

GOVERNMENT OF THE VIRGIN ISLANDS OF THE UNITED STATES

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DEPARTMENT OF PLANNING AND NATURAL RESOURCES

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Office of the Commissioner

July 2, 2025

The Honorable Marvin A. Blyden Chair Committee on Housing, Transportation & Telecommunications 36th Legislature of the Virgin Islands

via email: <u>senatorblyden@legvi.org</u>

Dear Senator Blyden,

I am in receipt of your invitation dated June 18, 2025, to testify before the Committee of Housing, Transportation & Telecommunications July 9, 2025, on issues related to the residential housing market from the perspective of the Department of Planning & Natural Resources (DPNR). Unfortunately, I will be unable to participate as the Honorable Governor Albert Bryan Jr. has scheduled a meeting of the Cabinet for the same date, which I must attend.

Although I am unable to attend, I would like to share some comments. Among the topics listed in your June 18th invitation, only Zoning and Building Code requirements fall under the purview of DPNR.

Building Code requirements focus solely on safety, aiming to reduce loss of life and property damage from wind, fire, earthquakes, and flooding. These standards do not influence the housing market directly, such as financing, insurance, labor, contractors, or government programs. While some argue that adopting International Building Codes has significantly raised construction costs, this is incorrect. For instance, adjusting rafter requirements from 2" x 4" to 2" x 8" has a marginal cost increase of \$1.90 per rafter. Additionally, permitting costs are negligible—approximately 0.53% of construction costs—for example, \$3,500 for a \$700,000 home, with an Earth Change/CZM permit adding \$200.

Regarding Zoning, DPNR's requirements do not majorly impact residential market availability. Most zoning designations support residential development, and many rezoning requests have aimed to increase housing stock. Collaborating with the 33rd Legislature, DPNR supported measures like the Amnesty and Infill Programs, which boosted housing inventory, although many units shifted to short-term rentals like Airbnb, limiting long-term options. DPNR is exploring zoning updates to encourage mixed-use and low/moderate-income clustered developments, including increased height limits.

While I do not believe zoning and building code requirements play a significant role in the homeownership crisis, DPNR remains committed to supporting solutions that expand homeownership and rental opportunities.

Sincerely,

Jean-Pierre L. Oriol Commissioner