

The seal is circular with a blue outer ring containing the text "OFFICE OF MANAGEMENT AND BUDGET" at the top and "GOVERNMENT OF THE U.S. VIRGIN ISLANDS" at the bottom. Inside this ring is a yellow ring with the text "TRANSFORMING GOVERNMENT" and a dollar sign "\$" at the bottom. The center features a bald eagle with wings spread, holding an olive branch and arrows. The eagle's chest is covered by a shield with vertical red and white stripes and a blue top section. Above the eagle is a map of the U.S. Virgin Islands under a blue sky with white clouds.

Committee on Budget, Appropriations and Finance

Bill No. 36-0274

Presented by:

Director Julio A. Rhymer Sr.

Testimony in Support of Bill No. 36-0274 (With Recommendations)

Good day Honorable Chairman Francis, distinguished Senators, Committee Members of the Budget, Appropriations and Finance, and the viewing and listening audience.

My name is Julio A. Rhymer, Sr., Director of the Office of Management and Budget and a Board Member of the Virgin Islands Housing Finance Authority (VIHFA), along with Commissioner of Finance, Kevin McCurdy. We appear before you today in support of Bill No. 36-0274, which seeks to provide a pathway for the relocation of residents of the LBJ Gardens community.

First and foremost, this is a matter of public safety. The families of LBJ Gardens are living in an area where there is a recognized risk, and we have both a moral and governmental obligation to act decisively to ensure their safety and well-being.

This bill takes an important step by proposing \$7 million in funding from stamp tax revenues to facilitate the buyout and relocation of these residents. While the intent is commendable and the urgency is clear, I would respectfully offer a strategic recommendation to strengthen the bill's fiscal approach.

Rather than utilizing stamp tax revenues, I recommend that the Territory instead:

- Leverage the already approved U.S. HUD Mitigation Grant funding of up to \$3 million to initiate the relocation and buyout process; and
- Actively pursue a Brownfields Grant to secure the balance of funding needed—up to an additional \$4 million—to fully support the relocation effort

This alternative approach achieves the same objective—fully funding the safe relocation of LBJ residents—while preserving a critical local revenue source.

Stamp tax funds are essential to the Territory's broader housing strategy. By maintaining these funds, we ensure that the Virgin Islands Housing Finance Authority (VIHFA) can continue to leverage them alongside the approximately \$700 million in CDBG-DR funding to finance and accelerate the development of much-needed housing across the Territory.

Preserving stamp tax revenues allows us to:

- Expand affordable housing development
- Strengthen infrastructure investments tied to housing
- Maximize the long-term impact of existing federal recovery funds

In contrast, redirecting these funds to a single relocation effort—while necessary—limits our ability to address the broader housing crisis.

In summary, Bill 36-0274 is critical because it:

- Addresses an immediate and serious public safety concern
- Provides a mechanism to relocate vulnerable residents with dignity

And with the recommended adjustment, it can also:

- Leverage federal funding sources more effectively
- Preserve local revenues for long-term housing development
- Align immediate action with long-term strategic planning

The residents of LBJ Gardens deserve swift action, but the Territory also deserves a solution that is both responsible and sustainable.

I respectfully urge this body to support Bill No. 36-0274, with consideration given to amending the funding structure to utilize HUD mitigation funds and Brownfields grant opportunities in place of stamp tax revenues.

Mr. Chairman, thank you for the opportunity to testify, and I am available to answer any questions.