



WRITTEN TESTIMONY

**Before the Committee on Housing, Transportation, and Telecommunications
Virgin Islands Legislature**

Regarding:

**Progress on the Acquisition, Renovation, and Conversion to Affordable
Homeownership and the Preservation of Affordable Rental Housing
Bellevue Village, Calabash Boom Apartments, and Lovenlund Apartments**

Submitted by:

Clifford Graham, Partner, Jackson Development Company, LLC (JDC)

Good afternoon Senator Marvin Blyden, Chairman of the Committee on Housing, Transportation, and Telecommunications, other Senators present and the listening and viewing audience, my name is **Clifford Graham**, and I am a partner with Jackson Development Company (JDC). Thank you for the opportunity to provide testimony regarding our progress on the acquisition, rehabilitation, and long-term preservation of **Bellevue Village, Calabash Boom Apartments, and Lovenlund Apartments**. I do apologize for not being present at this hearing today, but a previously scheduled personal matter has me out of the Territory.

With respect JDCs involvement with Bellevue, Calabash Boom and Lovenlund Apartments, our work is guided by three core objectives:

1. **Stabilize and rehabilitate long-neglected housing assets** to safe, modern, and code-compliant standards;
 2. **Preserve long-term affordability**, ensuring public and private investments continue to serve Virgin Islands residents; and
 3. **Expand affordable homeownership opportunities**, allowing existing residents to build equity and remain rooted in their communities.
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Historical Background and Need for Intervention

These properties were **originally developed with funding from Low Income Housing Tax Credits (LIHTC)**. Under the original agreements, the developer, VIHFA, and the tax credit investor committed that, after **Year 15 of the initial tax credit period**, the properties would be converted to affordable homeownership, allowing residents to purchase their units at an affordable price and applying a portion of rent paid toward the eventual purchase.

The original developer, Reliance Housing Foundation, ceased operations in 2015. AIG, the tax credit investor, assumed control, with property management handled by a third-party company based on the mainland. Under AIG's ownership, the properties first suffered from absentee management that didn't pay keen attention to daily work orders, then this was compounded by the damages from Hurricanes Irma and Maria in September 2017. Residents faced long delays in repairs and inadequate responses to urgent housing needs.

When residents tried to hold AIG accountable, the company made some repairs but failed to honor the commitment to homeownership. Senator Blyden, as Chair of the Housing Committee secured a commitment from AIG's CEO to complete repairs and honor homeownership conversion. However, AIG subsequently sold its entire housing portfolio (approx. 80,000 units) to Blackstone Real Estate Income Trust in 2021, leaving these properties in a continued downward spiral of neglect, poor management, and continued refusal to act on the promise of homeownership.

JDC Intervention and Acquisition Process

Recognizing the urgent need for intervention, Jackson Development Company, took action to restore the properties and fulfill the residents' long-standing rights.

- Over three years, JDC negotiated first with AIG and then with April Housing, a Blackstone subsidiary, culminating in a Purchase Contract signed in June 2023.
- Securing financing from VIHFA required an additional 18 months, with the purchase finally closing in January 2025.

During the past 12 months, JDC focused on preparing the properties and the organization for renovation and for homeownership conversion:

- Restaffing property management teams to provide resident-focused oversight, including continuously working to catch up on long standing outstanding work orders;
- Sorting and organizing property files previously in disarray;

- Developing comprehensive scopes of work for renovation and restoration work;
- Preparing bid documents and procuring contractors under HUD-compliant procedures; and
- Obtaining VIHFA’s approval to proceed with construction work.

Ownership, Funding, and Program Structure

JDC acquired Bellevue Village, Calabash Boom Apartments, and Lovenlund Apartments from April Housing in January 2025.

The acquisition, renovation, and long-term preservation are financed through CDBG-DR and CDBG-MIT loans provided by VIHFA, with a total funding commitment of \$74,360,605.

- \$52,864,024 was used for property acquisition and soft costs (due diligence, closing, design, permitting, planning).
- \$21,496,581 is budgeted for renovation and rehabilitation, allocated as follows:

Renovation Category	Budgeted Amount
Bellevue Village (72 units)	\$5,318,753
Calabash Boom Apartments (48 units)	\$2,418,795
Lovenlund Phase 1 – Homeownership (99 units)	\$5,308,370
Lovenlund Phase 2 – Rental Preservation (96 units)	\$8,450,663
Total	\$21,496,581

Unit Counts and Program Scope

Across the four properties, JDC is responsible for the stabilization and long-term affordability of **315 total units**:

- **Bellevue Village Homeownership:** 72 units
- **Calabash Boom Apartments Homeownership:** 48 units
- **Lovenlund Phase 1 – Homeownership:** 99 units
- **Lovenlund Phase 2 – Rental Preservation:** 96 units

- All residents have a right to remain as a tenant if they choose not to purchase their unit.

This combined approach allows the Territory to expand affordable homeownership opportunities while preserving critical rental housing.

Affordable Homeownership and Rental Preservation Plans

- **Bellevue Village, Calabash Boom, and Lovenlund Phase 1:** Eligible residents will have the opportunity to purchase their units at an affordable price, with a portion of rent credited toward purchase. Affordability is preserved via long-term restrictions and soft second mortgages where applicable.
- **Lovenlund Phase 2:** 96 units will **remain long-term affordable rental housing**, with comprehensive renovations, income-based rent protections, and professional property management standards.

This dual-track approach ensures that all residents' housing needs—whether homeownership or rental—are met while maintaining long-term affordability and stability.

Project Timeline and Construction Status

The overall project **is projected to be completed by February 2028. Key milestones and current status include:**

- **January 2025:** VIHFA issued the initial **Notice to Proceed for acquisition**; renovation authorization was withheld pending final scope, cost review, and HUD-compliant contractor procurement.
- **November 7, 2025:** VIHFA issued the **2nd Notice to Proceed for Lovenlund Phase 1. Small Axe Construction** mobilized and began work.
- **Lovenlund Phase 2:** Notice to Proceed is pending under CDBG-DR; **Custom Builders** is prepared to mobilize immediately upon receipt.
- **January 29, 2026:** Bellevue Village and Calabash Boom received **Notice to Proceed under CDBG-MIT**.
 - **Calabash Boom: Custom Builders** mobilized the week of **February 9, 2026**.
 - **Bellevue Village: Cutting Edge Construction** mobilizing the week of **February 23, 2026**.

Conclusion

Bellevue Village, Calabash Boom, and Lovenlund Apartments represent more than individual properties - they are critical components of the Virgin Islands' affordable housing infrastructure.

Jackson Development Company is committed to:

- Restoring these properties to high-quality, code-compliant housing;
- Honoring the long-standing homeownership commitments;
- Preserving affordable rental housing where needed; and
- Maintaining transparent, compliant use of public funds.

We appreciate the Committee's oversight and support as we continue this complex and vital work for the residents of the Virgin Islands. I remain available to answer any question you may have.