



VIRGIN ISLANDS HOUSING AUTHORITY

Housing the People of Paradise

36th Legislature of the Virgin Islands

Committee on Housing, Transportation & Telecommunications

Operations Update Hearing Testimony

Wednesday, September 30, 2026 | 10:00 a.m.

Earle B. Ottley Legislative Hall, St. Thomas

Presented By

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Executive Director

Opening Remarks

Good afternoon, Honorable Senator Marvin A. Blyden, Chairman of the Committee on Housing, Transportation, and Telecommunications; Vice-Chair Clifford A. Joseph; and Committee Members: Senators Dwayne M. DeGraff, Ray Fonseca, Marise C. James, and Carla J. Joseph.

Good afternoon to the other distinguished Senators present, legislative staff, fellow government officials; community partners; members of the media, the citizens of the U. S. Virgin Islands, the dedicated employees of the Virgin Islands Housing Authority, the residents of the U. S. Virgin Islands whom we are privileged to serve and all members of the public in attendance and listening.

I am Dwayne Alexander, Executive Director of the Virgin Islands Housing Authority. Thank you for the opportunity to return before this Committee and provide an operational update on the Authority's progress, remaining challenges, and the actions we are taking to improve service to the people of the U. S. Virgin Islands.

Executive Leadership

Joining me today are members of the Virgin Islands Housing Authority's executive leadership team, whose expertise and commitment continue to strengthen the organization and advance our mission throughout the Territory: Mrs. Lydia Pelle, Chief Operating Officer; Mrs. Cecile Tonge-Fahie, Chief Financial Officer; Ms. Chasity Jackson, Director of Asset Management; Ms. Ingram Brown, Director of Human Resources; and Mrs. Emmanuella Perez-Cassius, Director of Resident Wellness and Empowerment.

This testimony builds upon the Authority's August 5, 2026, Fiscal Year 2027 Budget testimony. I am pleased to report that since that hearing, VIHA has moved beyond the requirements of its U. S. Housing and Urban Development (HUD) Recovery Agreement and out of *Troubled* status. VIHA's designation is now *Substandard*. The Recovery Agreement, signed with HUD in September 2025, established a three-year framework for correcting the conditions that contributed to VIHA's Troubled designation.

Although VIHA was given three years to satisfy the agreement's requirements, the Authority achieved a PHAS score of 62 points, satisfying the agreement's requirement, in approximately eight months, well ahead of schedule. This accomplishment reflects focused leadership, stronger departmental accountability, improved financial and operational controls, and the coordinated efforts of VIHA's employees.

Completing the Recovery Agreement requirements does not end VIHA's journey to improvement. It marked the transition from immediate recovery to long-term performance improvement. VIHA subsequently will resubmit a Performance Improvement Action Plan that builds upon the progress already achieved. The plan establishes measurable actions and deadlines to improve physical conditions, increase occupancy, reduce vacancies and work-order backlogs, strengthen unit and inventory controls, manage operational and financial risk, advance major redevelopment projects, and protect essential resident services in an increasingly constrained federal funding environment.

The distinction is important: the Recovery Agreement was designed to move VIHA out of Troubled status. The Performance Improvement Action Plan is designed to move the Authority from Substandard to Standard Performer and ultimately to High Performer status, and to ensure that those improvements are sustained.

This Committee requested that VIHA address six areas: (1) vacant units and access to public housing; (2) maintenance, habitability and resident safety; (3) vouchers and the private rental market; (4) redevelopment and homeownership; (5) resident services and interagency coordination; and (6) financial condition and workforce capacity. I will address each area directly.

Critical Challenge Summary

VIHA's recent inspection results show that conditions can improve substantially when repairs, preparation, and oversight are focused at the property level. Across nine active communities with comparable 2025 and 2026 NSPIRE results, the average score rose from 68.9 to 86.2. Eight of the nine communities improved. These are meaningful gains, although some results still preliminary.

The challenge now is to make those gains durable. A strong inspection score on one date must be supported by preventive maintenance, prompt correction of deficiencies, dependable work-order practices, and continued attention to resident conditions throughout the year. VIHA's projected FY2026 PHAS Physical score of 35.08/40 suggests substantial improvement from the official FY2024 score of 21/40, but it is a projection, not a final HUD score.

Physical condition is only part of the path forward. VIHA must also increase occupancy, move leasable vacant units through rehabilitation and turnover faster, resolve the status of units tied to redevelopment or disposition, strengthen management performance, and execute Capital Fund work on schedule. Each of these areas requires clear ownership, measurable deadlines, and timely decisions when progress stalls.

VIHA has seen why sustained performance matters. It reached Substandard status in FY2015 and later returned to Troubled status. We intend to break that cycle through monthly executive and Board review, quarterly reporting to HUD, and corrective action tied to specific targets. Our goal is to build the day-to-day discipline that supports Standard Performer status and, ultimately, sustains high performance.

Community	AMP	2025	2026	Change
Estate Bovoni Apartments	13	52	84	+32
John F. Kennedy Terrace*	22	66	98*	+32
Louis E. Brown Villas — Aureo Diaz, Candido Guadalupe, and Mount Pleasant	23	58	89	+31
Michael J. Kirwan Terrace	15	63	86	+23
Williams Delight Villas*	25	78	96	+18
Paul M. Pearson Gardens** — H. H. Bergs Homes & Additions, Lucinda Millin, and Paul M. Pearson Gardens	14	77	94*	+17
Walter I.M. Hodge — Marley Homes* & Additions	24	66	85*	+19

* Results are final.

1. Vacant Units and Access to Public Housing

Based on the most recent monthly data, VIHA's portfolio occupancy stands at 83.9 percent, with 1,716 of 2,046 available units occupied. Occupancy in the St. Thomas/St. John district is 93.7 percent. In the St. Croix district, occupancy rose from 69.8 percent to 71.6 percent over the most recent reporting month but is still well below the portfolio average. Most of the St. Croix vacancies are at John F. Kennedy Terrace and Williams Delight Villas. Many units there are undergoing modernization, rehabilitation, demolition or disposition, or other repositioning. These are not routine vacancies that normal unit turnover can return to service. Each category needs its own approach, funding, and timeline, and VIHA is managing them that way.

Occupancy also has a major effect on the Authority's Public Housing Assessment System (PHAS) score. Under HUD's current scoring framework, occupancy accounts for up to 16 of the 25 Management Operations points and up to five of the 10 Capital Fund points. A HUD-adjusted occupancy rate below 90 percent earns no occupancy points under Management Operations. Below 93 percent, it earns none under the Capital Fund indicator. The 83.9 percent figure reported here is VIHA's internal portfolio rate, not HUD's adjusted rate. The final scoring outcome will therefore depend on HUD's calculation.

For these reasons, raising occupancy is one of VIHA's highest priorities. Doing so will allow the Authority to house more families, strengthen rental revenue, and improve its position to achieve Standard Performer status.

Management Areas	As of August 31, 2026
Portfolio occupancy	83.9% (1,716 of 2,046 available units)
St. Thomas/St. John occupancy	93.7%
St. Croix occupancy	71.6%
Vacant units under maintenance	244
Modernization pipeline	130 units
Demo/disposition inventory	208 (Tutu) 2 (Williams Delight) units

Six of VIHA's 11 Asset Management Projects (AMPs) have occupancy rates of at least 95 percent, demonstrating that vacancies are concentrated in a small number of developments. The most significant challenges are at AMP 22, John F. Kennedy Terrace/Joseph E. James Terrace, with 38.0 percent occupancy, and AMP 25, Williams Delight Villas/Wilford Pedro Homes, with 59.2 percent. VIHA is pursuing development-specific strategies to return viable units to service, advance rehabilitation and repositioning, and strengthen leasing performance.

St. Thomas site	AMP	Occupied / MASS denominator	Occupancy
Oswald E. Harris Court	11	290 / 297	97.6%
Estate Tutu Highrise	12	0 / 0	N/A*
Estate Bovoni Apartments	13	284 / 341	83.3%
Paul M. Pearson Gardens	14	120 / 120	100.0%
H. H. Bergs Homes	14	50 / 50	100.0%
H. H. Bergs Homes Addition	14	24 / 24	100.0%
Lucinda Millin Homes	14	82 / 85	96.5%
Michael J. Kirwan Terrace	15	123 / 126	97.6%
The Knolls at Contant	15	94 / 96	97.9%

St. Croix site	AMP	Occupied / MASS denominator	Occupancy
Alphonso Gerard Complex	21	18 / 23	78.3%
John F. Kennedy Terrace	22	53 / 195	27.2%
Joseph E. James Terrace	22	34 / 34	100.0%
Aureo Diaz Heights	23	98 / 100	98.0%
Mount Pleasant	23	44 / 44	100.0%
Candido Guadalupe Terrace	23	86 / 90	95.6%
Marley Homes	24	31 / 34	91.2%
Marley Addition	24	58 / 60	96.7%
Williams Delight Villas	25	61 / 140	43.6%
Wilford Pedro Homes	25	80 / 98	81.6%
Louis E. Brown Redevelopment	26	76 / 77	98.7%
Louis E. Brown Redevelopment II	27	10 / 10	100.0%
Mon Bijou	99	0 / 2	0.0%

The Performance Improvement Action Plan establishes an interim occupancy target of at least 88 percent by December 31, 2026, and at least 94 percent by December 31, 2027. VIHA recognizes that 88 percent is an interim milestone and remains below the level necessary to earn points under the PHAS Management occupancy subindicator. The Authority's longer-term objective is therefore to restore and sustain occupancy at levels that materially improve PHAS performance.

Portfolio Occupancy: Current and Illustrative Site Targets

As of the latest reporting period baseline is **1,716 occupied of 2,046 units, or 83.9%**. With the same 2,046-unit denominator, VIHA would need **85 additional occupied units** to reach at least 88% and **208 additional occupied units** to reach at least 94%. The site allocations below show one way to meet those totals; they are **planning scenarios, not approved site commitments or forecasts**.

Island / site	August 31 actual	88% portfolio scenario	94% portfolio scenario
St. Thomas			
Oswald E. Harris Court	290/297 · 97.6%	292/297 · 98.3%	292/297 · 98.3%
Estate Bovoni Apartments	284/341 · 83.3%	304/341 · 89.1%	329/341 · 96.5%
Paul M. Pearson Gardens	120/120 · 100%	120/120 · 100%	120/120 · 100%
H. H. Bergs Homes	50/50 · 100%	50/50 · 100%	50/50 · 100%
H. H. Bergs Homes Addition	24/24 · 100%	24/24 · 100%	24/24 · 100%
Lucinda Millin Homes	82/85 · 96.5%	83/85 · 97.6%	83/85 · 97.6%
Michael J. Kirwan Terrace	123/126 · 97.6%	123/126 · 97.6%	123/126 · 97.6%
The Knolls at Contant	94/96 · 97.9%	94/96 · 97.9%	94/96 · 97.9%

St. Croix			
Alphonso Gerard Complex	18/23 · 78.3%	20/23 · 87.0%	20/23 · 87.0%
John F. Kennedy Terrace	53/195 · 27.2%	78/195 · 40.0%	133/195 · 68.2%
Joseph E. James Terrace	34/34 · 100%	34/34 · 100%	34/34 · 100%
Aureo Diaz Heights	98/100 · 98.0%	98/100 · 98.0%	98/100 · 98.0%
Mount Pleasant	44/44 · 100%	44/44 · 100%	44/44 · 100%
Candido Guadalupe Terrace	86/90 · 95.6%	88/90 · 97.8%	88/90 · 97.8%
Marley Homes	31/34 · 91.2%	31/34 · 91.2%	31/34 · 91.2%
Marley Addition	58/60 · 96.7%	58/60 · 96.7%	58/60 · 96.7%
Williams Delight Villas	61/140 · 43.6%	86/140 · 61.4%	121/140 · 86.4%
Wilford Pedro Homes	80/98 · 81.6%	88/98 · 89.8%	96/98 · 98.0%

Louis E. Brown Redevelopment	76/77 · 98.7%	76/77 · 98.7%	76/77 · 98.7%
Louis E. Brown Redevelopment II	10/10 · 100%	10/10 · 100%	10/10 · 100%
Mon Bijou	0/2 · 0%	0/2 · 0%	0/2 · 0%
Portfolio	1,716/2,046 · 83.9%	1,801/2,046 · 88.0%	1,924/2,046 · 94.0%

To meet these occupancy targets, VIHA must address two distinct categories of vacancy. The first is routine vacancies, which can be returned to service through normal maintenance and unit turnover. The second is units that cannot reasonably be restored through routine maintenance alone. A significant share of the Authority's reported vacant inventory falls into this second category. These units require modernization, substantial rehabilitation, demolition or disposition, or other repositioning. Classifying each unit accurately and pursuing the right action for it is essential to sound portfolio management, accurate reporting to HUD, and improved PHAS performance.

Section 18, Demolition/Disposition of the 244 Vacant Units

At John F. Kennedy Terrace, 144 units are located within the propane blast zone. These units meet HUD's criteria for Section 18 demolition/disposition, and VIHA is preparing its application to HUD for approval.

Separately, approximately 100 units at Williams Delight Villas meet the criteria for Section 18 demolition/disposition. VIHA is obtaining the required environmental report and will then complete its final demolition submission to HUD.

Once HUD approves the demolition/disposition classification for these units, VIHA projects that its reported portfolio occupancy rate will increase, because these units will no longer count in the occupancy calculation. This change will give a more accurate picture of the Authority's occupancy performance by separating units available for occupancy from units being removed or repositioned under the redevelopment strategy. It also shows how much proper unit classification affects both VIHA's reported occupancy and its PHAS performance.

Modernization and Capital Improvements

VIHA continues to advance a Territory-wide modernization and capital improvement program focused on the physical condition, safety, resiliency, and quality of life of its public housing communities. Current work includes vacant-unit rehabilitation, NSPIRE repairs, hurricane-damaged roof replacement, exterior painting and concrete repairs, demolition of obsolete structures, infrastructure and playground improvements, and other building and site work.

Vacant-unit rehabilitation and hurricane-related repairs are among the Authority's most immediate priorities because they directly affect residents and VIHA's ability to return units to service and increase the PHAS score. Under VIHA's IDIQ contract, the rehabilitation of approximately 14 vacant (10 at Bovoni and 4 OHC) units has been completed, and additional work is underway at Estate Bovoni Apartments. NSPIRE repair task orders are active at Oswald E. Harris Court, Michael J. Kirwan Terrace, Knolls at.

VIHA is also advancing its major hurricane-related capital improvements. At Lucinda Millin Home, the \$628,472 hurricane-damaged roof-repair contract was 20 percent complete as of August 2026, with construction scheduled for completion in December 2026. At Estate Bovoni, a \$5.22 million roof-repair contract has been awarded, along with the roof repair project at Michael J. Kirwan Terrace at \$2.3 million, with solicitations for roof repairs at Paul M. Pearson Gardens (Rebid) and H. H. Bergs Home (Rebid), Williams Delight (Rebid), Wilford Pedro Home (Rebid), Marley Homes & Additions and Joseph E. James are advancing through procurement. The Authority has also awarded the construction of a much-needed retaining-wall at the Knolls at Contant; and is getting ready to issue the Notice-to-Proceed for the long-awaited installation of playgrounds at its St. Thomas and St. Croix communities to begin.

FEMA-funded improvements remain a significant component of VIHA's capital program. As of September 24, 2026, approximately \$237.7 million had been obligated by VIHA for recovery from Hurricanes Irma and Maria. Of that amount, approximately 95% of the Irma funds have been expended and 18% of the Maria funds have been expended. The remaining funding represents substantial capital projects that VIHA must continue to move through design, procurement, construction, reimbursement, and project closeout. Current FEMA-supported work includes major redevelopment projects, roof repairs, infrastructure improvements, and an Oswald E. Harris Court Hazard Mitigation Project.

After nearly two years, VIHA received approval from FEMA for both phases of the Oswald E. Harris Court Hazard Mitigation Project, with total authorized funding of \$8,025,256.87, including \$7,656,808.92 in federal project funding and \$368,447.95 in subrecipient management costs. Following the June 9 kickoff meeting, the architect has updated and completed the drawings and specifications and this project will be underway through the procurement process in the next 30 days.

VIHA's capital program also includes improvements to the broader residential environment. With the St. Thomas and St. Croix playground projects, having now received the \$3.4 million Southern Trust funding to move forward, the demolition of Estate Tutu Phase III (Bldgs. 19, 20 & 21) and Estate Tutu North (VIHA's old Central Office building) completed; this makes way for the new construction of 60 units at the new Tutu Senior Development (Closing October 15, 2026), the long-awaited Estate Donoe Redevelopment of 84 units (now at 57% completed), and the completion of the Revitalization of D. Hamilton Jackson Terrace (will be 100% occupied in the next 2 weeks). VIHA plans to continue to advance revitalization and new development projects in order to increase and sustain a more resilient and attractive housing portfolio.

These modernization and capital improvement activities are integral to VIHA's Performance Improvement Action Plan. Improving physical conditions cannot be separated from improving occupancy. Capital investments are being directed toward documented physical needs and NSPIRE deficiencies; rehabilitation is returning viable vacant units to service; and repositioning is addressing

properties and units that are no longer sustainable in their current form. Together, these efforts improve residents' homes and communities while strengthening VIHA's physical-condition and occupancy performance.

Waiting List and Placement

VIHA's public housing waiting list currently includes 588 applicants: 359 in the St. Thomas/St. John district and 229 in the St. Croix district. The list grew by 24 applicants, or 4.3 percent, over the prior month. One-bedroom units account for the greatest demand, with 395 applicants, or 67.2 percent of the waiting list. The bedroom sizes and locations of units that become available do not always match the needs of the applicants at the top of the list. That mismatch can lengthen placement times even when vacancies exist elsewhere in the portfolio.

Bedroom size	Applicants	Share of waiting list
1 bedroom	395	67.2%
2 bedrooms	118	20.1%
3 bedrooms	53	9.0%
4 bedrooms	20	3.4%
5 bedrooms	2	0.3%
Total	588	100%

Placement depends on several factors: applicant eligibility, bedroom-size requirements, applicable preferences, unit readiness, and the location of available housing. VIHA is strengthening coordination among leasing, maintenance, and property management so that every unit ready for occupancy is matched with an eligible applicant as quickly as possible.

The St. Thomas/St. John district currently has eight units ready to lease and seven prequalified families. The St. Croix district has four units ready to lease and 11 prequalified families. VIHA is working to close the remaining gaps in timing, location, and bedroom size between available units and qualified applicants.

In the most recent month, VIHA completed eight new admissions and recorded three move-outs. This reversed the prior month's trend, when move-outs exceeded admissions. In the same period, Asset Management returned eight rehabilitated units to service: three at Oswald E. Harris Court and five at Estate Bovoni.

2. Maintenance, Habitability, and Resident Safety

Maintenance remains one of VIHA's highest operational priorities. It directly affects resident safety, quality of life, unit turnaround, occupancy, NSPIRE results, and overall PHAS performance. The most recent monthly results show strong emergency responsiveness and a modest reduction in the total work-order backlog. However, the remaining backlog of 4,170 open work orders is too high and requires sustained corrective action.

VIHA received 96 emergency work orders during the most recent month and completed all 96 within the required 24-hour period, achieving 100 percent emergency-response compliance. Every reported condition posing an immediate threat to health or safety was prioritized and resolved within the required timeframe. Strong emergency response is essential to protecting residents, but it does not by itself reduce the broader maintenance backlog.

For non-emergency maintenance, VIHA received 1,253 new work orders and completed 872, a completion rate of 69.6 percent. Because new requests exceeded completions, VIHA must increase production while also reducing older work orders already in the system.

Maintenance Areas	As of August 2026
Open work-order backlog	4,170
New emergency work orders	96
Emergency work orders completed	96
Emergency response compliance	100%
New non-emergency work orders	1,253
Non-emergency work orders completed	872
Non-emergency completion rate	69.6%
Average non-emergency close time	1.97 days

The 1.97-day average is the time taken to close the non-emergency work orders completed during the period. It does not mean that the 4,170 open work orders are all less than two days old. The open inventory includes work orders of varying age, type, complexity, and priority. VIHA is reviewing backlog aging and classifications to separate recent requests from long-standing cases that need focused intervention.

Across the portfolio, the open backlog declined from 4,326 to 4,170 work orders over the prior month, a reduction of 156, or 3.6 percent. Performance varied by district:

- St. Croix reduced its backlog from 842 to 619, eliminating 223 work orders, or 26.5 percent.
- St. Thomas/St. John increased from 3,484 to 3,551, an increase of 67 work orders.
- Estate Bovoni alone accounts for 1,418 open work orders, approximately 34 percent of the entire portfolio backlog, and requires concentrated corrective action.

The St. Croix reduction was large enough to lower the portfolio total despite the increase in St. Thomas/St. John. VIHA must now carry that progress across the rest of the portfolio, without allowing faster closures to compromise the quality of repairs.

VIHA is implementing a structured work-order reduction strategy that includes:

- Daily and weekly production targets at each property;
- Triage by emergency, urgent, routine, NSPIRE-correction, and unit-turnaround priority;
- Focused staffing and contractor support at the developments with the largest backlogs;
- Review of long-standing and repeatedly reopened work orders;
- Supervisor verification that repairs are complete before work orders are closed;
- Dashboard monitoring by property, work-order type, priority, age, and responsible staff;
- Preventive-maintenance schedules to reduce recurring failures; and
- Monthly executive review, with corrective action when targets are not met.

The Authority's objective is not simply to close work orders in the system. A work order is complete only when the underlying condition has been corrected, the work documented, the repair verified, and the resident's health and safety protected. VIHA will continue to prioritize life-threatening and severe conditions, emergency repairs, NSPIRE deficiencies, and work needed to return vacant units to occupancy. At the same time, it will systematically reduce the accumulated backlog so that every resident receives timely, reliable, high-quality maintenance service.

Resident safety is the first consideration in VIHA's maintenance and property operations. Emergency work orders receive the highest priority, and VIHA has maintained 100 percent compliance with the 24-hour response standard. Under the Performance Improvement Action Plan, life-threatening and severe NSPIRE deficiencies must be corrected within HUD-required timeframes, with documented verification that each repair is complete.

VIHA is also restoring and upgrading its CCTV surveillance systems. Current work focuses on Oswald E. Harris Court and Aureo Diaz Heights, where the existing systems are being replaced with improved equipment and expanded coverage. Upgrades are being carried out in phases, and each completed phase will bring additional cameras and site coverage online. When completed, this work will give VIHA a modern platform that can be extended to other public housing communities and to the Authority's offices on both islands.

Resident safety also depends on strong, connected communities. As described in Section 5, the Resident Wellness and Empowerment Department recently led a door-to-door wellness canvass at Williams Delight with the Community Emergency Response Team and the Resident Council. The canvass collected resident feedback on community safety. VIHA will use that feedback, along with input from resident councils across its developments, to guide safety priorities at each property.

NSPIRE and Physical Condition

As noted in the Critical Challenge Summary, VIHA's 2026 NSPIRE results show broad improvement in the physical condition of the portfolio. Across the nine communities with comparable scores, the average rose from 68.9 to 86.2, and eight of the nine improved. The Authority's priority now is to sustain those gains through consistent operating practices at every property. VIHA's own history shows that improvement can be lost without them.

To that end, the Performance Improvement Action Plan requires:

- a preventive-maintenance schedule for each property;
- quarterly NSPIRE readiness assessments;
- timely correction of life-threatening and severe deficiencies;
- documented quality-assurance inspections before completed work is accepted; and
- capital planning aligned with identified physical needs.

VIHA manages preventive maintenance, inspections, work orders, unit turnover, and capital rehabilitation as a single, integrated effort, because together they determine resident safety, occupancy, and long-term property performance. The goal is to keep every property inspection-ready throughout the year, not simply to prepare for the next scheduled inspection.

Annual Recertifications and Income Verification

VIHA has made the same kind of sustained progress in resident recertifications, which are essential to accurate rents, reliable data, and sound management performance. The Authority has completed 1,448 of 1,710 required annual recertifications. That is a completion rate of 84.7 percent, up from 74.3 percent the prior month. Asset Management is completing the remaining 262 recertifications as scheduled by their recertification date.

VIHA uses HUD's Income Verification Tool to confirm that the income households report matches federal income data. The most recent review covered 1,562 households and found discrepancies in 108, a rate of 6.91 percent. The rate has now declined for three consecutive months and is down from 7.76 percent the prior month, although it remains above VIHA's 5 percent benchmark. Each discrepancy is reviewed with the household. Where income was underreported, VIHA adjusts the rent and, when appropriate, sets up a repayment agreement for the amount owed.

Moving forward timely annual and interim recertifications and accurate resident data are core management performance measures. To support this work, VIHA is training staff on the Housing Opportunity Through Modernization Act (HOTMA) income rules, the Admissions and Continued

Occupancy Policy, and eligibility and leasing procedures. This training is intended to make sure recertifications are completed correctly the first time and within required timeframes.

3. Vouchers and the Private Rental Market

The Housing Choice Voucher (HCV) Program remains an essential part of VIHA's housing strategy. It allows eligible families to rent in the private market when public housing is unavailable or does not meet their needs. It also extends the Authority's reach beyond its own portfolio, making use of privately owned housing throughout the Territory.

VIHA is authorized to administer 2,092 vouchers. At present, 1,256 families are participating, a utilization rate of approximately 60 percent. In the most recent month, VIHA completed two new leases, and 42 tenant-based and project-based voucher holders were actively searching for housing.

VIHA also processed approximately \$1.398 million in Housing Assistance Payments (HAP) to landlords and \$75,748 in utility assistance payments to tenants during the month, for combined assistance of approximately \$1.474 million. These payments are federal dollars flowing directly into the local economy through private property owners.

Voucher Measure	Most Recent Month
Total voucher allocation	2,092
Families participating – program overview	1,256
Program overview utilization	60.0%
Finance utilization calculation	64.3%

Voucher issuance alone does not determine utilization. The principal constraint is the supply of private rental units that meet program standards at rents HUD funding can support. VIHA must also manage the program within its HAP budget authority. Issuing vouchers beyond what available funding can sustain would put currently assisted families at risk. Within those limits, VIHA is expanding landlord outreach, improving customer service, coordinating inspections more efficiently, and helping voucher holders move from search to lease-up more quickly.

Specialized Voucher Programs

Several specialized programs continue to serve residents with housing needs. Mainstream vouchers currently assist 17 families that include people with disabilities. Veterans Affairs Supportive Housing (VASH) vouchers assist 10 veteran households. Foster Youth to Independence vouchers assist three young adults leaving foster care, and the Single Room Occupancy program assists four households. VIHA continues working with its partner agencies to increase participation and help families who are actively searching to move into available units.

Project-Based Vouchers

Project-based vouchers remain an important part of VIHA's strategy because they attach assistance to specific properties and guarantee a supply of affordable units. VIHA maintains separate waiting lists for six project-based sites, with a combined 3,952 families waiting. That figure is more than six times the public housing waiting list, and it shows the depth of unmet demand in the Territory. Utilization at these sites remains strong:

- 98.7 percent at Celestino A. White Senior Residence
- 93.3 percent at Louis E. Brown II
- 92.0 percent at Louis E. Brown I
- 87.5 percent at Croixville Apartments
- 83.3 percent at Patriot Manor

Federal Program Changes

HUD has ended administrative funding for the Emergency Housing Voucher (EHV) program. VIHA received its final EHV administrative fees in May 2026, and EHV participants are moving to regular tenant-based voucher assistance. HUD also folded Mainstream Voucher funding into the Housing Choice Voucher program effective July 2026. Through these changes, the Authority's priority remains the same: protect the families already being assisted while increasing utilization within available budget authority.

4. Redevelopment and Homeownership

VIHA is simultaneously preserving existing public housing and advancing a redevelopment pipeline that will replace obsolete housing, improve resiliency, expand senior housing, and create pathways to homeownership.

Estate Donoe Redevelopment – Tutu Phase I

Estate Donoe is an 84-unit new construction development. Environmental remediation was completed in December 2024, financial closing occurred on May 29, 2025, and the Notice to Proceed became effective June 9, 2025. There is approximately \$44.5 million in completed work, representing approximately 57 percent of the contract total.

VIHA has allocated 84 project-based vouchers to the development. The Right-to-Return process gives priority to former Estate Donoe residents displaced by Hurricane Marilyn and second priority to former Tutu Hi Rise residents displaced by Hurricanes Irma and Maria. The project-based waiting list was opened to the public on May 1, 2026.

As of August 31st, Estate Donoe's completion date remains June 9, 2027. Buildings 1 & 2 have been turned over, Buildings 3 and 4 will be turned over in the next week, with the expectation of completing Buildings 5 and 6 thereafter.

41 applications were received as part of the Right-to-Return process from former Estate Donoe families and 45 from former Tutu Hi Rise families; 34 families were projected for voucher issuance during September 2026 as eligibility processing and occupancy planning continued.

Tutu North Senior – Tutu Phase II

Tutu North Senior is planned as a 60-unit senior development, consisting primarily of one-bedroom units. A revised financial closing target has now been set for mid-October 2026.

Williams Delight Homeownership and Section 18

The Modernization Department has completed the inspections of the homes of the 34 families, next scheduled to receive the award of a \$15,000 grant each, to assist them with Closings costs for the purchase of their homes. The appropriated \$510,000 for 34 families who made \$500 down payments was approved and is in the process of being transferred to VIHA from the V. I. Housing Finance Authority.

Quotes from contractors are in the process of submission for VIHA's evaluation and homeowner selection. Legal documents including titles and surveys will be underway shortly as well.

Thirty-three sales have been completed with \$500,000 in ARPA funds fully expended, although there are a few homes with some remaining interior and exterior repairs still to be completed.

Approximately 100 Williams Delight units meet the criteria being evaluated for HUD Section 18 demolition.

5. Resident Services and Interagency Coordination

Resident Wellness and Empowerment advances self-sufficiency, leadership development, workforce readiness, health and wellness, housing stability, and community resilience through coordinated services and strategic partnerships. During August, the department continued initiatives supporting resident leadership, economic mobility, wellness, emergency preparedness, and community engagement throughout VIHA communities.

One of the department's major focuses during August was a community-wide wellness canvass conducted by Resident Wellness and Empowerment and the Community Emergency Response Team in partnership with the Williams Delight Resident Council. Staff and partners conducted door-to-door wellness checks, distributed information on grief, trauma, and supportive services, gathered resident feedback about community safety, and made a therapist available on-site for residents seeking immediate emotional support.

Resident Wellness and Empowerment also continued strengthening resident leadership, workforce development, and economic opportunity. The department reviewed and provided guidance on the Resident Council's quarterly reporting, coordinated trainee contract extensions across four Asset

Management Projects, and forwarded 10 VIHA employment applications collected through occupational wellness activities to the Human Resources Department.

The Family Self-Sufficiency Program continued outreach, case management, and participant engagement. Resident Wellness and Empowerment worked with property managers at Louis E. Brown Villas to expand informational sessions and resident outreach while providing individualized assistance to residents pursuing education, employment, and other self-sufficiency goals. All department staff also completed the Basics of Fair Housing Certification Course, strengthening their understanding of fair housing requirements, resident protections, nondiscrimination, and appropriate service delivery.

6. Financial Condition and Workforce Capacity

Financial Condition

VIHA continues to manage its finances conservatively while federal subsidy proration and voucher utilization affect revenue. Financial condition remains a relative strength in PHAS, as reflected in VIHA's FY2024 Financial score of 22 of 25.

The August management report shows mixed operating results by cost center. HCV administrative operations reported \$72,090 in revenue and \$126,909 in expenses, producing a monthly deficit of \$54,819 and a year-to-date deficit of \$387,823. The Central Office Cost Center posted positive monthly cash flow of \$2,639 but a year-to-date deficit of \$347,387. St. Thomas/St. John reported a monthly deficit of \$398,675 and a year-to-date deficit of \$360,516. St. Croix reported a monthly deficit of \$173,411 while retaining positive year-to-date cash flow of \$93,007.

Operating subsidy remained below budget because of HUD proration and the number and status of units reflected in HUD systems. This result reinforces the direct relationship among accurate inventory classification, occupancy, and operating revenue.

Capital Fund resources remain central to physical-condition improvement and vacancy reduction. VIHA's Performance Improvement Action Plan requires at least 90 percent of each grant to be obligated within 24 months and 100 percent to be expended within 48 months, supported by monthly executive monitoring and quarterly reporting.

As of August 31, the 2023 Capital Fund grant showed \$10,922,543 authorized, \$9,782,916 expended, and \$1,139,627 unexpended. The 2024 grant showed \$11,305,884 authorized, \$8,752,534 expended, and \$2,553,350 unexpended. The 2025 grant showed \$11,302,036 authorized, \$4,845,861 expended, and \$6,456,175 unexpended. Across the three grants, VIHA had \$33,530,463 authorized, \$23,381,311 expended, and \$10,149,152 unexpended.

The accounts-payable report reflected \$5,367,085 in checks and ACH transfers, with 92.68 percent of payments less than 30 days old. Operating-subsidy revenue remained below budget in both districts because of HUD proration and the number and status of units reported in PIC. VIHA continues addressing the resulting funding pressure through occupancy improvement, accurate unit-status reporting, expense monitoring, and timely grant obligation and expenditure.

Tenant Accounts Receivable

Tenant Accounts Receivable currently totals approximately \$1.247 million across 545 households. That is an increase of approximately \$15,500, or 1.3 percent, over the prior month. The St. Thomas/St. John district accounts for approximately \$989,457 across 405 households, and the St. Croix district for approximately \$257,720 across 140 households.

Measure	Amount	Households
St. Thomas/St. John	\$989,457	405
St. Croix	\$257,720	140
Total	\$1,247,177	545
Balances over 90 days	\$734,181 (58.9%)	—

The greatest concern is the balance outstanding for more than 90 days. It has risen to \$734,181, or 58.9 percent of the total. The longer an account stays delinquent, the harder it is to resolve, and the greater the financial impact on both the household and the Authority.

Tenant Accounts Receivable is more than an accounting matter. Rent collection is part of the Management Operations indicator under HUD's Public Housing Assessment System. A high receivable balance can lower VIHA's Management score, weaken its overall PHAS performance, and slow the Authority's progress from Substandard to Standard Performer and, ultimately, High Performer.

Rent collection is also increasingly important as federal funding tightens. Federal funds do not cover every operating need, and further reductions are possible. Tenant rent supports property operations, maintenance, utilities, unit repairs, safety measures, and resident services. When rent goes uncollected, fewer resources are available for these needs, and households that pay on time also feel the strain on operations.

Workforce Capacity

As of August 31, 2026, VIHA had 198 budgeted positions, 164 employees, and 34 vacancies. Following its staffing review, Asset Management reported 11 vacancies: six maintenance positions, two administrative positions, one property-management position, and two maintenance foreman positions.

The Authority is aligning recruitment with operational needs and performance-improvement priorities. Asset Management has prioritized internal advancement for certain maintenance positions, conducted interviews for foreman, administrative, and property-management roles, and continued professional development in coordination with Human Resources.

VIHA is also evaluating compensation and classification through a study addressing internal equity, market competitiveness, salary structures, employee placement, benefits, and compensation administration, with implementation options for Fiscal Year 2027. Human Resources continues to

manage union and non-union grievances, labor-management relations, recruitment, employee development, and workforce stabilization.

Workforce development is directly tied to the Performance Improvement Action Plan. VIHA is prioritizing training in NSPIRE standards, maintenance operations, HOTMA, the Admissions and Continued Occupancy Policy, eligibility, leasing, cross-training, and succession planning.

Recovery to Performance Improvement

HUD has determined that VIHA satisfied the requirements of its September 2025 Recovery Agreement. That determination represents an important milestone: the Authority addressed the immediate conditions that resulted in its Troubled designation and improved its official FY2024 PHAS score to 62, moving VIHA into the Substandard category.

Moving out of Troubled status, however, does not mean that federal oversight or VIHA's responsibility for corrective action has ended. It means that the Authority has progressed from emergency recovery to structured performance improvement. Following HUD's July 22, 2026, notification of VIHA's Substandard designation, the Authority submitted a Performance Improvement Action Plan that builds upon the Recovery Agreement and establishes specific actions, responsible departments, performance measures, and deadlines through December 31, 2027.

The plan is designed to address the areas that continue to limit VIHA's performance—particularly occupancy, physical conditions, management effectiveness, work-order execution, Tenant Accounts Receivable, vacant-unit turnaround, and Capital Fund performance. It also protects the areas in which VIHA is performing comparatively well, including financial management and reporting.

The plan's principal objectives are:

- **Increase occupancy:** Achieve portfolio occupancy of at least 88 percent by December 31, 2026, and at least 94 percent by December 31, 2027. The 88 percent target is an interim milestone and remains below the level needed to materially strengthen VIHA's PHAS Management occupancy score. The long-term objective is to achieve and sustain occupancy that improves both housing availability and PHAS performance.
- **Accelerate vacant-unit turnaround:** Establish property-level plans for routine vacancies, units requiring substantial rehabilitation, modernization units, and properties affected by demolition/disposition or repositioning. Daily and weekly benchmarks will identify delays, assign responsibility, and move viable units back into occupancy more quickly.
- **Improve management performance:** Strengthen the PHAS Management areas of occupancy, Tenant Accounts Receivable, and accounts payable. This work includes improving rent collection, monitoring repayment agreements, completing annual and interim recertifications, maintaining accurate resident and unit data, and correcting management deficiencies promptly.
- **Reduce the work-order backlog:** Use property-level production targets, aging reports, supervisor verification, and dashboard monitoring to reduce long-standing work orders. Emergency, urgent, and routine requests will be prioritized according to established response standards, with quality assurance completed before work orders are closed.

- **Sustain physical-condition improvement:** Maintain the progress reflected in 2026 NSPIRE results through property-level preventive-maintenance schedules, quarterly readiness inspections, timely correction of life-threatening and severe deficiencies, quality-assurance inspections, and capital planning based on documented physical needs. VIHA's objective is to keep properties inspection ready throughout the year, not merely prepare for the next inspection.
- **Protect financial performance:** Maintain the maximum achievable PHAS Financial score through timely and accurate submissions, responsible liquidity and cash management, sound internal controls, timely audits, and prompt correction of audit or monitoring findings. This discipline is especially important as VIHA prepares for potential federal funding reductions and other external financial pressures.
- **Strengthen Capital Fund performance:** Maintain compliance with Capital Fund obligation and expenditure deadlines, align investments with the Authority's highest physical-condition priorities, and identify procurement, environmental-review, and project-delivery barriers before they place federal funding at risk.
- **Build workforce capacity:** Ensure that departments have the staffing, training, supervision, performance standards, and technical support necessary to carry out the plan. Department directors and responsible managers are accountable for meeting assigned benchmarks and initiating corrective action when performance falls behind schedule.

The Performance Improvement is supported by a formal accountability structure. Executive Leadership reviews departmental performance monthly; VIHA reports results regularly to the Board of Commissioners and quarterly to HUD. Performance dashboards and management reports compare actual results with established targets, identify missed deadlines, and require written corrective action when progress is insufficient.

This approach is intended to ensure that performance improvement does not depend on a single inspection, reporting period, initiative, or individual. Corrective practices must become part of VIHA's normal operating discipline. Preventive maintenance, vacancy reduction, rent collection, financial management, capital planning, compliance, and workforce development must function as one coordinated performance system.

The Authority recognizes that a PHAS score of 62 is not the finish line. It demonstrates that VIHA has moved forward from Troubled status, but it also clearly identifies the work that remains. VIHA's history shows that performance can improve and later decline when systems and accountability are not sustained.

Our objective is therefore not simply to obtain a better score during the next assessment cycle. It is to build the organizational discipline necessary to achieve Standard Performer status, progress toward High Performer status, and sustain that performance. The ultimate measure of success will not be the score alone; it will be safer homes, higher occupancy, faster repairs, stronger financial stewardship, completed capital projects, and better service to the residents of the Virgin Islands.

Strategic Goals

During the August 5 budget hearing, VIHA presented its goals for Fiscal Year 2027. Since that hearing, those goals have been refined and aligned with the Executive Director's strategic pillars to create a

unified framework for agency performance, departmental accountability, and long-term organizational improvement.

FY2027 Strategic Initiative

The FY2027 Strategic Initiative is organized around 10 interdependent pillars, listed in strategic priority order. Together, they provide a framework for improving performance, strengthening institutional capacity, preserving affordable housing, and delivering better outcomes for residents.

1. **Achieve and Sustain High Performance:** Advance VIHA from its current Substandard designation to Standard Performer and ultimately High Performer status.
Why it matters: Establishes measurable agency-wide accountability and demonstrates that improvement can be sustained.
2. **Modernize Operations and Asset Management:** Improve operational efficiency, preventive maintenance, unit turnaround, work-order execution, occupancy, and resident service delivery.
Why it matters: Strengthens VIHA's core operations and directly affects housing conditions, occupancy, resident satisfaction, and PHAS performance.
3. **Reposition and Redevelop the Housing Portfolio:** Implement redevelopment, rehabilitation, demolition/disposition, RAD, Section 18, and other repositioning strategies to preserve and expand affordable housing.
Why it matters: Addresses obsolete housing, long-term vacancies, deferred capital needs, and the Territory's demand for quality affordable homes.
4. **Strengthen Financial Stability and Resiliency:** Improve financial planning, revenue management, expenditure controls, reserve capacity, and preparedness for external funding disruptions.
Why it matters: Ensures that VIHA can maintain operations, protect public resources, meet its obligations, and respond to funding uncertainty.
5. **Enhance Compliance, Risk Management, and Accountability:** Strengthen internal controls, regulatory compliance, data integrity, quality assurance, and enterprise risk-management systems.
Why it matters: Protects VIHA's funding, reduces legal and operational exposure, and ensures that deficiencies are identified and corrected promptly.
6. **Build Workforce Excellence:** Recruit, develop, support, and retain a highly qualified and accountable workforce.
Why it matters: VIHA cannot sustain improved performance without capable employees, effective supervision, succession planning, and continuous professional development.
7. **Create Safe, Healthy, and Thriving Communities:** Promote resident safety, health, wellness, engagement, and quality of life.
Why it matters: Housing success must be measured not only by buildings and scores, but also by the well-being and stability of the families VIHA serves.
8. **Advance Economic Mobility and Homeownership:** Expand opportunities for employment, education, self-sufficiency, entrepreneurship, and homeownership.
Why it matters: Creates pathways for residents to achieve greater economic independence and long-term household stability.

9. **Strengthen Stakeholder and Government Relations:** Deepen coordination with HUD, the Legislature, federal and territorial agencies, resident councils, community organizations, and private-sector partners.
Why it matters: Effective partnerships help VIHA resolve barriers, secure resources, coordinate investments, and advance complex housing initiatives.

10. **Improve Communications and Public Trust:** Strengthen transparency, resident communication, public reporting, community engagement, and awareness of VIHA's performance and services.
Why it matters: Timely and accurate communication builds confidence, supports accountability, and keeps residents and stakeholders informed.

These pillars are interdependent and mutually reinforcing. Together, they connect the work described in this testimony to measurable agency objectives and will guide departmental goals, resource allocation, executive oversight, and performance reporting throughout FY2027.

Each department's FY2027 goals have been aligned with these Authority-wide priorities, assigned to responsible leadership, and supported by measurable performance expectations. This structure will allow Executive Leadership and the Board of Commissioners to determine whether departmental activity is producing the organizational results VIHA has committed to achieve.

Key Developments During the Third Quarter of 2026

- HUD's FY2024 PHAS score of 62 and Substandard designation are now VIHA's official score and designation of record.
- VIHA resubmission of Performance Improvement Action Plan establishing measurable actions and accountability for occupancy, physical condition, management operations, Capital Fund performance, and workforce capacity.
- 2026 NSPIRE results show significant physical-condition improvement at several developments, including John F. Kennedy Terrace, Louis E. Brown Villas, Michael J. Kirwan Terrace, Marley Homes, and Paul M. Pearson Gardens. Results for Estate Bovoni and Williams Delight remain preliminary and subject to HUD review, appeal, and final issuance; the other listed results are final.
- The August management report documents a further reduction in the portfolio-wide work-order backlog, from 4,326 to 4,170 - a decrease of 156 work orders, or 3.6 percent. VIHA also achieved 100 percent emergency-response compliance, with all 96 emergency work orders completed within 24 hours. Despite this progress, the remaining backlog requires continued corrective action.
- Portfolio occupancy was 83.9 percent as of August 31, with 1,716 of 2,046 available units occupied. St. Thomas/St. John maintained 93.7 percent occupancy, while St. Croix improved from 69.8 percent in July to 71.6 percent in August.

- The unit-status analysis confirms that much of the occupancy shortfall at John F. Kennedy Terrace and Williams Delight Villas involves units requiring modernization, rehabilitation, demolition/disposition, or other repositioning action rather than ordinary ready-to-lease vacancies.
- Annual recertification performance improved substantially. As of August 31, VIHA had completed 1,448 of 1,710 required annual recertifications, an 84.7 percent completion rate, compared with 74.3 percent in July.
- Income Verification Tool reviews covered 1,562 households and identified discrepancies in 108 households. The discrepancy rate declined for the third consecutive month, from 7.76 percent in July to 6.91 percent in August, although it remained above VIHA's 5 percent benchmark.

Closing Remarks

Mr. Chairman and Honorable Members of the Committee:

The Authority's work can be summarized simply: we are addressing residents' immediate needs while rebuilding the housing portfolio, workforce, operating systems, and financial discipline required for lasting performance. VIHA has made measurable progress. We have moved from HUD's Troubled designation to Substandard, and recent inspection results point toward significant improvement in physical performance. Capital improvements and redevelopment projects are advancing, resident services continue, and financial performance remains comparatively strong. These results demonstrate that the Authority is moving in the right direction.

We do not present this progress as evidence that the work is complete. We recognize where greater urgency and stronger execution are required. Occupancy must increase. Vacant units must be repaired and returned to productive use faster. The work-order backlog must be reduced. Capital funds must be obligated and expended efficiently. Our workforce must have the staffing, training, tools, supervision, and accountability necessary to sustain these improvements.

Every vacant unit represents more than a statistic; it represents a family waiting for a safe and affordable home. Every delayed work order affects a resident's daily quality of life. Every delayed capital or redevelopment project postpones housing that the Territory urgently needs. Our focus must therefore remain on execution, measurable outcomes, and accountability at every level of the organization. VIHA has improved before and later lost ground. We understand what that history requires of us, and we will not allow improvement to become a temporary achievement followed by decline. Our responsibility is not merely to recover - it is to build an Authority capable of sustaining high performance despite changing circumstances, funding pressures, or leadership.

That responsibility requires institutional discipline: clear performance standards, reliable data, regular monitoring, effective preventive maintenance, timely corrective action, responsible financial management, and accountability when established targets are not met. These practices must become VIHA's normal way of doing business - not temporary measures adopted only in response to a HUD finding or performance concern.

Our residents deserve more than plans and promises. They deserve visible results in the communities where they live: safe homes, responsive management, timely repairs, well-maintained properties, meaningful communication, and confidence that their Housing Authority is working on their behalf. The standard by which we ask to be judged is straightforward: safer homes, more families housed, fewer vacancies, faster repairs, completed projects, protected public funds, and better service to our residents. Those are the outcomes that matter, and those are the outcomes for which we accept responsibility.

We also recognize that VIHA cannot meet the Territory's housing needs alone. Progress requires sustained coordination among the Authority, the Legislature, HUD, federal and territorial agencies, community partners, residents, and the private sector. We appreciate the Legislature's oversight because meaningful oversight strengthens accountability, while constructive partnership helps remove barriers that no single agency can resolve independently.

The challenges before us are significant, but they are not greater than our responsibility to address them. VIHA has turned an important corner, but turning the corner is not the destination. Our objective is to move from Troubled to Substandard, from Substandard to Standard Performer, and ultimately to become - and remain - a High Performer.

Most importantly, our objective is to build an Authority that the people of the Virgin Islands can trust: one that delivers, protects its resources, keeps its commitments, learns from its history, and places residents at the center of every decision.

VIHA is moving forward with urgency, discipline, transparency, and purpose. We understand the work that remains, accept responsibility for delivering results, and are committed to finishing what we have started.

Thank you for the opportunity to appear before you today. I welcome your questions.

Respectfully submitted,



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