



Legislature of the Virgin Islands

P.O. Box 1690, Emancipation Garden Station

St. Thomas, U.S. Virgin Islands 00804

TEL: (340) 774-2478

FAX: (340) 774-2492

POST AUDIT DIVISION

July 5, 2016

COMMITTEE ON FINANCE

FISCAL YEAR 2017 BUDGET HEARING

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

TABLE OF CONTENTS

| Title | Page Number |
|--|-------------|
| Background and History | 2-3 |
| VIHFA Goals | 3-4 |
| Fiscal Year 2017 Projected Resources | 5-6 |
| Personnel Services | 7 |
| VIHFA Bank Account | 7-8 |
| Contract Listing | 8-10 |
| Local Grants | 11 |
| Vehicles | 11 |
| Summary | 11 |
| Appendix I – Three Year Strategic Plan | 12-21 |
| Appendix II – Personnel Listing | 22 |
| Appendix III – Contract Listing | 23 |
| Appendix IV – Vehicle Listing | 24 |

BACKGROUND AND HISTORY

Created to address the existing shortage of low and moderate income housing in the Territory, the Virgin Islands Housing Authority (VIHFA) was enacted by Act No. 4336, the Virgin Islands Homeowners Construction and Mortgage Assistance Act in 1981 by the Legislature of the Virgin Islands. .

With a mission “to originate programs that create an adequate supply of affordable housing to meet the needs of low and moderate income families through the encouragement of investment of capital to stimulate the construction of owner occupied and an opportunity to obtain safe, sanitary and decent, affordable housing.”

Act No. 6973 transferred the housing portion of the Department of Housing, Parks and Recreation to the VIHFA that also absorbed the Department of Planning and Natural Resources Capital Development Program.

The Authority’s emphasis is to focus on the following:

- ✚ Tax Exempt Mortgage Revenue Bonds
 - Proceeds from the sales of Tax Exempt Mortgage Revenue Bonds are made available to lending institutions to provide below market rate mortgages to qualified home buyers
- ✚ Low Income Housing Tax Credits
 - VIHFA is designated as the Housing Credit Agency for the Virgin Islands
 - Allows effective funding for 80% of the development costs for properties from the sale of Federal Income Tax Credits sold to U.S. corporations
 - Allows properties to be rented at rates below the market price
- ✚ Home Program
 - Expand the supply of decent, affordable housing for low and very low income families by providing grants to states and local governments
- ✚ Capital Development Block Grant (CDBG), Local Subsidies and the Local Affordable Housing Tax benefits
 - Help reduce the cost of constructing affordable housing by receiving funds from the CDBG and other local subsidies in conjunction with the Local Affordable Housing Tax benefits

The Authority is composed of six (6) service providing units: Homeownership, Planning and Construction, Federal Programs, Collections and Servicing, Accounting and Rental Properties. Chart below details the responsibilities for the service providing units.

| DIVISIONS | RESPONSIBILITIES |
|----------------------------------|---|
| <i>Homeownership</i> | The Homeownership Division administers mortgage loan programs, markets the Authority’s homeownership initiatives and educates and counsels potential low and moderate income homebuyers and homeowners in the Virgin Islands to achieve and maintain homeownership and sustainable communities. This is accomplished through the provision of services and programs offered at the Authority to first time home buyers and homeowners. The use of federal and local funding initiatives and the educational and outreach services help support homeownership and improve the living environment for all residents of the Territory. |
| <i>Planning and Construction</i> | Includes physical planning, project supervision and oversight, rehabilitation management and development assessments. Also responsible for the development of the 3-5 year Affordable Housing Program which becomes operational through the use of surplus Government property owned and controlled by the Authority. |
| <i>Federal Programs</i> | The Federal Programs Division has oversight responsibilities for virtually all of the VIHFA’s programs/activities which are federally-funded or which are administered by any federal entity. The major program areas under the jurisdiction of the Federal Programs Division include the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Program, the HOPE 3 Program, and the Low Income Housing Tax Credit (LIHTC) Program. |
| <i>Collection and Servicing</i> | Services all loans and mortgages of the Authority. In addition, the division pursues all delinquent accounts. |
| <i>Rental</i> | The day-to-day management responsibilities of the Authority’s rental inventory are carried out by the Virgin Islands Housing Management, Inc. (“VIHM”). VIHM is a 501 (c)(3) non-profit organization created on October 31, 2008 to construct, reconstruct, acquire, lease and manage Rental Properties and the emergency housing stock. The VIHM performs evaluation on potential tenants, recertifies current tenants and coordinates maintenance services. |
| <i>Accounting</i> | The Accounting Division’s mission is to successfully collect record and produce financial information in an accurate and timely manner to support the vision and mission of the Authority. |

The members of the Board of Directors for the Virgin Islands Housing Finance Authority are as follows:

-  Nellon L. Bowry, Chairperson
-  Calford S. Martin, Secretary
-  Dawn L. Henry, Esq., Board Member
-  Carmen M.W. Hedrington, Board Member

Under the purview of the VI Housing Finance Authority, the **Emergency Housing Fund** was created pursuant to Title 21, Chapter 29, Section 206 VIC. The sum of one hundred fifty thousand dollars shall be appropriated from the General Fund of the Treasury of the Virgin Islands. The Fund shall be expended for the construction and operation of emergency housing as authorized in Sections 201-205 of Title 21, for the stimulation of private home construction through programs authorized by the Governor, and for the improvements to housing developments under the jurisdiction of the Virgin Islands Housing Finance Authority.

FISCAL YEAR 2016 GOALS

The accomplishments and on-going goals for Fiscal Year 2016 provided by the Virgin Islands Housing Finance Authority are reflected in the chart below as well as their three-year strategic plan can be view as *Appendix I*.

| VI Housing Finance Authority 2016 Goals | |
|---|--|
| GOALS | STATUS |
| Readying plots and homes for sale in subdivisions across the Territory. | Ongoing |
| Increase marketing of home buyer educations services create/introduce online classes. | Ongoing |
| Provide financial literacy seminars to high school students. | In progress |
| Close on fifty (50) sales. | In Progress |
| Expand outreach by employing social media and electronic mediums. | Website fully revamped and Facebook introduced |
| Improve the pool of mortgage ready clients | Ongoing |
| Utilize 2016 Low Income Housing Tax Credit (LIHTC) authority to help address the affordable rental housing needs to the Territory | Ongoing |
| Increase Capacity of non-profit sub recipients through the coordination and/or delivery of capacity-building training. | Ongoing |
| Utilize federal grant funds, particularly, ESA and CDBG in support of projects which seek to reduce homelessness in the Territory. | Ongoing |
| Completion of four (4) HOME rehabilitation cases by September 30, 2016; Commitment of at least eight (8) new HOME first-time homebuyer cases before September 30, 2016. | Ongoing |
| 100% compliance with all program deadlines and submission of all internal and external reports. | In Progress |
| Develop a plan for the redevelopment and revitalization of urban areas of the Territory. | Ongoing |
| Correct audit finding for Land and Properties Inventory and Valuation for Fiscal Year 2016. | Completed |
| Complete financial portion of audit by February 29 and send to Department of Finance. | Completed |
| Increase overall revenue stream by 7% | Ongoing |
| Create performance standards for each position. | Ongoing |
| Create a succession plan for the Authority. | In Progress |
| Create a 457(b) Plan for employees. | In Progress |

FISCAL YEAR 2017 PROJECTED RESOURCES

The Virgin Islands Housing Finance Authority submitted its projected Fiscal Year 2017 budget totaling **\$5,146,767**. *Exhibit I* outlines the projected allocation for the Virgin Islands Housing Finance Authority’s Fiscal Year 2017 budget equaling **\$4,999,767**. While *Exhibit II* depicts the Virgin Islands Housing Management totaling **\$322,000**. As seen, *Exhibit I* and *II* combined projected expenditures for the VIHFA and VIHM total 5,321,767, however **\$175,000** is transferred to the Virgin Islands Housing Management as an appropriation from VIHFA General Fund allotment should be subtracted to equate back to the projected Fiscal Year 2017 budget of **\$5,146,767**.

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

| Projected Resources | | Projected Expenditures | |
|--|--------------------|---|--------------------|
| Govt. Appropriation & Stamp Tax Subsidy | | Personnel Services | \$3,325,767 |
| Proposed Government Appropriation | \$2,000,000 | | |
| Stamp Tax Subsidy (12% admin) 2,000,000 | \$240,000 | Operating Expenses | |
| Subtotal | \$2,240,000 | Telephone | \$37,000 |
| | | Electricity | \$150,000 |
| Receipts from Land Sales | | Water | \$100,000 |
| St. Thomas/St. John | \$885,768 | Vehicles (1 vehicles purchase) | \$30,000 |
| St. Croix | \$126,000 | Vehicle Maint/Gas | \$40,000 |
| Subtotal | \$1,011,768 | Advertising | \$15,000 |
| | | Maintenance (Office & Rental Bldgs) | \$50,000 |
| Receipts from Home Sales | | Maintenance (Equipment) | \$55,000 |
| St. Thomas/St. John | \$163,261 | Office Equip/Furniture | \$50,000 |
| St. Croix | \$245,600 | Home Sales Exp. (Credit Reports/Title/Appraisals) | \$60,000 |
| Subtotal | \$408,861 | Travel / Training | \$125,000 |
| | | Postage/ Messenger | \$10,000 |
| Services Provided to VIHM | | Custodial /Supplies | \$32,500 |
| Management Services | \$60,000 | Office Supplies | \$40,000 |
| Subtotal | \$60,000 | Insurance/Securities | \$40,000 |
| | | Computer/Sftwre Upgr | \$80,000 |
| | | Housing Month | \$10,000 |
| Receipts from Mortgages | \$600,000 | Bank Fees (Merchant Service) | \$30,000 |
| | | Miscellaneous | \$10,000 |
| | | Subtotal | \$964,500 |
| | | | |
| | | Professional Services | |
| Receipts from Leases | \$100,000 | Legal Services | \$15,000 |
| | | Fin. Advisor | \$20,000 |
| Other Receipts | | Construction Mgrs. | \$271,000 |
| Interest Income | \$50,000 | Computer Tech (includes Accounting software tech) | \$91,000 |
| Home/CDBG/ESG Administrative | \$447,638 | Audit Services | \$100,000 |
| Application Fees | \$11,500 | Board Expense | \$30,000 |
| LIHTC Fees | \$20,000 | Other Services | \$7,500 |
| Miscellaneous & Other Income | \$50,000 | Subtotal | \$534,500 |
| Subtotal | \$579,138 | | |
| | | Transfer to VIHM | \$175,000 |
| Totals | \$4,999,767 | Totals | \$4,999,767 |

Exhibit I

VIRGIN ISLANDS HOUSING MANAGEMENT

| Projected Resources | | Projected Expenditures | |
|--|------------------|------------------------------|------------------|
| Govt. Appropriation | | Personnel Services | \$0 |
| VIHFA Appropriation | \$175,000 | Subtotal | \$0 |
| Subtotal | \$175,000 | Operating Expenses | |
| Receipts from Rental Apartments | | Electricity | \$10,000 |
| St. Thomas/St. John | \$40,000 | Water | \$5,000 |
| St. Croix | \$29,500 | Advertising | \$3,500 |
| Subtotal | \$69,500 | Maintenance | \$195,000 |
| Receipts from Developments | \$75,000 | Office Equip/Furniture | \$2,300 |
| Subtotal | \$75,000 | Travel / Training | \$21,200 |
| Other Receipts | | Office Supplies | \$1,000 |
| Application Fees | \$1,000 | Insurance/Securities | \$12,000 |
| Miscellaneous & Other Income | \$500 | Miscellaneous | \$2,000 |
| Late Fees | \$1,000 | Subtotal | \$252,000 |
| Subtotal | \$2,500 | Professional Services | |
| Totals | \$322,000 | Management & Financial Serv. | \$60,000 |
| | | Board Expense | \$10,000 |
| | | Totals | \$322,000 |

Exhibit II

Exhibit III depicts a graph of the Virgin Islands Housing Finance Authority Fiscal Year 2017 budget.

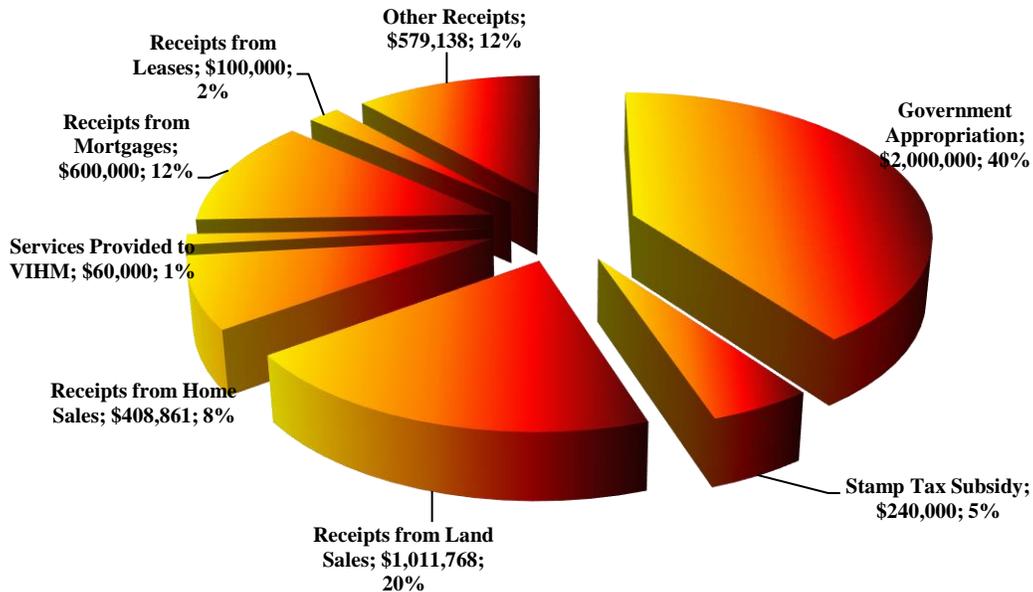


Exhibit III

PERSONNEL SERVICES

The Virgin Islands Housing Finance Authority currently has thirty-five (35) filled positions totaling **\$1,992,383**, two (2) temporary positions equaling **\$83,000** and three (3) vacant positions at **\$198,811** for a total of **\$2,274,194**. This amount is **\$1,051,573** less than Fiscal Year 2017 projected expenditure of **\$3,325,767**. A breakdown of positions submitted by the VI Housing Finance Authority is shown as *Appendix II*.

LEASES

The following in *Exhibit IV* lists all the leasehold properties rented by the Authority.

| VENDOR | TYPE OF BUSINESS | ANNUAL PAYMENT | CONTRACT DATE | DELINQUENCIES | EVICITION PROCEEDINGS |
|--|-------------------------------------|---------------------|----------------------|---------------|----------------------------------|
| Ashlee Nails Care by David | Manicure and Pedicure | \$15,600.00 | 11/1/2014-10/31/2015 | \$15,295 | Action filed May '16 |
| Altagracia Peguero-Hernandez and Jose Cuevas d/b/a Candi's Barber Shop | Barber and Beauty Salon | \$15,000.00 | 3/1/16 – 3/31/17 | \$0 | - |
| Custom Builders (Parcel No. 148-325-1 Anna's Retreat) | General Contractor | \$1,755.00 | 11/1/09 – 10/31/34 | \$0 | - |
| Custom Builders (Parcel No. 148-325-2 Anna's Retreat) | General Contractor | \$2,922.00 | 7/1/12 – 6/30/22 | \$0 | - |
| Forever Flowers | Flower and Gift Shop | \$30,000.00 | 6/1/13 – 6/30/18 | \$5 400 | - |
| GMG Ventures, LLC | | \$4,816.00 | 11/1/06 – 10/31/26 | \$37,131.96 | Payment pending sale of property |
| Myron Henneman | Farming | \$100.00 | 9/14/11 – 9/13/16 | \$0 | - |
| Nevon DeCastro | Farming | \$100.00 | 9/14/11 – 9/13/16 | \$0 | - |
| Office of the Lieutenant Governor | Office Space | \$18,395.04 | 8/1/13 – 7/31/16 | \$0 | - |
| Parkco, Inc. | Parking Lot | \$9,359.00 | 12/1/06 – 11/30/16 | \$0 | - |
| St. Patrick's Catholic Church | Church | \$900.00 | 4/1/03 – 3/31/33 | \$688.50 | - |
| Tortola & Back Messenger Service | Messenger Service | \$7,500.00 | 6/1/15 – 5/30/16 | 625.00 | - |
| Tourism Industries, Inc. d/b/a/ Budget Rent A Car, Inc. | Car Rental Company | \$5,438.40 | 12/1/15 – 11/30/20 | 453.20 | - |
| United States Postal Service | Kiosk Mail and Box Rental – Fortuna | \$1.00 | 7/1/12 – 6/30/22 | \$0 | - |
| VITEL, Cellular, Inc. | Technology | \$12,000.00 | 10/1/13 – 9/30/18 | \$1,750.00 | - |
| | TOTAL | \$123,886.44 | | | |

Exhibit IV

VIHFA BANK ACCOUNTS

The Authority indicated a total of **\$15,610,851.24** as of March 31, 2016 in various accounts is shown in *Exhibit V*.

| Banking Institution | Account Name | Bank Statement as of Mar 31, 2016 |
|----------------------|--------------------------------------|-----------------------------------|
| First Bank | Special Funds | \$16,985.85 |
| First Bank | Housing Development Fund | \$5,532,515.97 |
| Banco Popular | Payroll Development Fund | \$649,350.88 |
| Banco Popular | Mtge. Checking Escrow – New | \$1,806,752.38 |
| First Bank | Home Invest Partnership Program | \$90,085.75 |
| Banco Popular | Mtge. Earnest Deposit | \$294,677.42 |
| Banco Popular | Mtge. Ins. & Property Tax Escrow | \$24,608.61 |
| First Bank | Warranty Account | \$124,303.58 |
| First Bank | Hope III Proceeds | \$71,450.91 |
| First Bank | Clearing Account | \$1,480,004.43 |
| Banco Popular | Mtge. Checking Old – Moderate Income | \$105,451.44 |
| First Bank | CDBG & Emer. Shelter | \$835,959.60 |
| Banco Popular | Veterans Loan | \$835,959.60 |
| Banco Popular | Homestead Home Loans | \$612,908.33 |
| Banco Popular | 3LIHTCP | \$849.27 |
| Banco Popular | Affordable Housing | \$30,798.60 |
| Banco Popular | Special Escrow Acct. | \$2.88 |
| First Bank | NSP | \$253,649.74 |
| Banco Popular | Contractor’s Line of Credit | \$1,408,849.71 |
| Banco Popular | Reg. Loan Checking Acct. | \$151,661.64 |
| Banco Popular | Operating New Banco | \$1,284,024.65 |
| TOTAL | | \$15,610,851.24 |
| VIHM ACCOUNTS | | |
| Banco Popular | VIHM – Operating Account | \$236,870.56 |
| TOTAL | | \$236,870.56 |

Exhibit V

CONTRACT LISTING

Appendix III details VIHFA contract listing for Fiscal Year 2016.

FEDERAL GRANTS

The VI Housing Finance Authority administers three (3) Federal Grants. The following grants and its sub-grantees are depicted below:

Grant: Emergency Solutions Grant (ESG)

Grantor Agency: US Department of Housing and Urban Development (HUD)

Grant Description: The Emergency Solutions Grant is a federal formula-allocation block grant which provides grants to state and local governments for a number of activities as follows: (1) the rehabilitation or conversion of buildings for use as emergency shelters for the homeless; the payment of certain related shelter operating expenses; and also for expenses related to the provision of essential services for persons housed in shelters; (2) street outreach services for unsheltered, chronically homeless persons; (3) homeless prevention and rapid re-housing services for persons who are literally homeless or at

imminent risk of homelessness. ESG funds are typically sub-granted to non-governmental entities (i.e., non-profit or faith-based organizations).

Amount: \$152,446.00

Sub-Grantees:

| Sub-Grantee | Program Area(s) | Amount Recommended |
|-------------------------------|--|--------------------|
| St. Croix Mission Outreach | Emergency Shelter Operations | \$20,800.00 |
| St. John Community Foundation | Street Outreach | \$20,000.00 |
| VI Partners in Recovery | Emergency Shelter Operations – Street Outreach | \$33,167.60 |
| Women’s Coalition | Emergency Shelter | \$17,500.00 |
| | Sub-Total | \$91,467.60 |
| (No applicant) | Homeless Prevention: Rapid Re-Housing | *\$49,545.40 |
| Program Administration | Capped at 7.5% of grant = \$11,433.00 | |

**Although no organization submitted a proposal to conduct the Homeless Prevention or Rapid Re-Housing activity, the jurisdiction must utilize at least 32.5% or the allocation for homeless prevention or rapid Re-housing. In this case, \$49,454.40 has been set-aside for HP/RRH and a sub recipient will have to be identified.*

Grant: HOME Program (HOME)

Grantor Agency: US Department of Housing and Urban Development (HUD)

Grant Description: The main purpose of the HOME Program is to expand the supply of decent, affordable housing for very-low and low-income families through the provision of grants to states and local governments. Jurisdictions have great flexibility in designing their local HOME programs to fund housing programs that meet local need and priorities. HOME funds may be used to help renters, new homebuyers or existing homeowners.

Amount: \$607,775.00

Sub-Grantees: First Time Homebuyers

Grant: Community Development Block Grant (CDBG)

Grantor Agency: US Department of Housing and Urban Development (HUD)

Grant Description: Community Development Block Grant (CDBG) is a HUD formula-allocation grant, which has as its primary objective the development of viable urban communities by providing decent housing, suitable living environment, and expanded economic opportunities. Each funded project must meet at least one national objective as

follows: prevention or elimination of slums and blight; address an urgent need; primary benefit to persons of low and moderate income. Benefit to low/mod income persons is where either (1) at least 1% of the area residents are low-income or (2) the activity benefits a population generally presumed to be low-income or (3) housing is created that will be restricted to occupancy by low-income households or (4) jobs are created/retained and at least 51% of the jobs will be held by or available to low/mod income residents.

Amount: \$1,964,566.00

Sub-Grantees:

| Program Year 2015 | Activity Name | Program | Funded Amount |
|-------------------|--|--------------|-----------------------|
| | Wesley Methodist Church After-School Program | CDBG | \$37,250.00 |
| | Family Resource Center Counseling Program | CDBG | \$38,750.00 |
| | St. Andrews Seek & Serve After-School Program | CDBG | \$37,826.40 |
| | Boys and Girls Club After-School Program, St. Thomas | CDBG | \$29,000.00 |
| | Women with Focus Nutrition After-School Program | CDBG | \$27,500.00 |
| | Mon Bijou After-School Program | CDBG | \$33,000.00 |
| | Frederiksted Boys and Girls Club After-School Program | CDBG | \$27,255.00 |
| | The Garden School After-School Program | CDBG | \$15,600.00 |
| | VIHA After-School Program | CDBG | \$15,000.00 |
| | City of Refuge After-School Program | CDBG | \$33,500.00 |
| | Family Resource Center Sewer Improvement and Rehab | CDBG | \$50,000.00 |
| | VIHFA Building demolition and Construction | CDBG | \$300,000.00 |
| | Bordeaux Farmers' Market Phase III | CDBG | \$73,000.00 |
| | Hearts in Service Transitional Housing | CDBG | \$220,000.00 |
| | Caribbean Museum Center Improvements | CDBG | \$30,500.00 |
| | CCVI Transitional Housing/Outreach Ctr. Construction (STX) | CDBG | \$75,000.00 |
| | Civil Air Patrol Building Acquisition & Rehabilitation | CDBG | \$250,057.50 |
| | Ruby M. Rouss Storm Water Improvements | CDBG | \$90,500.00 |
| | Mon Bijou Community Center Construction | CDBG | \$36,413.90 |
| | Christiansted Boys and Girls Club Sewer Line Installation | CDBG | \$151,500.00 |
| | Program Admin 2015 | CDBG | \$392,913.20 |
| | | TOTAL | \$1,964,566.00 |

Grant: Housing Counseling Program

Grantor Agency: US Department of Housing and Urban Development (HUD)

Grant Description: The Housing Counseling grant is used to offset the cost of financial counseling and first time homebuyers counseling programs. The main focus of the VIHFA's housing counseling initiative is the provision of counseling and education to assist potential homebuyers.

Amount: \$43,368.00

Sub-Grantees: Not Applicable

LOCAL GRANTS

Currently, the VI Housing Finance Authority does not receive any local grants and/or contributions.

VENDORS

According to the Authority, VIHFA does not have any outstanding vendor payments in Fiscal Year 2016.

VEHICLES

The Authority has seven (7) vehicles in the St. Thomas/St. John district, and five (5) on the island of St. Croix for a total of twelve (12) vehicles. *Appendix IV* depicts a detailed listing of vehicles for VIHFA for Fiscal Year 2017.

SUMMARY

Act No. 6684 provides 70% of the proceeds of the accrued Stamp Tax to the General Fund and/, and 30% accrues to the Land Bank Fund to be used by the Housing Finance Authority to purchase land and provide affordable housing and home ownership throughout the Virgin Islands.

The Virgin Islands Housing Finance Authority Fiscal Year 2017 Governor's Recommended Budget is as follows:

| | |
|-------------|--|
| \$2,000,000 | General Fund FY 2017 Miscellaneous Budget |
| 240,000 | 30% - Stamp Tax Proceeds |
| <hr/> | |
| \$2,240,000 | FY 2017 Sub-Total Projected Operating Budget |



Jose L. George
Post Auditor

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018

| GOALS/KEY ACTIVITIES | BUDGET | START DATE | DURING FISCAL YEAR | | | | | | FUTURE | Target Start | Strategic Completion Date | Status |
|---|--|------------|--------------------|------|------|------|------|------|--------|--------------|---------------------------|--------|
| | | | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | | | | |
| GOAL 1: Increase access to, and reduce cost of, affordable housing in the US Virgin Islands. | | | | | | | | | | | | |
| Sub-Programs | | | | | | | | | | | | |
| 1.1a | Midway Center Phase 1 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.1b | Midway Center Phase 2 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.1c | Midway Center Phase 3 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.2a | Technical Services Phase 1 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Technical Services Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.2b | Technical Services Phase 2 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Technical Services Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.2c | Technical Services Phase 3 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Technical Services Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.3a | Midway Center Phase 4 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.3b | Midway Center Phase 5 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |
| 1.3c | Midway Center Phase 6 PROVIDING ECONOMIC SHELTER AND BUILD A HOME Developer: Midway Center Program | 2016-2018 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | | |

**VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018**

| GOAL 1: Increase access to, and reduce cost of, affordable housing in the US Virgin Islands continued | | | | | | | | | |
|---|----------|--|------|------|---|-------------------|--------------------------|---------|--|
| OBJECTIVES | OUTPUT | Strategic Plan Year | | | STRATEGIES & ACTIVITIES | Target Start Date | Strategy Completion Date | Status | |
| | | FY16 | FY17 | FY18 | | | | | |
| 2. Emergency Housing | | | | | | | | | |
| Priority Area: St. Croix | | | | | | | | | |
| 2.1 Campo Rico | | Develop action plan to utilize the existing parcels and to erect housing in the aftermath of a storm or disaster | | | 1. Emergency Response Plan - Emergency plan for Emergency Housing in the aftermath of a storm or natural disaster | 12/1/2015 | 9/30/2017 | ongoing | |
| 2.2 Campo Rico | 12 units | Develop unit construction from 1 to 12 units in 3 bed rooms | | | 2. Determine total number of area and increase unit size to accommodate more families. | 9/1/2015 | 3/31/2018 | ongoing | |
| 2.3 Profit | 12 units | Design unit construction from 1 section to 2 buildings | | | 3. Determine unit number of units and increase unit size to accommodate more families. | 9/1/2015 | 3/31/2018 | ongoing | |
| 2.4 Affordable HM | 10 beds | Develop action plan to utilize the existing parcels and to erect housing in the aftermath of a storm or disaster | | | 4. Investigate and use alternative building materials and systems to reduce Emergency housing costs. | 10/1/2015 | 9/30/2017 | ongoing | |
| Priority Area: St. Thomas | | | | | | | | | |
| 2.5 Charlotte Apartments | 30 units | Transitioning from to permanent housing. Remove units to be sold for emergency housing stock. | | | 5. Update future policy regarding emergency response and use transition current response to permanent housing | 10/1/2015 | 9/30/2016 | ongoing | |
| 2.6 Affordable | 3 units | Develop scope of work to increase 4 units | | | 6. Increase amount of EIC units in STT | 1/1/2015 | 10/31/2016 | ongoing | |
| Priority Area: St. Thomas | | | | | | | | | |
| 3.1 Long Term Rentals | | Assess Apartment Start On 20% barrier ready by February 2016. Ref. for 25.9% by April 2016 | | | 1. Develop apartment and convert commercial multi-story mixed used buildings | 4/1/2016 | 1/31/2018 | ongoing | |
| 3.2 Affordable | 12 units | Complete design and RFP for construction | | | 2. Convert commercial multi-story mixed used buildings | 9/1/2015 | 12/31/2018 | ongoing | |

**VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018**

| OBJECTIVES | OUTPUT | Strategic Plan Year | | | Strategies & Activities | Target Start Date | Strategy Completion Date | Status |
|---|--|---------------------|------|------|---|-------------------|--------------------------|---------|
| | | FY16 | FY17 | FY18 | | | | |
| 4. Counseling Services | | | | | | | | |
| 4.1 Home Buyer Education Program | 5 classes per district 20 course credits | | | | 4. Increase knowledge of Home Buyer Education Services. Create/Introduce online classes | 10/1/2015 | 9/30/2018 | ongoing |
| 4.2 Post Purchase Financial Counseling | 50 | | | | 2. Provide Post-Purchase Financial Counseling to clients who are in the process of closing on a loan | 10/1/2015 | 9/30/2018 | ongoing |
| 4.3 Pre Purchase Housing Counseling | 35 | | | | 3. Assist clients with obtaining the financial tools necessary to attain homeownership | 10/1/2015 | 9/30/2018 | ongoing |
| 4.4 Refinancing/Foreclosure Prevention Counseling & Seminar | 15 | | | | 4. Conduct counseling and seminars to aid clients who are in the process of refinancing or preventing foreclosure | 10/1/2015 | 9/30/2018 | ongoing |
| 4.5 Financial Literacy Program on High Schools | | | | | 5. Conduct seminar on various financial topics and setting goals | 10/1/2015 | 9/30/2018 | ongoing |
| 5. Small Contractor Training | | | | | | | | |
| 5.1 Contractor Trainings | 2 classes provided | | | | 6. Conduct small contractor training program (look at existing and provide additional) one session per district 2 per | 10/1/2015 | 9/30/2018 | ongoing |

**VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018**

| OBJECTIVES | OUTPUT | Strategic Plan Year | | | STRATEGIES & ACTIVITIES | Target Start Date | Strategy Completion Date | Status |
|--|--|---|--|--|--|-------------------|--------------------------|----------|
| | | FY16 | FY17 | FY18 | | | | |
| GOAL 2: Improve the quality of life of US Virgin Islanders through community development initiatives. | | | | | | | | |
| Priority Area: St. Croix | | | | | | | | |
| 1. Example: Kings Hwy, Forest & Belvidere Water Project | Multi-pronged Improvements: Public works focus for all terrain | Architectural Design & Final Planning | Final Construction | Phase 1 & Phase II Development | 1. Develop 45 acres parcel into 24 1000 sq foot smaller 2. Install concrete walkway to all units 3. Engage managers & council members in the territory by collaborating with the other Agency Council on line-up of services and other public and private stakeholders | 06/1/2015 | 7/30/2016 | On Site |
| 2. Project: Decrease Homelessness in the Territory | | Collaborate with multiple to identify challenges for combating homelessness | Acct of Identity & establishing permanent supportive housing | residence to improve the secure violation of claim and participate | | 06/1/2015 | 9/30/2016 | On going |
| Priority Area: St. Thomas | | | | | | | | |
| 1. Project: Water Meter Project | Reduce water costs for all households | Complete water | | | 1. Install water meters to 14 remaining houses & Street Meters | 06/1/2015 | 9/30/2016 | On going |

**VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018**

| OBJECTIVES | OUTPUT | Strategic Plan Year | | | STRATEGIES & ACTIVITIES | Target Start Date | Strategy Completion Date | Status |
|---|-----------------------|---|------|------|---|-------------------|--------------------------|---------|
| | | FY16 | FY17 | FY18 | | | | |
| GOAL 3: Redevelop and revitalize urbanized areas of the Territory. | | | | | | | | |
| 1. Hill Street and Market Street (Redevelopment of 2 Towns) | 1. Hill housing units | Continue strategic partnership with EDA and other for strategic partners on the development of the following areas: Hill, Market and South Street, Redoubt, Sparrow, Bernerside, Garden Street & adjacent | | | 1. Identify value proposition, evaluate and track current resources to allow for purchase & revitalization program. Further explore the creation of a loan/grant program for the rehabilitation of distressed downtown properties. 2. Explore redevelopment strategy for 5 Hill Street & South Street, adding other sources of funding including FHECSI, bond funding. 3. Leverage federal grant funding to rehabilitate Hill property. | 10/1/2015 | 9/30/2018 | Ongoing |
| 2. 500 Smith and Strand Streets (Rehabilitation of 2 Towns) | 2. Hill housing units | | | | | 10/1/2015 | 9/30/2018 | Ongoing |
| 3. Hill Property | 3. Hill membership | | | | | 10/1/2015 | 9/30/2018 | Ongoing |
| Priority Area: St. Thomas | | | | | | | | |
| 4. Warren E. Brown | 4. Hill units | Design & Engineering | | | 4. Develop affordable housing units. Consider real development stability by providing insurance of new/legacy investments. | 10/1/2015 | 9/30/2018 | Ongoing |

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018

| OBJECTIVES | OUTPUT | Strategic Plan Year | | | Strategies & Activities | Target Start | Strategy Completion | Status |
|---|--------|---------------------|------|------|---|--------------|---------------------|---------|
| | | FY16 | FY17 | FY18 | | | | |
| GOAL 4: Develop and Implement strategies towards corporate self-sufficiency. | | | | | | | | |
| 1. Revenue Generating | | | | | | | | |
| 1. Measure | | | | | 1a. Explore the renovation of one St. Thomas office. Research structure in former commercial space. Develop business plan for rental housing. 1b. Assess: full cost recovery of project expenditures. Consider annual housing expenditure to broader societal and estimate the programs of the HFA. 1c. Explore feasibility of private placement bond financing. Explore and secure grant funding. Review insurance portfolio to increase rate of return while maintaining VHFH risk tolerance. 1d. Develop funding streams by applying to other related and prime sources of funding. | 10/1/2015 | 6/30/2016 | ongoing |
| 2. | | | | | 1e. Position HFA to receive additional revenue from expansion to include: | | | |
| 3. | | | | | 1f. Establish partnerships with public and private entities to access technical assistance and revenue generating opportunities. | 10/1/2015 | 6/30/2016 | ongoing |
| 4. | | | | | 1g. Increase sales revenue by 20% | 10/1/2015 | 6/30/2016 | ongoing |

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY
 THREE-YEAR STRATEGIC PLAN
 2016 - 2018

| OBJECTIVES | OUTPUT | Strategic Plan Year | | | Failure | STRATEGIES & ACTIVITIES | Target Start Date | Strategy Completion Date | Status |
|--|--|--|--|--|---------|---|-------------------|--------------------------|---------|
| | | FY16 | FY17 | FY18 | | | | | |
| GOAL 5: Create a High Performing Workforce | | | | | | | | | |
| 1. Technical Development | Provide training & Certification for Staff Development | | Conduct Needs Assessment | | | 1. Evaluate professional development needs. Develop professional development needs assessment. Provide annual budget for staff development and training. Prioritized by a written budget strategy. | 10/1/2015 | 3/30/2018 | ongoing |
| 2. Staff (Professional Training) | 100% staff participation | 30% of staff each year would receive professional skills training related to job description | 70% of staff each year would receive professional skills training related to job description | year would receive professional skills training related to job description | | 2. Complete needs assessment & implement Training Program as appropriate | 10/1/2015 | 4/30/2018 | ongoing |
| 3. Leadership Training (Senior Staff) | 100% executive and senior staff participation | 1 Executive staff member (Director, Senior Staff) per year | 2 Executive staff member (Assistant Director, 2 Senior Staff) per year | member receiving training. Senior staff team building | | 3. Complete needs assessment & implement Training Program as appropriate | 10/1/2015 | 6/30/2018 | ongoing |
| 4. Team Building Activities | 100% staff participation | Separate team building activities (staff activities) by site | Joint staff team building activities | building separate (staff activities) by site | | 4. Complete needs assessment & implement Training Program as appropriate | 10/1/2015 | 9/30/2018 | ongoing |
| 5. Certification | Minimum staff certifications | Ensure that 100% of the employees are cert. current | Ensure that 100% of the employees are cert. current | certifications are kept current | | 5. Complete needs assessment & implement Training Program as appropriate | 10/1/2015 | 11/30/2018 | ongoing |
| 6. Succession Plan | Develop next user ready within 90 days | Develop a succession plan program | Develop a succession plan program | Identify staff for management training | | 6. Develop a succession plan program to ensure the retention of personnel with skills and talents to ensure future leadership. Cross division planning and program development. Specific agreement of training or hiring staff training | 10/1/2015 | 9/30/2018 | ongoing |
| 7. Board Members (Executive Director) Structure to Increase Efficiency | Board Members (Executive Director) become self sufficient agency | Conduct Board Review | Provide Training Opportunities | | | 7. Provide training opportunities for all HR & Board Members | 10/1/2015 | 3/30/2018 | ongoing |

APPENDIX II
PERSONNEL LISTING

| Job Title | Salary | Employment Status | Retirement Status | District |
|--|-----------------------|-------------------|-------------------|---------------------|
| Accountant I | \$36,000.00 | Filled | Tier II | St. Thomas/St. John |
| Loan Processor | \$46,000.00 | Filled | Tier II | St. Thomas/St. John |
| Collections and Servicing Processor II | \$41,000.00 | Filled | Tier I | St. Croix |
| Accountant II | \$50,000.00 | Filled | Tier I | St. Thomas/St. John |
| Director of Collections and Servicing | \$72,000.00 | Filled | Tier I | St. Thomas/St. John |
| Director of Human Resources | \$67,000.00 | Filled | Tier I | St. Thomas/St. John |
| Accountant II | \$50,000.00 | Filled | Tier II | St. Thomas/St. John |
| Homeownership Manager | \$58,000.00 | Filled | Tier I | St. Thomas/St. John |
| Construction Manager | \$58,000.00 | Filled | Tier II | St. Thomas/St. John |
| Community Development Block Grant (CDBG) Manager | \$58,000.00 | Filled | Tier I | St. Thomas/St. John |
| Executive Administrative Assistant | \$54,400.00 | Filled | Tier I | St. Thomas/St. John |
| Director of Planning & Construction | \$80,000.00 | Filled | Tier I | St. Croix |
| Chief Financial Officer | \$90,000.00 | Filled | Tier II | St. Thomas/St. John |
| Director of Federal Programs | \$80,000.00 | Filled | Tier I | St. Croix |
| Administrative Assistant | \$31,750.00 | Filled | Tier I | St. Thomas/St. John |
| Procurement/Contract Officer | \$49,920.00 | Filled | Tier II | St. Croix |
| Homeownership Coordinator II | \$39,520.00 | Filled | Tier II | St. Thomas/St. John |
| Emergency Solutions Grant (ESG) Coordinator | \$37,440.00 | Filled | Tier II | St. Croix |
| Housing Coordinator | \$38,000.00 | Filled | Tier I | St. Croix |
| Homeownership Coordinator III | \$52,500.00 | Filled | Tier I | St. Thomas/St. John |
| Associate Planner I | \$41,600.00 | Filled | Tier II | St. Thomas/St. John |
| Legal Counsel | \$90,000.00 | Filled | Tier II | St. Croix |
| Collections and Servicing Processor III | \$50,000.00 | Filled | Tier I | St. Thomas/St. John |
| Homeownership Coordinator III | \$50,000.00 | Filled | Tier I | St. Croix |
| Homeownership Coordinator II | \$43,680.00 | Filled | Tier I | St. Croix |
| Construction Manager | \$58,000.00 | Filled | Tier II | St. Croix |
| Executive Administrative Assistant | \$45,760.00 | Filled | Tier II | St. Croix |
| HOME Program Coordinator | \$37,440.00 | Filled | Tier II | St. Croix |
| Accountant III | \$57,373.00 | Filled | Tier I | St. Thomas/St. John |
| Projects and Grant Administrator | \$65,000.00 | Filled | Tier I | St. Croix |
| Director of Homeownership | \$75,000.00 | Filled | Tier I | St. Croix |
| Chief Operating Officer | \$90,000.00 | Filled | Tier II | St. Thomas/St. John |
| Associate Planner II | \$48,000.00 | Filled | Tier I | St. Croix |
| Collections and Service Processor II | \$41,000.00 | Filled | Tier II | St. Thomas/St. John |
| Executive Director | \$110,000.00 | Filled | Tier I | St. Croix |
| SUB-TOTAL FILLED POSITIONS | \$1,992,383.00 | | | |
| Construction Manager | \$58,000.00 | Temporary | 7/29/2016 | St. Thomas/St. John |
| Administrative Assistant | \$25,000.00 | Temporary | 5/20/2016 | St. Croix |
| SUB-TOTAL TEMPORARY POSITIONS | \$83,000.00 | | | |
| Director of Accounting | 80,000.00 | Vacant | | |
| Internal Auditor | 54,811.00 | Vacant | | |
| VIHM Executive Director | 64,000.00 | Vacant | | |
| SUB-TOTAL VACANT POSITIONS | \$198,811.00 | | | |
| FISCAL YEAR 2017 TOTAL PERSONNEL LISTING | \$2,274,194.00 | | | |

APPENDIX III
VIRGIN ISLANDS HOUSING FINANCE AUTHORITY CONTRACT LISTING

| Fiscal Year 2016 Contract List | | | | |
|---|--|-----------------------------|--------------------------|---------------------------------|
| Vendor's Name | Type of Service | Contract Amount | Terms of Contract | Payments Made to Present |
| Rijo Consultant, Maintenance & Repairs, LLC | Painting services and roof repair at Frenchtown Plaza, STT | \$49,446.00 | 10/2/15 – 1/2/16 | \$44,520.02 |
| John Peter d/b/a J&P Construction | Construct roadway, Estate Nazareth East Subdivision, STT | \$49,300.00 | 10/27/15 – 1/27/15 | \$54,020.00 |
| MCE Contracting, LLC | General repairs on Estate Staabiland Emergency Housing Unit, STT | \$14,105.00 | 10/29/15 – 12/29/15 | \$7,600.00 |
| ABC Concepts, Inc. | Installation of chain link fence and gate, Estate Honduras Storage Facility, STT | \$17,914.00 | 11/5/15 – 2/5/16 | \$17,914.00 |
| Rumina Construction, LLC | Drainage rerouting and driveway paying VIHFA Storage Facility, STT | \$36,000.00 | 11/4/16 – 1/4/16 | \$36,000.00 |
| Bert Smith & Co. | Professional auditing services Fiscal Year 2015 – 2019 | \$212,418.00 | 11/24/15 – 11/23/17 | No payment activity |
| Islands Roads Corporation | Construct water main and service connection, Estate Altona, STT | \$232,000.00 | 11/25/15 – 2/24/15 | No payment activity |
| VI Landscaping, Inc. | Landscaping services St. Thomas Emergency Rental Properties | \$2,875.00 | 11/25/15 – 5/24/16 | \$3,350.00 |
| Nelson Joseph | Exterior janitorial and landscaping services, St. Thomas office | \$10 per hour. 40 hour max. | 1/1/16 – 12/31/17 | \$1,840.00 |
| rbc Services, LLC | Construction management professional services, STX | 154,632.00 | 2/29/16 – 11/31/16 | \$95,097.16 |
| Smartnet, LLC | IT network maintenance and Break-Fix support VIHFA Facilities | 66,948.00 | 3/1/16 – 2/28/18 | \$75,362.84 |
| NIMAL, LLC | Construction management professional services, STT | \$101,400.00 | 3/17/16 – 3/16/17 | No payment activity |
| R& T Unlimited Security, LLC | Security services, HBEP Classes, VIHFA Lagoon Complex, STX | \$23.85 per hour | 4/7/16 – 4/6/17 | \$1,365.43 |
| GMG Ventures, LLC | Professional services to develop a Three-Year Strategic Plan for VIHFA | \$4,937.50 | 4/10/16 – 4/9/18 | \$4,937.50 |
| Seal Tight, LLC | Perform structural repairs to storage building No. 1 Estate Honduras, STT | \$17,348.00 | 4/21/16 – 5/20/16 | No payment activity |
| Environmental Concepts, Inc. | Removal of asbestos – Containing materials Queen Louise Apartment, STT | \$188,600.00 | 5/2/16 – 9/2/16 | No payment activity |
| John Peter d/b/a J&P Construction | Construction of roadway new subdivision Estate Nazareth (East), STT | \$420,000.00 | 5/2/16 – 9/2/16 | No payment activity |
| Big Lee Repairs & Tile, Inc. | Demolition of Ross Apartments, STT | \$163,911.00 | 5/3/16 – 11/3/16 | No payment activity |
| TOTAL | | | | \$342,006.95 |

APPENDIX IV
VIRGIN ISLANDS HOUSING FINANCE AUTHORITY VEHICLE LISTING

St. Thomas/St. John District

| ACTIVITY CENTER | MAKE | MODEL | YEAR | LICENSE PLATE NO. | FUNDING | LEASE/OWN | CONDITION | MAINT' COST | GAS AMOUNT |
|-----------------|-----------|------------|------|-------------------|-----------|-----------|--------------|-------------------|-------------------|
| | CHEVROLET | TRAVERSE | 2010 | HFA-2 | OPERATING | OWN | GOOD | \$925.89 | \$1,365.39 |
| | FORD | ESCAPE SE | 2014 | HFA-3 | OPERATING | OWN | EXCELLENT | \$644.79 | \$830.77 |
| | FORD | ESCAPE SE | 2015 | HFA-4 | OPERATING | OWN | EXCELLENT | \$256.00 | \$747.40 |
| | JEEP | WRANGLER | 2016 | HFA-6 | OPERATING | OWN | EXCELLENT | \$315.93 | \$273.77 |
| | CHEVROLET | EQUINOX | 2009 | HFA-8 | OPERATING | OWN | FAIR | \$256.00 | \$475.43 |
| | CHEVROLET | COLORADO | 2010 | HFA-11 | OPERATING | OWN | GOOD | \$1,887.48 | \$1,210.24 |
| | CHEVROLET | EQUINOX LS | 2008 | HFA-12 | OPERATING | OWN | FAIR | \$485.84 | \$416.61 |
| | | | | | | | TOTAL | \$4,771.93 | \$5,319.61 |

St. Croix District

| ACTIVITY CENTER | MAKE | MODEL | YEAR | LICENSE PLATE NO. | FUNDING | LEASE/OWN | CONDITION | MAINT' COST | GAS AMOUNT |
|-----------------|-----------|-------------|------|-------------------|-----------|-----------|--------------|-------------------|-------------------|
| | FORD | EXPLORER | 2014 | HFA-1 | OPERATING | OWN | EXCELLENT | \$134.85 | \$673.65 |
| | CHEVROLET | MALIBU 1LT | 2011 | HFA-14 | OPERATING | OWN | GOOD | \$127.07 | \$40.60 |
| | CHEVROLET | TRAILBLAZER | 2008 | HFA-15 | OPERATING | OWN | GOOD | \$149.93 | \$874.21 |
| | CHEVROLET | COLORADO | 2010 | HFA-27 | OPERATING | OWN | FAIR | \$580.86 | \$1,356.18 |
| | FORD | ESCAPE SE | 2015 | HFA-30 | OPERATING | OWN | EXCELLENT | \$115.95 | \$682.27 |
| | | | | | | | TOTAL | \$1,108.66 | \$3,626.91 |