Virgin Islands Housing Authority

Semi-Autonomous Agency

VIRGIN ISLANDS HOUSING AUTHORITY

Housing the People of Paradise

36th Legislature of the Virgin Islands

Committee on Budget, Appropriations and Finance

FY 2027 Budget Hearing Testimony

Wednesday, August 5, 2026

Presented By:

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Executive Director

Opening Remarks

Good afternoon, Honorable Novelle E. Francis, Jr., Chairperson of the Committee on Budget, Appropriations and Finance of the 36th Legislature; Vice-Chair Senator Marvin A. Blyden; and Committee Members Senator Dwayne M. DeGraff, Senator Ray Fonseca, Senator Marise C. James, Senator Kurt A. Vialet, and Senator Hubert L. Frederick. Good afternoon as well to all other distinguished members of the 36th Legislature; fellow government officials; members of the media; community partners; the dedicated employees of the Virgin Islands Housing Authority; and the residents of the Virgin Islands whom we are privileged to serve.

I am Dwayne Alexander, CPM®, Executive Director of the Virgin Islands Housing Authority, and it is both an honor and a privilege to appear before you today to present the Authority's Fiscal Year 2027 Budget and provide an update on the progress, challenges, and opportunities before our organization.

Today's testimony represents far more than a presentation of revenues and expenditures. It reflects the continued transformation of an agency committed to accountability, responsible stewardship, operational excellence, and expanding opportunities for the families we serve throughout the Virgin Islands. Every budget reflects priorities. Every appropriation reflects responsibility.

Every public dollar entrusted to this Housing Authority represents an investment in stronger families, safer communities, economic opportunities, and a better quality of life for thousands of Virgin Islanders. As Executive Director, I remain committed to ensuring that every resource entrusted to this Authority is managed with integrity, transparency, and accountability while advancing our mission of providing safe, decent, and affordable housing.

I sincerely appreciate the Committee's continued partnership and oversight and thank you for the opportunity to appear before you today.

Executive Leadership

Joining me today are members of the Virgin Islands Housing Authority's executive leadership team, whose expertise, professionalism, and unwavering commitment continue to strengthen this organization and advance our mission throughout the Territory. Joining us from the Legislature on the island of St. Croix are Mrs. Lydia Pelle, Chief Operating Officer, and Mr. Robert Protho, Director of Administration.

Joining me here in the chambers are:

- Mrs. Cecile Tonge-Fahie, Chief Financial Officer
- Mrs. Emmanuella Perez-Cassius, Director of Resident Wellness and Empowerment
- Ms. Ingram Brown, Director of Human Resources

- Ms. Chasity Jackson, Director of Asset Management
- Mrs. Akala Anthony

Should the Committee have technical, financial, operational, or program-specific questions during today's hearing, members of my leadership team are ready to provide additional information and clarification. Their knowledge and dedication are among the Authority's greatest strengths, and I appreciate their continued service to the people of the Virgin Islands.

State of the Virgin Islands Housing Authority

Before discussing the Fiscal Year 2027 Budget, I would like to briefly provide the Committee with an overview of where the Virgin Islands Housing Authority stands today.

Over the past several years, the Housing Authority has experienced significant challenges while simultaneously undertaking one of the most ambitious periods of organizational transformation in its history. Like public housing authorities across the nation, VIHA has faced aging infrastructure, increasing operating costs, evolving federal regulations, workforce shortages, and uncertainty surrounding future federal funding.

Rather than allowing these challenges to define our future, we have chosen to address them directly through disciplined leadership, improved financial management, strengthened accountability, and strategic planning.

Today, I am proud to report that the Virgin Islands Housing Authority is stronger, more accountable, and better positioned than it has been in many years. We continue to maintain clean independent financial audits, strengthen our internal controls, implement our HUD-approved Recovery Plan, and advance a redevelopment pipeline representing one of the largest public investments in affordable housing in the history of the Virgin Islands.

While important work remains ahead, our progress demonstrates that the Housing Authority is moving in the right direction, guided by sound governance, fiscal discipline, and an unwavering commitment to serving the people of this Territory.

Employee Recognition

Before continuing, I would like to recognize the **167 dedicated employees** of the Virgin Islands Housing Authority.

Every family assisted. Every work order completed. Every inspection performed. Every redevelopment milestone achieved. Every financial report submitted. Every compliance requirement satisfied. Is the direct result of public servants who remain committed to improving the lives of our residents. The progress we report today reflects your professionalism, resilience, and unwavering dedication to public service.

On behalf of the Board of Commissioners and our executive leadership team, thank you for your continued commitment to the mission of the Virgin Islands Housing Authority.

Organizational Performance and Financial Standing

Mr. Chairman and Members of the Committee,

Fiscal Year 2026 has been a year of continued progress, disciplined financial management, and organizational improvement for the Virgin Islands Housing Authority.

Although challenges remain, I am pleased to report that the Authority continues moving in the right direction. Our focus has remained consistent, strengthening accountability, improving operational performance, rebuilding public confidence, modernizing our housing portfolio, and positioning VIHA for long-term sustainability. These priorities are reflected not only in this budget but also in the measurable progress the Authority has achieved during the past year.

Financial Stewardship

One of the strongest indicators of an organization's health is its financial management.

I am pleased to report that the Virgin Islands Housing Authority continues to maintain clean independent financial audits with no audit findings. This accomplishment reflects much more than compliance. It demonstrates the effectiveness of our internal controls, the professionalism of our Finance Department, and our commitment to ensuring every public dollar entrusted to this Authority is managed responsibly, transparently, and in accordance with federal requirements. I want to personally commend our Chief Financial Officer, Mrs. Cecile Tonge-Fahie, and the entire Finance Team for their dedication to maintaining the Authority's strong financial controls and accountability. Their work provides the foundation upon which every program administered by the Authority depends.

Organizational Performance

HUD evaluates public housing authorities using the Public Housing Assessment System (PHAS), which measures performance in four critical areas:

- Physical Condition
- Financial Condition
- Management Operations
- Capital Fund Program Performance

These measures provide an objective assessment of an agency's overall operational effectiveness and financial health. For Fiscal Year 2024, the Virgin Islands Housing Authority received 22 out of a possible 25 points under HUD's Financial Condition Indicator.

This score reflects a financially stable organization that continues strengthening its financial practices while responsibly managing millions of federal dollars on behalf of the people of the Virgin Islands.

Although our Fiscal Year 2025 PHAS score has not yet been finalized because our annual independent audit remains in progress, we are confident that the improvements implemented throughout the organization continue positioning VIHA for stronger performance.

Recovery to Resilience

Perhaps one of the most significant accomplishments achieved by the Authority is the progress made under our HUD Recovery Plan.

The Authority has successfully transitioned from HUD's Troubled designation and now operates under a structured Recovery Plan designed to strengthen every aspect of the organization. Our objective extends beyond simply achieving compliance but as an agency that consistently performs at the highest standards established by the U.S. Department of Housing and Urban Development.

The Recovery Plan serves as a roadmap for continuous improvement. It establishes measurable milestones that strengthen governance, improve operational efficiency, enhance financial management, increase occupancy, improve housing quality, and reinforce accountability throughout the organization.

We continue meeting those milestones through disciplined execution, regular performance monitoring, and collaboration with our HUD partners.

A Philosophy of Accountability

At VIHA, accountability is no longer viewed simply as a compliance requirement. It has become part of our organizational belief. We are strengthening performance expectations throughout every department. We are using data to support operational decisions. We are increasing transparency. We are modernizing internal processes. Most importantly, we are creating an agency that continuously measures its own performance and seeks opportunities for improvement. That philosophy is reflected throughout the Fiscal Year 2027 Budget before you today.

Looking Forward

Although federal funding uncertainty continues to present significant challenges for housing authorities nationwide, I remain optimistic about the future of the Virgin Islands Housing Authority. We have established stronger financial controls. We have strengthened our leadership team. We have improved our organizational performance. We have advanced transformative redevelopment projects. And we continue building stronger partnerships with HUD, the Legislature, community organizations, and our residents.

The budget before you reflect not only responsible fiscal planning but also our continued commitment to moving this Authority from recovery to resilience and ultimately to becoming one of HUD's highest-performing public housing authorities.

Transition to Budget Overview of the Authority's organizational and financial performance

I would like to now discuss the Fiscal Year 2027 Budget and the four major HUD programs that support our mission of providing safe, decent, and affordable housing throughout the Virgin Islands.

Fiscal Year 2027 Budget Overview

Mr. Chairman and Members of the Committee,

The Fiscal Year 2027 Budget before you reflect a disciplined, balanced, and forward-looking financial strategy designed to support the Virgin Islands Housing Authority's mission while preparing the organization for an evolving federal funding environment.

Like every public housing authority in the nation, VIHA operates within a funding structure that is largely dependent upon annual appropriations from the United States Department of Housing and Urban Development (HUD). Consequently, federal budget decisions made in Washington have a direct impact on our ability to operate, maintain, preserve, and expand affordable housing opportunities throughout the Virgin Islands.

As responsible stewards of public resources, we have developed this budget using conservative financial assumptions, prudent expenditure planning, and a continued commitment to protecting essential resident services. Our objective is to ensure that, regardless of future federal funding decisions, the Authority remains financially stable, operationally efficient, and capable of fulfilling its mission.

Simply put, this budget is designed to maintain today's operations while positioning VIHA to meet tomorrow's challenges.

Federal Funding Outlook

As many of you are aware, the President's proposed Fiscal Year 2027 Budget includes significant reductions to several federal housing programs, along with proposed policy changes that could affect rental assistance, homelessness initiatives, and community development programs nationwide.

While Congress has not yet completed the appropriations process, these proposals require every public housing authority to prepare responsibly for multiple funding scenarios.

Rather than waiting for final federal action, VIHA has already begun implementing prudent financial planning measures.

These measures include:

- Prioritizing expenditures that directly affect residents and property operations;
- Evaluating staffing needs to ensure essential services remain fully supported;
- Sequencing capital investments to maximize available federal resources;
- Closely monitoring monthly revenues and expenditures;
- Developing contingency plans should federal appropriations differ from current projections; and
- Continuing to identify opportunities to leverage disaster recovery, redevelopment, and other funding sources that reduce pressure on operating funds.

This proactive approach reflects our commitment to responsible financial management and ensures that the Authority remains prepared to respond to changing federal conditions while minimizing disruption to the residents we serve. Although uncertainty exists, our commitment to our residents does not.

Investment in the Virgin Islands

The Virgin Islands Housing Authority is much more than a housing provider. Each year, the Authority serves as an economic engine that brings millions of federal dollars into the Territory. These resources support:

- affordable housing for thousands of Virgin Islands families;
- employment opportunities for local residents;
- contracts for local businesses and contractors;
- construction and redevelopment projects;
- resident self-sufficiency programs;
- youth and family services;
- infrastructure improvements; and
- long-term community revitalization.

Every federal dollar invested through VIHA creates benefits that extend well beyond housing by supporting economic activity and improving the quality of life throughout our communities. For that reason, we view every appropriation as both a financial responsibility and an investment in the future of the Virgin Islands.

Overview of VIHA Programs

For the current fiscal year, HUD is expected to provide approximately **$49 million** to support the Authority's operations and housing assistance programs throughout the Territory. These federal resources support four core program areas that collectively form the foundation of the Virgin Islands Housing Authority:

Low-Income Public Housing (LIPH) approximately **$19 million** in operating subsidy to operate and maintain the Authority's public housing communities.

Capital Fund Program (CFP) approximately **$10.8 million** to modernize housing developments, rehabilitate vacant units, improve infrastructure, and preserve our public housing portfolio.

Housing Choice Voucher Program (HCV) approximately **$17 million** in Housing Assistance Payments and approximately **$1.9 million** in Administrative Fees to assist eligible families in securing safe and affordable housing within the private rental market.

Central Office Cost Center (COCC) — approximately **$1.1 million**, funded through allowable HUD administrative fees, to provide executive leadership, financial oversight, information technology, human resources, procurement, modernization support, and administrative services that sustain the Authority's operations. Together, these programs represent the foundation of the Authority's operations and provide housing assistance, redevelopment, and resident services to thousands of Virgin Islanders every year.

Our Commitment to Responsible Stewardship

The Authority recognizes that every federal dollar entrusted to VIHA represents public trust. Accordingly, our Fiscal Year 2027 Budget has been developed using conservative financial assumptions, disciplined expenditure planning, and continuous performance monitoring.

Our financial strategy is guided by four principles:

- Protect essential resident services;
- Preserve and improve the Authority's housing portfolio;
- Maintain long-term financial sustainability; and
- Continue advancing redevelopment and modernization initiatives.

These guiding principles influence every financial decision reflected within the Fiscal Year 2027 Budget.

Low-Income Public Housing (LIPH) Program

The Low-Income Public Housing Program remains the cornerstone of the Virgin Islands Housing Authority's mission and continues to serve as the foundation of affordable housing throughout the Territory. For thousands of Virgin Islands families, our public housing communities are more than places to live they are neighborhoods where children are raised, seniors age with dignity, veterans rebuild their lives, and working families pursue greater economic stability.

Every investment made through this program is ultimately an investment in people.

For Fiscal Year 2026, the Authority's operating budget provides funding to manage approximately **2,129 public housing units** located throughout **eighteen (18) communities** across the districts of St. Thomas/ St. John, and St. Croix.

These communities are organized into **twelve (12) Asset Management Projects (AMPs)**, which serve as the operational framework through which HUD evaluates and funds public housing authorities nationwide.

The Authority directly manages ten (10) of these Asset Management Projects, while two developments, Louis E. Brown Villas I and Louis E. Brown Villas II are professionally managed under private management arrangements that continue to provide quality housing opportunities for our residents. Although the Estate Tutu community is currently undergoing redevelopment and therefore has no occupied units, it represents an important investment in the future expansion and modernization of affordable housing within the Territory.

Our Operational Priorities

The Fiscal Year 2027 Budget continues to prioritize the preservation, improvement, and long-term sustainability of the Authority's public housing portfolio. Accordingly, our operational priorities include:

- Improving occupancy through accelerated unit turnaround
- Reducing vacancy loss
- Strengthening preventative maintenance
- Improving property appearance
- Preserving aging infrastructure
- Enhancing resident safety
- Expanding resident services
- Improving customer service
- Maintaining compliance with HUD performance standards

Each of these priorities directly supports our long-term objective of improving both resident satisfaction and organizational performance.

Financial Overview

For Fiscal Year 2026, the adopted operating budget for the Authority's public housing communities reflected approximately **$28.6 million** in total revenues and approximately **$26.9 million** in operating expenses.

Approximately seventy-two percent (72%) of those revenues are generated through HUD Operating Subsidy, making continued federal support essential to maintaining daily operations.

As of mid-year, the Authority has received approximately **$8.5 million** in Operating Subsidy funding. When annualized, this equates to approximately **$17 million**, creating an anticipated shortfall of nearly **$3 million** when compared to the original adopted budget.

Recognizing this reality, the Fiscal Year 2027 Budget conservatively projects Operating Subsidy revenues of approximately **$19.4 million**, representing a reduction from the Fiscal Year 2026 adopted budget.

Rather than allowing this funding uncertainty to compromise resident services, the Authority has implemented prudent financial management strategies designed to maximize available resources while maintaining essential operations.

Protecting Resident Services

Despite increasing operating costs and uncertainty surrounding future federal appropriations, the Virgin Islands Housing Authority remains committed to protecting the services that matter most to our residents.

Our strategy focuses on maximizing every available dollar through operational efficiency and preventative maintenance.

This includes:

- reducing costly emergency repairs through preventative maintenance;
- repairing plumbing systems that contribute to unnecessary utility expenses;
- accelerating vacant-unit rehabilitation so homes may be returned to service more quickly;
- strengthening maintenance planning and scheduling;
- improving procurement timelines;
- investing in staff training; and
- continuing resident wellness initiatives that strengthen families and communities.

These efforts not only improve operational efficiency but also enhance the quality of life for the families who call our community's home.

Our Commitment

Housing is not simply about maintaining buildings. It is about maintaining hope.
Every vacant unit returned to service represents another family house. Every repair completed represents a safer home. Every improvement made to one of our communities reflects our commitment to preserving affordable housing for future generations.

The Fiscal Year 2027 Budget continues that commitment through responsible financial planning, disciplined asset management, and a continued focus on serving the people of the Virgin Islands.

Table 1.0 Three-Year Comparison – Low-Income Public Housing (LIPH

LOW INCOME PUBLIC HOUSING (LIPH)					
	FY 2025 Approved Budget	FY 2026 Approved Budget	FY 2027 Projected Budget	$ Variance	% Variance
Revenues					
Dwelling Rental	$4,997,639	$5,435,742	$5,437,395	$1,653	0.03%
Operating Subsidy	$19,769,670	$20,512,476	$19,375,025	($1,137,451)	(5.87%)
Other Income	$232,854	$240,415	$250,055	$9,640	3.86%
Capital Fund - Operating	$2,255,621	$2,260,407	$2,188,810	($71,597)	(3.27%)
Reserves (AMP 12)	$102,460	$101,400	$0	($101,400)	0.00%
Total Revenues	$27,358,244	$28,550,440	$27,251,285	($1,299,155)	(4.77%)
Expenses					
Administrative	$6,794,736	$6,801,938	$6,819,220	$17,282	0.25%
Resident Services	$687,077	$786,511	$500,385	($286,126)	(57.18%)
Utilities	$7,511,960	$6,945,600	$7,454,920	$509,320	6.83%
Maintenance	$9,156,874	$10,148,196	$9,909,380	($238,816)	(2.41%)
Insurance	$1,270,800	$1,335,900	$1,278,950	($56,950)	(4.45%)
General	$832,170	$941,113	$1,288,430	$347,317	26.96%
Total Expenses	$26,253,616	$26,959,257	$27,251,285	$292,028	1.08%
Net Cash Flow	$1,104,628	$1,591,183	$0	($1,591,183)	

Capital Fund Program (CFP)

While the Public Housing Operating Fund allows us to manage our communities on a daily basis, the **Capital Fund Program** provides the resources necessary to preserve, modernize, and strengthen the Authority's housing portfolio for future generations.

These federal investments enable the Virgin Islands Housing Authority to address the long-term needs of our communities by improving aging infrastructure, rehabilitating vacant housing units, enhancing accessibility, and making strategic investments that improve the safety, quality, and resilience of our public housing developments.

Simply stated, the Capital Fund Program allows us to protect one of the Territory's most valuable public assets, its affordable housing inventory.

Investing in Long-Term Sustainability

Many of the Authority's developments were constructed decades ago and require significant reinvestment to meet today's housing standards and the expectations of our residents.

Capital Fund resources allow VIHA to move beyond routine maintenance and make the major improvements necessary to preserve our communities for years to come.

These investments include:

- Comprehensive modernization of aging housing developments;
- Rehabilitation of vacant units for re-occupancy;
- Roof replacement and hurricane resilience improvements;
- Water and wastewater infrastructure repairs;
- Accessibility improvements required under Section 504 of the Rehabilitation Act;
- Mold remediation and environmental improvements;
- Architectural and engineering services supporting redevelopment initiatives;
- Site improvements, landscaping, and exterior rehabilitation; and
- Other eligible capital improvements authorized under HUD regulations.

Every capital investment reduces future maintenance costs while improving the quality of life for our residents.

Financial Performance

Over the past four fiscal years, HUD has awarded the Virgin Islands Housing Authority approximately **$44.4 million** through the Capital Fund Program—an average of approximately **$11 million annually**.

Table 2.0. Capital Fund Program Grants

CAPITAL FUND PROGRAM (CFP) GRANTS				
Capital Fund Grant	Grant Year Usage	Authorized Funds	Amount Expended	Amount Unexpended
2023	2024	$10,922,543	$9,677,916	$1,244,627
2024	2025	$11,305,884	$7,658,548	$3,647,336
2025	2026	$11,302,036	$3,712,813	$7,589,223
2026	2027	$10,819,052	$0	$10,819,052
		$44,349,515	**$21,049,277**	**$23,300,238**
			47.5%	**52.5%**

As of June 2026, the Authority has successfully expended approximately **$21 million**, representing **47.5 percent** of total grant funding, while maintaining approximately **$23.3 million** in available balances that are programmed for ongoing modernization, redevelopment support, and other eligible capital improvements.

These remaining balances do not represent delayed progress.

Rather, they reflect funds already committed to active projects that will continue to be expended over multiple years in accordance with federal grant schedules and construction timelines.

Strong Federal Compliance

HUD establishes strict deadlines governing the obligation and expenditure of every Capital Fund grant awarded to public housing authorities. The Virgin Islands Housing Authority is required to oblige at least ninety percent (90%) of each Capital Fund grant within twenty-four months of award and expend one hundred percent (100%) of each grant within forty-eight months.

I am pleased to report that the Authority **remains in compliance with each of these federal requirements**.

Maintaining this level of compliance demonstrates disciplined project management, sound financial oversight, and effective coordination among our Modernization and Development, Finance, Procurement, and the Asset Management team.

It also reflects our commitment to ensure that every federal dollar awarded to the Authority is invested responsibly and in accordance with HUD requirements.

Building Communities for the Future

Capital improvements are about much more than repairing buildings.

They are about preserving neighborhoods.

Improving residents' safety.

Enhancing accessibility.

Increasing energy efficiency.

Reducing future operating costs.

Preparing our communities to better withstand future storms and natural disasters.

Every modernization project completed today represents an investment that will continue benefiting Virgin Islands families for decades to come.

I would like to publicly recognize **Ms. Lydia Pelle**, Chief Operating Officer and her entire team, for this outstanding job in coordinating these efforts.

Housing Choice Voucher (HCV) Program

The Housing Choice Voucher Program, formerly known as the Section 8 Program, remains one of the Virgin Islands Housing Authority's most important housing initiatives and serves as a vital resource for families who seek safe, decent, and affordable housing in the private rental market.

Unlike public housing, which provides housing within Authority-owned communities, the Housing Choice Voucher Program expands housing opportunities by allowing eligible families to lease privately owned rental units throughout the Territory.

This program not only increases housing choice but also promotes neighborhood integration, housing stability, and greater economic opportunities for participating families.

For many of our participants, a housing voucher represents more than rental assistance, it represents stability, independence, and the opportunity to build a better future.

Program Overview

During Fiscal Year 2026, HUD authorized approximately **$17.5 million** to support the Housing Choice Voucher Program, enabling the Authority to serve up to **2,092 eligible families** throughout the Virgin Islands.

As of June 2026, approximately **1,261 vouchers** were actively leased, representing a utilization rate of approximately **60 percent**.

The Authority has received approximately **$8.5 million** in Housing Assistance Payments from HUD and has distributed approximately **$8.3 million** directly to participating landlords and utility providers on behalf of eligible families.

Every Housing Assistance Payment represents another family that can remain safely housed while continuing to contribute to the economic vitality of our communities.

Current Housing Market Challenges

Like housing authorities throughout the nation, VIHA continues to face significant challenges in maximizing voucher utilization. The primary challenge is not a lack of eligible families. Noticeably, it is the continued shortage of affordable rental units available throughout the Territory. Limited housing inventory, rising rental costs, insurance increases, and ongoing redevelopment activities continue to reduce the number of units available to voucher holders. These market conditions directly affect lease-up rates and contribute to the growth of our waiting lists.

Despite these challenges, the Authority remains committed to expanding landlord participation, strengthening community partnerships, improving customer service, and identifying additional housing opportunities for eligible families.

Special Purpose Voucher Programs

Beyond the traditional Housing Choice Voucher Program, VIHA administers several HUD Special Purpose Voucher initiatives that serve some of the Territory's most vulnerable populations.

These specialized programs reflect the Authority's commitment to ensuring that housing assistance reaches individuals and families with unique needs.

These programs include:

- **Foster Youth to Independence (FYI)** vouchers, assisting young adults transitioning from foster care to independent living.
- **Mainstream Vouchers**, providing housing assistance for non-elderly persons living with disabilities.
- **Single Room Occupancy (SRO)** vouchers, supporting individuals experiencing homelessness through partnerships with nonprofit organizations.
- **Veterans Affairs Supportive Housing (VASH)** vouchers, assisting homeless veterans through collaboration with the U.S. Department of Veterans Affairs.

Although utilization rates vary among these specialized programs, each remains a priority for the Authority.

During Fiscal Year 2027, we will continue strengthening referral partnerships, increasing landlord outreach, and working closely with community organizations to maximize the use of every available voucher.

Family Self-Sufficiency Program

The Authority also administers the **Family Self-Sufficiency (FSS) Program**, which empowers participating families to increase earned income, reduce dependency on public assistance, and achieve greater financial independence.

This program reflects our belief that affordable housing should serve not only as a safety net but also as a pathway toward self-sufficiency and long-term economic opportunity.

Through individualized plans developed with each participating family, the program supports employment, education, financial literacy, and career advancement.

Our goal is to help families move beyond housing assistance and toward greater economic independence.

A Recognition of Excellence

Before discussing the financial outlook for the Housing Choice Voucher Program, I would like to recognize an accomplishment of which this Authority is especially proud.

For the second consecutive year, the Virgin Islands Housing Authority earned HUD's **High Performer** designation under the **Section Eight Management Assessment Program (SEMAP)**.

The Authority achieved an outstanding score of **138 out of 140 points**, demonstrating excellence in financial management, regulatory compliance, waiting list administration, inspections, rent reasonableness, income verification, and overall program operations.

This achievement is not accidental.

It reflects disciplined leadership, exceptional teamwork, and a commitment to providing high-quality service to the families who depend upon this program.

I would like to publicly recognize **Mrs. Akala Anthony,** Director of the Housing Choice Voucher Program, and her entire team, for this outstanding accomplishment.

Please join me in recognizing their professionalism, dedication, and commitment to excellence. This recognition demonstrates that the Virgin Islands Housing Authority can achieve and sustain the highest standards of performance established by HUD.

Housing Choice Voucher Financial Outlook

Although the Housing Choice Voucher Program remains financially stable, the Fiscal Year 2027 outlook reflects continued federal funding uncertainty.

The Authority will continue carefully managing lease-up activity to ensure that every family currently receiving assistance remains protected while maximizing the number of additional families we are able to serve within available budget authority.

HCVP Administrative Fees – FY 2026 and FY 2027

The Housing Choice Voucher Program's 2026 operations budget is balanced, with both revenues and expenses at $2.1 million. Revenues and expenses for FY 2027 are projected at $1.9 million—$244 thousand less—based on the number of units leased in the current year. See Table 3.0 below.

The fiscal outlook for 2027 is uncertain because the President's 2027 Budget includes severe proposed cuts to affordable housing and homelessness programs. These cuts would directly affect administrative fees, which cover the salaries and administrative overhead expenses needed to manage the program effectively and in accordance with HUD regulations.

In addition, administrative fees budgeted in 2026 for the Emergency Housing Voucher (EHV) special program have been discontinued by HUD, as these vouchers—which assisted individuals experiencing homelessness or fleeing domestic violence situations—will no longer be issued.

Table 3.0 Three-Year Comparison – Administrative Fees

HOUSING CHOICE VOUCHER PROGRAM (HCVP) ADMIN					
	FY 2025 Approved Budget	**FY 2026 Approved Budget**	**FY 2027 Projection**	**$ Variance**	**% Variance**
Revenues					
Administrative Fees	$1,884,080	$2,069,040	$1,852,070	($216,970)	(11.7%)
Fraud Recovery - ADMIN	$12,000	$18,000	$12,300	($5,700)	(46.3%)
Emergency Housing - Admin Fees	$17,000	$19,000	$0	($19,000)	0.0%
Mainstream Program - Admin Fees	$36,000	$17,000	$17,000	$0	0.0%
Other Income	$14,070	$15,645	$13,000	($2,645)	(20.3%)
Total Revenues	**$1,963,150**	**$2,138,685**	**$1,894,370**	**($244,315)**	
Expenses					
Administrative	$1,866,320	$2,031,205	$1,785,390	($245,815)	(13.8%)
Maintenance	$45,900	$36,390	$31,460	($4,930)	(15.7%)
Insurance	$19,930	$18,950	$19,000	$50	0.3%
General	$31,000	$52,140	$58,520	$6,380	10.9%
Total Expenses	**$1,963,150**	**$2,138,685**	**$1,894,370**	**($244,315)**	
Net Cash Flow	**$0**	**$0**	**$0**	**$0**	

Housing Assistance Payments (HAP) FY 2026 and FY 2027

For FY 2026, the Housing Choice Voucher Program's balanced budget for Housing Assistance Payments (HAP) reflects revenues and expenses of $18 million. VIHA's 2026 approved budget was $476 thousand over HUD's annual budget authority of $17.5 million.

For Fiscal Year 2027, HUD has allocated an annual budget authority of $16.5 million to maintain the program's baseline of 2,062 tenant-based vouchers—a decrease of approximately $600 thousand from Fiscal Year 2026. Actual HAP funding received year-to-date through June 2026, annualized, is approximately $17 million. The program's 2027 HAP projection of $16.9 million is approximately $1.1 million less than the 2026 adopted budget, reflecting the reduced annual budget authority HUD has provided for 2027. See Table 4.0 below.

The Authority will manage lease-up levels carefully against this reduced authority to ensure that no currently assisted family loses assistance due to funding constraints.

Table 4.0 — Three-Year Comparison: HCV Program Housing Assistance Payments (HAP)

HOUSING CHOICE VOUCHER PROGRAM (HCVP) HAP					
	FY 2025 Approved Budget	FY 2026 Approved Budget	FY 2027 Projection	$ Variance	% Variance
Revenues					
Housing Assistance Payments - Subsidy	$16,310,473	$18,012,490	$16,936,252	($1,076,238)	(6.4%)
Fraud Recovery - HAP	$12,000	$18,000	$12,276	($5,724)	(46.6%)
Total Revenues	**$16,322,473**	**$18,030,490**	**$16,948,528**	**($1,081,962)**	**(6.4%)**
Expenses					
Housing Assistance Payments	$13,986,645	$14,804,700	$13,862,944	($123,701)	(0.9%)
Housing Authority Payments - Port Out	$2,272,028	$3,155,675	$3,020,511	$748,483	24.8%
Utility Assistance Payments - Port Out	$63,800	$70,115	$65,074	$1,274	2.0%
Total Expenses	**$16,322,473**	**$18,030,490**	**$16,948,528**	**$626,055**	**3.7%**
Net Cash Flow	**$0**	**$0**	**$0**	**($455,907)**	

Central Office Cost Center (COCC)

While much of today's testimony has focused on housing programs that directly serve our residents, it is equally important to discuss the operational infrastructure that supports every service the Authority provides.

The **Central Office Cost Center**, commonly referred to as the **COCC**, serves as the administrative and operational headquarters of the Virgin Islands Housing Authority.

Simply stated, without a strong Central Office, the Authority cannot effectively operate public housing communities, administer rental assistance programs, manage redevelopment projects, or maintain compliance with federal regulations.

Supporting Every Program

The Central Office provides centralized support services for the Authority's Asset Management Projects, Housing Choice Voucher Program, Capital Fund Program, and redevelopment initiatives.

These services include:

- Executive leadership and strategic planning;

- Accounting and financial reporting;
- Budget development and financial oversight;
- Procurement and contract administration;
- Human resources and workforce development;
- Information technology and cybersecurity;
- Modernization and development oversight;
- Risk management and internal controls;
- Regulatory compliance; and
- Administrative services that ensure the Authority operates efficiently and transparently.

Although these functions are not always visible to the public, they are essential to maintaining a well-managed and accountable organization.

How the COCC Is Funded

Unlike many government agencies, the Central Office is **not supported through direct legislative appropriation**.

Instead, HUD authorizes the Authority to earn administrative and management fees for providing services to its federally funded housing programs.

These fees are generated through:

- Asset Management Fees;
- Property Management Fees;
- Bookkeeping Fees;
- Housing Choice Voucher Administrative Fees; and
- Administrative Fees earned through the Capital Fund Program.

This fee-for-service structure ensures that administrative costs remain directly tied to program activity and are governed by HUD regulations.

As program funding changes, COCC revenues also change, requiring the Authority to carefully manage administrative expenses while continuing to provide the support services necessary for successful program operations.

Financial Stewardship

For Fiscal Year 2026, the Central Office Cost Center operates with a balanced budget of approximately **$4.8 million** in both revenues and expenditures.

The largest revenue sources continue to be management fees earned through the operation of the Authority's public housing communities and administrative fees generated by the Housing Choice Voucher and Capital Fund programs.

Because these revenues are directly linked to HUD funding levels and program performance, the Authority has taken a conservative approach to Fiscal Year 2027 budgeting.

We continue to carefully evaluate expenditures, control administrative costs, and align staffing and operational resources with projected revenues while ensuring that essential support services remain available across the organization.

This disciplined approach allows the Authority to maintain operational excellence without compromising fiscal responsibility.

Table 5.0 — Three-Year Comparison: Central Office Cost Center (COCC)

CENTRAL OFFICE COST CENTER (COCC)					
	FY 2025 Approved Budget	FY 2026 Approved Budget	FY 2027 Projected Budget	$ Variance	% Variance
Revenues					
Asset Management Fees	$1,938,932	$2,372,914	$2,151,854	($221,060)	(10.27%)
Capital Fund Administrative Fees	$1,127,810	$1,130,204	$1,081,905	($48,299)	(4.46%)
Information Technology (IT) Fees	$377,660	$475,000	$360,000	($115,000)	(31.94%)
Development Program Income	$854,586	$235,000	$468,705	$233,705	49.86%
Housing Choice Voucher Program Fees	$369,840	$500,000	$400,538	($99,462)	(24.83%)
LEB I & II Admin Fees	$33,120	$34,998	$26,936	($8,062)	(29.93%)
Other Income	$50,840	$25,000	$40,000	$15,000	37.50%
Total Revenues	**$4,752,788**	**$4,773,116**	**$4,529,938**	**($243,178)**	**(5.37%)**
Expenses					
Administrative	$4,150,901	$4,102,059	$3,903,986	($198,073)	(5.07%)
Utilities	$83,175	$130,000	$138,867	$8,867	6.39%
Maintenance	$196,462	$201,265	$149,518	($51,747)	(34.61%)
Insurance	$95,000	$85,000	$76,939	($8,061)	(10.48%)
General	$227,250	$254,792	$260,627	$5,835	2.24%
Total Expenses	**$4,752,788**	**$4,773,116**	**$4,529,938**	**($243,178)**	**(5.37%)**
Net Cash Flow	**$0**	**$0**	**$0**	**$0**	

Investing in Organizational Excellence

The Central Office is more than an administrative office.

It is the organizational engine that drives accountability, compliance, financial integrity, and operational excellence.

Every redevelopment project begins with procurement and financial planning.

Every housing payment requires accurate accounting.

Every employee depends upon effective human resources.

Every federal grant requires compliance monitoring.

Every resident ultimately benefits from an organization that is well managed, financially sound, and operationally efficient.

Our continued investment in the Central Office reflects our commitment to maintaining a high-performing organization that manages public resources while delivering quality service to the residents of the Virgin Islands.

Personnel: Investing in Our Greatest Asset

No organization can achieve excellence without dedicated people. While today's testimony has focused on budgets, programs, and redevelopment, the true strength of the Virgin Islands Housing Authority lies in the commitment, professionalism, and expertise of its employees. Every service we provide, every family we assist, every housing unit we rehabilitate, every redevelopment project we advance, and every federal requirement we satisfy begins with the people who come to work each day committed to serving the residents of the Virgin Islands. Our employees remain our greatest asset.

Our Workforce

For Fiscal Year 2026, the Authority's approved staffing complement consisted of **198 full-time positions**, consisting of **83 exempt employees** and **115 non-exempt employees**. As of June 2026, **167 positions were filled**, leaving **31 vacant positions**.

Like many employers throughout the Virgin Islands and across the nation, we continue to experience challenges in recruiting and retaining qualified professionals in several specialized fields. Rather than filling vacancies automatically, the Authority carefully evaluates each position to determine its operational necessity, alignment with organizational priorities, and long-term financial sustainability.

This thoughtful approach allows us to balance fiscal responsibility with our commitment to maintaining high-quality services for our residents.

Strategic Workforce Planning

The Authority recognizes that future federal funding decisions may directly affect staffing levels across public housing agencies nationwide. Accordingly, VIHA continues to monitor federal appropriations closely while implementing a strategic workforce planning process designed to ensure that critical operational functions remain fully supported.

Priority continues to be given to positions that directly support:

- Public Housing Operations;
- Unit Turnaround and Maintenance;
- Regulatory Compliance;
- Resident Services;
- Redevelopment Activities;
- Financial Management;
- Procurement; and
- Information Technology.

This strategy enables the Authority to remain flexible while continuing to meet the operational demands of serving thousands of Virgin Islands families.

Investing in Professional Development

The Virgin Islands Housing Authority believes that investing in our employees ultimately benefits our residents.

Throughout Fiscal Year 2026, the Authority continued emphasizing employee development through professional training, leadership development, technical certifications, compliance education, and organizational improvement initiatives.

These investments strengthen institutional knowledge, improve operational performance, and ensure that employees remain current with evolving HUD regulations and industry best practices.

Our commitment to workforce development reflects our belief that organizational excellence begins with continuous learning.

Compensation and Employee Retention

The Authority also continues advancing its comprehensive compensation study and finalizing its updated Personnel Handbook.

These initiatives are designed to ensure that VIHA remains competitive in attracting and retaining qualified professionals while promoting consistency, fairness, transparency, and accountability throughout the organization.

Maintaining a skilled workforce is essential to preserving institutional knowledge and ensuring continuity of operations as the Authority continues implementing its long-term strategic initiatives.

Recognizing Our Employees

Before moving forward, I would once again like to express my sincere appreciation to every employee of the Virgin Islands Housing Authority.

The accomplishments discussed throughout today's testimony including clean financial audits, continued progress under our HUD Recovery Plan, redevelopment milestones, and HUD High Performer recognition would not have been possible without your professionalism, dedication, and unwavering commitment to public service.

Your work improves lives every single day.

On behalf of the Board of Commissioners, our executive leadership team, and the residents we serve, thank you for your continued service to this Territory.

Transition

While the Authority's employees provide the daily leadership necessary to operate our programs successfully, our long-term vision extends beyond day-to-day operations.

The Authority continues advancing one of the most ambitious affordable housing redevelopment initiatives in its history through partnerships supported by federal disaster recovery resources and other funding sources.

I will now provide an overview of those redevelopment initiatives and the additional federal resources supporting them.

Redevelopment and Other Federal Grant Investments

Beyond the Authority's four primary HUD-funded programs, the Virgin Islands Housing Authority continues to manage one of the most ambitious affordable housing redevelopment initiatives in the history of our Territory.

These initiatives represent more than construction projects.

- They represent hope.
- They represent resilience.
- They represent economic investment.

Most importantly, they represent our commitment to ensuring that future generations of Virgin Islanders have access to safe, modern, resilient, and affordable housing.

Through partnerships with the Federal Emergency Management Agency (FEMA), the Community Development Block Grant–Disaster Recovery (CDBG-DR) Program, the Virgin Islands Housing Finance Authority, the Office of Disaster Recovery, and other funding partners, VIHA continues advancing redevelopment projects that will reshape the future of affordable housing throughout the Territory.

Transforming Communities Through Investment

To continue management's vision to transform, renovate and rebuild public housing throughout the territory such as the Walter IM Hodge Pavilion, the Estate Donoe Redevelopment, and the D. Hamilton Jackson Redevelopment financing was provided through the Federal Emergency Management Agency (FEMA) and the Community Development Block Grant-Disaster Recovery (CDBG-DR). FEMA approved $271 million, of which approximately $92 million, or 34% has been expended. For CDBG-DR, $204 million was approved and $69 million, or 34% has been expended.

These investments are among the largest public housing redevelopment efforts ever undertaken in the Virgin Islands.

They reflect not only federal confidence in the Authority's ability to manage complex projects, but also our commitment to rebuilding stronger, safer, and more resilient communities.

Estate Donoe Redevelopment

One of the Authority's signature redevelopment initiatives is the Estate Donoe Redevelopment, also known as **Phase I of the Tutu High-Rise Replacement.**

This transformational development will provide **84 modern affordable housing units** designed to meet today's housing standards while significantly improving residents' quality of life.

During Fiscal Year 2027, the Authority will continue construction oversight, resident engagement, right-to-return coordination, and project management activities as construction progresses toward completion.

Estate Donoe represents much more than new housing.

It represents a renewed commitment to rebuilding communities that residents will be proud to call home.

D. Hamilton Jackson Terrace Revitalization

The rehabilitation of **106 housing units** at the D. Hamilton Jackson community continues to advance through a combination of Low-Income Housing Tax Credits and other financing resources. During Fiscal Year 2027, our focus will be on completing construction, facilitating phased resident re-occupancy, and ensuring the successful delivery of modernized housing units that will serve families for many years to come.

Tutu North Senior Apartments

The Authority also continues advancing to a financial closing for the **Tutu North Senior Apartments**, Phase II of the Tutu High Rise Replacement new **60-unit affordable senior housing community** that will expand housing opportunities for older independent adults who are income qualified.

With site preparation activities completed, Fiscal Year 2027 will focus on vertical construction and continued coordination with our development partners following financial closing in August 2026.

This project reflects our commitment to ensuring that our senior citizens have access to safe, accessible, and affordable housing designed to meet their changing needs.

John F. Kennedy Terrace Redevelopment

The John F. Kennedy Redevelopment Initiative remains another critical priority.

Through the Rental Assistance Demonstration (RAD) Program and HUD Section 18 authority, the Authority will rehabilitate existing housing while repositioning obsolete units to create a more sustainable and financially viable community.

This redevelopment strategy balances preservation with modernization and ensures the long-term viability of this important housing asset.

Alphonso "Piggy" Gerard Rehabilitation

The Authority also continues advancing the rehabilitation of **18 affordable housing units** through the RAD conversion process at the Alphonso "Piggy" Gerard community.

Although smaller in scale, this project represents another important investment in preserving affordable housing opportunities while improving housing quality for our residents in the Christiansted district of St. Croix.

A Commitment to Our Residents

Every redevelopment initiative undertaken by the Virgin Islands Housing Authority is guided by one principle:

Our residents come first.

Throughout every redevelopment project, the Authority remains committed to protecting residents' rights, maintaining open communication, supporting relocation efforts when necessary, and honoring every eligible resident's right to return to their revitalized community.

Redevelopment is not simply about replacing buildings.

It is about strengthening neighborhoods, restoring community pride, expanding opportunity, and creating environments where families can thrive for generations.

The Return on Investment

The impact of these investments extends far beyond housing.

These projects create employment opportunities for Virgin Islands workers.

They generate business for local contractors and suppliers.

They improve infrastructure.

They increase neighborhood stability.

They strengthen economic development.

And they improve the quality of life for thousands of Virgin Islands residents.

Every dollar invested today creates lasting value for our communities tomorrow.

Fiscal Year 2027 Strategic Priorities

As we look toward Fiscal Year 2027, the Virgin Islands Housing Authority remains committed to building upon the progress achieved during the past year while continuing to strengthen our operations, modernize our housing portfolio, and expand opportunities for the residents we serve.

Our strategic priorities are guided by a simple principle:

Every initiative undertaken by the Authority must improve housing, strengthen communities, enhance accountability, and create opportunities for the people of the Virgin Islands.

These priorities serve as our roadmap for the coming fiscal year.

Executing Our Recovery to Resilience Strategy

The Authority will continue implementing its HUD-approved Recovery Plan while strengthening organizational performance across every department.

Our focus will remain on improving operational efficiency, enhancing data quality, increasing accountability, strengthening compliance, and achieving the performance standards necessary to advance from a **Substandard** designation to **Standard Performer**, and ultimately to **High Performer** status.

This effort is not simply about improving a HUD score.

It is about building a stronger organization that consistently delivers excellent service to our residents.

Advancing Redevelopment and Housing Preservation

The Authority will continue working with HUD, the Virgin Islands Housing Finance Authority, the Office of Disaster Recovery, FEMA, private developers, and other strategic partners to advance the redevelopment and preservation of affordable housing throughout the Territory.

Our objective remains clear:

To replace aging housing with modern, resilient communities while preserving every eligible resident’s right to return. These investments will continue strengthening neighborhoods, supporting economic development, and improving quality of life throughout the Virgin Islands.

Improving Housing Quality

During Fiscal Year 2027, the Authority will continue emphasizing preventative maintenance, accelerated unit turnaround, routine inspections, infrastructure improvements, and property preservation activities designed to improve resident satisfaction while protecting our public housing assets.

Every repaired unit…

Every completed work order…

Every improved community…brings us one step closer to achieving our mission.

Expanding Resident Opportunities

The Virgin Islands Housing Authority remains committed to ensuring that affordable housing serves as a foundation for opportunity rather than simply providing shelter.

Accordingly, we will continue expanding resident engagement initiatives through the Bright Path Initiative, workforce development partnerships, youth programming, financial literacy education, self-sufficiency programs, and employment opportunities supported through HUD's Section 3 Program. Our partnerships with organizations such as the Raphael O. Wheatley Skill Center, My Brother's Workshop, educational institutions, and community organizations will continue creating pathways toward employment, economic mobility, and long-term self-sufficiency.

Strengthening Technology and Innovation

The Authority will continue investing in technology that improves operational efficiency, strengthens records management, enhances cybersecurity, and supports better decision-making.

During Fiscal Year 2027, we will continue expanding the digitization of Authority records, improving business continuity planning, strengthening data management, and leveraging technology to improve customer service and organizational performance.

Innovation remains essential to building a modern public housing authority.

Strengthening Financial Sustainability

The Authority also remains committed to maintaining disciplined financial management.

We will continue carefully monitoring expenditures, strengthening internal controls, maximizing available federal resources, pursuing additional funding opportunities, and ensuring that every public dollar entrusted to this organization is invested responsibly and transparently.

Fiscal responsibility remains the cornerstone of every strategic initiative undertaken by the Authority.

Our Commitment to the Future

As Executive Director, my commitment is straightforward.

- We will continue building an organization defined by integrity.
- An organization defined by accountability.
- An organization defined by operational excellence.
- An organization that our residents, our employees, our federal partners, and this Legislature can continue to trust.

- Although challenges remain, I firmly believe the future of the Virgin Islands Housing Authority has never been brighter.
- Together, we are transforming communities.
- Strengthening families.
- Expanding opportunities and building stronger Virgin Islands.

Closing Remarks

Mr. Chairman, Vice Chair, and Honorable Members of the Committee,

As I conclude today's testimony, I would like to leave you with one final observation.

The Fiscal Year 2027 Budgets before you are more than financial documents.

They reflect the Virgin Islands Housing Authority's continued commitment to accountability, responsible stewardship, organizational excellence, and the people we serve.

Throughout today's presentation, I have shared both our accomplishments and our challenges.

I have spoken candidly about the uncertainty surrounding future federal funding.

I have discussed the continued work required to strengthen our operations.

I have outlined our ambitious redevelopment initiatives.

Most importantly, I have demonstrated that this Authority is moving forward with purpose, discipline, and a clear vision for the future.

Acknowledgments

Before closing, I would once again like to thank our Board of Commissioners for their leadership and governance, our executive leadership team for their professionalism and commitment, and every employee of the Virgin Islands Housing Authority whose dedication makes our progress possible.

I also thank our residents for their patience, partnership, and trust as we continue modernizing and strengthening our communities.

Finally, I extend my sincere appreciation to the members of this Committee and the Legislature of the Virgin Islands for your continued oversight, partnership, and support of affordable housing throughout our Territory.

Working together, we can continue creating stronger communities and expanding opportunities for generations to come.

Mr. Chairman, this concludes my testimony. My executive leadership team and I appreciate the opportunity to appear before you today and welcome any questions the Committee may have.

Thank you, and may God continue to bless the people of the Virgin Islands.

Respectfully submitted,

Dwayne Alexander, CPM®
Executive Director
Virgin Islands Housing Authority