



Senator Marvin A. Blyden
Chair
Committee on Housing, Transportation and Telecommunication
35th Legislature of the Virgin Islands

Hearing Deliverables requested during the
Tuesday, October 24, 2023, Hearing.

Friday, November 3, 2023

Dayna Clendinen
Interim Executive Director
Chief Disaster Recovery Officer

1. The status of the unofficial transfer of the EnVIsion Tomorrow program to ODR.

The Virgin Islands Housing Finance Authority (VIHFA) proposed in its fourth substantial amendment that the V.I. Public Finance Authority's (VIPFA's) Office of Disaster Recovery have 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, the creation of 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 minimal recommendation; we anticipate having the complete agreement to ODR the week beginning November 6.

If HUD accepts the documentation, VIHFA will then enter into the subrecipient agreement with ODR; we anticipate a decision before the end of October. Based on the conditional approval, as of September 11, ODR began working alongside VIHFA's CDBG-DR staff to do their assessment of programs and projects.

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2. Copy of all contracts with contractors within the EnVIsion Tomorrow program and the status of each.

The EnVIsion Tomorrow program cumulatively has entered into 52 contracts with varying expiration dates. **Appendix 2** provides a list of the contracts with contractors within the EnVIsion Tomorrow program and the status of each. As the volume of contracts is large, the requested copies of contracts have been compiled into SharePoint folder, that is enclosed within the email response.

3. List of completed and incomplete homes.

In compliance with the privacy act of 1974 5 U.S.C. § 552a, the program cannot share applicant data without the applicant's consent.

Provided below is a non-identifying list of all completed homes, by district, under the EnVIsion Tomorrow program.

Client Case ID	District
VI-HRR-00012	St. Croix
VI-HRR-00162	St. Croix
VI-HRR-00248	St. Croix
VI-HRR-00576	St. Croix
VI-HRR-00997	St. Croix
VI-HRR-01614	St. Croix
VI-HRR-01783	St. Croix
VI-HRR-01505	St. Croix
VI-HRR-00029	St. Croix
VI-HRR-00247	St. Croix
VI-HRR-00508	St. Croix
VI-HRR-00835	St. Croix
VI-HRR-00887	St. Croix
VI-HRR-01062	St. Croix
VI-HRR-01227	St. Croix
VI-HRR-01761	St. Croix
VI-HRR-01881	St. Croix
VI-HRR-01435	St. Croix
VI-HRR-00181	St. Croix
VI-HRR-00207	St. Croix
VI-HRR-00021	St. Thomas
VI-HRR-00051	St. Thomas
VI-HRR-00142	St. Thomas
VI-HRR-00783	St. Thomas
VI-HRR-00785	St. Thomas
VI-HRR-00802	St. Thomas
VI-HRR-01936	St. Thomas

Appendix 3 provides a non-identifying list of all incomplete homes under the EnVIsion Tomorrow program.

4. Copy of all the assessments that HUD has completed with compliance related issues, challenges, and recommendations.

Appendix 4 provides a copy of all the assessments that HUD has completed with compliance related issues, challenges, and recommendations.

5. Report on funding; allocated, expended, returned and any issues with funds in danger of being returned within the next six months.

EnVision Tomorrow Summary Report as of October 31, 2023						
Project Program	Activity Title	Total Budget	Total Expended	Budget Available	% Expended	
Housing	DR1-Homeowner Rehab. & Reconstruction-LMI	\$20,884,541.61	\$16,934,282.18	\$3,950,259.43	81%	
	DR1-Rental Rehab. & Reconstruction-LMI	\$10,076,819.40	\$4,813,115.00	\$5,263,704.40	48%	
	DR2-Homeowner Rehab. & Reconstruction-LMI	\$174,162,186.39	\$16,063,706.25	\$158,098,480.14	9%	
	DR2-Rental Rehab. & Reconstruction Program - LMI	\$40,307,277.60	\$54,862.70	\$40,252,414.90	0%	
Totals:		\$245,430,825.00	\$37,865,966.13	\$207,564,858.87	15%	

As of October 31, 2023, there are no issues with funds being in jeopardy of being returned to HUD within the next six months. In 2022, the CDBG-DR Compliance team began the process of addressing outstanding HUD compliance findings from 2020-2021. This process highlighted an administrative oversight in appropriate Procurement practices, during the initial program launch. As a result, the program was liable to repay a portion of the funds. In order to close the finding, the Authority remitted \$96,567.21 to HUD.

6. Listing of all the contractors that are working with VIHFA and their qualifications.

The Virgin Islands Housing Finance Authority (VIHFA) only awards contracts to licensed general contractors. VIHFA has adapted the licensing and certifying standards as set forth by the Department of Licensing and Consumer Affairs.

All persons interested in becoming a licensed General Construction Contractor are required to sit both the National and State General Construction examination. The examination is computer-based offered online, weekly, through PSI Testing Services, LLC, www.psiexams.com or call (800) 733-9267.

Initial application requirements for a contractor license includes submittal of the following:

- Completed and notarized application;
- Three (3) 2x2 photographs of applicant;
- One (1) letter of favorable character testimony;
- Two (2) letters of professional reference of applicant's work in the construction field from a licensed contractor along with their proof of current registration or certification;
- Automobile insurance for Construction;

- File with the Board, in such form as the Board requires, proof that he/she carries all insurance required by law, including but not limited to, workmen's compensation and general liability insurance;
- Payment of Required Fees.

Renewal of license requirements for contractor license includes submittal of the following:

- A favorable tax approval is required and shall be provided electronically from the VIBIR;
- Proof of Commercial Liability Insurance; and
- Proof of Workman's Comp

All permanent licenses are issued on an annual basis from November 1 to October 31 of each calendar year.

VIHFA Bid Proposal Process: Licensed General Construction Contractors that are interested in submitting a bid proposal for solicitations must adhere to the requirements of the bid package to simplify the review process and facilitate the maximum degree of comparison. Respondents should ensure that the bid package closely follows the sequence and organizational outline described in this section. To be considered for award, the bid package shall meet the following requirements:

A. IFB Cover Letter

B. Commitment Statement Letter – The Commitment Statement letter should be on the company's letterhead with contact information and must be signed by an officer of the organization that is authorized to bind the company contractually to all the commitments made in its submittal. The letter shall also include a statement of understanding for the work to be done. It shall state that the company will be solely responsible for all aspects of the engagement including any portion that may be performed by its subcontractor, if any. It should make a positive commitment to perform the work required as specified to industry standards of workmanship and in a professional manner. It should also state that the bid package will remain in effect for a period of ninety (90) calendar days from the submission deadline and thereafter, until the firm withdraws it, or a contract is approved and executed, or the procurement is canceled, whichever occurs first. Respondent shall also confirm that the company has not engaged in any unethical practices within the past five (5) years.

C. Non-Collusive Affidavit –The form must be notarized.

D. Debarment Certification Form –The form must be notarized.

E. Corporate Document Checklist Form – **Submit the current USVI Business License.** For this section, Respondent must provide evidence that the company is

currently licensed as a General Construction Contractor in the USVI. **The Business License must be relevant to the Scope of Work for this solicitation.**

F. Respondent's Qualification Statement Form –For the Reference Section of the form, the Respondent shall provide a minimum of three (3) non-VIHFA professional references for the most recent, relevant work comparable to the scope requested in this IFB who would be willing to discuss your company's competency and performance. If you currently have more than three (3) non-VIHFA references, a client listing with contact information should be provided as well. The VIHFA reserves the right to check references prior to award.

G. Bid Sheet –All bid pricing must be valid for ninety (90) calendar days from the submission deadline and thereafter until the company withdraws it, a contract is approved and executed, or the procurement is canceled, whichever occurs first. There is one bid sheet, two sections. Please fill out the two sections on the bid sheet then provide the total bid amount.

FEDERAL GUIDELINES

Funding for this project is provided by the **Federal Emergency Management Agency ("FEMA")** Public Assistance grant under the auspices of the Virgin Islands Housing Finance Authority. The successful Respondent will be required to abide by the federal rules and regulations including but not limited to Davis Bacon Act and Section 3.

Furthermore, funding is also partly provided by the U.S. Department of Housing & Urban Development (HUD) - **Community Development Block Grant Disaster Recovery ("CDBG-DR") Program** under the auspices of the VIHFA. HUD funded procurements shall be governed by all HUD terms and conditions, attached hereto as [HUD-Federal-Cross-Cutting-Measures](#).

REQUIRED DOCUMENTS

The successful Respondent shall be required to submit the following documents:

- A. Formation Documents** – The successful Respondent will be required to provide a copy of their Formation Documents within ten (10) business days of receiving a notice of selection.
- **Provide a copy of Formation Documents**
 - Corporations (Inc., Corp, Co., Corporation)
 - Copy of Trade Name Certificate (if applicable)
 - Copy of Articles of Incorporation & By Laws
 - Copy of Certificate of Resolution
 - Copy of Certificate of Good Standing

Limited Liability Company (LLC)

- Copy of Trade Name Certificate (if applicable)
- Copy of Articles of Organization
- Copy of Operating Agreement (if applicable)
- Copy of Certificate of Good Standing

General Partnerships

- Copy of Trade Name Certificate (if applicable)
- Copy of Partnership Agreement (if applicable)
- Copy of current Certificate of Good Standing

Limited Partnerships (LP, LLP, LLLP)

- Copy of Trade Name Certificate (if applicable)
- Certificate of Limited Partnership or Statement of Qualification
- Copy of Certificate of Good Standing for LLP and LLLP

Sole Proprietorship

- Copy of Trade Name Certificate (if applicable)

B. Employer Identification Number (EIN) - The successful Respondent will be required to provide an official copy of their EIN within ten (10) business days of receiving a notice of selection.

C. General Liability Insurance – The successful Respondent will be required to obtain, maintain and provide proof that it has in place General Liability Insurance in an amount no less than **One Million (\$1,000,000.00) Dollars** within ten (10) business days of receiving a notice of selection. The Insurance policy shall name the VIHFA as Certificate Holder and an “Additional Insured”:

Virgin Islands Housing Finance Authority
100 Lagoon Complex, Suite 4
St. Croix, U. S. Virgin Islands 00840

D. Workers' Compensation Insurance/Certificate of Government Insurance Coverage – The successful Respondent will be required to obtain and have in place Workers' Compensation Insurance coverage within ten (10) business days of receiving a notice of selection.

E. CAGE Code – Each respondent must submit a valid CAGE Number to verify an active registry on SAM.GOV <https://www.sam.gov/SAM/pages/public/index.jsf>.

Appendix 6 provides a listing of all the contractors that are working with VIHFA. Contractor's qualifications are not a data set that is collected.

7. The number of applicants who were a part of the EnVision program and have since passed away. Additionally, please provide the provision, if any, that would allow members of those households to remain in the EnVision program.

The EnVision program has a total of **2084** applicants. As of October 31, 2023, **58** applicants have been reported to the program as deceased. Data capturing deceased applicants is collected through the reassessment of homes process or via notification from family members of applicants.

In the event of the death of an applicant who has been determined as eligible but before grant execution, the heirs who can document that they were occupants of the residence at the time of the disaster and can prove current ownership through heirship will be eligible to apply for Program assistance. If the applicant's heir wishes to continue with the application process after the owner of record died, the applicant may be eligible for assistance if they can demonstrate they have an ownership interest in the damaged property AND document that the damaged property was their primary residence at the time of the disaster. The applicant must submit one of the following items:

- The deceased applicant lists the heir as a co-applicant or household member on the application, and the heir submits a recorded Will or Trust that states that they are a potential heir to the damaged property. The recorded Will or Trust must grant the property to the applicant's heir in the administration.
- A copy of the death certificate
- Proof of legal interest

The following are not acceptable as proof of legal interest:

- An un-recorded Will
- Payment of property tax where the heir is not listed as the owner on the property tax bill.

Heirs who were not occupants at the time of either disaster event are not eligible for Program assistance.

If an applicant dies after repair or reconstruction has started, if no heir meets the requirement of occupancy at the time of the storm, an income-eligible heir (with the approval of all other heirs) may occupy the home for the balance of the affordability period. If no heir meets these conditions, the estate must repay the program for the investment of federal funds in the home.

8. Provide a document/spreadsheet denoting the start date and completion date for the work performed by your contractors.

Appendix 8 provides a spreadsheet denoting the start date and completion date for the work performed by VIHHA's current contractors.

9. Provide the total cost of lumber acquired from the start of the program on each site and the total cost of the security contract to date.

The lumber currently being used in EnVIsion program was donated by the Federal Emergency Management Agency (FEMA) from the STEP program.

The Authority, under the EnVIsion program, currently has a contract for Warehouse Management Services with Island Services Group, LLC and a contract for Warehouse Security Services with Falken USVI LLC. As of October 31, 2023, the Authority has paid a total of \$2,456,207.26 in Warehouse Management Services to Island Services Group, LLC and \$1,592,210.02 in Warehouse Security Services to Falken USVI LLC.

10. Provide the progress made by VIHFA as it relates to the weakness and other findings outlined by HUD.

As of January 2023, the Authority had a total of 26 open findings spanning from April 2019 – August 2022. **Appendix 10** outlines all open findings with Corrective Actions requested. It was the Authority's primary goal to reduce all past due findings as well as the recommendation of the regional HUD Team.

With the goal in mind, the Authority prioritized which findings would be addressed first and categorized those in phases. We began aggressively working on closing these findings in September of 2022. The work that the team engaged in included deep dive assessments of projects, process improvements, policy updates, and implementation of new internal controls. We are proud to report that as of September 2023, we have closed 16 of the 26 Findings. This leaves the Authority with 10 open findings. **Appendix 10a** outlines the remaining 10 open findings per HUD and the Corrective Actions requested as of September 2023. Of those opening findings, we have implemented the recommendations and corrective actions for 7 that will be submitted to HUD in end of November once the official ODR transition is effective. The 3 remaining findings will be submitted to HUD by February of 2024. Overall, within a year's time, we decreased our findings by 65%.

The hard work performed by the team was also evident in the July 2023 HUD assessment where we received recognition for the significant improvement. This year's HUD monitoring resulted in only 4 findings, a significant decrease from previous years. The corrective actions for those findings will be submitted to HUD for closure in December 2023.

Based on previous years' findings, internal controls, process improvements, and standard best practices from other divisions nationwide, the Authority has established a margin of error to be 5% with a confidence level rate of 95% on any future HUD monitoring/assessments.

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11. What is the status of the eighty (80) rental units under your auspices?

In compliance with the privacy act of 1974 5 U.S.C. § 552a, the program cannot share applicant data without the applicant's consent.

The EnVIsion program currently has eighty-three (83) rental units that are eligible for repairs. Provided below is a non-identifying list of the (83) rental units, noting project status.

Case ID	Location	Project Status
VI-RRR-01525	St. John	Pending Reassessment
VI-RRR-01392	St. John	Solicitation Prep
VI-RRR-02003	St. Thomas	Pending Drawings
VI-RRR-01977	St. Thomas	Pending Drawings
VI-RRR-01940	St. Thomas	Pending Drawings
VI-RRR-01933	St. Thomas	Pending Drawings
VI-RRR-01890	St. Thomas	Pending Drawings
VI-RRR-01584	St. Thomas	Pending Drawings
VI-RRR-01502	St. Thomas	Pending Drawings
VI-RRR-01412	St. Thomas	Pending Drawings
VI-RRR-01158	St. Thomas	Pending Drawings
VI-RRR-00615	St. Thomas	Pending Drawings
VI-RRR-02024	St. Thomas	Pending Reassessment
VI-RRR-01993	St. Thomas	Pending Reassessment
VI-RRR-01972	St. Thomas	Pending Reassessment
VI-RRR-01962	St. Thomas	Pending Reassessment
VI-RRR-01952	St. Thomas	Pending Reassessment
VI-RRR-01924	St. Thomas	Pending Reassessment
VI-RRR-01923	St. Thomas	Pending Reassessment
VI-RRR-01897	St. Thomas	Pending Reassessment
VI-RRR-01894	St. Thomas	Pending Reassessment
VI-RRR-01893	St. Thomas	Pending Reassessment
VI-RRR-01889	St. Thomas	Pending Reassessment
VI-RRR-01888	St. Thomas	Pending Reassessment
VI-RRR-01595	St. Thomas	Pending Reassessment
VI-RRR-01571	St. Thomas	Pending Reassessment
VI-RRR-01564	St. Thomas	Pending Reassessment
VI-RRR-01562	St. Thomas	Pending Reassessment
VI-RRR-01547	St. Thomas	Pending Reassessment
VI-RRR-01453	St. Thomas	Pending Reassessment
VI-RRR-01385	St. Thomas	Pending Reassessment
VI-RRR-01341	St. Thomas	Pending Reassessment

Case ID	Location	Project Status
VI-RRR-01509	St. Thomas	Solicitation Prep
VI-RRR-01448	St. Thomas	Solicitation Prep
VI-RRR-01357	St. Thomas	Solicitation Prep
VI-RRR-01349	St. Thomas	Solicitation Prep
VI-RRR-01346	St. Thomas	Solicitation Prep
VI-RRR-01913	Kingshill	Pending Drawings
VI-RRR-01482	Kingshill	Pending Drawings
VI-RRR-01485	Kingshill	Solicitation Prep
VI-RRR-01505	Christiansted	Construction Complete
VI-RRR-01084	Christiansted	DOB Gap; Pending Drawings
VI-RRR-02007	Christiansted	Pending Drawings
VI-RRR-01373	Christiansted	Pending Reassessment
VI-RRR-01376	Christiansted	Pending Reassessment
VI-RRR-01415	Christiansted	Pending Reassessment
VI-RRR-01432	Christiansted	Pending Reassessment
VI-RRR-01565	Christiansted	Pending Reassessment
VI-RRR-01908	Christiansted	Pending Reassessment
VI-RRR-01928	Christiansted	Pending Reassessment
VI-RRR-01937	Christiansted	Pending Reassessment
VI-RRR-01991	Christiansted	Pending Reassessment
VI-RRR-02005	Christiansted	Pending Reassessment
VI-RRR-02027	Christiansted	Pending Reassessment
VI-RRR-01957	Christiansted	Solicitation Prep
VI-RRR-01435	Frederiksted	Construction Complete
VI-RRR-01963	Frederiksted	Pending Drawings
VI-RRR-01919	Frederiksted	Pending Drawings
VI-RRR-01342	Frederiksted	Pending Drawings
VI-RRR-01386	Frederiksted	Pending Drawings
VI-RRR-02019	Frederiksted	Pending Reassessment
VI-RRR-02018	Frederiksted	Pending Reassessment
VI-RRR-02017	Frederiksted	Pending Reassessment
VI-RRR-02016	Frederiksted	Pending Reassessment
VI-RRR-01998	Frederiksted	Pending Reassessment
VI-RRR-01996	Frederiksted	Pending Reassessment
VI-RRR-01982	Frederiksted	Pending Reassessment
VI-RRR-01958	Frederiksted	Pending Reassessment
VI-RRR-01943	Frederiksted	Pending Reassessment
VI-RRR-01932	Frederiksted	Pending Reassessment
VI-RRR-01905	Frederiksted	Pending Reassessment
VI-RRR-01581	Frederiksted	Pending Reassessment

Case ID	Location	Project Status
VI-RRR-00358	Frederiksted	Pending Reassessment
VI-RRR-01352	Frederiksted	Pending Reassessment
VI-RRR-01358	Frederiksted	Pending Reassessment
VI-RRR-01374	Frederiksted	Pending Reassessment
VI-RRR-01398	Frederiksted	Pending Reassessment
VI-RRR-01535	Frederiksted	Pending Reassessment
VI-RRR-01548	Frederiksted	Pending Reassessment
VI-RRR-02000	Frederiksted	Solicitation Prep
VI-RRR-01339	Frederiksted	Solicitation Prep
VI-RRR-01375	Frederiksted	Solicitation Prep
VI-RRR-01380	Frederiksted	Solicitation Prep

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APPENDIX LIST

- Appendix 2 - EnVIsion Tomorrow Contractors as of October 31, 2023
- Appendix 3 - List of Incomplete Homes
- Appendix 4 - HUD Assessments RE Compliance related issues challenges and recommendations
- Appendix 10 - Master List of Open Findings as of January 2023 – 26 Open Findings
- Appendix 10a - Envision HUD Assessment 2019-2023 - Open Findings



Appendix 2, 6 and 8 - EnVision Tomorrow Contractors as of October 31, 2023

Contacts/Contractors	Business License #	Contract Start Date	Contract End Date	Contract Amount	Invoiced	Balance	# of Houses Completed
A-Z General Contractors	2-31132-1B	12/9/2020	2/26/2021	\$ 5,143.20	\$ 2,743.20	\$ 2,400.00	
A-Z General Contractors	2-31132-1B	10/6/2020	12/11/2020	\$ 78,469.51	\$ 20,764.73	\$ 57,704.78	
A-Z General Contractors	2-31132-1B	10/20/2020	12/8/2020	\$ 12,189.86	\$ 1,218.99	\$ 10,970.87	
Bobby B Construction	2-28896-1B	9/29/2021	3/28/2022	\$ 245,648.95	\$ 28,888.10	\$ 216,760.85	
Bobby B Construction	2-28896-1B	10/4/2021	1/22/2022	\$ 78,098.30	\$ 28,914.51	\$ 49,183.79	
Bobby B Construction	2-28896-1B	9/17/2021	12/15/2021	\$ 151,508.54	\$ 84,304.40	\$ 67,204.14	
Bobby B Construction	2-28896-1B	8/22/2020	10/6/2020	\$ 51,269.74	\$ 51,269.74	\$ -	1
Brothers Construction	2-3152-1B	6/11/2020	4/9/2021	\$ 62,804.67	\$ 62,804.67	\$ -	1
Celestine Construction, LLC	2-23970-1B	10/2/2020	10/1/2021	\$ 13,374.47	\$ 1,337.45	\$ 12,037.02	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 216,078.92	\$ 139,639.75	\$ 76,439.17	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 174,545.51	\$ 59,166.56	\$ 115,378.95	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 122,715.23	\$ 61,366.89	\$ 61,348.34	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 123,112.56	\$ 21,722.11	\$ 101,390.45	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 181,372.45	\$ 23,099.22	\$ 158,273.23	
CF BREEZE RECOVERY LLC	2-50868-4B & 1-50868-5B	11/17/2021	1/16/2022	\$ 99,896.00	\$ 9,989.60	\$ 89,906.40	
Do Right Construction, Inc.	1-8416-1B	10/6/2020	11/8/2020	\$ 11,080.40	\$ 11,080.40	\$ -	1
Energy Efficient Builders, LLC	2-39809-1B & 1-39809-2B	6/17/2022	9/30/2023	\$ 350,000.00	\$ 244,725.35	\$ 105,274.65	1
Energy Efficient Builders, LLC	2-39809-1B & 1-39809-2B	1/25/2021	5/13/2021	\$ 24,884.42	\$ 2,488.44	\$ 22,395.98	
FLS Development LLC	1-46041-1B	10/18/2021	3/15/2022	\$ 51,348.64	\$ 51,348.63	\$ 0.01	1
FLS Development LLC	1-46041-1B	10/15/2021	3/16/2022	\$ 67,165.13	\$ 66,242.33	\$ 922.80	1
FR Maintenance and Construction	2-32201-1B	3/27/2020	1/21/2021	\$ 159,016.57	\$ 71,623.54	\$ 87,393.03	
Heights Construction & Supply LLC	2-12873-3B	8/22/2020	9/26/2020	\$ 31,237.45	\$ 31,237.45	\$ -	1
Heights Construction & Supply LLC	2-12873-3B	10/27/2020	12/15/2020	\$ 52,582.17	\$ -	\$ 52,582.17	
Heriberto Gabriel Carpentry Construction	No Current Business License	9/28/2020	11/15/2020	\$ 12,248.97	\$ 12,248.97	\$ -	1
King Glen Construction, LLC	1-45696-1B	10/7/2020	6/8/2021	\$ 17,972.02	\$ 17,972.02	\$ -	1
KZW Services	2-15704-2B	9/25/2020	1/23/2021	\$ 139,450.70	\$ 56,040.39	\$ 83,410.31	
MCE Contracting, LLC	1-17003-1B	9/30/2020	1/11/2021	\$ 124,474.35	\$ 89,586.70	\$ 34,887.65	
Mence Construction, LLC	2-43963-2B	8/26/2020	11/13/2020	\$ 78,108.75	\$ 78,108.75	\$ -	1
Mence Construction, LLC	2-43963-2B	9/29/2020	11/30/2020	\$ 111,379.15	\$ 111,379.15	\$ -	1
Navigation Construction LLC	No Current Business License	11/10/2020	2/1/2021	\$ 52,232.48	\$ -	\$ 52,232.48	
Navigation Construction LLC	No Current Business License	11/10/2020	2/1/2021	\$ 52,412.79	\$ 5,241.28	\$ 47,171.51	
Nuvo Construction	2-39150-2B	9/20/2022	4/18/2023	\$ 120,196.79	\$ 12,019.67	\$ 108,177.12	
Nuvo Construction	2-39150-2B	9/13/2022	8/29/2023	\$ 223,760.86	\$ 22,376.09	\$ 201,384.77	
Nuvo Construction	2-39150-2B	8/23/2022	10/26/2022	\$ 65,697.83	\$ 6,569.78	\$ 59,128.05	
Nuvo Construction	2-39150-2B	6/14/2022	12/21/2022	\$ 244,146.10	\$ 55,640.78	\$ 188,505.32	
Nuvo Construction	2-39150-2B	9/15/2021	12/14/2021	\$ 126,184.34	\$ 12,618.43	\$ 113,565.91	
Nuvo Construction	2-39150-2B	6/1/2021	9/30/2021	\$ 149,900.65	\$ 62,034.02	\$ 87,866.63	1
Nuvo Construction	2-39150-2B	6/21/2021	9/1/2021	\$ 117,684.66	\$ 72,387.53	\$ 45,297.13	
Nuvo Construction	2-39150-2B	6/1/2021	9/30/2021	\$ 149,106.30	\$ 46,013.22	\$ 103,093.08	
Nuvo Construction	2-39150-2B	6/1/2021	7/31/2021	\$ 66,417.28	\$ 44,057.89	\$ 22,359.39	1
Nuvo Construction	2-39150-2B	5/28/2021	7/23/2021	\$ 68,753.86	\$ 31,766.03	\$ 36,987.83	
Nuvo Construction	2-39150-2B	6/1/2021	7/31/2021	\$ 48,954.45	\$ 20,821.71	\$ 28,132.74	
Nuvo Construction	2-39150-2B	5/28/2021	7/31/2021	\$ 75,505.28	\$ 54,917.10	\$ 20,588.18	
Nuvo Construction	2-39150-2B	6/1/2021	7/15/2021	\$ 52,932.06	\$ 30,368.78	\$ 22,563.28	
Nuvo Construction	2-39150-2B	5/28/2021	7/12/2021	\$ 51,580.55	\$ 51,580.55	\$ -	1
Nuvo Construction	2-39150-2B	6/1/2021	9/15/2021	\$ 166,342.41	\$ 115,315.46	\$ 51,026.95	1
Nuvo Construction	2-39150-2B	5/20/2020	6/28/2020	\$ 29,967.94	\$ 29,967.94	\$ -	
Palace Interior, LLC dba Willie's Woodcraft	1-3728-1B	12/3/2020	2/28/2021	\$ 36,174.71	\$ 3,617.47	\$ 32,557.24	
PERSONS SERVICES CORP.	0-44857-1B	1/10/2022	1/10/2024	\$ 25,564,598.73	\$ 3,077,743.98	\$ 22,486,854.75	11
Rosewell Group, Inc.	No Current Business License	9/3/2020	10/8/2020	\$ 27,958.25	\$ 2,795.83	\$ 25,162.42	
Synergy Construction LLC	1-45294-1B	9/25/2020	10/31/2020	\$ 28,778.47	\$ -	\$ 28,778.47	
Vivian Construction LLC	No Current Business License	10/2/2020	12/31/2020	\$ 172,854.77	\$ 172,854.76	\$ 0.01	1
52 Contracts	TOTAL			\$ 30,539,318.19	\$ 5,372,020.34	\$ 25,167,297.85	27

Appendix 3 - List of Incomplete Homes

Client Case ID	District	Client Case ID	District	Client Case ID	District	Client Case ID	District	Client Case ID	District	Client Case ID	District
VI-HRR-00024	St. Croix	VI-HRR-00326	St. Croix	VI-HRR-00710	St. Croix	VI-HRR-01006	St. Croix	VI-HRR-01464	St. Croix	VI-HRR-01859	St. Croix
VI-HRR-00028	St. Croix	VI-HRR-00347	St. Croix	VI-HRR-00720	St. Croix	VI-HRR-01012	St. Croix	VI-HRR-01472	St. Croix	VI-HRR-01869	St. Croix
VI-HRR-00031	St. Croix	VI-HRR-00339	St. Croix	VI-HRR-00723	St. Croix	VI-HRR-01017	St. Croix	VI-HRR-01212	St. Croix	VI-HRR-01812	St. Croix
VI-HRR-00038	St. Croix	VI-HRR-00377	St. Croix	VI-HRR-00731	St. Croix	VI-HRR-01018	St. Croix	VI-HRR-01216	St. Croix	VI-HRR-01823	St. Croix
VI-HRR-00052	St. Croix	VI-HRR-00369	St. Croix	VI-HRR-00734	St. Croix	VI-HRR-01023	St. Croix	VI-HRR-01325	St. Croix	VI-HRR-01822	St. Croix
VI-HRR-00057	St. Croix	VI-HRR-00290	St. Croix	VI-HRR-00745	St. Croix	VI-HRR-01034	St. Croix	VI-HRR-01233	St. Croix	VI-HRR-01789	St. Croix
VI-HRR-00056	St. Croix	VI-HRR-00400	St. Croix	VI-HRR-00752	St. Croix	VI-HRR-01040	St. Croix	VI-HRR-01248	St. Croix	VI-HRR-01840	St. Croix
VI-HRR-00042	St. Croix	VI-HRR-00376	St. Croix	VI-HRR-00757	St. Croix	VI-HRR-01048	St. Croix	VI-HRR-01267	St. Croix	VI-HRR-01947	St. Croix
VI-HRR-00080	St. Croix	VI-HRR-00379	St. Croix	VI-HRR-00761	St. Croix	VI-HRR-01049	St. Croix	VI-HRR-01291	St. Croix	VI-HRR-01951	St. Croix
VI-HRR-00081	St. Croix	VI-HRR-00380	St. Croix	VI-HRR-00769	St. Croix	VI-HRR-01055	St. Croix	VI-HRR-01326	St. Croix	VI-HRR-01971	St. Croix
VI-HRR-00084	St. Croix	VI-HRR-00397	St. Croix	VI-HRR-00815	St. Croix	VI-HRR-01057	St. Croix	VI-HRR-01272	St. Croix	VI-HRR-01976	St. Croix
VI-HRR-00027	St. Croix	VI-HRR-00385	St. Croix	VI-HRR-00786	St. Croix	VI-HRR-01065	St. Croix	VI-HRR-01278	St. Croix	VI-HRR-01979	St. Croix
VI-HRR-00085	St. Croix	VI-HRR-00410	St. Croix	VI-HRR-00816	St. Croix	VI-HRR-01071	St. Croix	VI-HRR-01285	St. Croix	VI-HRR-01981	St. Croix
VI-HRR-00100	St. Croix	VI-HRR-00393	St. Croix	VI-HRR-00781	St. Croix	VI-HRR-01073	St. Croix	VI-HRR-01486	St. Croix	VI-HRR-01726	St. Croix
VI-HRR-00016	St. Croix	VI-HRR-00420	St. Croix	VI-HRR-00823	St. Croix	VI-HRR-01075	St. Croix	VI-HRR-01495	St. Croix	VI-HRR-01842	St. Croix
VI-HRR-00106	St. Croix	VI-HRR-00434	St. Croix	VI-HRR-01315	St. Croix	VI-HRR-01082	St. Croix	VI-HRR-01496	St. Croix	VI-HRR-01843	St. Croix
VI-HRR-00110	St. Croix	VI-HRR-00437	St. Croix	VI-HRR-00824	St. Croix	VI-HRR-01100	St. Croix	VI-HRR-01501	St. Croix	VI-HRR-02041	St. Croix
VI-HRR-00122	St. Croix	VI-HRR-00476	St. Croix	VI-HRR-00834	St. Croix	VI-HRR-01125	St. Croix	VI-HRR-01517	St. Croix	VI-HRR-02044	St. Croix
VI-HRR-00125	St. Croix	VI-HRR-00486	St. Croix	VI-HRR-00892	St. Croix	VI-HRR-01129	St. Croix	VI-HRR-01555	St. Croix	VI-HRR-02045	St. Croix
VI-HRR-00123	St. Croix	VI-HRR-00441	St. Croix	VI-HRR-00857	St. Croix	VI-HRR-01102	St. Croix	VI-HRR-01556	St. Croix	VI-HRR-02047	St. Croix
VI-HRR-00126	St. Croix	VI-HRR-00511	St. Croix	VI-HRR-00861	St. Croix	VI-HRR-01133	St. Croix	VI-HRR-01559	St. Croix	VI-HRR-02051	St. Croix
VI-HRR-00137	St. Croix	VI-HRR-00513	St. Croix	VI-HRR-00829	St. Croix	VI-HRR-01138	St. Croix	VI-HRR-01574	St. Croix	VI-HRR-01853	St. Croix
VI-HRR-00138	St. Croix	VI-HRR-00466	St. Croix	VI-HRR-00839	St. Croix	VI-HRR-01117	St. Croix	VI-HRR-01596	St. Croix	VI-HRR-02053	St. Croix
VI-HRR-00146	St. Croix	VI-HRR-01702	St. Croix	VI-HRR-00845	St. Croix	VI-HRR-01118	St. Croix	VI-HRR-01606	St. Croix	VI-HRR-02055	St. Croix
VI-HRR-00158	St. Croix	VI-HRR-00514	St. Croix	VI-HRR-00848	St. Croix	VI-HRR-01132	St. Croix	VI-HRR-01582	St. Croix	VI-HRR-02056	St. Croix
VI-HRR-00160	St. Croix	VI-HRR-00452	St. Croix	VI-HRR-00899	St. Croix	VI-HRR-01170	St. Croix	VI-HRR-01607	St. Croix	VI-HRR-02058	St. Croix
VI-HRR-00159	St. Croix	VI-HRR-00457	St. Croix	VI-HRR-00856	St. Croix	VI-HRR-01147	St. Croix	VI-HRR-01113	St. Croix	VI-HRR-02066	St. Croix
VI-HRR-00170	St. Croix	VI-HRR-00469	St. Croix	VI-HRR-00895	St. Croix	VI-HRR-01174	St. Croix	VI-HRR-01704	St. Croix	VI-HRR-02067	St. Croix
VI-HRR-00188	St. Croix	VI-HRR-00547	St. Croix	VI-HRR-00904	St. Croix	VI-HRR-01089	St. Croix	VI-HRR-01706	St. Croix	VI-HRR-02073	St. Croix
VI-HRR-00195	St. Croix	VI-HRR-00549	St. Croix	VI-HRR-00914	St. Croix	VI-HRR-01094	St. Croix	VI-HRR-01685	St. Croix	VI-HRR-01690	St. Croix
VI-HRR-00194	St. Croix	VI-HRR-00551	St. Croix	VI-HRR-00922	St. Croix	VI-HRR-01153	St. Croix	VI-HRR-01695	St. Croix	VI-HRR-02079	St. Croix
VI-HRR-00227	St. Croix	VI-HRR-00564	St. Croix	VI-HRR-00873	St. Croix	VI-HRR-01180	St. Croix	VI-HRR-01732	St. Croix	VI-HRR-02091	St. Croix
VI-HRR-00204	St. Croix	VI-HRR-00584	St. Croix	VI-HRR-01009	St. Croix	VI-HRR-00516	St. Croix	VI-HRR-01754	St. Croix	VI-HRR-01856	St. Croix
VI-HRR-00217	St. Croix	VI-HRR-00594	St. Croix	VI-HRR-01011	St. Croix	VI-HRR-01160	St. Croix	VI-HRR-01755	St. Croix	VI-HRR-01526	St. Croix
VI-HRR-00218	St. Croix	VI-HRR-00604	St. Croix	VI-HRR-00930	St. Croix	VI-HRR-01165	St. Croix	VI-HRR-01782	St. Croix	VI-HRR-01870	St. Croix
VI-HRR-00237	St. Croix	VI-HRR-00605	St. Croix	VI-HRR-00938	St. Croix	VI-HRR-01166	St. Croix	VI-HRR-01753	St. Croix	VI-HRR-01872	St. Croix
VI-HRR-00229	St. Croix	VI-HRR-00612	St. Croix	VI-HRR-00941	St. Croix	VI-HRR-01173	St. Croix	VI-HRR-01792	St. Croix	VI-HRR-01922	St. Croix
VI-HRR-00239	St. Croix	VI-HRR-00616	St. Croix	VI-HRR-00955	St. Croix	VI-HRR-01124	St. Croix	VI-HRR-01793	St. Croix	VI-HRR-01878	St. Croix
VI-HRR-00246	St. Croix	VI-HRR-00623	St. Croix	VI-HRR-00963	St. Croix	VI-HRR-01188	St. Croix	VI-HRR-01772	St. Croix	VI-HRR-01883	St. Croix
VI-HRR-00242	St. Croix	VI-HRR-00640	St. Croix	VI-HRR-00966	St. Croix	VI-HRR-01189	St. Croix	VI-HRR-01795	St. Croix	VI-HRR-01900	St. Croix
VI-HRR-00254	St. Croix	VI-HRR-00646	St. Croix	VI-HRR-00971	St. Croix	VI-HRR-01195	St. Croix	VI-HRR-01800	St. Croix	VI-HRR-01904	St. Croix
VI-HRR-00265	St. Croix	VI-HRR-00647	St. Croix	VI-HRR-00977	St. Croix	VI-HRR-01294	St. Croix	VI-HRR-01801	St. Croix	VI-HRR-01944	St. Croix
VI-HRR-00266	St. Croix	VI-HRR-00651	St. Croix	VI-HRR-00980	St. Croix	VI-HRR-01310	St. Croix	VI-HRR-01794	St. Croix	VI-HRR-01930	St. Croix
VI-HRR-00273	St. Croix	VI-HRR-00664	St. Croix	VI-HRR-00978	St. Croix	VI-HRR-01220	St. Croix	VI-HRR-01817	St. Croix	VI-HRR-01942	St. Croix
VI-HRR-00198	St. Croix	VI-HRR-00674	St. Croix	VI-HRR-00979	St. Croix	VI-HRR-01225	St. Croix	VI-HRR-01829	St. Croix	VI-HRR-01987	St. Croix
VI-HRR-00201	St. Croix	VI-HRR-00687	St. Croix	VI-HRR-00986	St. Croix	VI-HRR-01405	St. Croix	VI-HRR-01833	St. Croix	VI-HRR-01999	St. Croix
VI-HRR-00305	St. Croix	VI-HRR-00609	St. Croix	VI-HRR-00982	St. Croix	VI-HRR-01420	St. Croix	VI-HRR-01838	St. Croix	VI-HRR-01994	St. Croix
VI-HRR-00306	St. Croix	VI-HRR-00611	St. Croix	VI-HRR-01085	St. Croix	VI-HRR-01254	St. Croix	VI-HRR-01796	St. Croix	VI-HRR-01995	St. Croix
VI-HRR-00315	St. Croix	VI-HRR-00618	St. Croix	VI-HRR-01001	St. Croix	VI-HRR-01430	St. Croix	VI-HRR-01845	St. Croix	VI-HRR-01997	St. Croix
VI-HRR-00318	St. Croix	VI-HRR-00689	St. Croix	VI-HRR-01003	St. Croix	VI-HRR-01270	St. Croix	VI-HRR-01847	St. Croix	VI-HRR-02008	St. Croix
VI-HRR-00324	St. Croix	VI-HRR-00627	St. Croix	VI-HRR-01008	St. Croix	VI-HRR-01282	St. Croix	VI-HRR-01808	St. Croix	VI-HRR-02022	St. Croix

Client Case ID	District
VI-HRR-02052	St. Croix
VI-HRR-02062	St. Croix
VI-HRR-02064	St. Croix
VI-HRR-02074	St. Croix
VI-HRR-02075	St. Croix
VI-HRR-02078	St. Croix
VI-HRR-02080	St. Croix
VI-HRR-02085	St. Croix
VI-HRR-02088	St. Croix
VI-HRR-02095	St. Croix
VI-HRR-02097	St. Croix
VI-HRR-02098	St. Croix
VI-HRR-02102	St. Croix
VI-HRR-02107	St. Croix
VI-HRR-02108	St. Croix
VI-HRR-02111	St. Croix
VI-HRR-02109	St. Croix
VI-HRR-02113	St. Croix
VI-HRR-02116	St. Croix
VI-HRR-02117	St. Croix
VI-RRR-00358	St. Croix
VI-RRR-01084	St. Croix
VI-RRR-01339	St. Croix
VI-RRR-01342	St. Croix
VI-RRR-01352	St. Croix
VI-RRR-01358	St. Croix
VI-RRR-01373	St. Croix
VI-RRR-01374	St. Croix
VI-RRR-01375	St. Croix
VI-RRR-01376	St. Croix
VI-RRR-01380	St. Croix
VI-RRR-01386	St. Croix
VI-RRR-01398	St. Croix
VI-RRR-01415	St. Croix
VI-RRR-01432	St. Croix
VI-RRR-01482	St. Croix
VI-RRR-01485	St. Croix
VI-RRR-01535	St. Croix
VI-RRR-01548	St. Croix
VI-RRR-01565	St. Croix
VI-RRR-01581	St. Croix
VI-RRR-01905	St. Croix
VI-RRR-01908	St. Croix
VI-RRR-01913	St. Croix
VI-RRR-01919	St. Croix
VI-RRR-01928	St. Croix
VI-RRR-01932	St. Croix
VI-RRR-01937	St. Croix
VI-RRR-01943	St. Croix
VI-RRR-01957	St. Croix
VI-RRR-01958	St. Croix
VI-RRR-01963	St. Croix
VI-RRR-01982	St. Croix
VI-RRR-01991	St. Croix

Client Case ID	District
VI-RRR-01996	St. Croix
VI-RRR-01998	St. Croix
VI-RRR-02000	St. Croix
VI-RRR-02005	St. Croix
VI-RRR-02007	St. Croix
VI-RRR-02012	St. Croix
VI-RRR-02016	St. Croix
VI-RRR-02017	St. Croix
VI-RRR-02018	St. Croix
VI-RRR-02019	St. Croix
VI-RRR-02027	St. Croix
VI-HRR-00050	St. John
VI-HRR-00231	St. John
VI-HRR-00417	St. John
VI-HRR-00550	St. John
VI-HRR-00652	St. John
VI-HRR-00787	St. John
VI-HRR-00981	St. John
VI-HRR-01302	St. John
VI-HRR-01390	St. John
VI-HRR-01391	St. John
VI-HRR-01479	St. John
VI-HRR-01770	St. John
VI-HRR-02042	St. John
VI-HRR-01862	St. John
VI-RRR-01392	St. John
VI-RRR-01525	St. John
VI-HRR-00005	St. Thomas
VI-HRR-00015	St. Thomas
VI-HRR-00095	St. Thomas
VI-HRR-00092	St. Thomas
VI-HRR-00071	St. Thomas
VI-HRR-00059	St. Thomas
VI-HRR-00075	St. Thomas
VI-HRR-00079	St. Thomas
VI-HRR-00041	St. Thomas
VI-HRR-00040	St. Thomas
VI-HRR-00103	St. Thomas
VI-HRR-00111	St. Thomas
VI-HRR-00127	St. Thomas
VI-HRR-00134	St. Thomas
VI-HRR-00145	St. Thomas
VI-HRR-00157	St. Thomas
VI-HRR-00150	St. Thomas
VI-HRR-00152	St. Thomas
VI-HRR-00186	St. Thomas
VI-HRR-00187	St. Thomas
VI-HRR-00293	St. Thomas
VI-HRR-00190	St. Thomas
VI-HRR-00245	St. Thomas
VI-HRR-00250	St. Thomas
VI-HRR-00253	St. Thomas
VI-HRR-00256	St. Thomas
VI-HRR-00258	St. Thomas

Client Case ID	District
VI-HRR-00359	St. Thomas
VI-HRR-00267	St. Thomas
VI-HRR-00281	St. Thomas
VI-HRR-00285	St. Thomas
VI-HRR-00288	St. Thomas
VI-HRR-00197	St. Thomas
VI-HRR-00292	St. Thomas
VI-HRR-00307	St. Thomas
VI-HRR-00313	St. Thomas
VI-HRR-00325	St. Thomas
VI-HRR-00335	St. Thomas
VI-HRR-00346	St. Thomas
VI-HRR-00350	St. Thomas
VI-HRR-00361	St. Thomas
VI-HRR-00363	St. Thomas
VI-HRR-00365	St. Thomas
VI-HRR-00365	St. Thomas
VI-HRR-00279	St. Thomas
VI-HRR-00371	St. Thomas
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VI-HRR-00390	St. Thomas
VI-HRR-00391	St. Thomas
VI-HRR-00392	St. Thomas
VI-HRR-00398	St. Thomas
VI-HRR-00403	St. Thomas
VI-HRR-00424	St. Thomas
VI-HRR-00425	St. Thomas
VI-HRR-00382	St. Thomas
VI-HRR-00384	St. Thomas
VI-HRR-00499	St. Thomas
VI-HRR-00501	St. Thomas
VI-HRR-00460	St. Thomas
VI-HRR-00496	St. Thomas
VI-HRR-00504	St. Thomas
VI-HRR-00443	St. Thomas
VI-HRR-00446	St. Thomas
VI-HRR-00517	St. Thomas
VI-HRR-00518	St. Thomas
VI-HRR-00567	St. Thomas
VI-HRR-00571	St. Thomas
VI-HRR-00575	St. Thomas
VI-HRR-00583	St. Thomas
VI-HRR-00593	St. Thomas
VI-HRR-00596	St. Thomas
VI-HRR-00628	St. Thomas
VI-HRR-00613	St. Thomas
VI-HRR-00532	St. Thomas
VI-HRR-00641	St. Thomas
VI-HRR-00642	St. Thomas
VI-HRR-00659	St. Thomas
VI-HRR-00662	St. Thomas

Client Case ID	District
VI-HRR-00682	St. Thomas
VI-HRR-00685	St. Thomas
VI-HRR-00694	St. Thomas
VI-HRR-00719	St. Thomas
VI-HRR-00727	St. Thomas
VI-HRR-00739	St. Thomas
VI-HRR-00760	St. Thomas
VI-HRR-00770	St. Thomas
VI-HRR-00775	St. Thomas
VI-HRR-00715	St. Thomas
VI-HRR-00782	St. Thomas
VI-HRR-00812	St. Thomas
VI-HRR-00827	St. Thomas
VI-HRR-00808	St. Thomas
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VI-HRR-00884	St. Thomas
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VI-HRR-01112	St. Thomas
VI-HRR-01004	St. Thomas
VI-HRR-01016	St. Thomas
VI-HRR-01047	St. Thomas
VI-HRR-01070	St. Thomas
VI-HRR-01067	St. Thomas
VI-HRR-01078	St. Thomas
VI-HRR-01101	St. Thomas
VI-HRR-01032	St. Thomas
VI-HRR-01126	St. Thomas
VI-HRR-01142	St. Thomas
VI-HRR-01116	St. Thomas
VI-HRR-01121	St. Thomas
VI-HRR-01171	St. Thomas
VI-HRR-01177	St. Thomas
VI-HRR-01159	St. Thomas
VI-HRR-01122	St. Thomas
VI-HRR-01303	St. Thomas
VI-HRR-01204	St. Thomas
VI-HRR-01235	St. Thomas
VI-HRR-01246	St. Thomas
VI-HRR-01250	St. Thomas
VI-HRR-01251	St. Thomas
VI-HRR-01279	St. Thomas
VI-HRR-01459	St. Thomas
VI-HRR-01388	St. Thomas
VI-HRR-01417	St. Thomas

Client Case ID	District
VI-HRR-01418	St. Thomas
VI-HRR-01428	St. Thomas
VI-HRR-01450	St. Thomas
VI-HRR-01452	St. Thomas
VI-HRR-01456	St. Thomas
VI-HRR-01284	St. Thomas
VI-HRR-01473	St. Thomas
VI-HRR-01476	St. Thomas
VI-HRR-01483	St. Thomas
VI-HRR-01489	St. Thomas
VI-HRR-01521	St. Thomas
VI-HRR-01698	St. Thomas
VI-HRR-01728	St. Thomas
VI-HRR-01730	St. Thomas
VI-HRR-01779	St. Thomas
VI-HRR-01786	St. Thomas
VI-HRR-01805	St. Thomas
VI-HRR-01788	St. Thomas
VI-HRR-01790	St. Thomas
VI-HRR-01799	St. Thomas
VI-HRR-01814	St. Thomas
VI-HRR-01825	St. Thomas
VI-HRR-01721	St. Thomas
VI-HRR-02054	St. Thomas
VI-HRR-02065	St. Thomas
VI-HRR-02068	St. Thomas
VI-HRR-02077	St. Thomas
VI-HRR-02086	St. Thomas
VI-HRR-01871	St. Thomas
VI-HRR-01852	St. Thomas
VI-HRR-01882	St. Thomas
VI-HRR-01925	St. Thomas
VI-HRR-01959	St. Thomas
VI-HRR-01985	St. Thomas
VI-HRR-02072	St. Thomas
VI-HRR-02093	St. Thomas
VI-HRR-02099	St. Thomas
VI-HRR-02103	St. Thomas
VI-HRR-02105	St. Thomas
VI-HRR-02106	St. Thomas
VI-HRR-02115	St. Thomas
VI-RRR-00615	St. Thomas
VI-RRR-01158	St. Thomas
VI-RRR-01341	St. Thomas
VI-RRR-01346	St. Thomas
VI-RRR-01349	St. Thomas
VI-RRR-01357	St. Thomas
VI-RRR-01385	St. Thomas
VI-RRR-01412	St. Thomas
VI-RRR-01448	St. Thomas
VI-RRR-01453	St. Thomas
VI-RRR-01502	St. Thomas
VI-RRR-01509	St. Thomas
VI-RRR-01547	St. Thomas

Client Case ID	District
VI-RRR-01562	St. Thomas
VI-RRR-01564	St. Thomas
VI-RRR-01571	St. Thomas
VI-RRR-01584	St. Thomas
VI-RRR-01595	St. Thomas
VI-RRR-01888	St. Thomas
VI-RRR-01889	St. Thomas
VI-RRR-01890	St. Thomas
VI-RRR-01893	St. Thomas
VI-RRR-01894	St. Thomas
VI-RRR-01897	St. Thomas
VI-RRR-01923	St. Thomas
VI-RRR-01924	St. Thomas
VI-RRR-01933	St. Thomas
VI-RRR-01940	St. Thomas
VI-RRR-01952	St. Thomas
VI-RRR-01962	St. Thomas
VI-RRR-01972	St. Thomas
VI-RRR-01977	St. Thomas
VI-RRR-01993	St. Thomas
VI-RRR-02003	St. Thomas
VI-RRR-02024	St. Thomas

Appendix 4 - HUD Monitoring- Envision

Total Findings and Concerns from HUD Assessment: 11

Total Remained Open: 4

April 2019 – 1 Finding

Finding #3: Contracts do not include all federal Requirements.

Condition: The three executed contracts do not include all of the provisions at 24 CFR 570.487, omitting provisions regarding affirmatively furthering fair housing or items specific to the Federal Register Notice such as the Stafford Act duplication of benefits requirement.

Criteria: The CDBG regulations at 24 CFR 570.489(g) require that contracts include all federal requirements, including those identified at 24 CFR 570.487.

Cause: The grantee was not aware of all of the provisions of 24 CFR 570.487.

Effect: Failure to include pertinent, mandatory provisions in contracts may result in contractors' noncompliance with applicable Federal requirements, which could ultimately result in the VIHFA disbursing funds for ineligible expenditures or other forms of noncompliance.

Corrective Action: To address this deficiency, within 60 days of the issuance of this monitoring report, VIHFA must revise the three executed contracts to include all of the provisions at 24 CFR 570.487, inclusive of the provisions regarding affirmatively furthering fair housing and items specific to the Federal Register Notice, such as the Stafford Act duplication of benefits requirement.

Status: The three contracts were updated to include provisions of 24 CFR 570.487 and all subsequent contracts. This finding has been closed as of 2020.

September 2019

No Findings for Envision

April 2020- 1 Concern

Concern 2: The grantee should strengthen documentation requirements on DOB review.

Condition: HUD reviewed the applicant files in the Canopy system for the Homeowner Reconstruction and Rehabilitation Program and Rental Rehabilitation and Reconstruction Program. VIHFA and the Case Manager are completing the intake review of these applicants including DOB analysis following their programs policies and procedures. The grantee's policies and procedures states that for DOB analysis, program applicants must report all third-party assistance they have received towards repairing the damages to their homes. At the time of grant reconciliation and closeout, the grantee's procedures also indicate additional DOB analysis will be conducted. The grantee SOP states to check external data documents for award letters (FEMA IA letter, SBA award letter, NFIP claim Letter) and ensure the award is applied as a benefit if applicable. Also, if there is a result the identifying number (loan#, FEMA ID, NFIP policy#) and the amount of assistance needs to be entered on the appropriate benefit page.

In the files reviewed, HUD staff observed that the grantee has data sharing agreements and is complying with the DOB analysis procedures but could not find any documentation that explains or supports the data input of the analysis.

Cause: The application files reviewed are not consistent with the DOB analysis documentation. In some applicant files there is documentation reported provided from applicant for the DOB analysis and verified with the external data access, and in other files the only information provided is a manual data input from the external data access.

Effect: Failure to document the DOB from external data, rather than simply indicating in the file that a DOB analysis has been performed, can lead to a human error on the analysis and is not in noncompliance with the federal regulation that requires a DOB analysis to ensure that (1) applicants do not receive more Federal funds than needed, and (2) program funds are used to meet a need that still exists after considering other funds received.

Recommended Corrective Action: The grantee is advised to add language to the SOP describing how the grantee should document DOB analysis, other than manual data input on the applicant files. These can be documented with a screen shot or picture or any other format that can have evidence of the external data information system to support the information entered in the system. These procedures and the acceptable levels of documentation should be reviewed with the Case Manager (HORNE). The grantee should ensure the final approval of cases includes a thorough review of all the documentation in Canopy.

Status: DOB documentation and verification policy, procedures, and processes were updated as well as the levels of approval. This Concern has been closed as of 2021.

March 2021- 4 Findings

Finding 1: VIHFA's Lottery process did not comply with its procurement policy and procedures

Condition: The grantee conducted a procurement for contractors using a Mini Bid method for 30 homeowner repair projects. The Mini Bid was not consistent with the VIHFA procurement policy and procedures.

Criteria: The *Federal Register* Notice (83 FR 5844) and the grantee's procurement policies (2 CFR 200.317). The *Federal Register* Notice states that "until grant closeout, all grantees shall adhere to the controls, processes, and procedures described in the grantee's financial controls and procurement processes documentation submitted [to HUD] unless amended with HUD's approval".

Cause: The EnVIision program was launched in April 2019; however, the procurement and construction processes have been slow. As a result, the grantee used the lottery to try to accelerate the process of assigning homes to contractors without ensuring it was consistent with the agency's procurement rules.

Effect: In addition to not complying with its own procurement policies and procedures, the grantee is unable to document fair and open competition, nor prove that a fair and reasonable price was paid for goods and services for contracts assigned via a lottery from a PQP.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to provide supporting documentation to demonstrate that VIHFA followed the process with fair and open competition and determined it paid reasonable and necessary costs for the lottery- assigned contracts (per assisted unit). If the grantee does not submit this documentation or if after submission and review by HUD it is determined that it is not reasonable and/or did not meet procurement requirements, VIHFA may be required to reimburse all the payments VIHFA made to the contractors from the lottery process to the CDBG-DR program from non-federal funds (\$96,221.27 from non-Federal funds) and cancel the remaining contracts. VIHFA must also provide a plan to HUD on how it will assign the units to other contractors to ensure the assistance is not further delayed.

Status: Partially closed. This Finding falls in two categories: Envision and Procurement.

- **Envision Finding-** closed as of September 2023
- **Procurement Finding-** In progress. We are drafting a response regarding the cancellation of the contracts.

Finding 4: Failure to document cost allocation and reasonableness

Condition: The review of the Construction Manager (Armand) invoices disclosed that the grantee was not allocating costs based on actual costs incurred between the Homeowner Rehabilitation and the Rental Rehabilitation activities but rather was allocating costs on a percentage basis (80 percent homeowner and 20 percent rental assistance). However, the invoices did not have cases for each program in numbers that would support such a distribution. The majority of the cases were for the homeowner program. The invoices reviewed the actual distribution would have been closer to 91 percent homeowner to 9 percent rental. For the contractor managing eligibility reviews (HORNE), the staff in charge submitted a document of how VIHFA have been adjusting payments to HORNE according to the number of participants it manages monthly. A similar document was not submitted for the construction manager invoices.

While both the construction manager and the consultant working with participant eligibility have continued working and invoicing the program, only two houses have been completed under the homeowner activity and zero under the rental one. Until the unit is repaired and occupied by an eligible participant, a national objective is not met. The contracts for both providers are based on hours and not on performance metrics related to houses being completed. Therefore, the reviewer could not determine if the costs invoiced and paid thus far are reasonable per unit completed. Note that both contracts included costs for the companies to set up offices in the U.S. Virgin Islands charged to the program.

Criteria: 2 CFR 200.404 (Reasonable Costs) A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. Additionally, 2 CFR 200.405 (Allocable Costs) (a) A cost is allocable to a particular Federal award or other cost objectives if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

Cause: The main cause is a lack of a clear management process of the housing rehabilitation activity to ensure unit completion. While there is CDBG-DR staff in VIHFA that manage the homeowner rehabilitation and rental rehabilitation activities, this staff is focused on participant eligibility. After the construction manager finishes the initial process, the cases are referred to the Planning and Construction Division within VIHFA. This staff does not fall in the reporting line of CDBG-DR management. However, several critical elements of the program are supervised by this Division, including procurement and construction management. This process also includes the finance department. It was clear during the interviews that there is confusion between allocating costs for budgeting purposes and allocating actual costs for disbursement purposes. The second cause identified is how the contracts are drafted based on hours and not on tasks completed or performance metrics.

Effect: The costs were not correctly allocated to the corresponding eligible activity, and the Grantee is not ensuring program costs are reasonable.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to take the following actions: 1) Review the Construction Management invoices and reallocate the costs paid by each activity based on actual costs incurred under each of the programs. This will include revising vouchers in Disaster Recovery Grant Reporting (DRGR). If any costs are not allocable to either activity, the grantee may need to repay them from federal funds, 2) Revise and submit to HUD financial management procedures to include a process to allocate costs for budget purposes and for payment, and 3) Submit to HUD a revised process for the approval of contractor invoices for the EnVIsion Program that includes responsible staff and timelines.

HUD is starting project management technical assistance with VIHFA focused on the housing activities aimed at addressing the management capacity issue described in the cause section of this Finding. As part of the Corrective Actions for this Finding, the grantee staff will be expected to engage fully, participate, and make the appropriate decisions based on the technical assistance provided. In addition, the grantee should consider if an amendment to the construction management contract is needed to change the type of services currently provided to those that VIHFA needs to move the current units expeditiously to construction and completion.

Status: Partially Closed- This Finding falls into two categories: Envision and Finance. Corrective Actions 1 and 3 are Envision Findings; Corrective Action 2 is a Finance Finding.

- Corrective Actions 1 and 3 are closed as of September 2023.
- Corrective Action 2 Finding belongs to the Finance Department. The policy has been updated and ready for submittal for closure.

Finding 5: Lack of internal controls for processing of advance payments to contractors

Condition: The reviewer found that the grantee is processing advance payments to construction contractors in the EnVIsion program without clear procedures in place to ensure all costs are adequately supported. The grantee is issuing mobilization payments for the smaller contractors as advances to facilitate smaller and local contractors' participation in the program. However, the grantee's procedures do not address whether the contractors need to submit documentation for these costs before the next invoice is paid. During interviews with Finance and EnVIsion staff, no one could affirm that documentation of these costs was being requested. The EnVIsion staff indicated that they did not review these invoices, but rather the Planning and Construction

division staff from VIHFA completed the review. (The construction manager may also have a role in reviewing these invoices, but that role is not specified in the procedures).

Criteria: 2 CFR 200.303 Internal Controls

Cause: The main cause is the lack of a clear management process for the EnVIision program to ensure consistency across all the different offices within VIHFA that work in the program. A second cause is the lack of procedures for advances and the subsequent payments to contractors that received them.

Effect: The grantee will have unsupported and possibly ineligible program costs.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to take the following actions: 1) Draft and incorporate into its financial procedures a process for advances, including those for contractors under the EnVIision program that ensure all costs are adequately documented, 2) Submit to HUD a revised process for the review of contractor invoices for the EnVIision Program that includes responsible staff and timelines, and 3) Review all advances paid thus far to ensure these are adequately documented and supported.

Status: This Finding remains open- Submittal for closure in progress.

The Authority updated and implemented their processes for advance contractor payments to streamline efforts. A training was provided to subrecipients and staff in January of 2023. The Authority is waiting on the official approval of the subrecipient agreement for the ODR transition to send HUD the updated advance payment procedures to close this Finding.

Finding 7: Inconsistent Duplication of Benefits documentation

Condition: As part of the eligibility review of the EnVIision program costs, the reviewer looked at the DOB documentation and calculation to determine how the final award was determined. The reviewer found that while all files had the external data verification print screen from FEMA (and in some cases Small Business Administration (SBA) that showed whether the person had received FEMA and/or SBA assistance, only two out of the three cases reviewed had the DOB calculation worksheet included in the documentation. The reviewer noted that Appendix D of the agreement signed with the participant is supposed to contain the DOB calculation as part of the award, but it was not attached in one of the agreements reviewed. The cases reviewed showed one case had withdrawn from the SBA assistance process, and while there were no cases with loans declined, but the SBA documentation was not provided for all cases. The issue of DOB documentation was a concern in the April 2020 monitoring review. The reviewer provided extra time for the grantee to submit the missing documentation for DOB, but it was not provided. One of the consultants working with the grantee assists in the DOB documentation and calculation process. The reviewer also noted that approximately half of the 794 active EnVIision cases had DOB gaps. The reviewer flagged that one of the applicant agreements had not been signed by VIHFA's Executive Director.

Criteria: *Federal Register* Notice 84 FR 28836 (Section IV. Basic Duplication of Benefits Calculation Framework) published June 20, 2019.

Cause: The grantee lacks a quality assurance/control process to ensure all required documents are included and executed.

Effect: If award determinations are not adequately documented, including the DOB Calculation, this could lead to possible repayment of funds.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to take the following actions: 1) Develop and submit to HUD a quality control/assurance process in the DOB procedures for EnVIsion and which staff is responsible for it 2) Submit the missing DOB documentation and calculation for case #HRR-00731.

Status: A QA/QC process was created and submitted to HUD. The missing documentation and calculation for case #HRR-00731 were submitted to HUD. This Finding has been closed as of 2021.

September 2021- 4 Findings

Finding 7: Lack of Complete Environmental Review Record (ERR)

Condition: ERRs reviewed lack detailed project descriptions, sufficient source information and documentation, adequate documentation of project status, and whether mitigation requirements have been satisfied. The ERRs reviewed as part of this monitoring consistently lack information or documentation required by HUD regulations at 24 CFR 58.38.

a) Insufficient project description: The Tier 2 Site Specific Environmental Review Forms (Tier 2 review forms) completed for HRRP consistently lack details about the specific activities or work included in the proposed project scope that is being reviewed. The Tier 2 review forms provide a generic description of the activities covered by the relevant program but lack sufficient information about the specific proposed activities to be completed at each housing unit. According to the HRRP Policies and Procedures document, Tier 2 reviews are performed based on a project scope, which is defined from the Estimated Cost of Repair (ECR) report developed during the initial inspection and damage assessment for each housing unit. However, ECR's were not referenced or attached to any of the Tier 2 review forms included in this monitoring. Also, ECRs were not included in the ERRs for all projects with completed Tier 2 reviews. For example, no ECR was included in the ERR for project numbers: VI-HRR-0005, VI-HRR-00227, VI-HRR-00237, VI-HRR-00416, VI-HRR-00504, VI-HRR-01040, VI-HRR-01102, and VI-HRR-01473. In addition, it is not clear from the ECRs, which specific activities or repairs were finally approved as part of the project scope.

b) Insufficient source information or documentation in figures and maps: The ERRs examined as part of this monitoring generally include maps/documentation to show the location of project sites with respect to flood zones, coastal zones, and coastal barriers. However, in many cases, the figures lack a complete reference to the source of information depicted. For example, the maps showing the project location with respect to the limits of the Coastal Zone consistently lack references to the specific database, program, web location, GIS layer, or source for the data being depicted. A similar situation, although less frequent, was observed with the maps showing the location of the project with respect to flood zones. Specific ERRs where the Flood Zones Maps do not provide the source information include the following projects: VI-HRR-00029, VI-HRR-00227, VI-HRR-00425, and VI-HRR-00841. In addition, although the Tier 1 EAs indicate that National Wetland Inventory (NWI) Maps would be used to evaluate whether wetlands are located within the proposed project site, the Tier 2 review forms and the ERRs included in this monitoring consistently lack NWI Maps.

c) Mitigation compliance documentation not included in ERR: The ERRs reviewed in this monitoring generally lack documentation evidencing whether the mitigation requirements defined in the Tier 1 EAs and Tier 2 reviews (e.g., inspections and abatement for mold, lead-based paint, and asbestos; management and disposal of solid and hazardous waste; green building standards; and elevation of structures in the floodplain; among others) were satisfied. Also, the ERRs do not include information regarding the status of the project in terms of its planning or construction stages. Although a spreadsheet with some information regarding progress in HRRP project implementation was included in documents provided by VIHFA, the information in the spreadsheet was not always consistent with the rest of the information available in the ERRs. Therefore, it was not possible to determine whether any of the above-referenced mitigation requirements should have been already satisfied.

Criteria: VIHFA is subject to the following requirements: 1) 24 CFR 58.32 - Project Aggregation, 24 CFR 55 - Floodplain Management and Protection of Wetlands, 2) 24 CFR 58.18 - Responsibilities of States assuming HUD environmental responsibilities, 3) 24 CFR 58.38(b) requires that the ERR shall contain verifiable source documents and relevant base data used or cited, 4) 24 CFR 58.32 requires a complete project description, properly aggregating all proposed project components or activities, and 5) 24 CFR 58.18(a)(1) requires REs to monitor compliance with the conditions established during the environmental review.

Cause: Lack of sufficiently detailed environmental review procedures for HRRP and the grantee not following existing procedures for the completion of environmental reviews. VIHFA's Environmental Review Procedures Manual and HRRP Policies and Procedures document do not specifically require that Tier 2 review forms must include a narrative with the project description 16

as defined from the ECRs; that ECRs must be referenced in or attached to the Tier 2 reviews; that all maps and documents used to support the determinations of the environmental reviews must include source information; or that the ERRs must include documentation of compliance with environmental mitigation requirements. VIHFA's documents referenced above do not indicate how changes in the project scope between the initial ECR and the approved ECR would be addressed in the Tier 2 environmental review, including re-evaluation of original reviews, if necessary.

Effect: ERR deficiencies are not being identified and corrected through VIHFA's QA/QC procedures. The reviewer cites two examples:

a) While VIHFA developed an Environmental Review Procedures Manual for CDBG-DR, which indicates that the environmental review must aggregate and describe each of the related activities comprising the project and that the effect of all those activities must be evaluated together.

b) HRRP Policies and Procedures document indicating that the project description for the HRRP Tier 2 environmental reviews would be based on the Estimated Cost of Repairs (ECR) Report. The final approvals of the ECRs are not always issued prior to completing the Tier 2 environmental reviews.

Incomplete project descriptions and documentation in the ERR may lead to incorrect determinations of compliance with the related laws and authorities at 24 CFR 58.5 and 24 CFR 58.6. An incomplete ERR may also limit the public's ability to examine the project's

environmental review and obtain information about its potential environmental effects, as required by 24 CFR 58.38. An incomplete ERR could also result in noncompliance with the National Environmental Policy Act (NEPA), environmental harm or risk to residents at assisted properties, and in activities being determined ineligible for HUD funding if choice-limiting actions occur prior to the proper completion of the appropriate level of environmental review.

Corrective Actions: To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s):

1) For all future environmental reviews, VIHFA must provide complete project descriptions, including details about the project site and property, and adequate supporting documents in all Tier 2 environmental reviews, and ensure that any changes in project scope after the initial ECR are documented in detail in the ERR. The grantee should provide at least two ERRs for HUD's review that illustrate compliance with the actions described in this corrective action.

Status: The Tier 2 Environmental reviews process and documentation were updated. Two examples were submitted to HUD. This Finding is Partially closed awaiting Envision SOP. The Authority is waiting for the official signing of the Subrecipient Agreement between ODR and HFA. Once HUD has given approval on the subrecipient agreement, HFA will submit the updated SOP for closure of this Finding.

2) VIHFA must revise and submit for HUD-OEE review the CDBG-DR Environmental Review Procedures Manual and the HRRP Policies and Procedures document to address the issues identified above, including additional clarification on:

a. How to use the information from the ECR to develop a complete project description for Tier 2 environmental review purposes.

b. How changes in a project description or scope would be documented and addressed as part of the Tier 2 environmental review process, including re-evaluation of original reviews if necessary.

c. How to evaluate and document in the Tier 2 review form whether a proposed project meets the definition of substantial improvements and whether the project complies with any related flood management and elevation requirements.

d. How to include or cite verifiable and best available sources of information in the maps and reference documents used to complete the Tier 2 review.

e. How to ensure that the documentation and completion of the Tier 2 review is consistent with the requirements and procedures established in the Tier 1 environmental review.

f. How to document in the ERR the status of the project development/implementation and whether any required mitigation measures have or should have been implemented.

g. Details about the internal quality assurance and quality control measures would be implemented to ensure that the completion of Tier 2 environmental reviews satisfies all applicable documentation and procedural requirements.

Status: This correction was made, and the updated Environmental Procedures Manual was submitted to HUD for closure. This Finding was closed in 2023.

3) The grantee must ensure that established quality assurance and control procedures for environmental reviews are adequately implemented. The Field Environmental Officer will periodically request access to the ERRs to ensure compliance. Within 120 days from the date of this monitoring report, VIHFA must submit to HUD two complete HRRP ERRs to evidence compliance with these corrective actions.

Status: This corrective action was completed. HUD is awaiting the SOP to close the entire Finding.

HUD recommends using HEROS to manage the environmental reviews and maintain the complete an ERR for a project in a single file or document, rather than in multiple documents stored in different data management systems. This would avoid issues related to incompleteness of the ERRs, and problems accessing and reviewing a complete ERR.

Finding 8: Tiered Environmental Review

Condition: The monitoring revealed the following issues or deficiencies in the tiered environmental review process for HRRP:

1) Tier 2 review forms not included in the Tier 1 EAs - As stated above, to satisfy the requirements of HUD's regulations at 24 CFR 58, as well as the requirements of NEPA at 40 CFR 1500 - 1508, VIHFA completed a broad level HRRP Tier 1 EA for each of the main U.S. Virgin Islands, namely St. Thomas, St. John, and St. Croix. HUD regulations at 24 CFR 58.15 state that for tiered environmental reviews, the broad level (Tier 1) review should establish the policy, standard, or process to be followed in the site-specific (Tier 2) review. The Tier 1 EAs reference a Tier 2 Site-Specific Checklist for individual property compliance documentation. However, the 18 Tier 1 EAs did not include the review forms that would be used to document compliance at the Tier 2 level (i.e., the Tier 2 review forms or site-specific checklists). It appears that the Tier 2 review forms were developed after the Tier 1 EAs had been completed and approved. Although the Tier 1 EAs were later revised (as discussed in more detail below), the revised versions did not include the Tier 2 review forms.

2) Three versions of each of the Tier 1 EAs and the Tier 2 review forms have been used since the inception of HRRP - The three HRRP Tier 1 EAs were initially completed and approved by VIHFA on November 27, 2019. The corresponding Notification of Finding of No Significant Impact was published on December 4, 2019. However, for reasons not entirely clear to HUD, the three Tier 1 EAs were modified twice after the implementation of HRRP. Versions 2 and 3 of the Tier 1 EAs were completed and approved by VIHFA on February 22, 2020, and December 14, 2020, respectively. Similarly, VIHFA's files indicate that three different versions of the Tier 2 review forms have been used to complete the environmental review of HRRP projects. The different versions of the Tier 2 review forms are not dated. Therefore, HUD could not determine when VIHFA began using each of the versions. HUD could not locate documentation in VIHFA's files describing or explaining the specific changes or differences between the versions of the Tier 1 EAs and the Tier 2 review forms or the significance of those differences.

HUD conducted a general comparison of the Tier 1 EAs and Tier 2 review forms and found that some of the differences between the versions include: changes in the criteria used to determine whether a housing unit is eligible for reconstruction; changes in the order in which rehabilitation and reconstruction projects would be implemented; removal of screening for

potential sources of contamination and changes to the mold, asbestos, and lead-based paint testing and inspection procedures to document compliance with the Contamination and Toxic Substances environmental review factor; inclusion of coordination with the Virgin Islands Department of Planning and Natural Resources (DPNR) Floodplain Manager to document compliance with the Floodplain Management environmental compliance review factor; changes in the proposed procedures for the management of solid waste; and changes in the criteria and process used to document compliance with the Historic Preservation and Wetland Protection environmental compliance review factors.

3) Inconsistencies in the compliance criteria for environmental review factors at the different levels of the tiered review - The above-described comparison also revealed that some of the compliance criteria established in the Tier 1 EAs and the Tier 2 review forms for the same environmental review factor are not consistent or aligned with each other. The following are examples of this situation:

a. Flood Insurance - The Tier 1 EAs require reviewing flood maps to determine whether the site is in a floodplain, while the Tier 2 review forms require assessing whether the project involves financial assistance for construction, rehabilitation, or acquisition of a mobile home, building, or insurable personal property.

b. Contamination and Toxic Substances - The Tier 1 EAs indicate that all houses will undergo a pre-construction inspection for the potential presence of lead and asbestos, while the Tier 2 review forms indicate that the year of construction will be used to determine whether lead and asbestos inspections are needed.

c. Floodplain Management - The Tier 1 EAs indicate that reconstruction projects will be sent to the FEMA Floodplain Manager at the DPNR for review, while the Tier 2 review forms do not mention any coordination with the Floodplain Manager.

d. Historic Preservation - The Tier 1 EAs indicate that the scope of the project will be used to determine which Allowance of the National Historic Preservation Act Programmatic Agreement applies to the project, while the Tier 2 review forms do not require documenting which allowance applies.

e. Wetlands Protection - The Tier 1 EAs require evaluating all sites using the National Wetland Inventory Maps, while the Tier 2 review forms require assessing whether the project would involve new construction as defined in Executive Order 11990, expansion of a building's footprint, or ground disturbance.

1. Re-evaluation of the Tier 1 EAs - HUD regulations at 24 CFR 58.47 establishes that an RE must re-evaluate the environmental findings of a completed EA to determine if they are still valid when substantial changes in the nature, magnitude, or extent of the project are proposed, and where there are new circumstances and environmental conditions which may affect the project or have a bearing on its impact. As described above, the changes made to Tier 1 EAs and the Tier 2 review forms affected the environmental review process, scope, criteria, and policies described in the original Tier 1 EAs. Therefore, VIHFA should have completed a re-evaluation of the compliance factors and mitigation measures in the Tier 1 EAs in accordance with the provisions of 24 CFR 58.47. However, no re-evaluation of the Tier 1 EAs was completed to assess whether the changes in the different versions of the Tier 1 EAs and Tier 2

review forms described above affected the validity of the findings and determinations of the original Tier 1 EAs.

Criteria: VIHFA is subject to the following requirements: 24 CFR 58.15 – Tiering, 24 CFR 58.47 - Re-evaluation of Environmental Assessments and Other Environmental Findings.

Cause: Lack of understanding of the requirements and procedures established in 24 CFR 58.15 and 24 CFR 58.47. Lack of complete administrative policies and procedures for the management and amendment of environmental documents.

Effect: The HRRP Tier 1 EAs were completed to satisfy the requirements of HUD’s regulations at 24 CFR 58 and the requirements of NEPA at 40 CFR 1500 - 1508. HUD regulations at 24 CFR 58.15 state that for tiered environmental reviews, the broad level (Tier 1) review should establish the policy, standard, or process to be followed in the site-specific (Tier 2) review. Not including the Tier 2 review forms as appendices to the Tier 1 EAs is contrary to HUD’s regulatory requirements and may have limited the public’s ability to review and provide comments on the environmental compliance criteria, standards, and process established in the Tier 2 review forms. Also, the Tier 2 review forms should be designed to ensure uniform and consistent review of HRRP projects in accordance with the criteria and determinations established in the Tier 1 EAs. However, the changes to the Tier 1 EAs and the Tier 2 review forms have resulted in inconsistent or unaligned compliance documentation criteria for the same environmental review factor at the different levels of the tiered review. In addition, the compliance criteria for some environmental review factors in the Tier 2 review forms do not adequately address the requirements established in HUD regulations.

These documentation issues may have resulted in the inappropriate evaluation of HRRP projects and inaccurate determinations of compliance with the requirements of the laws and authorities listed at 24 CFR 58.5 and 24 CFR 58.6. Failure to re-evaluate the changes made to the Tier 1 EA and Tier 2 review forms may have also resulted in noncompliance with HUD’s regulatory environmental review procedures, as well as potential harm to the environment and the occupants of the housing units.

Corrective Actions: To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s):

- 1) VIHFA must revise all of the Tier 1 EAs to incorporate the Tier 2 review forms as appendices;
- 2) Revise the Tier 1 EAs to include a summary of the changes made to the different versions of the Tier 1 EAs and Tier 2 review forms since they were initially approved;
- 3) Revise the Tier 1 EAs and the Tier 2 review forms to ensure that the compliance criteria established for the various review factors at both levels of review are consistent with each other, and with the provisions of the CDBG-DR Environmental Review Procedures Manual and the HRRP Policies and Procedures document (referenced above). VIHFA must also revise the Tier 1 EAs and the Tier 2 review forms to ensure they correctly address or incorporate the environmental review requirements established by HUD’s regulations, and the laws and authorities listed in 24 CFR 58.5 and 24 CFR 58.6;
- 4) Since the changes made to Tier 1 EAs and the Tier 2 review forms affected the environmental review process, scope, criteria, and policies described in the original Tier 1 EAs,

VIHFA must complete a re-evaluation of the Tier 1 EAs, in accordance with the provisions of 24 CFR 58.47. The re-evaluation should also address the revisions required in Corrective Actions 1 and 2 above for this Finding;

5) VIHFA must expand the HRRP Policies and Procedures document to provide a detailed description of the process, including identification of verifiable data to be used and the considerations needed to accurately complete the environmental factors compliance determinations of the Tier 2 review forms. Future amendments to the Tier 1 EAs and Tier 2 review forms must be done through a re-evaluation that includes re-evaluating compliance and mitigation factors and documents the findings through a Memo of Re-Evaluation; and

6) The revised Tier 1 EAs and Tier 2 review forms and the corresponding re-evaluation documentation must be submitted to HUD-OEE within 90 days from receipt of this report.

Status: The corrective actions were taken and submitted to HUD. This Finding was closed in 2023.

Finding 9: Noncompliance with 24 CFR 55.20 - *Decision Making Process* and 83 FR 5844 - *Elevation Requirements*

Condition: The 8-Step Decision Making Process for Floodplain Management that was performed at the Tier 1 EA level for HRRP does not meet the requirements of 24 CFR 55.20 – *Decision making process* or the elevation requirements established in Paragraph B.32.e of Section VI of the 2017 disaster CDBG-DR *Federal Register* notice (83 FR 5844, published on February 9, 2018).

The 8-Step Decision Making Process (8-Step Process) for HRRP does not meet the regulatory requirements of 24 CFR 55.20(a-h) or the elevation requirements of 83 FR 5844.

1) Step 1 of the 8-Step Process is to determine if the proposed action is in a 100-year floodplain. An analysis of what proposed projects are within the 100-year floodplain was not performed. That information is the pre-cursor to Step 2 (the Early Notice discussed below) and informs the analysis in steps 3-6, and the Final Notice.

2) The Early Notice (Step 2) and Final Notice (Step 7) do not include the location of the proposed actions (i.e., which island), the total or estimated number of acres in the 100-year floodplain, and does not include the phone number for the public to contact the RE. These public notices are considered legal documents and must contain this information.

3) The findings of the analysis performed for Steps 3 - 6 do not fully consider the evaluation criteria for determining if there is a practicable alternative for reconstructing housing in the 100-year floodplain. There is no discussion of potential adverse impacts to the floodplain, its functions and values, or the occupants of the floodplain. The rejection of the one alternative considered, to build outside of the floodplain, does not discuss land use trends, socioeconomic impacts, etc., or any existing trend information to support the finding of no practicable alternative.

4) The proposed mitigation in the 8-Step Process analysis in Step 5 identified elevation as a mitigation measure in an “*attempt to move them out of the floodplain.*” Additionally, if elevation is not feasible, then the best alternative flood mitigation plan would be determined. Elevation for new construction, reconstruction, and substantially improved rehabilitation is a

requirement of the grant as per 83 FR 5844. This grant requirement is not specified in the 8-Step Process analysis. Furthermore, there is no explanation for when elevation would be appropriate, such as if the project meets the substantial improvement threshold. No other appropriate mitigation measures are discussed to inform what the best alternative flood mitigation plan would be and in what circumstances they would be appropriate.

Criteria: VIHFA is subject to the following requirements: Executive Order 11990, Floodplain Management, 24 CFR §58.5(b) - *Floodplain management and wetland protection*, 24 CFR §55.20 - *Decision making process*, 83 FR 5844

Cause: The 8-step decision making process was performed at the broad level review (Tier 1 EAs) of the tiered review for HRRP without any data to support the number of acres in the 100-year floodplain. The assumption was that a determination if a property was in the 100-year floodplain (Step 1) would be made during the site-specific review, and compliance and mitigation would be in accordance with that finding.

The cause of noncompliance with the 83 FR 5844 and 24 CFR 55 requirements for reconstruction and substantial improvement is a result of no established program policy to meet the *Federal Register* notice elevation requirements. Section 4.8, Special Flood Hazard Area of the HRRP Policy and Procedure, references that DPNR sets the elevation standards, and the Program will abide by the decision of the DPNR. The form for a consultation with DPNR includes consideration of elevation as a mitigation measure but leaves the decision to DPNR. Neither the HRRP Policy and Procedure, the 8-Step Process, nor the DPNR consultation form have criteria for substantial improvement or a procedure for making that determination.

Effect: 1) The 8-Step Process notices issued by VIHFA did not meet the requirements of HUD regulations at 24 CFR 55.20. The analysis of impacts begins with determining the floodplain acreage within the proposed project area. That is the first step in the decision-making process that informs the public notices and the analysis of whether there is a practicable alternative to development in a floodplain. Any adverse impacts, and the extent of those impacts are informed by that data. The Early Notice is intended to seek public and agency input on the proposed activities in the 100-year floodplain to involve the affected and interested public and agencies in the decision-making process. As a result of not identifying the floodplain acreage or providing floodplain maps or links to maps, the public notice process was not satisfied, because the public and agencies did not have information on floodplain acreage and location, and if they would be impacted by the proposed action. This circumvented an informed opportunity for public comment.

2) Further, there was no informed analysis of how the proposed action of reconstruction in the 100-year floodplain would impact the floodplain, and if the mitigation measures would be adequate to minimize adverse impacts to the floodplain and the homeowner. Elevation typically minimizes adverse impacts to homeowners and improves floodplain functions. Elevation was considered optional, with no threshold stated in the tiered environmental review or the 8-Step Process for when it is required. 83 FR 5844 mandates that newly constructed, reconstructed, or homes that meet the definition of substantial improvement (cost of improvements are $\geq 50\%$ than the cost to restore the house to pre-disaster conditions) must be elevated 2 feet above base flood level elevation. This elevation requirement should have been a mitigation measure specifically applied to reconstruction, or substantial improvement in the 100-year floodplain. Failure to meet the notice elevation requirement and establish the threshold results in an

adverse impact to the occupants affected by flooding and continued impairment of the floodplain function.

3) The proposed action is implemented after the completion of the 8-Step Process with the Responsible Entity (RE)'s continuing responsibility to ensure that mitigation measures identified in Step 7 are implemented. The Final Notice included optional mitigation measures, such as dry or wet floodproofing, construction of a flood barrier, and interior modification or retrofit as determined in consultation with the DPNR FEMA Floodplain Manager. These mitigation measures were not evaluated in the 8-Step Process, and there is no established threshold stated in the tiered environmental review or the 8-Step Process for when these mitigation measures or consultation will be applied. These options were carried forward to the Tier 2 site-specific review checklist. VIHFA consults with DPNR on proposed activities in the 100-year floodplain regardless of the project activity, i.e., minor rehabilitation, substantial improvement, reconstruction, or new construction. 23

DPNR recommends mitigation measures, but there were instances in the file review where the mitigation measures were not implemented because they were not deemed feasible by the construction manager. Mitigation measures are recommended but are not required for projects that do not meet the definition of substantial improvement. Because there is no discussion of when mitigation measures apply, it is assumed that it applies to every project in the 100-year floodplain. Therefore, not applying mitigation is not compliant with VIHFA's established policy. For example, in File No VI-HRR-001473 for a rehabilitation project in the 100-year floodplain, the DPNR recommended that a swale should be built to prevent flooding of the property. However, the construction manager advised that the lot size was too small to build a swale. The mitigation was then determined infeasible, but there was no other option to address floodplain management. A threshold for when mitigation measures apply would establish the appropriateness of mitigation as opposed to whether it is infeasible.

4) VIHFA considered projects within the 100-year floodplain as compliant with the 24 CFR 55 because the 8-step process was performed. However, the 8-step process is incomplete because it did not satisfy the criteria of the decision-making process or implement the elevation requirements. A result of not including the elevation requirements or defining when they apply is that the Tier 1 EAs and Tier 2 review forms do not distinguish in the Floodplain Management compliance factor if the proposed project requires elevation due to the project activity of new construction, reconstruction, or if it meets the definition of substantial improvement. The Tier 2 review forms include 24 CFR 55 criteria that are irrelevant to the HRRP activities.

Corrective Actions: To address this deficiency, within 90 days of receipt of the letter, the grantee is requested to take the following actions:

1) The 8-Step Decision Making Process must be revised and completed for the properties within the 100-year floodplain to comply with 24 CFR 55.20. The estimated acreage of eligible applicants for each island within the 100-year floodplain must be determined and incorporated into an amended Final Notice and analysis document. The notices should be re-published in appropriate local printed news medium to include location and acreage so that it applies to previously approved and eligible project applicants;

2) The HRRP Program Policy, the 8-Step Process, and the Tier 1 EAs and Tier 2 review forms must be amended to incorporate the federal elevation requirements for new construction,

reconstruction, and rehabilitation projects that meet the substantial improvement threshold. Substantial improvement must be defined as part of the process, with the Program Policy and Procedures and Tier 1 EAs establishing the process for determining substantial improvement. The Tier 2 review forms must also be amended to require that a substantial improvement determination be made. It is also recommended that 24 CFR 55 criteria that are not within the HRRP scope, i.e., functionally dependent uses, critical actions, be removed from the Tier 2 review forms so that emphasis is only on relevant criteria; and

3) Completed Tier 2 review forms for rehabilitation projects within the 100-year floodplain must be re-evaluated to determine if they meet the substantial improvement definition. The same evaluation must be performed for reconstruction projects within the 100-year floodplain. If reconstruction or substantial improvement projects are within the 100-year floodplain, then the grant and construction status must be determined to assess the extent of noncompliance and if the project remains eligible for funding.

Status: The corrective actions were taken and submitted to HUD. This Finding has been closed as of 2023.

Finding 10: Noncompliance with 24 CFR §58.5(i)(2)(i) requirement that all properties be free of hazardous materials, contamination, toxic chemicals and gases, and radioactive substances that could affect the health and safety of occupants

Condition: The grantee is not determining and documenting compliance with 24 CFR 58.5(i)(2)(i).

1) The regulatory requirement to screen for hazardous materials, contaminants, and toxic materials was eliminated from the Tier 1 EAs and Tier 2 review forms that were revised on December 11, 2020.

2) The original and second versions of the tiered EAs included the screening requirement, but the screening methods were revised, and there was no evidence that screening occurred, and no source documentation was provided in the individual ERRs that were reviewed.

3) The three versions of the Tier 1 EAs specify that screening will occur at the initial site inspections to determine if the home requires contamination and mitigation measures. This will apply to the on-site visit to establish if there are contaminants or toxic substances (RECs) on the property that may be indicators of contaminants. RECs are not limited to mold, asbestos, and lead but include other potential contaminants such as leaking underground or above-ground storage tanks, distressed vegetation, stained soil or pavements, faulty septic systems, etc. The Tier 1 EAs, Tier 2 review forms, and ECR's provide no process or checklist for these contamination screenings.

4) Version 2 of the Tier 2 review forms asks if *“based on the findings in the inspection report, does this home require contamination and toxic substances mitigation measures?”* These boxes are not checked in any of the files reviewed, and there is no documentation in the ERR that would give an indication of required mitigation.

Criteria: VIHFA is subject to the following requirements: 24 CFR §58.5(i)(2)(i) and 24 CFR 58.38 - Environmental Review Record.

Cause: There are three versions of the Tier 1 EAs and Tier 2 review forms, with the original and second versions recognizing that contamination screening and on-site inspections are required to determine compliance, but the Tier 2 review forms do not have any evidence that screenings or on-site investigations occurred. Version 3 of the Tier 1 EAs eliminates references to screening for contamination and toxic substances but requires compliance screening to be done *“during the Site-Specific Damage Assessment, identified site specific environmental concerns will be addressed at the Tier II level.”* *“Site specific environmental concerns”* to be screened are not detailed in the Tier 2 review forms, and the responsibility for who performs these inspections is not specified in either the Tier 1 EAs or Tier 2 review forms. If it is the responsibility of the Construction Managers during the initial inspection, it is not specified in the HRRP Policies and Procedures. Site damage assessments are performed by the construction managers as part of the initial inspection, as per the HRRP Policies and Procedures, but there is no inspection requirement for RECs other than mold, lead, or asbestos during the initial inspection. There is inconsistency in the method of determining compliance in the Tier 1 EAs and Tier 2 review forms and no defined policy and procedure or checklist to document potential RECs.

Effect: Failure to screen and mitigate for contamination as part of the environmental review could result in placing occupants and property within harm’s way. The regulation is concerned with protecting the health and safety of occupants from harmful on or off-site pollutants and protecting the intended utilization of property. Further, properties where mitigation is not feasible are ineligible for funding as determined through compliance screening.

Corrective Actions: To address this deficiency, within 90 days of receipt of the letter, the grantee is requested to take the following actions:

- 1) Provide source documentation for the completed Tier 2 review forms to support compliance determinations. If screening for Superfund, the Resource Conservation and Recovery Act (RCRA), or other known contaminated sites has not occurred, NEPAssist or similar database must be used to map locations for all completed reviews to determine if any project sites are located within the ASTM E1527-13 established search distances. Properties with contaminated sites within that radius must be further screened, and documentation must be included in the respective ERRs to support the findings;
- 2) Provide source documentation to demonstrate partial compliance with the Contamination and Toxic Substances factor for projects without a completed Tier 2 environmental review. Partial compliance can be determined at the Tier 1 EA level if NEPAssist or similar GIS tools and data are available to make a broad level compliance determination of the properties. If not, the Tier 2 review form must be amended to screen for contamination, and the Tier 1 EA must explain the process and sources for making the compliance determinations;
- 3) Develop a field reconnaissance checklist to determine if the site is likely contaminated by recording any RECs; and
- 4) Establish who will perform the field reconnaissance and document findings through revisions to the HRRP Policies and Procedures.

Status: The corrective actions were taken and submitted to HUD. This Finding has been closed as of 2023.

August 2022- 1 Finding

Finding 7: Failure to remit CDBG-DR payments to subrecipients and vendors in a timely manner

Condition: VIHFA did not remit the CDBG-DR funds to the subrecipients and vendors in a timely manner. Out of a sample of 10 vouchers, funds for three vouchers were remitted to subrecipients and vendors after more than three business days from drawing down the funds from the Line of Credit Control System account. The processing dates are in Table 2 below:

Criteria: 31 CFR 205.12(b)(4): Cash advance funding means that a Federal Program Agency transfers the actual amount of Federal funds to a State that will be paid out by the State, in a lump sum, not more than three business days prior to the day the State issues checks or initiates electronic funds transfer payments.

Cause: Lack of understanding of the Federal policies and procedures to ensure timely remittance of funds to subrecipients and vendors.

Effect: VIHFA failed to remit the grant funds to subrecipients and vendors in a timely manner which hinders recovery efforts and hinders the subrecipients from making their payments on time to vendors and staff. Furthermore, failure to deposit advanced funds in an interest-bearing account if funds are not remitted within three business days would result in another Federal violation.

Corrective Action: To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s) and provide evidence to HUD: 1) Update financial management policies and procedures to ensure that there are multiple reviewers tracking the deposit dates of the grant funds in the grantee's bank account to ensure timely transmittal of funds to subrecipients and vendors within three business days; and 2) Provide training to the financial management staff on the requirements.

HUD then requested to review the updated Envision SOP before closure.

Status: This Finding is partially closed. We submitted all of the requested information in the corrective action. However, HUD has also requested to see the updated Envision SOP before closure. The Authority is waiting for the official signing of the Subrecipient Agreement between ODR and HFA. Once HUD has given approval on the subrecipient agreement, HFA will submit the updated SOP for closure of this Finding.

September 2023- No Findings.

Appendix 10: Master List of Open Findings as of January 2023 – 26 Open Findings (Tabel 1)

Monitoring Visit	Finding/Concern #	Description	Corrective Action/Recommendation	Status
September 2019, 2020, 2021, 2022 (Financial Management)	<u>Finding #2:</u> Grantee did not conduct the single or program-specific audit in a timely manner	Grantee has not yet completed the audit	Remains open via letter (HUD March 2021 monitoring response) Jan '22: This Finding remains open until the grantee provides evidence that the policy or procedures have been updated and implemented and the Audits are brought current.	Open- Submitting for Closure 2/2024. VIHFA intends to submit it for closure in February of 2024. We have documented the capacity of our local auditing company due to fact that they also audit central government and other agencies, put out an RFP to identify another auditor that can do the 2022 audit as we complete the 2022 to bring our Single Audits up to date, and we have updated our Policies and Procedures.
March 2021 (remote) (Procurement)	Finding #1 VIHFA's Lottery process did not comply with its procurement policy and procedures	Grantee is unable to document fair and open competition, nor prove that a fair and reasonable price was paid contracts assigned via a lottery from a PQP.	Provide evidence that contracts were canceled.	Partially Closed. We are reviewing contracts for QA/QC and will submit for closure in November 2023
March 2021 (remote) (Procurement)	Finding #2: The grantee's procurement policy and procedures do not include all of the requirements for subrecipient procurements	It is impossible to determine which procurement requirements are required for agencies "statutorily created by the Virgin Islands Code ...deemed state	Provide evidence that the procurement policy or procedures have been updated and implemented.	Closed. We provided evidence that the policy and procedures were updated and submitted to HUD.

		agencies” and who will ensure the requirements are met.		
March 2021 (remote) (Procurement)	Finding 3: The grantee’s procurement procedures for conducting cost and price analyses are unclear and are inconsistently applied	The grantee is not following its own procurement policy and procedure and is unable to document that a fair and reasonable price was paid for goods and services.	Provide evidence that the procurement policy and procedures have been implemented.	Closed. We updated our policies and procedures.
March 2021 (remote) (Financial Management)	Finding 4: Failure to document cost allocation and reasonableness	The costs were not correctly allocated to the corresponding eligible activity, and the grantee is not ensuring program costs are reasonable	Cost Allocation Policy and Procedures are to be updated and implemented.	Open- Submitting for Closure 11/2023. Policies and Procedures were updated and submitted to HUD on 2/28/23. HUD responded and wanted the policy expanded to all programs. We have since made that change and awaiting ODR executed Subrecipient Agreement before we submit for closure.
March 2021 (remote) (Financial Management)	Finding 5: Lack of internal controls for processing of advance payments to contractors	The grantee will have unsupported and possibly ineligible program costs.	1.)Provide evidence that the draft language for pre-construction costs has been incorporated into its financial procedures, 2) a process flow for pre-construction that included estimated timelines, nor 3) documentation showing a full review of advances paid thus far to ensure these are adequately documented and supported. This Finding remains open.	Open- Submitting for Closure 11/2023. A process flow with timeline has been drafted outlining our internal controls and timeline, we have the documentation showing full review of advances paid up to June 2022, and we have updated our financial procedures. We are awaiting official ODR transition to submit to HUD.

March 2021 (remote) (Housing Program)	Finding 6: The grantee does not have an underwriting and subsidy layering process to document available funding from other sources in its program policies and procedures	Grantee must develop a process for making changes to subsidy layering or underwriting of the CDBG-DR funded projects and submit evidence to HUD, 2) Update its Policies and Procedures to include the steps needed	Provides evidence that the policy or procedures have been updated and implemented. Provide evidence that procedures include costs increase.	Open- Submitting for Closure 11/2023. The policy and procedures were updated and implemented to include guidance on underwriting and subsidy layering. Awaiting official ODR transition to submit for closure.
March 2021 (remote) (Housing Program)	Finding 8: The grantee's contract is missing required language related to DOB	The grantee is requested to amend contracts to include the required clause.	This Finding remains open pending submittal of the amended Virgin Island Housing Authority's Subrecipient Agreement	Closed. We submitted the amended copy of the VIHA Subrecipient agreement on 2/2023.
September 2021 (remote) (Written Agreements)	Finding 1: Failure to maintain proper internal controls	The grantee was not able to identify the omission of an agreement in advance of making the payment and does not have adequate internal controls (JFL)	Of the six supporting documents listed in the table, the grantee provided only the VITEMA agreement. The grantee did not submit materials to address the required corrective actions.	Closed. We submitted all six supporting documentation for closure.
September 2021 (remote) (Written Agreements)	Finding 2: Failure to ensure the grantee is in compliance with the applicable HUD requirements, policies, and procedures	Failure to perform the appropriate contract reviews could result in noncompliance with the applicable requirements.	The grantee did not include its contracting procedures (revised to include all the steps of the contract review process, including both the programmatic and legal sufficiency reviews) nor the position(s) in the organizational chart responsible for each function.	Closed. A contracting review process with positions responsible was created and the processes and procedures were updated and implemented.
September 2021 (remote) (Written Agreements)	Finding 3: Failure to ensure subrecipient compliance with the applicable HUD requirements,	It is unclear whether the costs for Donoe were evaluated or were determined to be reasonable because	The grantee is required to submit the current (as of September 2022) cost per-unit for public housing at Donoe and provide a description of the grantee's controls for assuring that construction costs for	Awaiting Decision. A response that detailed our methodology for computing cost reasonableness that included cost per unit were

	policies, and procedures	there was no cost or price analysis presented.	Donoe are reasonable and consistent with market costs at the time and place of construction.	submitted to HUD. They responded and advised that they were going to have a subject matter expert review our methodology.
September 2021 (remote) (Written Agreements)	Finding 5: Failure to Ensure No Duplication of Benefits (Fin Man)	HUD is questioning \$2,354,990.45 for public facilities. Voucher 594721.	The grantee submitted a DOB Questionnaire for the project and the FEMA project worksheet. However, neither showed final FEMA payments for the expenses nor the revised financial procedures for the approval for payment of the FEMA match vouchers.	Closed. We submitted supporting documentation for the final FEMA payments as well as revised financial procedures.
September 2021 (remote) (Environmental and Housing Program-Envision)	Finding 7: Lack of Complete Environmental Review Record (ERR)	ERR deficiencies are not being identified and corrected through VIHFA's QA/QC procedures	Provide open until the draft Policies and Procedures are submitted to HUD and evaluated.	Open- Submitting for Closure 11/2023. The team has finalized policies and procedures and awaiting official ODR transition for submittal.
September 2021 (remote) (Environmental)	Finding 8: Tiered Environmental Review	The HRRP Tier 1 EAs were completed to satisfy the requirements of HUD's regulations	Finding remains open pending actions #3-6.	Closed.
September 2021 (remote) (Environmental)	Finding 9: Noncompliance with Decision Making Process and Elevation Requirements		This Finding remains open pending a waiver determination.	Closed. This has been settled. No waiver is needed. VIHFA submitted supporting document 2/2023 for closure.
September 2021 (remote) (Environmental)	Finding 10: Noncompliance with requirement that all properties be free of hazardous materials		This Finding remains open pending HUD receipt and evaluation of the information of corrected requirements for hazardous materials.	Closed. We have corrected this action to ensure compliance with this requirement. The supporting evidence was submitted 2/28/23.
August 2022 (onsite and	Finding #1 Failure to maintain a	The grantee is not complying with the	To address this deficiency, within 90 days of this report, the grantee is requested to take the following	Closed. VIHFA reviewed and updated the policy, procedures,

remote) (Overall Management)	comprehensive disaster recovery website	website requirements stated in the Federal Register notices and with its Website SOP. As a result, citizens and other stakeholders are not receiving necessary and timely information to understand the disaster recovery programs, participate in the planning and evaluation of programs, provide feedback, and to account for how all grant funds are administered.	action(s) and provide evidence to HUD: 1) Assign specific staff to provide program related content and updates; 2) Create a plan to address vacant positions in the IT Division; and 3) Update the Website SOP to identify the staff responsible for providing accurate and updated content and updating its website, in accordance with the positions included in the latest version of the organizational chart.	processes as well as roles and responsibilities related to website updates and content. Additionally, we reviewed program related content and updated our SOP to reflect specific staff that will provide monthly updates. Further, the Director of Information Technology assessed her staffing needs and concluded that she did not need another network analyst but instead another helpdesk technician. That position has since been listed to recruit candidates and the org chart has been updated to reflect changes. This was submitted to on 2/28/23.
August 2022 (onsite and remote) (Overall Management)	Finding #2 Failure to submit timely DRGR system QPRs	VIHFA is not complying with the QPR requirements in the Federal Register notice. As a result, citizens and other stakeholders are not getting all the necessary and timely information about the uses of funds in the activities identified by the grantee during the quarter. In addition, HUD uses QPR information to provide reports to Congress and	Provide evidence to HUD: 1) Develop a process to ensure VIHFA finance and program staff are regularly communicating to report timely and adequate information in DRGR; and 2) Designate specific staff to provide programmatic updates and to provide approved QPRs for website updates. The Department notes that VIHFA staff requested additional training on DRGR and information about best practices for QPR submissions."	Closed. We have updated the collaborative process between departments for DRGR reporting and website posting. Additionally, in collaborative nature we have created share folders with "real time" information available at all times for all departments. The entire CDBG-DR team underwent DRGR training, and we have designated two staff members for reporting purposes. This was submitted on 2/28/23 and on 7/2023.

		the public, as well as to monitor for anomalies or performance problems; reconcile budgets, obligations, funding draws, and expenditures; calculate expenditures to determine compliance with administrative and public service caps and the overall low- and moderate-income benefit; and analyze the risk of grantee programs to determine monitoring priorities.		
August 2022 (onsite and remote) (Overall Management)	Finding #3 Failure to address citizen complaints timely	VIHFA is not complying with the citizen complaints requirements in the Federal Register notice. As a result, citizens and other stakeholders are not receiving proper acknowledgment of their concerns, and issues raised are not being addressed/resolved in a timely manner. VIHFA complaints include procurement, personnel, program applications, conflict of interest, fair housing	To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s) and provide evidence to HUD: 1) Assign personnel to accept complaints and provide a timely resolution; and 2) Train staff on citizen complaint policies and procedures to ensure adequate and timely responses are provided.	Closed. The staff has recognized that we were not responding in a timely manner. We have appointed one staff member to triage, track, and respond to all complaints within the 15-day timeframe. Staff has been trained on three occasions as well as 1:1 training for new staff. We have also updated our website to include a Citizen Complaints landing page where complaints can be submitted, and they can see the process. This information was submitted on 2/28/23.

		and fraud, waste, and abuse.		
August 2022 (onsite and remote) (Overall Management)	Finding #4 Failure to ensure subrecipient compliance with the conflict-of-interest requirement	The grantee does not have procedures to identify conflicts and thus a real or perceived conflict of interest could exist. For example, if there is an officer or employee of a subrecipient applicant that is also a relative of a VIHFA employee, VIHFA has no procedures in place to identify or address such conflicts.	To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s) and provide evidence to HUD: 1) Conflict-of-Interest Policy and procedures in compliance with 24 CFR 570.489 (h) (i)(ii); and 2) training for subrecipients regarding conflicts-of-interest. ** HUD awaiting proof of training.	Open- Submitting for Closure 11/2023. We have updated the Conflict of Interest policies to be in compliance with 24 CFR 570.489 (h) (i)(ii); and scheduled this as part of our annual subrecipient management training scheduled for 9/18/23. (Not all subrecipients complied and completed the training).
August 2022 (onsite and remote) (Overall Management)	Finding #5 Failure to ensure equipment is used in the program or project for which it was acquired and is safeguarded against loss, damage, or theft.	The grantee and subrecipients are not able to demonstrate a full inventory of equipment or property acquired using CDBG-DR funds, thus putting federally funded assets at risk of fraud, waste, and abuse.	Provide evidence to HUD: 1) Develop policies and procedures that include a control system that ensures a physical inventory of the property must be taken and the results reconciled with the property records at least once every two years; 2) Develop policies and procedures for safeguarding equipment against loss, damage, or theft; and 3) Ensure subrecipients are trained on equipment requirements.	Closed. Members within Compliance, Policy, Finance, IT, and Procurement have all met to create a streamlined and full inventory process and control system that accounts for all equipment across departments. The policy, procedure, and process has been updated and staff will be trained on this process in March 2023. This will be submitted on 2/28/23.

<p>August 2022 (onsite and remote) (Overall Management)</p>	<p>Finding #6 Failure to document subrecipient agreements that meet the minimum requirements</p>	<p>VIHFA did not provide “Exhibit D” for the sample subrecipient agreements (i.e., Water and Power Authority (WAPA), Department of Tourism and the Waste Management Authority) requested in the monitoring. The reviewer was not able to evaluate the nature of the use of CDBG-DR funds granted to the subrecipients, potentially leading to inadequate program delivery, failure to meet approved Action Plan objectives, or potential fraud waste and abuse. This is an impediment to evaluating compliance with the subrecipient agreement.</p>	<p>Grantee is requested to take the following action(s) and provide evidence to HUD: Provide “Exhibit D” for the written agreements in compliance with 24 CFR 570.503 (b)(1) for the subrecipient sample (i.e., WAPA, VI Department of Tourism and VI Waste Management Authority) requested in the monitoring.</p>	<p>Closed. The subrecipient agreements were submitted during the monitoring. They were uploaded to the Share Point site for which both HUD monitoring staff and VIHFA staff had access to. This information was uploaded on August 10th. However, while the subrecipient agreement stated Exhibit “D”, we titled the page Appendix “D”. Nevertheless, the written agreements were located in Appendix “D” within the same subrecipients agreements for perusal. We re-submitted agreements for review and evaluation.</p>
<p>August 2022 (onsite and remote) (Financial Management)</p>	<p>Finding #7 Failure to remit CDBG-DR payments to subrecipients and vendors in a timely manner</p>	<p>VIHFA failed to remit the grant funds to subrecipients and vendors in a timely manner which hinders recovery efforts and hinders the subrecipients from making their payments on time to vendors and staff. Furthermore,</p>	<p>To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s) and provide evidence to HUD: 1) Update financial management policies and procedures to ensure that there are multiple reviewers tracking the deposit dates of the grant funds in the grantee’s bank account to ensure timely transmittal of funds to subrecipients and vendors within three business days; and 2) Provide training to the financial management staff on the requirements.</p>	<p>Open- Submitting for Closure 11/2023. Financial management policies and procedures have been updated to ensure there is a multi-review process and transmittal of funds within three days. Training has been provided to financial staff as of 2/24/23. This information was submitted on 2/28/23.</p>

		failure to deposit advanced funds in an interest-bearing account if funds are not remitted within three business days would result in another Federal violation.		However, HUD is awaiting the EnVision SOP to officially close. Awaiting official ODR transition to submit.
August 2022 (onsite and remote) (Financial Management)	Finding #8 Failure to track subrecipients' single-audit submittals and corrective actions	The grantee must ensure that funds are administered to subrecipients to facilitate the recovery efforts. If the grantee fails to follow-up and ensures that subrecipients are taking timely and appropriate action on all deficiencies, it hinders the recovery efforts and helping those affected by the disasters.	Provide evidence to HUD: Submit supporting documentation to demonstrate the grantee is ensuring that subrecipients are submitting single audits, if required, addressing single audit findings, and taking timely and appropriate actions on all the deficiencies.	Closed. The Compliance and monitoring unit has since created tracking mechanisms and advised subrecipients of providing single audits. Submittal 2023
August 2022 (onsite and remote) (Procurement)	Finding #9 Failure to comply with full and open competition requirements	The grantee did not have clear procedures leading to a full and open competition process, thus potentially excluding vendors from accessing fair competition of economic opportunities with CDBG-DR funds.	Provide evidence to HUD: 1) Submit evidence of training provided to VIHFA staff that is responsible and accountable for procurement review regarding 24 CFR 570.489(g) requirements for full and open competition, and methods of evaluation and score criteria for the review of the procurement processes; 2) Add language to its policies and procedures to determine vendors selection when scoring fails to justify the final selection HUD staff recommends that the grantee implement a process for Best and Final Offers (BAFO) for multiple bidders with the same or close score and establish steps necessary to	Closed. This information was discussed during the HUD monitoring interview with the Procurement staff, as a result they uploaded the information being requested on the Share Point site that HUD staff and VIHFA staff had access to during the monitoring and to now. We uploaded trainings, updated policy, and procedures. We uploaded our policies and procedures again

			review BAFOs. Further, the grantee is advised to refine its protest procedures to be more transparent.	and reiterated this information to HUD and submitted that on 2/28/23. This finding was disputed.
August 2022 (onsite and remote) (Procurement)	Unresolved Previous Finding: The grantee's procurement procedures for conducting cost and price analyses are unclear and are inconsistently applied	The grantee is not following its own procurement policy and procedure and is unable to document that a fair and reasonable price was paid for goods and services.	Provide evidence to HUD: 1) Assign a staff person or persons to ensure cost analyses are conducted and are included in the files and ensure each procurement includes the existing checklist with signatures of the reviewer to document roles and responsibilities; 2) Conduct cost/price analysis training for all staff; and 3) Complete the cost or price analysis for RFP 008-2022. HUD staff noted that the modifications to the procurement policies and procedures are underway, including the signature authority assigned to the procurement team two weeks prior to the monitoring review. HUD recommends adding the actions to the underway modifications.	Open- Submitting for Closure 2/2024. We uploaded trainings, evidence of assigned staff has been mentioned in our policies and procedures and provided evidence of the cost analysis for RFP 008-2022. We have included it again along with screen capture of upload that occurred in August 2022. Because this has been a repeat finding, more process improvement is required.

Appendix 10: Master List of Findings as of September 2023 – 10 Open Findings (Table 2)

Monitoring Visit	Finding #	Description	Submittal Timeframe
September 2019, March 2020, and August 2022	Finding 2: Grantee did not conduct the single or program-specific audit in a timely manner	Provides evidence that the policy or procedures have been updated and implemented (i.e., timely submittal of the annual audit).	Submitting February 2024
March 2021	Finding 1: VIHFA’s Lottery process did not comply with its procurement policy and procedures	Need documentation of cancelled contracts that did not meet procurement requirements.	Submittal November 2023
March 2021	Finding 4: Failure to document cost allocation and reasonableness	This Finding remains open until the Cost Allocation Policy and Procedures are updated and implemented.	Submittal November 2023

March 2021	Finding 5: Lack of internal controls for processing of advance payments to contractors	The grantee did not submit evidence showing the costs are adequately documented and supported.	Submittal November 2023
March 2021	Finding 6: The grantee does not have an underwriting and subsidy layering process	Include procedures for cost increase.	Submittal November 2023
September 2021	Finding 3: Failure to ensure subrecipient compliance with the applicable HUD requirements	Costs that are not found be reasonable or supported. Methodology for cost reasonableness on Donoe Project required.	Submitted. Awaiting Decision
September 2021	Finding 7: Lack of Complete Environmental Review Record (ERR)	Submittal of the Housing Standard Operating Procedure (SOP).	Submittal November 2023

August 2022	Finding 4: Failure to ensure subrecipient compliance with the conflict-of-interest requirement	Provide evidence of subrecipient training on conflicts of interest. The grantee has not yet completed training subrecipients.	Submittal November 2023
August 2022	Finding 7: Failure to remit CDBG-DR payments to subrecipients and vendors in a timely manner	Submittal of the HRRP (Envision) SOP.	Submittal November 2023
August 2022 (Previously Unresolved)	The grantee is not following its own procurement policy and procedures and is unable to document that a fair and reasonable price was paid for goods and services.	The Finding remains open pending a price/cost analysis on the final procurement in the string of 008-2021/R1, 008-2022, etc....	Submittal February 2024

Appendix 10a Envision HUD Assessment 2019-2023 - Open Findings

HUD Monitoring- Envision

Total Unresolved Findings and Concerns from HUD Assessment: 4

March 2021- 2 Open Findings

Finding 1: VIHFA's Lottery process did not comply with its procurement policy and procedures

Condition: The grantee conducted a procurement for contractors using a Mini Bid method for 30 homeowner repair projects. The Mini Bid was not consistent with the VIHFA procurement policy and procedures.

Criteria: The *Federal Register* Notice (83 FR 5844) and the grantee's procurement policies (2 CFR 200.317). The *Federal Register* Notice states that "until grant closeout, all grantees shall adhere to the controls, processes, and procedures described in the grantee's financial controls and procurement processes documentation submitted [to HUD] unless amended with HUD's approval".

Cause: The EnVIsion program was launched in April 2019; however, the procurement and construction processes have been slow. As a result, the grantee used the lottery to try to accelerate the process of assigning homes to contractors without ensuring it was consistent with the agency's procurement rules.

Effect: In addition to not complying with its own procurement policies and procedures, the grantee is unable to document fair and open competition, nor prove that a fair and reasonable price was paid for goods and services for contracts assigned via a lottery from a PQP.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to provide supporting documentation to demonstrate that VIHFA followed the process with fair and open competition and determined it paid reasonable and necessary costs for the lottery- assigned contracts (per assisted unit). If the grantee does not submit this documentation or if after submission and review by HUD it is determined that it is not reasonable and/or did not meet procurement requirements, VIHFA may be required to reimburse all the payments VIHFA made to the contractors from the lottery process to the CDBG-DR program from non-federal funds (\$96,221.27 from non-Federal funds) and cancel the remaining contracts. VIHFA must also provide a plan to HUD on how it will assign the units to other contractors to ensure the assistance is not further delayed.

Status: Partially closed; The other part to this Finding belongs to Finance and not Envision- we are drafting a response regarding the cancellation of the contracts.

Finding 5: Lack of internal controls for processing of advance payments to contractors

Condition: The reviewer found that the grantee is processing advance payments to construction contractors in the EnVIsion program without clear procedures in place to ensure all costs are adequately supported. The grantee is issuing mobilization payments for the smaller contractors as advances to facilitate smaller and local contractors' participation in the program. However, the grantee's procedures do not address whether the contractors need to submit documentation for these costs before the next invoice is paid. During interviews with Finance and EnVIsion

staff, no one could affirm that documentation of these costs was being requested. The EnVIsion staff indicated that they did not review these invoices, but rather the Planning and Construction division staff from VIHFA completed the review. (The construction manager may also have a role in reviewing these invoices, but that role is not specified in the procedures).

Criteria: 2 CFR 200.303 Internal Controls

Cause: The main cause is the lack of a clear management process for the EnVIsion program to ensure consistency across all the different offices within VIHFA that work in the program. A second cause is the lack of procedures for advances and the subsequent payments to contractors that received them.

Effect: The grantee will have unsupported and possibly ineligible program costs.

Corrective Action: To address this deficiency, within 60 days of receipt of the letter, the grantee is requested to take the following actions: 1) Draft and incorporate into its financial procedures a process for advances, including those for contractors under the EnVIsion program that ensure all costs are adequately documented, 2) Submit to HUD a revised process for the review of contractor invoices for the EnVIsion Program that includes responsible staff and timelines, and 3) Review all advances paid thus far to ensure these are adequately documented and supported.

Status: This Finding remains open. The Authority is waiting on the official approval of the subrecipient agreement for the ODR transition to send HUD the updated advance payment procedures to close this Finding.

September 2021- 1 Open Finding

Finding 7: Lack of Complete Environmental Review Record (ERR)

Condition: ERRs reviewed lack detailed project descriptions, sufficient source information and documentation, adequate documentation of project status, and whether mitigation requirements have been satisfied. The ERRs reviewed as part of this monitoring consistently lack information or documentation required by HUD regulations at 24 CFR 58.38.

a) Insufficient project description: The Tier 2 Site Specific Environmental Review Forms (Tier 2 review forms) completed for HRRP consistently lack details about the specific activities or work included in the proposed project scope that is being reviewed. The Tier 2 review forms provide a generic description of the activities covered by the relevant program but lack sufficient information about the specific proposed activities to be completed at each housing unit. According to the HRRP Policies and Procedures document, Tier 2 reviews are performed based on a project scope, which is defined from the Estimated Cost of Repair (ECR) report developed during the initial inspection and damage assessment for each housing unit. However, ECR's were not referenced or attached to any of the Tier 2 review forms included in this monitoring. Also, ECRs were not included in the ERRs for all projects with completed Tier 2 reviews. For example, no ECR was included in the ERR for project numbers: VI-HRR-0005, VI-HRR-00227, VI-HRR-00237, VI-HRR-00416, VI-HRR-00504, VI-HRR-01040, VI-HRR-01102, and VI-HRR-01473. In addition, it is not clear from the ECRs, which specific activities or repairs were finally approved as part of the project scope.

b) Insufficient source information or documentation in figures and maps: The ERRs examined as part of this monitoring generally include maps/documentation to show the location of project

sites with respect to flood zones, coastal zones, and coastal barriers. However, in many cases, the figures lack a complete reference to the source of information depicted. For example, the maps showing the project location with respect to the limits of the Coastal Zone consistently lack references to the specific database, program, web location, GIS layer, or source for the data being depicted. A similar situation, although less frequent, was observed with the maps showing the location of the project with respect to flood zones. Specific ERRs where the Flood Zones Maps do not provide the source information include the following projects: VI-HRR-00029, VI-HRR-00227, VI-HRR-00425, and VI-HRR-00841. In addition, although the Tier 1 EAs indicate that National Wetland Inventory (NWI) Maps would be used to evaluate whether wetlands are located within the proposed project site, the Tier 2 review forms and the ERRs included in this monitoring consistently lack NWI Maps.

c) Mitigation compliance documentation not included in ERR: The ERRs reviewed in this monitoring generally lack documentation evidencing whether the mitigation requirements defined in the Tier 1 EAs and Tier 2 reviews (e.g., inspections and abatement for mold, lead-based paint, and asbestos; management and disposal of solid and hazardous waste; green building standards; and elevation of structures in the floodplain; among others) were satisfied. Also, the ERRs do not include information regarding the status of the project in terms of its planning or construction stages. Although a spreadsheet with some information regarding progress in HRRP project implementation was included in documents provided by VIHFA, the information in the spreadsheet was not always consistent with the rest of the information available in the ERRs. Therefore, it was not possible to determine whether any of the above-referenced mitigation requirements should have been already satisfied.

Criteria: VIHFA is subject to the following requirements: 1) 24 CFR 58.32 - Project Aggregation, 24 CFR 55 - Floodplain Management and Protection of Wetlands, 2) 24 CFR 58.18 - Responsibilities of States assuming HUD environmental responsibilities, 3) 24 CFR 58.38(b) requires that the ERR shall contain verifiable source documents and relevant base data used or cited, 4) 24 CFR 58.32 requires a complete project description, properly aggregating all proposed project components or activities, and 5) 24 CFR 58.18(a)(1) requires REs to monitor compliance with the conditions established during the environmental review.

Cause: Lack of sufficiently detailed environmental review procedures for HRRP and the grantee not following existing procedures for the completion of environmental reviews. VIHFA's Environmental Review Procedures Manual and HRRP Policies and Procedures document do not specifically require that Tier 2 review forms must include a narrative with the project description 16

as defined from the ECRs; that ECRs must be referenced in or attached to the Tier 2 reviews; that all maps and documents used to support the determinations of the environmental reviews must include source information; or that the ERRs must include documentation of compliance with environmental mitigation requirements. VIHFA's documents referenced above do not indicate how changes in the project scope between the initial ECR and the approved ECR would be addressed in the Tier 2 environmental review, including re-evaluation of original reviews, if necessary.

Effect: ERR deficiencies are not being identified and corrected through VIHFA's QA/QC procedures. The reviewer cites two examples:

a) While VIHFA developed an Environmental Review Procedures Manual for CDBG-DR, which indicates that the environmental review must aggregate and describe each of the related activities comprising the project and that the effect of all those activities must be evaluated together.

b) HRRP Policies and Procedures document indicating that the project description for the HRRP Tier 2 environmental reviews would be based on the Estimated Cost of Repairs (ECR) Report. The final approvals of the ECRs are not always issued prior to completing the Tier 2 environmental reviews.

Incomplete project descriptions and documentation in the ERR may lead to incorrect determinations of compliance with the related laws and authorities at 24 CFR 58.5 and 24 CFR 58.6. An incomplete ERR may also limit the public's ability to examine the project's environmental review and obtain information about its potential environmental effects, as required by 24 CFR 58.38. An incomplete ERR could also result in noncompliance with the National Environmental Policy Act (NEPA), environmental harm or risk to residents at assisted properties, and in activities being determined ineligible for HUD funding if choice-limiting actions occur prior to the proper completion of the appropriate level of environmental review.

Corrective Actions: To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s):

1) For all future environmental reviews, VIHFA must provide complete project descriptions, including details about the project site and property, and adequate supporting documents in all Tier 2 environmental reviews, and ensure that any changes in project scope after the initial ECR are documented in detail in the ERR. The grantee should provide at least two ERRs for HUD's review that illustrate compliance with the actions described in this corrective action.

Status: The Tier 2 Environmental reviews process and documentation were updated. Two examples were submitted to HUD. This Finding is Partially closed awaiting Envision SOP. The Authority is waiting for the official signing of the Subrecipient Agreement between ODR and HFA. Once HUD has given approval on the subrecipient agreement, HFA will submit the updated SOP for closure of this Finding.

2) VIHFA must revise and submit for HUD-OEE review the CDBG-DR Environmental Review Procedures Manual and the HRRP Policies and Procedures document to address the issues identified above, including additional clarification on:

a. How to use the information from the ECR to develop a complete project description for Tier 2 environmental review purposes.

b. How changes in a project description or scope would be documented and addressed as part of the Tier 2 environmental review process, including re-evaluation of original reviews if necessary.

c. How to evaluate and document in the Tier 2 review form whether a proposed project meets the definition of substantial improvements and whether the project complies with any related flood management and elevation requirements.

d. How to include or cite verifiable and best available sources of information in the maps and reference documents used to complete the Tier 2 review.

- e. How to ensure that the documentation and completion of the Tier 2 review is consistent with the requirements and procedures established in the Tier 1 environmental review.
- f. How to document in the ERR the status of the project development/implementation and whether any required mitigation measures have or should have been implemented.
- g. Details about the internal quality assurance and quality control measures would be implemented to ensure that the completion of Tier 2 environmental reviews satisfies all applicable documentation and procedural requirements.

Status: This correction was made and the updated Environmental Procedures Manual was submitted to HUD for closure. This Finding was closed in 2023.

- 3) The grantee must ensure that established quality assurance and control procedures for environmental reviews are adequately implemented. The Field Environmental Officer will periodically request access to the ERRs to ensure compliance. Within 120 days from the date of this monitoring report, VIHFA must submit to HUD two complete HRRP ERRs to evidence compliance with these corrective actions.

Status: This corrective action was completed. HUD is awaiting the SOP to close the entire Finding.

HUD recommends using HEROS to manage the environmental reviews and maintain the complete an ERR for a project in a single file or document, rather than in multiple documents stored in different data management systems. This would avoid issues related to incompleteness of the ERRs, and problems accessing and reviewing a complete ERR.

August 2022- 1 Open Finding

Finding 7: Failure to remit CDBG-DR payments to subrecipients and vendors in a timely manner

Condition: VIHFA did not remit the CDBG-DR funds to the subrecipients and vendors in a timely manner. Out of a sample of 10 vouchers, funds for three vouchers were remitted to subrecipients and vendors after more than three business days from drawing down the funds from the Line of Credit Control System account. The processing dates are in Table 2 below:

Criteria: 31 CFR 205.12(b)(4): Cash advance funding means that a Federal Program Agency transfers the actual amount of Federal funds to a State that will be paid out by the State, in a lump sum, not more than three business days prior to the day the State issues checks or initiates electronic funds transfer payments.

Cause: Lack of understanding of the Federal policies and procedures to ensure timely remittance of funds to subrecipients and vendors.

Effect: VIHFA failed to remit the grant funds to subrecipients and vendors in a timely manner which hinders recovery efforts and hinders the subrecipients from making their payments on time to vendors and staff. Furthermore, failure to deposit advanced funds in an interest-bearing account if funds are not remitted within three business days would result in another Federal violation.

Corrective Action: To address this deficiency, within 90 days of this report, the grantee is requested to take the following action(s) and provide evidence to HUD: 1) Update financial management policies and procedures to ensure that there are multiple reviewers tracking the deposit dates of the grant funds in the grantee's bank account to ensure timely transmittal of funds to subrecipients and vendors within three business days; and 2) Provide training to the financial management staff on the requirements.

HUD then requested to review the updated Envision SOP before closure.

Status: This Finding is partially closed. We submitted all of the requested information in the corrective action. However, HUD has also requested to see the updated Envision SOP before closure. The Authority is waiting for the official signing of the Subrecipient Agreement between ODR and HFA. Once HUD has given approval on the subrecipient agreement, HFA will submit the updated SOP for closure of this Finding.

September 2023-

No Findings.