

GOVERNMENT

CDBG-DR RECOVERY PROGRAM



CASE STUDY | USVI

USVI LEVERAGES DISASTER RECOVERY SPECIALISTS TO OPTIMIZE CDBG-DR ACTION PLAN MANAGEMENT AND BUILD FUNDING EXPERTISE



RECOVER

CHALLENGE

Community Development Block Grant Disaster Recovery (CDBG-DR) funding, administered by the Department of Housing and Urban Development (HUD), was established to provide states, counties, cities and territories crucial seed money for recovery and rebuilding after a presidentially declared disaster. In addition to housing, CDBG-DR grant allocations can also be applied to broader economic and infrastructure aspects of restoring communities.

When a jurisdiction receives CDBG-DR funding, HUD requires them to prioritize the critical long-term recovery unmet needs. Determining the unmet need requires the jurisdiction to examine the disaster's impacts, establish recovery needs, identify funding and resources available, and develop a detailed action plan that prioritizes recovery projects to be funded with CDBG-DR related to the identified needs.

CDBG-DR is typically intended to be "funding of last resort" in disaster recovery and cannot displace other funding streams. As such, a jurisdiction must first distinguish what it will accomplish with primary disaster funding such as FEMA grants, then identify the funding gaps as the unmet needs portion that will be covered by CDBG-DR. As a due diligence measure, Federal statutes require a public comment period, which is typically 30 days, in which the jurisdiction solicits feedback on its proposed action plan. After the public comment period ends and all comments are considered, the action plan can be submitted to HUD for final review and approval.

Navigating disaster recovery funding is a challenge even for the most basic scenarios - and disaster recovery scenarios are seldom basic. Situations and conditions change, and new scenarios arise throughout the assessment process that oblige jurisdictions to re-evaluate and re-define their unmet needs. Even the most comprehensive and well-constructed action plans will likely require changes. Any time an action plan requires a substantial change, such as a different funding structure or beneficiary, if a program is unfunded, or a new program is created, it must be formally amended. Every amendment resets the process and triggers another round of plan assessment, documentation and public participation. The process can be labor-intensive and time-consuming, requiring substantial resources and staff at a time when jurisdictions are struggling to restore communities.

No other firm rivals our experience. We've helped win and administer over \$40B in Federal disaster recovery funds, representing >80,000 discrete projects.

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The U.S. Virgin Islands (USVI or Territory) faced a big challenge managing the initial \$284 million in CDBG-DR funding it received in the wake of hurricanes Irma and Maria in 2017. With an annual CDBG-DR allocation of \$1.9M, the USVI lacked both the resource capacity and the specialized CDBG-DR plan development skills to take on such a large-scale funding allocation. Witt O'Brien's had been working with USVI on disaster recovery since immediately after Hurricane Irma struck. The firm had a wealth of experience in federal disaster fund management, so USVI made the decision to bring them in to organize and manage the CDBG-DR action-plan process.

SOLUTION

Witt O'Brien's experts designed a structured approach to setting plan priorities that outlined specific steps to assessing unmet needs and a public engagement strategy. The Witt O'Brien's team conducted the needs assessment and managed the public input process. The information they gathered was synthesized into an assessment and recommendations report that helped USVI leaders determine and prioritize the most pressing needs. The Witt O'Brien's team then crafted the official CDBG-DR action plan and helped USVI guide it through the HUD approval process.

A \$779 million CDBG-DR allocation that came in after the original action plan was approved, triggered the first CDBG-DR action plan amendment. Witt O'Brien's drafted language that addressed how the additional funding was to be implemented and managed the second round of public notification and input. Securing HUD approval required demonstrating that the amendment addressed the most critical community housing needs. Throughout the amendment process the Witt O'Brien's team maintained a rigorous oversight over public input and ensured that the plan changes were accurately addressing current priorities. The team also tracked amendment changes against the original plan and prepared a summary report that highlighted the major plan shifts in simple language to make it easier for the public to understand.

A second CDBG-DR action plan amendment was required when HUD allocated an additional \$53 million to address infrastructure needs. With the plan structure and public participation processes clearly established, Witt O'Brien's was able to update unmet needs, develop change documentation and shepherd the amendment through the public input process.

Creating a clear, coherent action plan development and amendment process was key to being able to streamline action plan amendments. An equally important step was to create the process, protocol and platform for effectively communicating the changes to the public, generating meaningful input on how the plan aligned with community needs.

One significant communication and engagement challenge the team faced was COVID-19 distancing and congregating space

restrictions. Prior to COVID-19, the USVI could hold public meetings, with specific notification criteria and time and location requirements to ensure the public could access information and participate. COVID-19 restrictions obliged USVI to shift public notifications to include social media and engagement to virtual meetings. This pivot, while inevitable, presented the risk of excluding segments of the population that do not have access to technology, in particular low- and moderate-income communities which are most in need of help.

To reach the largest number of affected citizens, Witt O'Brien's helped USVI identify multiple ways to share CDBG-DR action plan change information and allow people to weigh in on the process. Information and requests for feedback, including from community advocacy groups, were shared through print, radio, television, and social media channels.

It is smart for a jurisdiction to augment its own resources to manage complex Federal disaster aid programs. It is even smarter for them to strive to better understand the funding process and embrace best practices for action plan development. Witt O'Brien's is a firm believer in helping its clients raise their 'funding IQ' and sought to help USVI build its own internal capacity to successfully complete CDBG-DR actions plans and manage subsequent amendments.

Witt O'Brien's experts developed a training curriculum for USVI that included a stepwise review of the action plan development and approval process. The team also provided dynamic on-the-job training for USVI staff, holding check in sessions at each critical interval during the amendment development and communication to explain what was happening and allow the USVI team to participate in the activity.

The training helped the USVI gain a solid understanding of CDBG-DR action plan development, along with the experience to communicate effectively with the public and is building the internal capacity to become self-sufficient. This new capability will be invaluable as shifts in disaster realities and recovery priorities require additional action plan amendments. USVI's growing capability will also help the Territory implement other types of disaster recovery and mitigation programs.

RESILIENCE DELIVERED

Throughout its continually shifting disaster recovery endeavor, USVI has remained focused on re-building its communities and making them stronger. It takes wisdom and courage to recognize one's limitations and seek help. USVI demonstrated both in bringing in experts to ensure that its CDBG-DR action plan, amendment and public participation processes were optimized and executed efficiently. Investing in becoming more capable in managing the CDBG-DR funding process showed foresight and determination to be resilient. Ultimately, the Territory is creating a more constructive and collaborative environment for managing disaster recovery.