

VIRGIN ISLANDS OFFICE OF DISASTER RECOVERY



TESTIMONY

**Committee on Housing,
Transportation &
Telecommunications**

Legislature of the Virgin Islands

**PRESENTED BY:
Adrienne L. Williams-Octalien
DIRECTOR**

September 10, 2025

Good Afternoon Honorable Senator Marvin A. Blyden, Chairman of the 36th Legislature's Committee on Housing, Transportation & Telecommunications, other distinguished members of the committee, fellow testifiers, and the listening and viewing audience. I am Adrienne L. Williams-Octalien, Director of the Virgin Islands Office of Disaster Recovery (ODR). I am accompanied by Artra Watlington-Francis, Deputy Director of Finance and Compliance, and Jamila Haynes, Chief Program Officer. We appreciate the opportunity to provide an update on the progress of the affordable housing and homeownership programs under the purview of the Office of Disaster Recovery (ODR).

The restoration and expansion of the territory's housing stock remain one of the top five priorities of the recovery – along with hospitals, roads, schools, and utilities. ODR recognizes the importance of having a viable housing stock and the availability of affordable housing to improve the quality of life for Virgin Islanders. Recovery funding is focused on supporting vulnerable residents by utilizing federal dollars to develop resilient housing and preserve existing structures.

In November 2023, the ODR was authorized as a sub-recipient of the territory's CDBG-DR funds. As a sub-recipient, our office remains responsible for providing day-to-day management of the CDBG-DR program, which is federally funded by the U.S. Department of Housing and Urban Development (HUD) and administered through the VI Housing Finance Authority (VIHFA). The ODR works closely with VIHFA to facilitate these initiatives, ensuring that compliance and financial obligations are met.

As a part of the subrecipient agreement, the ODR provides program and project management services for the revitalization of the D. Hamilton Jackson Terrace, Donoe Redevelopment, Lovenlund Phase II, the recently completed Walter IM Hodge Pavilion, and the Own a Lot, Build a Home Program.

D. Hamilton Jackson Terrace

The D. Hamilton Jackson Terrace Revitalization Project consists of the rehabilitation of 106 units, along with its community center in Christiansted. The project is federally funded to the tune of \$121.6 million, with \$47 million from CDBG-DR and \$12.1 million from FEMA, and additional financing from 4% and 9% Federal Low Income Housing Tax Credit (LIHTC) equity, and a grant from the Federal Home Loan Bank. This will be the second project in the territory to participate in HUD's Rental Assistance Demonstration (RAD) Program. It achieved financial closing in January 2025 and is on track for project completion by December 2026. Currently, the project is 30% completed.

Donoe Redevelopment

The Donoe Redevelopment Project is the first phase of replacement housing for residents displaced by the destruction of the Estate Tutu Apartments in St. Thomas. The community will consist of 84 newly constructed units in 14 buildings and a community center at the former Estate Donoe site. The current development team consists of Pennrose LLC, VIHA, a new equity investor - Enterprise Housing Credit Investments, and construction lender Merchants Bank. A notice to proceed was issued for construction restart on June 9, 2025, and work at the site began with Consigli/Benton. The project remains on schedule, with inspections, submittals, and environmental monitoring proceeding as planned. Overall, the site has reached 13% completion. The project is partially funded by \$80.7 million in CDBG-DR funding and is on track for its targeted completion date in June 2027.

Lovenlund Apartments Phase II

Lovenlund Apartments Phase II, funded by \$25.9 million in CDBG-DR funds, is an existing 96-unit rental property located in St. Thomas that was developed as affordable rental housing utilizing the LIHTC program as the primary funding source. In 2021, the property passed the end of the initial 15-year tax credit compliance period, which left the territory at risk of losing a part of the affordable housing inventory. The Jackson Development (JDC) team applied for CDBG-DR funding to acquire, rehab, and preserve the units as affordable rentals. The Development team closed on the acquisition in January 2025 and is currently evaluating bids for the start of the rehab phase during the upcoming months. The project anticipates completion by January 2027.

The Office of Disaster Recovery is providing project management for the Lovenlund 2 apartments that will be rehabbed and preserved as rental housing, while the Virgin Islands Housing Finance Authority has oversight of the implementation of the homeownership conversion initiative for Calabash Boom, Bellevue, and Lovenlund 1 communities.

Own-a-Lot, Build-a-Home

The Own-a-Lot, Build-a-Home Program was launched in June 2024 to support first-time homebuyers with constructing a single-family residence on property they already own. The Program was developed to address a critical financing gap by providing secondary assistance in the form of a grant to offset construction costs.

To be eligible, applicants must meet established requirements, including compliance with HUD income limits, residency within the territory, first-time homebuyer status, completion of a homebuyer education course, and prequalification for a mortgage loan. Currently, applications are processed directly through the two participating lenders, Banco Popular and USDA Rural Development.

The loan limits for the program are as follows: St. Thomas \$672,750, St. Croix \$524,225, and St. John \$1,114,350. Qualified applicants can receive a grant in the form of a zero percent (0%) interest forgivable loan to fund the construction of a first home. The lender's mortgage and grant assistance combined cannot exceed the FHA loan amounts for the Virgin Islands. In accordance with HUD requirements, environmental review assessments must be conducted as part of property eligibility and completed before an award can be determined for an eligible applicant. To ensure compliance, all properties must remain in its natural state, with no permanent infrastructure such as concrete slabs, columns, or cisterns.

Currently, there are five applications in the pipeline: 4 through Banco Popular and one through USDA Rural Development. Environmental clearances have been received for all properties. Commitment letters are pending from the lenders, followed by execution of the CDBG-DR Programmatic Agreement, and then construction.

Outreach efforts have included VIHFA's Homebuyers Education classes, local radio promotions, television advertisements, newspaper and social media ads, and expos hosted by the St. Croix Board of Realtors and VIHFA in both districts.

The program presents significant opportunities for driving economic activity to local contractors and small businesses. It aims to educate residents who own land in the community about the amount of mortgage they can afford.

Since the launch, it has drawn strong community interest, with over 200 residents requesting additional information. The readiness of applicants varies. Currently, there are three residents in the permitting process, five undergoing prequalification, and four are working on plans. Others are paying off debts or completing ownership transfers.

At this time, Banco Popular and USDA Rural Development are the only participating lenders providing construction financing. Approval from USDA has been slow as they await confirmation of the fiscal year budget. Consequently, program staff have been actively engaging with lending institutions to identify additional construction lenders.

Senior Housing at Estate Tutu

Additionally, federal disaster recovery funding from FEMA is financing the Tutu North Senior Housing project, which consists of 60 units located in buildings 10, 11, 12, 14 and 22. The project is currently out for solicitation, and bids are due September 25, 2025. The financial closing is expected in December 2025 to supplement the \$76.9 million in FEMA funding. Construction is scheduled to begin in January 2026.

Mr. Chair, I wish to extend my sincere gratitude to you and the esteemed members of this committee for your time and attention, and for keeping the importance of affordable housing at the forefront. As we navigate an uncertain federal landscape and administrative changes, it has become even more crucial that we expend grant funds expeditiously. I want to reaffirm our commitment to collaborating closely with this body and all stakeholders to expedite these vital initiatives.

I wish to extend my heartfelt gratitude to my devoted team at the Office of Disaster Recovery for their steadfast dedication and relentless efforts as we continue to “Build a Legacy of Resilience”.