



**VIHFA**  
VIRGIN ISLANDS  
Housing Finance Authority

# TESTIMONY

## Committee on Housing, Transportation & Communications

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October 24, 2023

Presented by | Dayna Clendinen

Interim Executive Director & Chief Disaster Recovery Officer

Virgin Islands Housing Finance Authority



Good afternoon, Senator Marvin Blyden, Chair of the Committee on Housing, Transportation, and Communications; members of the Committee; other Senators present; and the listening and viewing audience. I am Dayna Clendinen, and I serve as the Interim Executive Director and Chief Disaster Recovery Officer of the Virgin Islands Housing Finance Authority (VIHFA).

Pursuant to your October 20, 2023 letter requesting testimony on the EnVIsion program, I appear before you today accompanied by Rupert Pelle, Chief Engineer; Alanah Lavinier, Director of Policy, Procedure, and Regulatory Services; Royan Robinson, Deputy Director of Finance; Jamillie Perez, Mitigation Deputy Director of Housing; Gregory Miller III, EnVIsion Senior Program Manager; and Rick Grant, Senior Program Manager.

For the benefit of the public and those who may not be aware, it is important that we look over the past year of the program and share its evolution. EnVIsion was launched in 2019 as a response to the widespread destruction caused by Hurricanes Irma and Maria.

Under EnVIsion, which consists of both Homeowner and Rental Reconstruction and Rehabilitation, a total of \$160 million was initially allocated to both programs: \$135 million to the Homeowner Program (HRRP) and \$25 million to the Rental Program (RRRP). The Homeowner Program initially provided a maximum grant of up to \$250,000 to eligible homeowners for home repair or reconstruction. Applicants were vetted for the following eligibility criteria: ownership, primary residency, occupancy at the time of the storm, citizenship, household income, and disaster damage. Once eligibility was met, VIHFA still needed to conduct an environmental Tier II review and complete an approved scope of work.

Within the first three years of the program launch, approximately 675 damage assessments were conducted – with 420 applicants among them completing their duplication of benefits review to move forward. In February of 2022, we had twenty-

seven (27) projects in construction, mobilization, or pending mobilization payment with **10 homes completed.**

With much work left to do, an official Notice to Proceed was issued on February 9, 2022, to Persons Services Corporation (PSC) to provide residential construction repair, rehabilitation, and/or reconstruction services for 200 single-family owner-occupied residential structures. Based on application recertification or withdrawals, this number was reduced to 187.

To enhance our workforce, we reissued a Construction Staff Augmentation RFP to support our internal construction managers in tasks such as managing scopes of work, performing field inspections, preparing new scopes of work with estimated repairs, and generating architectural drawings when necessary. Our team's goals were to eliminate delays in performing required environmental assessments, increase grant signings, and improve the construction completion process by reviewing and adjusting, where possible, policies and process flows.

VIHFA finalized its third (April 1, 2022) substantial amendment to the DR action plan. With its approval by HUD, the program received a budget increase of **\$195,046,728** for the Homeowner program and **\$50,384,097** for the Rental program, bringing the grant award for homeowners up to \$350,000 and rental properties up to \$150,000. Temporary relocation assistance was also included in both of the new grant awards, along with storage of household items and flood insurance for 2 years for qualified residents in the Homeowner program.

In August of 2022, a short six months later, the EnVIision program had increased its output, with 13 homes completed. The mobilization of Persons Services Corp increased the number of projects into active construction. Meanwhile, VIHFA continued to award small projects, less than 20 homes, to smaller firms to ensure that our local contractors were still part of rebuilding our community.

The onboarding in October 2022 of Grant Engineering and Construction Group to expedite projects under the EnVIsion program has also been a game-changer for the program, along with the simultaneous hire of a dedicated civil engineer and Director of Housing for the program. With the focus of this group, 448 project cases have been assigned to Grant Engineering for reassessment, 314 Engineering Cost Estimates of Repairs (ECR) completed, and a total of 178 drawings completed as well.

Twenty-seven homes have been completed to date, and we continue to make strides in getting more into construction. In the past six months alone, five solicitation packages have been published for repairs to 40 more homes territory-wide. Twenty-two responses were accepted, and 18 homes exceeded cost reasonableness. The 18 homes will be reissued in an upcoming solicitation. Another 12 homes are in construction; to date, there are more than 407 in various stages of the design-to-rehabilitation process.

We have also been aggressive in securing the help we need in construction – including engaging our contractors in face-to-face Meet and Greets that gave them a chance to ask questions of our team and better understand our payment and procurement processes. We've increased our advertising with new billboards, branding, and outreach to national publications such as National Engineering Institute (NEI) General Contracting and Leading Lenders, which target developers and contractors; combined, they have an audience of more than 40,000. Those efforts will continue in earnest over the next few months as we look at enhanced Google Business Ads, joining social media housing forums and discussions, and leveraging relationships with qualified contractors and environmental consultants whom we engaged with at the 52<sup>nd</sup> Congressional Black Caucus Legislative Conference.

In the past year, we strategically positioned ourselves for success by evaluating our existing resources, tools, and processes and replacing them with new, more efficient ones that enhance our job performance. A prime example is the automated procurement portal our team designed and launched that gives prospective bidders a chance to quickly see what projects are available, apply online, and track in real-time

the status of their proposals. Further, we have adjusted our solicitation strategy, departing from the conventional practice of releasing solicitations for either larger 200-home projects or smaller mini-bids. Instead, we now promptly issue solicitations as opportunities emerge. This flexible approach allows us to accommodate projects of diverse sizes, spanning from single or double homes to as many as 12. Additionally, by allowing multiple contractors to bid on each project, we have a greater number of awarded contracts and continue to expedite the pace of home reconstruction.

While focusing on new business, the program is simultaneously working on closing out past issues, inclusive of past-due payments, contractor management, and monitoring findings. Senators, one of our biggest challenges has included the submittal of incomplete payment packages from contractors, which prevents us from being able to process payments. The program has provided and continues to provide dedicated support to contractors in an effort to aid in the submission of correct payment packages.

A little over \$5M has been paid to date to contractors, and all submitted pay requests are currently under review, pending final inspections or contractor action. Payments can only be made to packages that are complete.

The EnVIsion program had a total of 10 unresolved HUD findings ranging from 2019-2022. As of September 2023, we are thrilled that we have been able to close all but three, which are tied to our Standard Operating Procedures for closure. The Compliance team, with the EnVIsion team, is actively working to address this.

The Authority, in consideration of the pending transfer of the Disaster Recovery programmatic oversight to ODR has collaborated with them on the Standard Operating Procedures. After the subrecipient agreement between ODR and VIHFA is executed, the SOP will be transmitted to HUD, thereby closing these findings.

The final open finding for Envision is partially closed and is in regard to our procurement process. We are currently reviewing contracts and will submit documentation for closure. Since August 2022, we have improved processes, and as a result, we have no

findings for the EnVIsion program in our August 2023 HUD monitoring.

As you are aware, VIHFA proposed in its fourth substantial amendment that the V.I. Public Finance Authority's (VIPFA's) Office of Disaster Recovery 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. We have since provided all required documentation to HUD, along with a new draft subrecipient agreement that is currently under review.

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.

**It is important to note that this transition will not affect the status of any current EnVIsion applications.** Participants may continue to inquire about their application status by calling (888) 239-3387. Alternatively, in-person assistance is available by appointment, which can be scheduled by contacting the program. Due to the volume of applicants, walk-in service is not currently available.

Senators, this concludes my testimony. I would be remiss if I did not thank the men and women of VIHFA – particularly those you see before you today – for their work, dedication, and continued commitment to the program. Together, we are reintegrating our families into their homes and providing a secure, code-compliant dwelling aimed at mitigating the impact of future disasters.



**EnVIsion Tomorrow Summary Report as of October 24, 2023**

<b>Project Program</b>	<b>Activity Title</b>	<b>Total Budget</b>	<b>Total Expended</b>	<b>Budget Available</b>	<b>% Expended</b>
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%
<b>Totals:</b>		<b>\$245,430,825.00</b>	<b>\$37,865,966.13</b>	<b>\$207,564,858.87</b>	<b>15%</b>



**EnVision Tomorrow Contractors as of October 24, 2023**

Vendor	Vendor Activity	Contract Amount	Invoiced	Balance
A-Z General Contractors	Construction	\$ 5,143.20	\$ 2,743.20	\$ 2,400.00
A-Z General Contractors	Construction	\$ 78,469.51	\$ 20,764.73	\$ 57,704.78
A-Z General Contractors	Construction	\$ 12,189.86	\$ 1,218.99	\$ 10,970.87
Bobby B Construction	Construction	\$ 245,648.95	\$ 28,888.10	\$ 216,760.85
Bobby B Construction	Construction	\$ 78,098.30	\$ 28,914.51	\$ 49,183.79
Bobby B Construction	Construction	\$ 151,508.54	\$ 84,304.40	\$ 67,204.14
Bobby B Construction	Construction	\$ 51,269.74	\$ 51,269.74	\$ -
Brothers Construction	Construction	\$ 62,804.67	\$ 62,804.67	\$ -
Celestine Construction, LLC	Construction	\$ 13,374.47	\$ 1,337.45	\$ 12,037.02
CF BREEZE RECOVERY LLC	Construction	\$ 216,078.92	\$ 139,639.75	\$ 76,439.17
CF BREEZE RECOVERY LLC	Construction	\$ 174,545.51	\$ 59,166.56	\$ 115,378.95
CF BREEZE RECOVERY LLC	Construction	\$ 122,715.23	\$ 61,366.89	\$ 61,348.34
CF BREEZE RECOVERY LLC	Construction	\$ 123,112.56	\$ 21,722.11	\$ 101,390.45
CF BREEZE RECOVERY LLC	Construction	\$ 181,372.45	\$ 23,099.22	\$ 158,273.23
CF BREEZE RECOVERY LLC	Construction	\$ 99,896.00	\$ 9,989.60	\$ 89,906.40
Do Right Construction, Inc.	Construction	\$ 11,080.40	\$ 11,080.40	\$ -
Energy Efficient Builders, LLC	Construction	\$ 350,000.00	\$ 244,725.35	\$ 105,274.65
Energy Efficient Builders, LLC	Construction	\$ 24,884.42	\$ 2,488.44	\$ 22,395.98
FLS Development LLC	Construction	\$ 51,348.64	\$ 51,348.63	\$ 0.01
FLS Development LLC	Construction	\$ 67,165.13	\$ 66,242.33	\$ 922.80
FR Maintenance and Construction	Construction	\$ 159,016.57	\$ 71,623.54	\$ 87,393.03
Heights Construction & Supply LLC	Construction	\$ 31,237.45	\$ 31,237.45	\$ -
Heights Construction & Supply LLC	Construction	\$ 52,582.17	\$ -	\$ 52,582.17
Heriberto Gabriel Carpentry Construction	Construction	\$ 12,248.97	\$ 12,248.97	\$ -
King Glen Construction, LLC	Construction	\$ 17,972.02	\$ 17,972.02	\$ -
KZW Services	Construction	\$ 139,450.70	\$ 56,040.39	\$ 83,410.31
MCE Contracting, LLC	Construction	\$ 124,474.35	\$ 89,586.70	\$ 34,887.65
Mence Construction, LLC	Construction	\$ 78,108.75	\$ 78,108.75	\$ -
Mence Construction, LLC	Construction	\$ 111,379.15	\$ 111,379.15	\$ -
Navigation Construction LLC	Construction	\$ 52,232.48	\$ -	\$ 52,232.48
Navigation Construction LLC	Construction	\$ 52,412.79	\$ 5,241.28	\$ 47,171.51
Nuvo Construction	Construction	\$ 120,196.79	\$ 12,019.67	\$ 108,177.12
Nuvo Construction	Construction	\$ 223,760.86	\$ 22,376.09	\$ 201,384.77
Nuvo Construction	Construction	\$ 65,697.83	\$ 6,569.78	\$ 59,128.05
Nuvo Construction	Construction	\$ 244,146.10	\$ 55,640.78	\$ 188,505.32
Nuvo Construction	Construction	\$ 126,184.34	\$ 12,618.43	\$ 113,565.91
Nuvo Construction	Construction	\$ 149,900.65	\$ 62,034.02	\$ 87,866.63
Nuvo Construction	Construction	\$ 117,684.66	\$ 72,387.53	\$ 45,297.13
Nuvo Construction	Construction	\$ 149,106.30	\$ 46,013.22	\$ 103,093.08
Nuvo Construction	Construction	\$ 66,417.28	\$ 44,057.89	\$ 22,359.39
Nuvo Construction	Construction	\$ 68,753.86	\$ 31,766.03	\$ 36,987.83
Nuvo Construction	Construction	\$ 48,954.45	\$ 20,821.71	\$ 28,132.74
Nuvo Construction	Construction	\$ 75,505.28	\$ 54,917.10	\$ 20,588.18
Nuvo Construction	Construction	\$ 52,932.06	\$ 30,368.78	\$ 22,563.28
Nuvo Construction	Construction	\$ 51,580.55	\$ 51,580.55	\$ -
Nuvo Construction	Construction	\$ 166,342.41	\$ 115,315.46	\$ 51,026.95
Nuvo Construction	Construction	\$ 29,967.94	\$ 29,967.94	\$ -
Palace Interior, LLC dba Willie's Woodcraft	Construction	\$ 36,174.71	\$ 3,617.47	\$ 32,557.24
PERSONS SERVICES CORP.	Construction	\$ 25,564,598.73	\$ 3,077,743.98	\$ 22,486,854.75
Rosewell Group, Inc.	Construction	\$ 27,958.25	\$ 2,795.83	\$ 25,162.42
Synergy Construction LLC	Construction	\$ 28,778.47	\$ -	\$ 28,778.47
Vivian Construction LLC	Construction	\$ 172,854.77	\$ 172,854.76	\$ 0.01
<b>Total</b>		<b>\$ 30,539,318.19</b>	<b>\$ 5,372,020.34</b>	<b>\$ 25,167,297.85</b>