



TESTIMONY
Committee on Budget, Appropriations and
Finance

Regarding

Bill No. 36-0273 - an Act amending Act No. 8465 to redirect appropriated funds from the First-Time Homebuyers Program to the Williams Delight Community Homeownership Program and the VI Slice Homeownership Program.

Presented by:
Valdez Shelford
Interim Executive Director

June 8, 2026



Good day, Senator Novelle E. Francis, Jr., Chairman of the Committee on Budget, Appropriations and Finance, distinguished members of the Committee, and the listening and viewing audience.

I am Valdez Shelford, Interim Executive Director of the Virgin Islands Housing Finance Authority (VIHFA), and I am accompanied today by Freida Webster, Director of Homeownership.

As requested, we appear before you to provide testimony regarding Bill No. 36-0273, an Act amending Act No. 8465 to redirect appropriated funds from the First-Time Homebuyers Program to the Williams Delight Community Homeownership Program and the VI Slice Homeownership Program.

The First-Time Homebuyers Program is one of several subprograms designed to address the diverse housing needs of Virgin Islands residents. These include the Moderate-Income Program, the Land/Lot Sales Program, the Homestead Loan Program, the Veteran Program, and the HOME Program.

Of these programs, the \$4 million First-Time Homebuyer Program supports the Moderate-Income Program, which primarily provides mortgage assistance through low-interest loan products to moderate-income households. The program was designed to provide secondary financing to decrease the overall cost of the mortgage, depending upon program eligibility requirements and available funding. These households are ineligible for USDA Rural Development or federal HOME Program subsidies. This range of financing options enables VIHFA to serve individuals and families across a broad spectrum of income levels and circumstances. (The First-Time Homebuyers Program was established to provide a revolving fund for future moderate-income households.

The VI Slice Program shares the same overarching goal of all VIHFA's programs by expanding access to homeownership for Virgin Islands residents. However, it differs significantly in its structure and funding model. Unlike the First-Time Homebuyers Program, which primarily provides loans and mixed-financing mechanisms, the VI Slice Program operates exclusively as a 100 percent **grant** initiative.

This distinction in financing presents one of the primary challenges associated with promoting participation in the VIHFA First-Time Homebuyers Program. Prospective homebuyers are naturally drawn to the immediate financial benefits associated with **grant-only** assistance, making it more difficult to generate interest in programs that require **loan repayment**, even when those programs provide substantial long-term benefits and pathways to sustainable homeownership.

As presented, Bill No. 36-0273, which seeks to redirect the sum of \$4 million appropriated by the VI Legislature to support the Moderate Income Loan Program from the First-Time Homebuyers Program to the Williams Delight Community Homeownership Program and the VI Slice Homeownership Program, presents a significant financial challenge in that it may inadvertently diminish the Territory's ability to maintain a diversified portfolio of homeownership assistance programs. Transferring this funding from VIHFA at this critical time will impact the various new initiatives that the Authority is set to launch including home construction/developments in Mt. Pleasant, Bonne Esperance, Concordia, and Adventure Hills in St. Croix and housing developments in Whispering Hills and Fortuna in St. Thomas. Redirecting the funds will eliminate a key source of funding for mortgage financing under the Moderate-Income Programs and thus diminish the opportunity to rebuild its loan portfolio. This creates an operational challenge

as well because VIHFA will have available products for sale but limited funding to provide financing for individuals to purchase these products.

While the Authority supports efforts to expand access to both homeownership initiatives, the First-Time Homebuyers Program serves a distinct and complementary role by providing financing, counseling, financial literacy education, and long-term homeownership preparation for aspiring homeowners. These services help ensure that individuals and families are not only able to purchase a home but are also equipped to successfully sustain homeownership over time.

VIHFA and VIHA are presently in discussions to provide funding for potential homebuyers in the Williams Delight homeownership conversion initiative. VIHFA has identified HOME funds, which are federal funds allocated for low-income households, to be used to provide buydown assistance and gap financing to the residents of Williams Delight who are qualified for the homeownership conversion.

Redirecting or reducing funding available to the First-Time Homebuyers Program could limit the availability of a key financing option, thereby narrowing the pathways through which Virgin Islands residents can achieve homeownership. More importantly, it may reduce the Territory's ability to offer a balanced continuum of housing assistance that accommodates the varying financial circumstances, needs, and levels of readiness of prospective homebuyers.

The Authority has invested significant effort in promoting the program through informational sessions, community outreach events, pop-up engagements, social media campaigns, office consultations, and direct client interactions. Continued funding ensures that prospective homeowners receive not only financial assistance, but also the

education, preparation, and guidance necessary to become successful and sustainable homeowners. The most recent online seminar on the First-Time Homebuyer Program was held in March 2026 and yielded over 130 attendees. Upcoming webinars in June will include information on the program as well.

Challenges in use of the funds include (1) competition from EDA's VI Slice Program and ODR's Own a Lot, Build a Home Program (both of which are grant programs); and (2) a lack of affordable housing products for purchase, which includes VIHFA developed units. Also, escalating construction costs, workforce shortages due to a large volume of disaster-recovery projects, delays in start up of federal disaster recovery funded homeownership developments due to federal requirements partnered with environmental reviews have all contributed to the issue.

Additionally, the elimination of funding for the First-Time Homebuyers Program could create challenges for homeownership products offered by the Authority by reducing financing options available to purchase the products.

If funding remains with the Authority, we are committed to exploring further enhancements to existing program structures and financing models that further strengthen homeownership opportunities, including the relaunch of the Cistern and Slab Program.

I ask this body to be mindful of the legislative decisions that imperil the long-term viability of the Territory's affordable housing programs. Channeling funds into grant programs assists clients who receive that assistance now, however, there is no additional money once those funds are expended. In contrast, the \$4 million was designed to revolve

and provide ongoing source of funding. As such, taking away this funding equates to taking away funding for future affordable housing opportunities.

The Authority respectfully submits that maintaining a balanced approach that supports both grant-funded assistance programs and traditional homeownership financing programs remains critical to expanding housing opportunities, strengthening communities, and promoting sustainable homeownership throughout the Territory.

In closing, I would like to thank our employees at the Virgin Islands Housing Finance Authority for their hard work and dedication. I would especially like to thank the Homeownership department for their commitment to our mission to provide homeownership opportunities to the people of the Virgin Islands. Thank you. We are available to answer questions you may have.