expenditures are expected through reimbursement submissions.

| CARES ACT- Emergency Solutions Grant ESG-CV                                   |             |                       |
|-------------------------------------------------------------------------------|-------------|-----------------------|
| Listing of Projects                                                           | Island      | Grant Amount          |
| E-20-SW78-0001                                                                |             |                       |
| Catholic Charities Shelter/ Street Outreach, HMIS, and Administrative Costs   | STT/STJ     | \$648,475.00          |
| MTOC Street Outreach, HMIS, and Administrative Costs                          | STT/STJ     | \$156,358.75          |
| Dept of Human Services Street Outreach                                        | STX/STT/STJ | \$43,250.00           |
| STX Mission Outreach Street Outreach, Shelter, HMIS, and Administrative Costs | STX         | \$141,361.75          |
| Women's Coalition of STX Shelter and Administrative Costs                     | STX         | \$50,006.25           |
| Liberty Place Shelter, HMIS, and Administrative Costs                         | STX         | \$465,150.00          |
| VIHFA Rapid Rehousing                                                         | STX/STT/STJ | \$65,000.00           |
| ESG-CV Program Admin                                                          |             | \$88,487.15           |
| <b>GRAND TOTAL</b>                                                            |             | <b>\$1,658,088.90</b> |

**Homeowner Assistance Fund Program (HAFP):**

Under the American Rescue Plan Act, the Virgin Islands have been allocated \$8.5 million through the Homeowner Assistance Fund (HAF) to support homeowners who are financially struggling because of the COVID-19 pandemic. This fund assists with various housing costs, including mortgage payments, mortgage reduction, foreclosure prevention, overdue property taxes, insurance, and expenses related to forbearance and delinquency. In addition, homeowners undergoing financial difficulties can receive counseling from the VIHFA Homeownership Division. Eligible homeowners whose primary residence is the property in question and whose household income is below

150% of the Area Median Income (AMI) can qualify for up to \$25,000 in assistance, with the specific AMI cap differing by island.

To be eligible, homeowners must provide evidence of financial distress experienced after January 21, 2020, such as loss of employment, reduction in household income, or substantial healthcare expenses directly or indirectly due to COVID-19. Comprehensive information about the eligibility requirements and how to apply is available at vihfa.gov. As of September 20th, the HAFP Application Portal has logged 199 applications: 85 are either incomplete, inactive, or withdrawn, 44 are under review, 13 have been declined, 19 are awaiting Data Validation from the lender, and 38 have been approved and disbursed, totaling \$452,247. This financial aid is accessible until September 30, 2026.

### **Emergency Rental Assistance Program:**

The territory initially received \$21.3 million during the first round of ERAP 1 allocations in March 2021 and paid out nearly \$4 million in direct and indirect assistance to more than 700 households territory-wide. In round two, VIHFA received \$14,972,599.72 of the \$18,373,958.50 allocated to the territory, and as of June 27, 2023 has expended \$8,954,389.86 with 974 collective applications processed and paid. Funds expire on September 30, 2025.

### **Mitigation Funding (MIT)**

As mentioned earlier, the Authority was excited to announce its inaugural MIT grant project, the WAPA propane acquisition. We are actively preparing for a successful program launch and the onboarding of additional community projects. MIT staff has been continuously training with HUD, and as a team, to fully understand the grant details. The 12-year grant totals \$774,188,000, allocated to Infrastructure and Public Facilities, Housing, Economic Resilience, and Public Services. Our strategic program administration plan is under development, with recent training sessions helping refine it. We encourage community participation in grant opportunities.

Dedicated leadership roles – a MIT Director, along with Deputy Directors of Housing and Public Services, Infrastructure and Public Facilities, and Economic Resilience –

were recently onboarded, and recruitment continues for other positions. I would be remiss if I did not take this opportunity to remind the public that if you are interested in a career at the V.I. Housing Finance Authority, please visit our website at [vihfa.gov](http://vihfa.gov).

### **Electrical Grid**

The Electrical Grid Grant has a total budget of \$67.653 million for program and activity execution. Out of this, the V.I. Water and Power Authority will receive \$53 million for additional generators at the Estate Richmond power plant in St. Croix. Another \$10 million is allocated for Community Electrical Innovation. The primary purpose of these funds is to enhance and strengthen the US Virgin Islands' electrical power systems. The grant also aims to bolster the resilience of the power systems against future disasters and address climate change impacts. Activities financed by this grant must align with a CDBG national objective, cater to unresolved recovery needs, and prioritize benefiting families with low to moderate incomes. The funds are available until September 2029.

I have hired a Director of Energy Solutions to oversee the Electrical Grid Grant and manage all energy-focused projects under the Mitigation Grant. In line with the grant's stipulations, VIHFA has submitted its policies to HUD for validation. The grant's implementation is anticipated to begin in January 2024.

### **Conclusion**

Senators, this concludes my testimony, but before I close, I just wanted to take a minute to recognize the significant strides we've taken as an agency – and as a team. What we've been able to share today is the result of months of hard work and dedication from our staff, which has looked, in every way possible, to improve our processes and drive results. My deepest appreciation to VIHFA's dedicated staff. We are now available to answer any questions you may have.