

Good day Honorable Senate President Novelle E. Francis, Jr., honorable members of the 35<sup>th</sup> Legislature of the Virgin Islands, Staff, Central Staff, and the listening and viewing audience. My name is Ari Goldscheider, owner of Giffit Hill Land, LLC. I am joined today by my team: Mr. Barry Bunker, Project Designer; Mr. Roosevelt David, Consultant; and Mr. Langley Shazor, Project Manager.

We want to extend our gratitude for the opportunity to appear before the Committee of the Whole today to discuss the use variance request being considered by this body. This variance would allow the individual leasing of bedrooms within our co-housing project at 9-3 Glucksberg, St. John under the “Lodging/Rooming House” category.

This project has come under intense scrutiny from the Department of Planning and Natural Resources (which will be called DPNR for the rest of this testimony) and the public. We are pleased to note that we are in compliance with all requirements and have also taken public feedback, made revisions and updates, and are working closely with DPNR to ensure those concerns are addressed. We also filed for the appropriate permits with the Department of Public Works and Fire Department.

We understand that this project is a bold and unique concept, however, we are passionate about taking tangible steps toward addressing the housing crisis on St. John and believe this model will do exactly that. Although this project cannot be all things to all people, its modular configurability could have broad applications.

Before getting into more details of the use variance request, I’d like to discuss some of the technical aspects of this project, who this co-housing environment is designed for, and why it is of significance, especially on St. John. I don’t believe there is a single person in the Territory that has not been impacted, to some degree, by the current housing crisis. A crisis which has become exponentially more prevalent due to:

1. Hurricane Irma/Maria damaging a large portion of housing stock.
2. Stalled rebuilding and/or renovation of critical large-scale housing.
3. Land on St John being very expensive as nearly 2/3 of the island is unbuildable national park land.
4. Building on steep terrain to hurricane rated standards using traditional masonry construction being slow, extremely laborious, and very expensive.
5. The cost of land combined with the cost of construction resulting in long term, moderately priced housing not being economically feasible to build.
6. The last major long term housing developments to come on line were Bellevue Village in 2006 and Calabash Boom Apartments shortly thereafter. It’s been nearly 15 years since there were any significant builds of long term housing due to the aforementioned cost factor.

One of the factors that is both a highlight and an obstacle for residential housing in the USVI is the topography, leading to lack of physical and available land for construction. This is an issue for

much of the developed and developing world as economies shift and populations transition and increase. This is causing us to rethink, specifically, moderate priced workforce housing designs and deployments. Our housing concept is a high-density, low footprint, hurricane resistant structure that is more cost efficient than traditional construction methods to erect because:

1. We will utilize prefabricated, purpose-built steel modules (also known as shipping containers) that are properly secured, can withstand 198 mph winds, are FEMA safe room compliant, and comply with the strict USVI building code and International Building Code.
2. This modular construction is less expensive than traditional masonry construction and is fast to stand up as the site work (foundation, cistern, septic, driveway) can be performed while modules are being built. Instead of an 18 to 24-month build, it may take 6-8 months.

Our concept is also unique in how it is lived in:

1. This co-housing concept is aimed for the adult working professional, including, first responders, nurses, teachers, service industry, marine industry etc.; Those who work long hours and are looking for their own space to rest.
2. The concept is designed for co-living, where a diverse group of people can share a residence but also have their own private space. Our design provides a private bedroom and bathroom for each resident while offering a large common area, including a kitchen, living/dining room, and deck for cooking together, sharing meals, and relaxation.
3. This co-housing arrangement, with the use variance, allows us to offer housing to the greatest number of people in the most efficient manner to address the workforce housing crisis in a meaningful way. To further promote diversity, there is a ground level, ADA compliant bedroom. The current plans allow for housing for 24 people.

Due to its unique design, this project has the potential to be scaled up to meet a higher demand, if that demand continues to present itself. What is exciting about this type of residential construction is the opportunity to close the gap in other areas of the housing sector. Emergency, transitional, re-entry, and multi-family units are all possible applications for these structures. As the push for homeownership continues to expand, these prefabricated models also qualify for some home buyers' programs. There is no limit to what we can do, a prime example of this are the retail shops at the bottom of Cassi Hill that are made entirely of shipping containers. What we are building with is not a new concept, simply a unique configuration and usage.

While we are excited about bringing this concept to St John, we have received feedback from community which we have heard and incorporated into our plan and variance request. The initial request was for a rezoning to R-4 which would allow for more dense construction, including taller building heights, more buildings, and higher lot coverage. And while our intention is to stick with this co-housing plan, rezoning to R-4 would allow flexibility to deviate from this plan without oversight from DPNR which was a concern of the public. Overall, the feedback was that this site was not appropriate for R-4 zoning.

After hearing concerns from the public and subsequent conversations with DPNR, we scaled back the project size from 6 buildings (72 bedrooms) to 2 buildings (24 bedrooms) and chose to request just a use variance for the lodging house. In fact, this was the suggestion made by a handful of public commenters who noted that they were supportive of the project and use variance but NOT the R-4 rezoning. This variance gives DPNR greater oversight of what, if anything, is constructed in the future.

We also heard comments from the public about having adequate parking, lack of public transportation, and that our driveway plan exiting onto Giff Hill road could be dangerous. We adjusted the site plan to add a wrap around one way driveway and left ample space for 20+ spots. There is a bus stop at Bellevue Village right up the road which addresses the public transport comment.

Regarding the location of that bus stop, we also received comments regarding the lack of a sidewalk for people to traverse to it, up to the intersection at Centerline, or to/from the Giff Hill school. We agree- it's dangerous and we highly encourage DPW to look at installing sidewalks along this state road and add speed bumps to slow drivers down. We would support both items and coordinate with the agency for any updates to our property to assist in increasing the safety of pedestrians.

There were also concerns about septic given the number of tenants. We are utilizing a performance-based system that can be augmented with additional tanks to add capacity, working with a licensed septic installer who is an expert designer/builder focused on STJ, and complying with DPNR requirements to ensure that the septic is sized appropriately for the number of tenants. Trash was also a concern. We will have fenced in bins on site and contract with a local solid waste removal company for periodic pickup.

We also received comments about the aesthetics of the building. There are several container homes on STJ and STT, some of which are exterior clad to cover the corrugated steel and some left open. There are pros and cons to each. The open steel is coated with a marine paint which is highly resistive to rust and easily repaired/touched up. Cladding with wood is cost prohibitive and ripe for rot/bug damage. Once constructed we will evaluate how best to improve the looks, either through ample landscaping, lattice and climbing plants, or both.

In addition to the concerns mentioned above, some of the more prominent issues surrounding our project were:

1. This is not the type of housing people want or need. No one will want to live together in this capacity.
2. The bedrooms and bathrooms are too small.
3. This number of people living together will be loud, can't productively cohabitate, and will result in unsanitary living conditions.
4. This housing is not affordable and will not open apartments for families.

I'd like to address these concerns one by one.

1. Folks commenting that this housing isn't what is needed on St John already have housing on St. John. They haven't been dislocated to St. Thomas or out of the territory and they aren't commuting by boat from STT to STJ daily to get to their job. I have over 100 people that have reached out to get their name on a waiting list for a room and are super excited about this development.
2. The size of the private bedroom and bathroom total 160 square feet. Island residents are living on sail boats with half the interior space because there is no other option. People that live in the USVI spend their time outside in this beautiful weather. That's the reason we have an open-air living room and deck with gorgeous water views. The private spaces will be for sleeping and bathing.
3. Regarding noise, unsanitary living conditions, and the inability to live together; cohabitation is already happening on island in less-than-ideal conditions where 5,6,7 people share a 2-bed apartment because they need to be on St John to work and there is no other place to live. Our concept is far better suited for cohabitation as everyone will have a private sleeping and bathroom area. We will also have a strict code of conduct tenants sign when leasing, on-site management, and cameras in the common areas and exterior to ensure the safety of all residents and that rules are being followed.
4. We are targeting a 1400-1500 price point per month plus the cost of utilities (water and electricity) which are separately metered to promote conservation. Based on initial marketing, this is an attractive price point relative to the quality of the housing and there is already a long waiting list consisting of people already living on island and those that have jobs secured but can't come until housing is secured.

Moderate priced workforce housing is desperately needed, and we must start somewhere if we are going to mitigate a further decline in housing stock and population. There has been a mass exodus from the Territory post Irma/Maria which has also left a glaring void in the workforce. Conversations are constantly had around recruitment and retention, developing different strategies to attract young talent, keep them in the Territory, or convince them to return. We cannot expect to make a dent in our workforce shortage while they have nowhere to live.

With the approval of our request for a use variance, we could work with more individuals to assess, assist, and possibly address their needs. Without the ability to lease each bedroom individually, we are confined to renting the entire property to one entity, such as a restaurant owner to house its staff. This is not the intended nor best use of this project as it restricts access to certain critical groups.

Not only do we want to create more housing, but we also want to foster community, which is a collection of individuals with varying backgrounds, beliefs, and occupations. Inclusivity, availability, and diversity are at the core of this project. With this body's support, we can achieve exactly that.

For example, the Giffit Hill School, currently the only high school on St. John, has reached out about potentially renting a room or two for its teachers, as they often face challenges finding housing on island and need to commute from St. Thomas. How amazing would it be for these

teachers to be able to walk across the street to work? This use variance would allow us to rent to this individual.

My team and I believe in the economic growth potential and increased quality of life potential of the United States Virgin Islands and remain steadfast in our commitment to be part of the solutions. We thank you for your time and stand ready to answer any questions you may have.