



Legislature of the Virgin Islands

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POST AUDIT DIVISION

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COMMITTEE ON FINANCE FISCAL YEAR 2017 BUDGET HEARING

VIRGIN ISLANDS HOUSING AUTHORITY

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BACKGROUND AND HISTORY

The Virgin Islands Housing Authority (VIHA) is a public housing corporation that operates under the provision of the U. S. Housing Act of 1937, as amended, the Quality Housing and Work Responsibility Act of 1998 and the Virgin Islands Code (V.I.C)

VIHA was established in 1941 when the municipal councils of St. Thomas/ St John and St. Croix passed an ordinance creating municipal housing authorities into a single agency, the Virgin Islands Housing and Redevelopment Authority (VIHRA) with tri – island jurisdiction. In 1962 Act No. 903 of the Virgin Islands Legislature established the Virgin Islands Housing Authority.

VIHA is empowered with the responsibility for planning, financing, constructing, maintaining, and managing public housing developments on the islands of St. Croix and St. Thomas which comprise approximately 15% of the total territorial housing stock.

Currently, VIHA consists of three thousand two hundred eighty-seven (3,287) public housing units in twenty-seven (27) projects, which are grouped into twelve (12) primary cost centers. The property groupings are called Asset Management Groups (AMP). Five (5) AMPs on the district of St. Thomas and five (5) on the district of St. Croix. These are operated and managed by VIHA, and Louis E. Brown Villa I and II are privately managed.

The Government of the Virgin Islands is obligated to provide municipal services to public housing communities pursuant to the 1956 Cooperative agreement, as amended to include but not limited to educational facilities, police and fire protection, garbage collection/disposal maintenance of street lights, roads and provide water. VIHA’s priority is to empower the public housing residents through training and practical experiences. The objective of these initiatives is to provide incentives and encouragement as they become more responsible. Additionally, the residents will be equipped to obtain the capability of managing their affairs in the communities and to actively participate in activities that will be beneficial to the entire community.

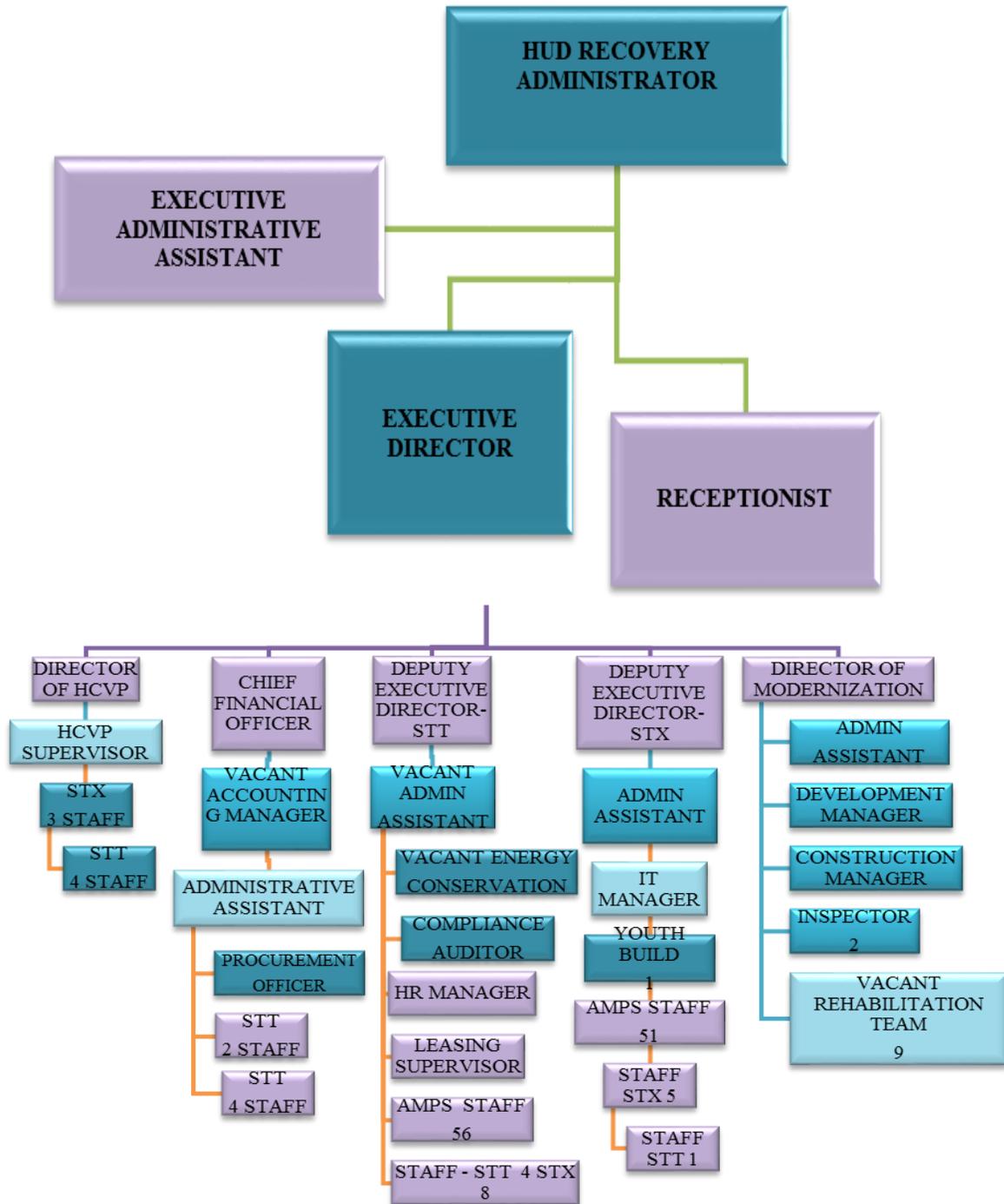
VIHA mission is *"To Create Vibrant, Dynamic, Sustainable Communities So Families Can Evolve Economically, and To Improve Lives and Strengthen Communities Through Quality, Safe and Affordable Housing And By Providing A Myriad Of Services To Empower Public Housing Residents."*

BOARD MEMBERS

Below is a list of the board members.

Board Members	Title
Noreen Michael	Chairperson
Vivian Ebbessen-Fludd	Vice- Chairperson
George Blackhall	Commissioner
Luis Sylvester	Commissioner
Daphne Edwards	Commissioner
Colette Jones	Commissioner
Adrienne Williams	Commissioner

VIHA organizational chart displayed below.



FY 2016 ACCOMPLISHMENTS

- Renamed the Sugar Estate facility to Celestino A. White Senior Citizens Home.
- Completed demolition project at Ralph De Chabert (cost- \$42 million).
- Implemented a Self- Directed Energy Performance contract (EPC) for energy saving.
- Cleared land to begin Louis E. Brown Phase III.
- Approved closed circuit televisions for safety and surveillance.

FY 2017 GOALS

Virgin Islands Housing Authority has embarked upon five main goals with twenty-five objectives incorporated; twelve of the objectives have been met.

- To enhance governance and agency organizational sustainability through system, quality control and management reporting.
- To implement redevelopment plan through demolition, new development acquisition modernization, sales of assets or repositioning.
- To improve Asset Management effectiveness through oversight, training, standardization, and time management.
- To replicate Financial Management best practices to achieve budget driven efficiency and increase positive cash flow in all cost centers.
- To energize progressive residents to leverage pride and forge self sufficiency.

LOW INCOME PUBLIC HOUSING (LIPH) BUDGET OVERVIEW

Exhibit I displays a summary of the Low Income Public Housing FY 2015 and FY 2016 operating budget.

Exhibit I

	FY 2015 Budget	FY 2016 Budget	Variance
Revenues:			
Dwelling Rental	\$ 4,007,125	\$ 3,847,763	(\$ 159,362)
Operating Subsidy	21,029,493	22,166,374	1,136,881
Other Income	206,689	210,807	4,118
CFP Operating Revenues	450,000	450,000	-
Total Revenues	25,693,307	26,674,944	981,637
Expenses:			
Administrative Expenses	6,758,584	7,420,843	662,259
Residents Services	912,222	996,402	84,180
Utilities	8,114,701	7,041,015	(1,073,686)
Maintenance	7,004,921	7,773,062	768,141
Insurance	1,058,820	1,104,789	45,969
General Expenses	279,557	542,050	262,493
Total Operating Expenses	24,128,805	24,878,161	749,356
EPC Loan- Interest Expense*	171,537	139,646	(31,891)
	24,300,342	25,017,807	717,465
Cash flow from Operations	\$1,392,965	\$1,657,137	\$ 264,172

**Energy Performance Contract*

Exhibit II displays a summary of VIHA projected revenues for FY 2016

Exhibit II

Categories	Projected Amount (Millions)	Percentage
Revenues:		
HUD subsidy	\$22.1	83%
Rental Contribution	3.8	14%
Other Income & Capital Fund	.7	3%
Totals	\$26.6	

Exhibit III displays a summary VIHA Assets Management Projects (AMPs) projected expenses for FY 2016.

Exhibit III

Categories	Projected Amount (Millions)	Percentage
Expenses:		
Maintenance	\$7.8	32%
Administrative Expenses	7.4	30%
Utilities	7.0	28%
Insurance	1.1	4%
General Expenses	1.5	6%
Totals	\$24.8	

HISTORICAL DATA OVERVIEW

Exhibit IV displays the active Public Housing Inventory for FY 2015.

Exhibit IV

	No. of Projects	Total ACC Units	Occupied Units	Vacant Units	Occupancy Percentage
STT Viable	9	1472	1405	67	96%
STX Viable	12	883	786	87	89%
Totals	21	2355	2191	154	84%

Exhibit V displays the distressed Public Housing Inventory for FY 2015.

Exhibit V

	No. of Projects	Total ACC Units	Occupied Units	Vacant Units	Occupancy Percentage
Distressed -STX	3	606	292	314	41%
Non Viable-STX	2	326	0	326	0%
Totals	5	932	292	685	27%

CAPITAL FUND GRANT PROGRAM (CFGP)

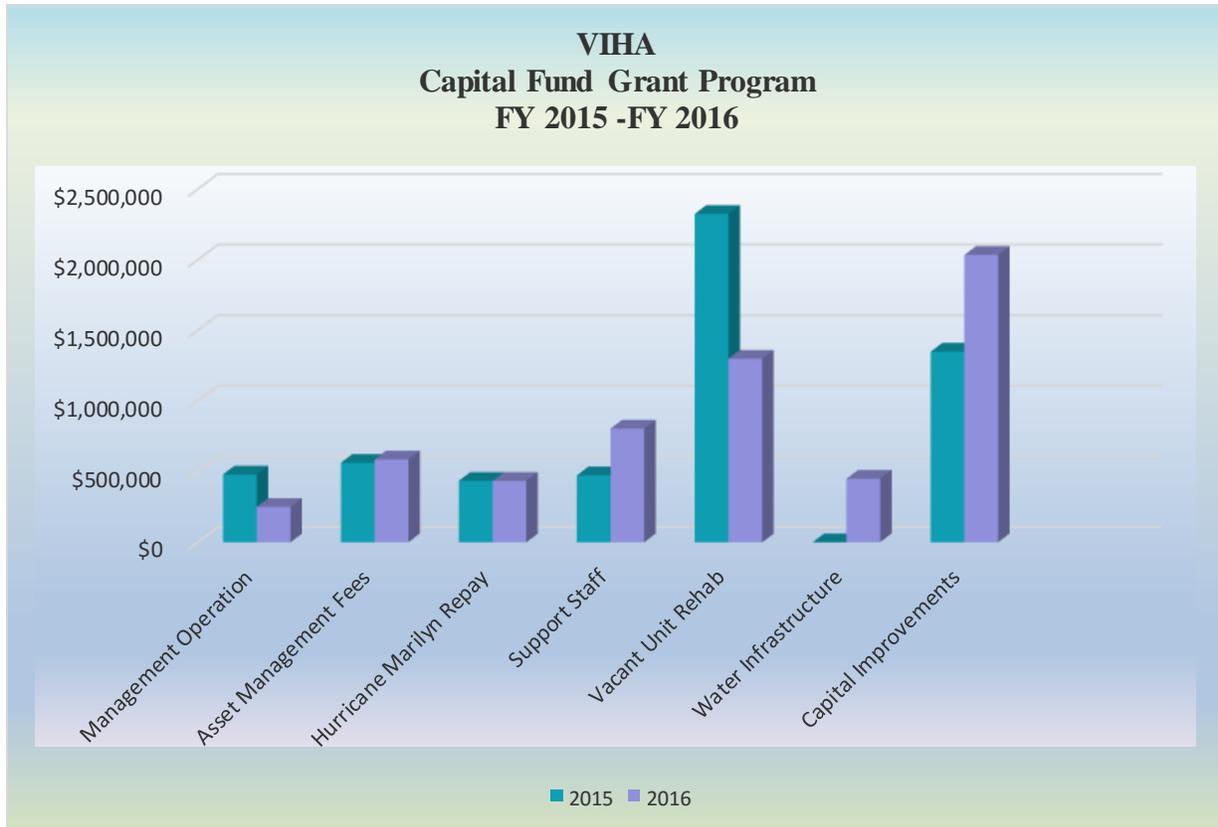
Exhibit VI displays a summary of the Capital Fund Grant Program (CFGP) (FY-2013-FY2016)

Exhibit VI

Years	Approved Funds	Obligated Amounts	Unobligated Amounts	Amount Expended	Amount Unexpended
2013	\$ 4,489,509	\$ 4,489,509	\$ -	\$ 4,192,942	\$ 296,567
2014	5,004,444	5,004,444	-	3,800,317	1,204,127
2015	5,625,512	4,225,013	1,400,499	2,680,214	2,945,298
2016	5,861,050	-	5,861,050	-	5,861,050
E-2014	4,279,414	4,279,414	-	4,279,414	-
Totals	\$ 25,259,929	\$17,998,380	\$ 7,261,549	\$ 14,952,887	\$ 10,307,042

Exhibit VII displays a distribution of the Capital Fund Grant Program (CFGP) for FY 2015 and FY 2016.

Exhibit VII



PROFESSIONAL SERVICE CONTRACTS

Exhibit VIII displays the VIHA’s Professional Service Contracts.

Exhibit VIII

Vendor	Type of Service	Balance	Status/ Comments
Federal Emergency Management Agency (FEMA)	Hurricane Expenses	\$ 869,988	An agreement between VIHA and the Government of the U.S. Virgin Islands to repay funds granted in relation Hurricane Marilyn
Water & Power Authority (WAPA)	Utilities	Undetermined	VIHA and WAPA are currently in discussion to make a determination of the correct amount of the bill. VIHA is unsatisfied with the charges
Virgin Islands Department of Labor (VIDOL)	Unemployment Insurance	Undetermined	VIHA and VIDOL are currently in discussion to make a determination of the correct amount of the bill. VIHA is unsatisfied with the charges
Totals		\$869,988	

RENTAL PROPERTIES

Exhibit IX displays VIHA’s current rental properties.

Exhibit IX

Lessee	Address	Sq. Ft.	Annual Rent	Status/ Comments
Government of the Virgin Islands(HeadStart)	No.2-3A Estate Bovoni, St. Thomas	1,010	\$2,400	<i>Expires 09/30/2016</i>
Government of the Virgin Islands(HeadStart)	Parcel No. 173-339, Willie George Community Center, St. Thomas	4,105	7,800	<i>Expires 09/30/2016 (Pending Signature)</i>
Government of the Virgin Islands(HeadStart)	Plot No. 230 Two Brothers, Smithfield, St. Croix	1,500	2,400	<i>New Lease Pending</i>
Government of the Virgin Islands(HeadStart)	Paul M. Pearson Gardens, St. Thomas	722	-	<i>New Lease Pending</i>
Virgin Islands Police Cadet	Plot No. 158 Williams Delight Community Center, St. Croix	960	-	<i>New Lease Pending</i>
Virgin Islands Police Substation	No. 215 Estate Annas Retreat, St Thomas	3,648	1	<i>Expires 08/31/2016</i>
Totals		11,945	\$12,601	

VEHICLE LISTING

VIHA currently maintains a fleet of **fifty-nine (59)** vehicles on both districts. All the vehicles are federally funded.

- ❖ *The St. Thomas District has a total of twenty -six (26) vehicles, of which eleven (11) are EZ -GO carts and one (1) backhoe*
- ❖ *The St. Croix District has thirty-three (33) vehicles, of which twelve (12) are EZ -GO carts and one (1) backhoe.*

HOUSING CHOICE VOUCHER PROGRAM (SECTION 8)

There are two (2) provisions that fund this program- the U.S. Department of Housing and Urban Development (HUD) and Housing Assistance Payments (HAP) . As of April 30, 2016 the total subsidy & other income totaled **\$1,123,177** and HAP costs totaled **\$1,121,958** creating a difference of **\$1,219**. This amount will cover the payments for landlords in both districts. Presently **1,546** families are participating in the program.

HIGHLIGHTS

The VIHA Assets Management Projects (AMPs) projected expenses summary total for FY 2016 submitted by VIHA is **\$25.6 million**, but as per calculation the amount totaled **\$24.8 million** - a difference of **\$.8 million**. (Page 5).

SUMMARY

VIHA's total cash flow from operation for FY 2016 is **\$1,657,137**; this represents an increase of **\$264,172** above FY 2015 total cash flow from operations of **\$1,392,965**. The approved funds for the Capital Fund Grant Program (CFGF) for FY 2016 is **\$5,861,050**; this represents an increase of **\$235,538** above FY 2015 amount of **\$5,625,512**.

The Authority has indicated that 12 of their 25 FY 2017 objectives have been met in FY 2016. However, no indication of the 25 objectives nor the 12 that have been met has been provided.



Jose L. George
Post Auditor

