

Virgin Islands Housing Authority

Independent Agency

HOUSING PRESENTATION

35th Legislature of the Virgin Islands
**Committee on Housing, Transportation, and
Telecommunications**



VIRGIN ISLANDS HOUSING AUTHORITY

Housing the People of Paradise

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Executive Director

Good Afternoon, Honorable Senator Marvin A. Blyden, Chairman of the Committee on Housing, Transportation, and Telecommunications; Vice-Chair Marise C. James; and Senators Angel L. Bolques, Jr.; Samuel Carrion; Dwayne M. DeGraff; Ray Fonseca; and Carla J. Joseph. Good afternoon to all other distinguished Senators here today, legislative staff, the citizens of the U. S. Virgin Islands, my dedicated team, and the listening public.

My name is Dwayne Alexander, Executive Director of the Virgin Islands Housing Authority (VIHA). The following executive staff members are present with me today: Mrs. Lydia Pelle, Chief Operating Officer; Mrs. Wean Williams Farrell, Assistant Director of Asset Management; Mrs. Akala Anthony, Director of the Housing Choice Voucher Program; Mrs. Doroethie Hicks Director of Modernization and Development; and Mr. Robert Protho, Director of Administration.

I am honored to stand before you today as the representative of the Virgin Islands Housing Authority, alongside our 177 remarkable employees. Their unwavering dedication and tireless efforts in serving our communities are truly commendable and deserve our deepest appreciation and recognition.

Today we will present testimony regarding affordable housing issues in the Territory, including VIHA's strategic plan to transition public housing, and issues affecting our older public housing communities.

INTRODUCTION

The Virgin Islands Housing Authority (VIHA) manages a comprehensive public housing portfolio, including twenty-two developments across twelve (12) Asset Management Properties (AMPs), totaling 2,536 units. As we embark on a new year, I am excited to share with you the strategic direction that VIHA will be taking in 2024. While we will maintain our commitment to property development in both St. Thomas and St. Croix, our primary focuses this year will be on the refinement and enhancement of our two major programs: Public Housing and Housing Choice Voucher programs.

In the realm of Public Housing, our goal is clear: to address maintenance issues as top priorities. We aim to align with HUD standards and subsequently elevate our operations to meet industry benchmarks, with the ultimate objective of enhancing the living conditions of our current residents. By incorporating best practices in time management and streamlining procurement processes, we are confident that The Virgin Islands Housing Authority (VIHA) will reach the desired level of efficiency and effectiveness.

Within the Housing Choice Voucher program, our efforts will be directed towards maximizing the utilization of the program. We recognize the potential for implementing best practices and are exploring avenues such as adjusting payment standards or securing additional funding to bolster service provisions. Furthermore, we are committed to providing comprehensive training opportunities for our staff, empowering them to excel in their roles and potentially increasing productivity by leveraging internal resources rather than relying extensively on external contractors.

As we move forward, our key priorities will revolve around ensuring compliance with physical condition standards and optimizing occupancy rates. Additionally, we are considering strategies to incentivize our employees through various means, including the possibility of

overtime opportunities to accommodate increased workloads and further engage our dedicated team members.

We are confident that with our collective efforts and focus on these priorities, VIHA will make significant strides in advancing our housing programs and serving our communities better.

Annually receive close to \$10 million from our capital fund, with around \$7 million available for addressing site improvements after deducting related obligations. Leveraging additional funds from FEMA, Disaster Recovery, and CDBG, DR sources, we have the opportunity to allocate some of these resources towards stabilizing our properties. also contribute to our overall operational efficiency.

Moreover, we are in the process of converting certain properties under the Rental Assistance Demonstration (RAD) program to enhance our portfolio's conditions. By maximizing our Capital Fund Program, we aim to reduce our reliance on external loans for upcoming projects.

STATUS OF EIGHT PRIORITY HOUSING DEVELOPMENTS UNDER THE REDEVELOPMENT PLAN

Post-Hurricane Challenges and Strategic Shifts:

Before the 2017 hurricanes, VIHA already faced over \$200 million in deferred capital improvements across its housing stock. The hurricanes added another \$240 million in damages. Despite substantial approved recovery funding, only a fraction has been utilized for upgrades, highlighting a critical need for a refreshed strategic approach.

Presently, we are advancing four pivotal projects, which collectively signify a significant step towards revitalizing and expanding our housing inventory. These projects encompass the extensive rehabilitation of 248 units within the Walter I.M. Hodge Pavilion and 124 units at the D. Hamilton Jackson Terrace and Alphonso Gerard Complex. Concurrently, we are embarking on the development of 144 new housing units through the Estate Donoe Redevelopment (Tutu Phase I) and Tutu North Redevelopment (Tutu Phase II) projects. In parallel, we are fostering homeownership opportunities through the 5H Homeownership Program at Williams Delight Villas. This comprehensive approach not only aims to augment the availability of affordable housing, but also to enhance community resilience and liveability across the Territory.

VIHA's Redevelopment Plan addresses unmet housing needs in the Territory and meets all three components of the National Objective, which will: 1) benefit low and moderate-income persons; 2) aid in the prevention or elimination of slums or blight (obsolete public housing), and 3) meet a need of urgency, that is the prevention of further damage to hurricane-impacted old public housing.

To ensure that low to moderate income families are not left out of the territories' recovery efforts, over the next two years, these four pivotal projects will provide 441 units of new construction and modernized communities with energy-efficiency components.

Current Housing Priority Projects:

- (1) Walter I. M. Hodge Revitalization:** the comprehensive rehabilitation includes twenty (20) residential buildings and one community building. The plan calls for four phases totalling 248 units and a Senior Center facility. Final construction is scheduled for completion in August 2024.

To date, there have been over 350 jobs created and over 350,000 worker hours – approximately 70% of which qualify as Section 3 and 4% of which qualify as Targeted Section 3. Additionally, there have been over \$11 million in Minority and Women Owned Business Enterprise (MWBE) contracting. All improvements are designed to meet the National Green Building Standard Tropical Zone Certification. All renovated apartments received new windows, doors, appliances, fixtures, flooring, cabinets, ceiling fans, LED lighting, and a new coat of paint. Each unit is now equipped with new low-water usage kitchen and bath fixtures, a highly efficient electric water heater, and EnergyStar appliances.

- (2) Estate Donoe Redevelopment (Tutu Phase I):** this new construction project includes fourteen (14) residential buildings and one community building. The plan calls for 84 units. The project is in the process of being restarted in the 2nd quarter of 2024. We expect construction completion in 2025.

- (3) Tutu North Redevelopment (Tutu Phase II):** this new construction is a five-story building with sixty (60) units at the location of VIHA's old Central Administration Office in Annas Retreat. With a preference for seniors, is expected have a financial closing in the 3rd quarter of this year. Our estimated construction completion is December 2026.

- (4) D. Hamilton Jackson and Alphonso Gerard Place Revitalization:** the comprehensive rehabilitation of these two communities includes 124 units situated in the Richmond community of Christiansted. Twelve of the total units are in a Floodway at the Alphonso Gerard site. These units are not included as a part of the revitalization. Other housing options will be afforded to those families. We anticipate a financial closing in 2nd quarter of this year and an estimate construction completion in 3rd quarter of 2026.

- (5) Williams Delight Revitalization:** the community was built in 1969 and included 300 single family units on 43 acres. HUD approved the entire site for conversion to homeownership for the residents. To date, thirty-six (36) households have become homeowners, and seventy-five (75) units will be converted to homeownership. The comprehensive rehabilitation will require demolition of approximately 183 units with the sale of the lots for homeownership. We anticipate construction completion by the fourth quarter of 2025.

- (6) Stoney Ground Revitalization:** this a four-phase new construction project designed for seniors to age in place with support services provided onsite through a partnership with the Department of Human Services and other relevant stake holders and non-

profit entities. The first phase includes 98 units in four buildings. The goal of this first phase is to provide replacement housing for the residents of the Wilford Pedro Home “aka as the Whim Gardens community”. We are awaiting acquisition approval from the U. S. Department of Housing and Urban Development (HUD) to proceed with the purchase of the property.

(7&8) Tutu North Redevelopment (Tutu Phase III) and the Lucinda Millin Revitalization

These projects are on-hold at this time as we continue to evaluate the feasibility in moving forward based on cost and available financing.

Addressing Backlog and Future Plans:

The strategic focus adopted in 2020, a 10-year plan to replace aging infrastructure is being altered due to the need to address the unresolved deficiencies across our existing public housing units now. Recognizing the urgency of this issue, VIHA has prioritized the resolution of these deficiencies in 2024. Our new approach includes the strategic use of the remaining FEMA funds designated for each community, aimed at addressing disaster-related damages and mitigating long-term vulnerabilities.

Furthermore, VIHA is committed to allocating its annual Capital Funds to rectify deferred maintenance issues. We will continue exploring Rental Assistance Demonstration (RAD) and Mixed Finance transactions as innovative strategies to rejuvenate our aging housing portfolio, ensuring our resources are efficiently leveraged to enhance the living conditions and safety of our communities.

STATUS OF REPAIRS AND OCCUPANCY FOR EACH AMP

VIHA's public housing inventory contains twenty-two (22) developments grouped into twelve (12) Asset Management Properties (AMPs), currently totaling 2,525 public housing units.

In this section of the testimony, we will provide updates on four areas of concern, including vacancy, occupancy, rent collection, maintenance, and human capital.

1. Occupancy Overview

- **Occupied Units:** Asset Management is proud to announce an occupancy rate of 94.85% as of February 7, 2024, the highest in the history of the Virgin Islands Housing Authority.
- During 2023, the Authority had 168 new move-ins which equals to 160 or more newly rehabilitated units. Thus far for 2024, we have moved in and rehabilitated over twenty-seven (27) units.
- **Vacant Units:** To date, the Virgin Islands Housing Authority has a total of forty-seven (47) vacant viable units to lease within the Authority. Forty-three (43) are in the district of St. Thomas and four (4) are within the district of St. Croix.
- **Waiting List:** The District-Wide Waiting List has 945 applicants.
 - St. Thomas District has 386 applicants.
 - St. Croix District has 559 applicants.

2. Rent Collection Overview

- **Tenants Accounts Receivable (TARs) Balance:** As of January 31, 2024, the TARs balance was reported as \$905,493.
- **Repayment Agreements:** 62 head-of-households are engaged in repayment agreements.
- **Encouragement for Repayment:** Residents owing over \$3,000 are urged to enter repayment agreements or seek aid from the Emergency Rental Assistance Program (ERAP).

3. Maintenance and Service Requests (Work Orders) Overview

- **Work Orders:** As of February 8, 2024, VIHA had 2,222 open Work Orders. Asset Management is committed to addressing work orders monthly. During the month of December, staff concentrated on decreasing outstanding work orders that are 91 plus days outstanding, in addition to managing routine work orders.
- **Completed Work Orders:** 792 work orders were completed during the period.
- **Impacts to Work Order Completion:** There are two major factors regarding the high number of work orders: (1) The availability of supplies and materials; (2) A reduction in the number of budgeted maintenance positions for hire.

STATUS AND PLANS FOR THE MAINTENANCE STAFF AND OPERATIONS OF THE AUTHORITY

- **Strategic Focus:** In our strategic shift towards rectifying the impacts of natural disasters, focusing on our long-standing maintenance challenges, and addressing the backlog of our aging portfolio, we are committed to enhancing our internal capabilities. This entails a deliberate move away from reliance on external consultants and contractors, redirecting our focus towards developing our core competency in property management. Achieving excellence in this domain necessitates a well-trained, knowledgeable workforce, equipped with the necessary skills and tools to drive our mission forward.
- **Training and Development:** This year will see an intensified focus on staff training and development. Each department will be equipped with a detailed training plan, featuring monthly goals tailored to enhance staff proficiency and performance. Moreover, our recruitment strategy will transcend traditional job postings. We aim to forge strong partnerships with local educational institutions such as the University of the Virgin Islands, actively participate in job fairs, and host open houses. These initiatives are designed to engage directly with prospective candidates, providing them with a comprehensive overview of the career opportunities available at VIHA.

The Department of Asset Management submitted its staffing needs for the FY2024 calendar year; thus, interviews are currently ongoing for the property management and maintenance staff. Two (2) individuals on the maintenance team have been promoted within the past sixty (60) days. The Department of Asset Management has been working to backfill three (3) Property Manager positions and one (1) Foreman position. The assets without a Property Manager are currently being managed by Assistant Property Managers. The sites currently being managed by an Assistant Property Manager are as follows: Michael J. Kirwan Terrace

(STT), Wilford Pedro/Williams Delight (STX), Marley Homes/Additions (STX). The property currently without a Foreman is Oswald Harris Court (STT).

UPDATE ON IMPLEMENTATION OF FY24 ANNUAL PLAN

Overall, VIHA's implementation of its goals and strategies outlined in its FY2024 Annual Plan, is an on-going effort starting with the revision of the Agency's Admissions and Continued Occupancy Policy (ACOP) effective March 1, 2024.

STATUS OF UPDATED HOUSING DEMAND STUDY

Before the dual hurricanes in 2017, the Housing Demand Study indicated that there was a 5,000-unit shortage of affordable housing. After the hurricanes, the current unmet need for affordable housing increased approximately 20% or 6,000 units. To validate the actual unmet affordable housing need in the territory, the Virgin Islands Housing Finance Authority (VIHFA) is commissioning an update to the Housing Demand Study that will determine the true demand for affordable housing in the Territory.

Traditionally, the demand for affordable housing is predicated upon population trends. However, estimating population trends is dependent upon several factors including influx of individuals and relocation of families. Based upon the 2020 census, the population in the territory declined from 106,000 to only 87,000 individuals. Thus, it is critically important to have a realistic estimate of the population for the next ten years and beyond. Accurate population trends will affect long-term planning not only for housing, but also schools, healthcare, and all other services.

For affordable housing, it is important to know the demographic trends and the projections by age. There is a clear global trend as well as a national aging of the population. This fact requires appropriate planning for services for seniors and affordable housing. To address this trend, VIHA plans to increase the percentage of housing for seniors as part of our redevelopment plan.

STATUS OF INCOME VERIFICATION AND REDUCTION OF UNREPORTED INCOME

Asset Management received the initial IVT report on January 7, 2023. The report stated that the Authority had 1,661 total households which were evaluated and 195 or 11.74% of those household reported discrepancies. During the recertification process, managers completed form 50058 Income for all tenants. VIHA reported a total income for all tenants in the amount of \$5,892,572 of which \$4,124,671 or 41.18% was reported as unreported income.

As of January 31, 2024, the total household evaluated was reported as 1,726 with 116 or 6.72% households reporting discrepancies. The form 50058 income was reported as \$5,312,859; the unreported income totaled \$2,074,397 or 22.95% of the reported income from tenants. During the review period, Asset Management met weekly with the managers to ensure the required information was requested and received by the managers and the required processes completed to reduce our unreported income balances.

Managers are encouraged to comply with the HUD mandate which requires all recertifications to begin 120 days prior to the expiration of the resident's current lease which will eliminate deficiencies. As of January 31st, our twenty-one (21) communities reported 76 outstanding recertifications.

Please note, the outstanding recertifications drives the IVT.

STATUS OF THE HOUSING CHOICE VOUCHER PROGRAM, AND THE AUTHORITY'S PROGRESS AND CHALLENGES IN TERMS OF LANDLORD RECRUITMENT

Housing Choice Voucher Program Update:

The Housing Choice Voucher Program is a key federal initiative designed to help very low-income families, the elderly, veterans, and individuals with disabilities find decent, safe, and sanitary housing in the private sector. With a budget of about \$15.7 million, the program currently supports approximately 2,092 families, maintaining a 70% utilization rate with 1,459 families receiving assistance. We expect to fully utilize the budget by the end of the fiscal year to address the increasing need for housing assistance.

Our program contends with the private rental and Airbnb markets, escalating costs and limiting the number of households we can assist. The Housing Choice Voucher Program provides Tenant-based and Project-based vouchers. Presently, there are 1,781 applicants on the Tenant-based waiting list and around 3,279 on the waiting lists for six Project-based communities. Despite these challenges, we keep both lists open for new applicants. Currently, over 200 families are searching for housing, and we expect to distribute an additional 200 vouchers in fiscal year 2024, highlighting the critical demand for available rental units.

In 2024, VIHA plans to boost the Housing Choice Voucher Program's reach and efficiency through innovative partnerships and process improvements. Collaborating with the University of the Virgin Islands, we aim to tap into the students' digital expertise and energy to attract more landlords to the program, enhancing community engagement and program visibility.

Additionally, VIHA is actively building relationships with government agencies and private entities to expand the availability of housing options for participants. These efforts are crucial for diversifying the housing stock accessible through the program.

Simultaneously, VIHA is refining its leasing procedures to ensure Housing Assistance Payments (HAP) are processed swiftly and accurately, bolstering landlord confidence and participation. These measures are part of VIHA's commitment to widen housing accessibility, making the Housing Choice Voucher Program a key support system for the Territory's most vulnerable populations.

Beyond these operational demands, VIHA is proud to manage five specialized programs under the Housing Choice Voucher Program, targeting the unique needs of vulnerable populations within our community. Despite their critical importance, we've observed underutilization in these programs and are actively engaging with stakeholders to improve participation rates.

1. **Foster Youth to Independence (FYI):** Launched in FY 2021, the FYI initiative supports youth transitioning out of foster care who are at risk of homelessness by providing twenty-six (26) tenant-based vouchers. Currently, this program is assisting four families within the territory, emphasizing the need for referrals from the Virgin Islands Department of Human Services to reach more eligible youth.
2. **Mainstream Vouchers:** Aimed at assisting non-elderly persons with disabilities, this program offered 75 vouchers starting January 1, 2021. Seventeen (17) families are now housed, with a goal to lease an additional ten (10) vouchers this fiscal year. Despite notifying nearly 1,900 applicants, only a fraction met the eligibility criteria, highlighting the ongoing need for accessible units in the private market.
3. **Emergency Housing Vouchers:** Designed for individuals and families facing homelessness, or escaping domestic violence, sexual assault, stalking, or human trafficking, this program currently supports 13 families. Collaboration with Continuum of Care (CoC) partners is essential for expanding this support, though the referral period concluded on September 30, 2023.
4. **Single Room Occupancy (SRO):** This program, in partnership with the Meeting the Needs of Our Community Agency, provides eight vouchers for individuals or families in need of housing, successfully housing seven (7) families to date.
5. **Veterans Affairs Supportive Housing (VASH):** This collaborative effort between HUD and the VA offers tailored support to homeless veterans, currently assisting five Veterans in the territory. Referrals from the VA are critical to the program's success.

National Standard for Physical Inspection of Real Estate – Voucher (INSPIRE-V)

In 2024, the Virgin Islands Housing Authority (VIHA) will transition to HUD's NSPIRE-V, moving away from the traditional HQS inspection model. NSPIRE-V introduces stringent standards focused on the health and safety of Housing Choice Voucher Program participants, representing a significant enhancement in housing quality oversight.

Scheduled for the last quarter of the fiscal year, this shift demonstrates VIHA's dedication to improving living conditions for voucher holders. We'll collaborate closely with landlords, tenants, and community partners to ensure a seamless adaptation to NSPIRE-V, maintaining our commitment to safe and healthy housing for our community.

The Housing Opportunity Through Modernization Act (HOTMA)

The Housing Choice Voucher Program (HCVP) is set to fully embrace The Housing Opportunity Through Modernization Act (HOTMA) by January 1, 2025. This landmark legislation represents a profound transformation of HCVP operations, introducing comprehensive regulatory updates to modernize the program.

In anticipation of this significant shift, VIHA is actively developing a detailed training program for our staff. This effort is designed to ensure our team is thoroughly prepared to implement HOTMA's advanced guidelines effectively. A key component of our preparation involves creating new software for HUD compliance, tailored specifically to meet HOTMA's detailed requirements, facilitating a smooth transition to the updated regulatory framework.

HOTMA introduces significant updates to the Housing Choice Voucher Program, notably redefining key elements such as income, assets, and deductions. These changes require VIHA to overhaul certification processes for participants and update our documentation and forms accordingly. HOTMA's streamlined administrative procedures aim to reduce the workload on housing authorities, improving our service delivery.

VIHA is dedicated to ensuring a smooth transition to HOTMA, involving stakeholders in the process to prepare collectively for the new operational framework. This approach reflects our commitment to enhancing the efficiency and effectiveness of the Housing Choice Voucher Program, consistent with our goal to deliver superior housing solutions.

CLOSING

In closing, this proactive approach to employee development and engagement is expected to not only elevate our service delivery standards but also foster a more cohesive, motivated, and efficient team.

By doing so, we are setting a foundation for sustainable improvements and a stronger, more resilient future for both our employees and the residents we serve. VIHA is committed to living up to its vision to provide sustainable communities so families can evolve economically, and to improve lives and strengthen communities through quality, safe and affordable housing.