



V. I. P. F. A

Virgin Islands Public Finance Authority



OFFICE OF ECONOMIC OPPORTUNITY

IMPLEMENTING THE  
AMERICAN RECOVERY & REINVESTMENT ACT  
(ARRA)





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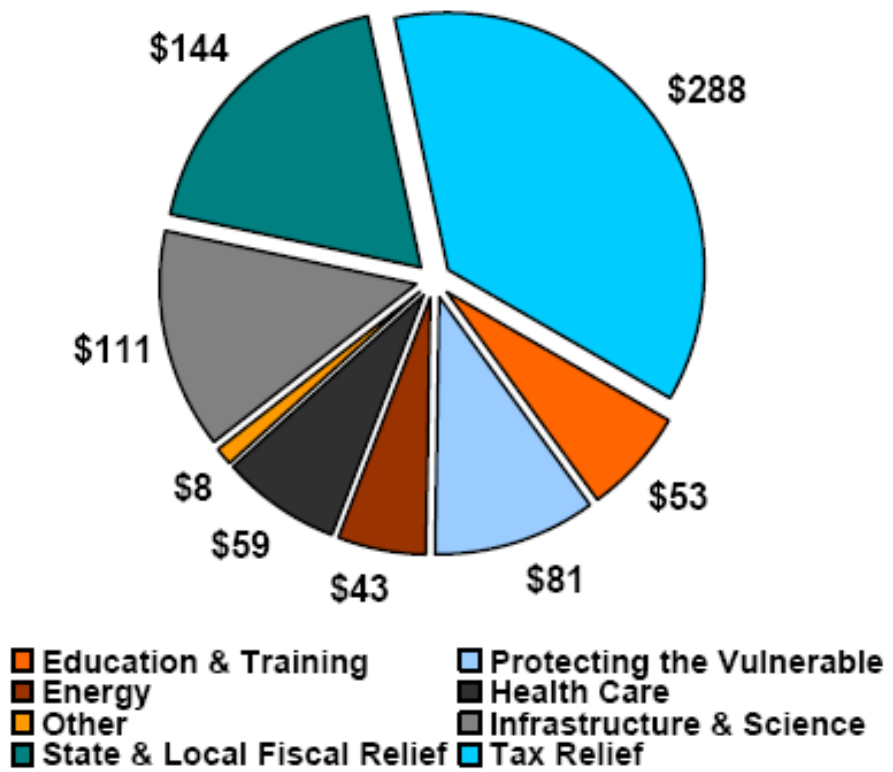
- ✓ ARRA Overview
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<http://www.governordejongh.com/recovery/oeo>



# ARRA Funding Focus

American Recovery & Reinvestment Act of 2009:  
Spending Breakdown by Sector  
(\$ Billions)





## General ARRA Beneficiaries

- Government Agencies and Instrumentalities
- Not-for-profits
- Business and Industry



## **Formula, Block, and Competitive Grant, and Loan Opportunities**

- ❖ Energy & Environment
- ❖ Transportation
- ❖ Housing
- ❖ Public Safety
- ❖ Health Care, Health Research, and Medicare/Medicaid
- ❖ Broadband
- ❖ Education
- ❖ Employment
- ❖ Human Services
- ❖ Economic Development



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# VI ARRA Activities To Date

- Funds have not been disbursed to VI agencies in many cases, but some sectors have already received funds:
  - Department of Public Works (Infrastructure projects)
  - Health and Human Services (Meals for elderly; 13.6% increase in food stamps benefits)
  - Department of Labor (workforce training; increased unemployment benefits)
  - Frederiksted and East End Health Clinics
- Grant applications submitted:
  - VI Office on Energy (initial applications)
  - Law Enforcement Planning Commission (Police, Corrections, Justice)
  - Not-for-Profits (Women's Coalition, Transitional Housing, Environmental Restoration and USVI livelihoods)



# Certifications

- As required by the Act, the governor must certify that the VI will use the funds as dictated and for job creation and economic growth as well as comply with the accountability, transparency and reporting requirements.
- Certifications filed to date for the Virgin Islands are as follows:
  - ❖ ARRA § 1201 Certification to the Secretary of Transportation
  - ❖ ARRA § 1511 Certification to Director of the Office of Management and Budget and the Secretary of Transportation
  - ❖ ARRA § 1607(a) Certification to the Director of the Office of Management and Budget (OMB)
  - ❖ Governor's Certification to the National Endowment for the Arts



# Applications and Awards – GVI Agencies

## Applications Filed thru 4/09/2008

- \$20,678,000 -State Energy Program (initial application); extensive application due in May
- \$1,415,429.00 – VI Weatherization Assistance Program (initial application); extensive application due in May
- \$4.972M – LEPC – Byrne Law Enforcement Grants
- \$1,284,112 – Dept. of Public Works, Transit
- \$18,000,000 – Dept. of Public Works Federal Highways
- \$100,000 DPNR – Clean Water Revolving Fund
- \$507,000 – LEPC Victims of Crime (VOCA)
- \$638,390 - Violence Against Women (VAWA)

**TOTAL \$ 47,594,931**

## Awards Received thru 04/09/2008

- \$4.5 million – Dept. of Health Medicaid funding
- \$81,000 Dept. Of Health HRSA
- \$377,190 Dept. of Health HRSA
- \$162,500 Human Services (meals for the elderly)
- \$80,000 Human Services (home delivered meals)
- ~\$13.2M – Human Services; 1.63% increase in client checks - SNAP
- \$269,887 Department of Labor – employment for older Americans

**TOTAL \$ 18,670,577**



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## Applications and Awards – Semi- autonomous Agencies

### Applications Filed thru 4/09/2008

- \$1,962,700 - Waste Management System Clean Water Revolving Fund

**TOTAL \$1,962,700**

### Awards Received thru 4/09/2008

- \$580,000 - VI Housing Finance Authority Neighborhood Stabilization
- \$18,404,580 - U.S. Department of Agriculture (USDA) for single family housing guaranteed loans.
- \$9,415,000 – US Department of Housing Urban Development (HUD)

**TOTAL \$28,399,580**

## Applications and Awards – Not-for-profit Partners

### Applications Filed thru 4/09/2008

- \$135,000 – St. Croix Environmental Association
- \$156,250 - Violence Against Women (VAWA)
- Victims of Crime (VOCA)

**TOTAL \$291,250**

### Awards Received thru 04/09/2008

- \$160,435 – Frederiksted Health Clinic; St. Croix
- \$131,185 - East End Clinic, St. Thomas
- \$50,000 - VI Council on the Arts

**TOTAL \$341,620**



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# Potential Benefits to Business/Industry

- **Energy and energy-related opportunities for trades of Construction/Marketing/Electrical/Energy Consulting- approximately \$32M for the VI**
  - The ARRA funds coming to the USVI for the energy and environment sectors will target the areas of energy, weatherization, clean water, and natural resources. There will be opportunities for businesses and trades with expertise in construction, development, or retrofitting as well as environmental and energy consultants.
- **Highway and transit funds present opportunities in construction and infrastructure development – approximately \$19.2M for the VI**
  - The funds coming to the VI for infrastructure improvement will increase opportunities for construction, local small disadvantaged businesses, project management and skilled labor.



## Potential Benefits to Business/Industry

- **USDA – Section 502 Guaranteed Loan Program – Beneficial to local banks, Lenders, Contractors, Material Suppliers, Realtors, and Home Builders – approximately \$18.4M for the VI**
  - The Virgin Islands will receive \$18,404,580 for single family housing guaranteed loans under the program administered by the U.S. Department of Agriculture (“USDA”) pursuant to Section 502 of the Housing Act of 1949. This funding is intended to encourage private sector lenders to make affordable home loans to low- and moderate-income applicants to purchase a home.
  - Low-income is defined as between 50 and 80 percent of the area median income (“AMI”) and moderate-income is between 80 and 115 percent of AMI. Applicants may obtain 100% financing and must demonstrate the ability to afford the mortgage payments, including taxes and insurance, which are typically within 29 percent of an applicant's income. **Importantly, funds can be used to build, repair, renovate, or relocate a home, or to purchase and prepare sites, including providing water and sewer facilities.**



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# Potential Benefits to Business/Industry

- **Increased Funding for Medicaid – Benefits Physicians and Health Care Providers – approximately \$4M for the VI**
  - ARRA provides a temporary 30 percent increase in federal funding for Medicaid, which translates into potentially an additional \$4 million per year for the V.I. Department of Health (“DOH”), community and non-profit clinics and other health care providers.
  - These additional funds will provide Medicaid benefits to current recipients and/or expand eligibility for Medicaid.



# Potential Benefits to Business/Industry

- **Funding for Economic Development - USDA Rural Development Program – approximately \$3B nationwide (competitive)**
  - The USDA Rural Development’s Rural Business Enterprise Grant (RBE) program to provide funding for a broad variety of programs to support business development. RBE funding may be used for a wide range of projects, including business revolving loan funds, business district infrastructure projects, capital improvement projects, business incubators, and downtown revitalization projects.
  - The maximum percentage of guarantee is 80 percent for loans of \$5 million or less, 70 percent for loans between \$5 and \$10 million, and 60 percent for loans exceeding \$10 million. A very limited amount of guarantee authority for 90 percent guarantees on loans of \$10 million and less is available annually for high priority projects.
  - Loan purposes must be consistent with the general purpose of the B&I Guaranteed Loan Program and include: (1) business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities; (2) business conversion, enlargement, repair, modernization, or development; (3) purchase and development of land, easements, rights-of-way, buildings, or facilities such as hotels and motels; and (4) purchase of equipment, leasehold improvements, machinery, supplies, or inventory.



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# Potential Benefits to Business/Industry

- **Broadband Services - approximately \$7.2B nationwide (competitive)**
  - ARRA provides \$2.5 billion to the USDA Rural Development Program and \$4.7 billion to the Dept. of Commerce for competitive grants to expand broadband services in unserved or underserved areas. Each State/Territory will be awarded at least one grant.



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# Potential Benefits to Business/Industry

- **Funding for Small Business Concern- SBA Loans nationwide**
  - The Act provides \$730 million to the Small Business Administration (SBA) and makes changes to the SBA's lending and investment programs to reach more small businesses that need assistance.
  - The funding includes, eliminating fees on SBA-backed loans and raising SBA's guarantee percentage on some loans to 90 percent;
  - The Act offers 100% guaranteed deferred payment of loans up to \$35,000 to help viable small businesses facing immediate economic hardship make payments on existing qualifying loans.
  - The Act also provides \$15 million to expand SBA's Surety Bond Guarantee program, which will allow more small businesses to compete for contracts by raising the maximum amount for contracts that qualify for SBA surety bonds from \$2 million to \$5 million and up to \$10 million for certain contracts.



# About the OEO

- The OEO was created by the Governor, as required by President Obama, to centralize the reporting and accountability of the ARRA funds distributed throughout the territory
- Certifications required by the President make the Office of the Governor responsible for the implementation and fully accountable for the appropriate use of funds for the purposes intended by the Act
- Serve as a resource to the Virgin Islands governmental agencies, instrumentalities, not-for-profits, business and industry to ensure that all available funds are maximized to bring economic vitality to the Virgin Islands – job creation is a prime imperative
- The major functional areas of the OEO are:
  - Accountability, Monitoring, and Performance Measuring**
  - Grant Writing (where needed)**
  - Project/Program Monitoring**
  - Legal Counsel (for ARRA compliance)**



# OEO Resources for Grant Applicants

- **Tools and Templates** – Available electronically from [www.governordejongh/revcovery/oeo](http://www.governordejongh/revcovery/oeo) or by calling the OEO at 340-714-1635
  - Contact the OEO for templates required for submission under the Act:
    - Utilization Plan
    - Reporting Formats
    - Grant Application Forms
    - Project/Program Cost Benefit Analysis Templates
    - Project Prioritization Templates
- **OEO Self-Help Portal** – Available April, 2009
  - Web portal [www.governordejongh.com/recovery/oeo](http://www.governordejongh.com/recovery/oeo)
  - Tools and Templates and Database Access for recipients
  - Timelines Tracking
  - Opportunities to Participate with agencies
  - Notices and information
  - Performance Metrics



## ARRA Funds Management System

- The *ARRA Funds Management System* and *Web Portal* come on-line in late April 2009
- Major Functionality:
  - Grants Subscription and Notification
  - ARRA Deadlines Management
  - Resources for the public and all stakeholders - ARRA tools and templates
  - Secure software application for potential recipients
  - Transparent insight into ARRA project and program performance





# OEO Contact Information

- **For project and program opportunities**
  - Contact [www.grants.gov](http://www.grants.gov) , [www.recovery.gov](http://www.recovery.gov),  
[www.governoredejongh.com/recovery/oeo](http://www.governoredejongh.com/recovery/oeo)
  - Look under the respective federal agency for available and projected grants
- **For the Director's Office call:**
  - Cherrie Wallace-Cole or Persia Leonard: 340-714-1635



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# Thank You Q&A