Virgin Islands Housing Authority
Independent Agency

HOUSING PRESENTATION
34th Legislature of the Virgin Islands
Committee on Housing, Transportation, and Telecommunications

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Robert Graham, CPM
Executive Director
Good Morning, Honorable Senator Marvin A. Blyden, Chairman of the Committee on Housing, Transportation, and Telecommunications; Vice-Chair Genevieve Whitaker; and Senators Steven D. Payne, Sr.; Samuel Carrion; Franklin D. Johnson, and Janelle K. Sarauw. Good Morning to all other distinguished Senators here today, legislative staff, the citizens of the U. S. Virgin Islands, my dedicated staff, and the listening public.

My name is Robert Graham, Executive Director of the Virgin Islands Housing Authority (VIHA). The following executive staff members are online with me today: Mrs. Lydia Pelle, Chief Operating Officer; Mr. Jimmy Farmer, Director of Asset Management; and Mrs. Akala Anthony, Director of the Housing Choice Voucher Program.

Today we will present testimony regarding the outlook of public and affordable housing in the Territory, our efforts to minimize evictions including rent adjustments and abatements, repayment agreements, and VIHA’s strategic plan to transition public housing.

PUBLIC AND AFFORDABLE HOUSING OUTLOOK
There is renewed hope at the Department of Housing and Urban Redevelopment (HUD) with President Biden’s appointment of Marcia L. Fudge to serve as Secretary. She has dedicated her entire life to public service and has worked to help low-income families, seniors, and communities expand economic development and affordable housing opportunities. Contrary to the previous Administration, she believes that HUD exists to serve the most vulnerable people in America. She values policies and programs that can adapt to meet unique housing challenges in the nation and our Territory. According to a 2017 study, only 1 out of 5 eligible households receive housing assistance. Secretary Fudge intends to address this unmet need by delivering on the Administration’s commitments on improving the quality, safety, and accessibility of affordable housing through increase funding.

Secretary Fudge’s values are the same as ours in the Territory. We need to address everything from bringing capital back to our disinvested communities, to increasing energy efficiency in housing, to dealing with family’s self-sufficiency, to taking on the crisis of homelessness with compassion and resolve. We expect HUD to provide funding to build 1.5 million new affordable homes, increase Housing Choice Vouchers by 500,000 and expand the Rental Assistance Program. Moreover, we expect that the Biden Administration will support an increase in the Low-Income Housing Tax Credit Program to help build more affordable housing. We now want to share how the changes at HUD are reflected in the transformation of our public housing inventory in the Territory.

I. TRANSITIONING PUBLIC HOUSING IN THE TERRITORY

In 2015, the Virgin Islands Housing Finance Authority (VIHFA) commissioned a Housing Demand Study which determined that there was a 5,000-unit shortage of affordable housing in the
Territory, before the dual hurricane disasters in 2017. Also, during 2015, VIHA’s 2015 Physical Needs Assessment was more than $200 million for 3,000 units of public housing. While we are going through a transition, almost one-third of the public housing units are obsolete and vacant. Accordingly, there is an unmet housing need in the Territory of approximately 6,000 units.

In 2018, to address damages, mitigation, and resiliency of VIHA’s public housing properties, the Board of Commissioners required a master plan to address the deteriorated public housing inventory to mitigate the risk of future disasters. VIHA’s Redevelopment Plan aligns with the Governor’s vision for resiliency and commitment to invest in the long-term sustainability of the Territory’s affordable housing sector. To ensure our redevelopment plan continues to focus on unmet housing needs, we invite input from this Housing Committee and relevant stakeholders.

VIHA’s comprehensive redevelopment strategy will address unmet housing needs in the Territory and meet all three components of the National Objective, which will: a) Benefit low and moderate-income persons; b) Aid in the prevention or elimination of slums or blight (obsolete public housing), and c) Meet a need of particular urgency, that is the prevention of further damage to hurricane-impacted public housing.

VIHA is coordinating with VIHFA to increase the supply of affordable housing by developing new funding sources for multifamily rental housing, acquiring land, demolishing obsolete public housing, and increasing homeownership opportunities. To ensure that we achieve inclusive and resilient communities, we are engaging collaboration between local stakeholders and experts that bring best practices to our planning efforts to transform our housing sector.

Our Redevelopment Plan is easily understood as a five-phase implementation plan based on funding. Accordingly, the five-phase plan is predicated on the priority of funding sources. To build approximately 1,500 new units and 1,500 hardened units, it is projected to cost $1 billion: LIHTC, $392M; FEMA, $205M; CDBG-DR, $292M; and VIHA and Other, $137M, funds.

VIHA is building a world-class diversified portfolio of desirable housing complexes in both districts. Our goal is to mitigate the risk of damages to the housing developments by creating hurricane-resistant, sustainable housing with energy-efficient systems to maintain energy independence from the grid. In this process, VIHA will enhance its new construction with energy-producing microgrids, water conservation systems, and hardened solar arrays through smaller developments integrated within the surrounding communities.

With our three (3) developer partners, VIHA expects to deliver approximately 300 new or renovated units each year for the next ten (10) years. On average nationally, for a 100-unit construction project, there are approximately 100 jobs created. For example, our Donoe Redevelopment project expects to have 120 individuals working on the site. Inclusive of the 120 workers, we expect the Department of Labor (DOL) to contribute twelve (12) individuals through their programs and the contractor will also employ at least six (6) Section 3 Program workers.
II. VIHA’s Governance

We will turn our attention to the governing structure of the Housing Authority. For over a decade, the Board of Commissioners has consistently and faithfully executed their fiduciary responsibilities guiding management to achieve significant improvements in the overall operations of VIHA. The agency submits to HUD clean financial audits, visionary housing transformation plans, and progressive supportive plans for residents. To stay on the cutting edge, the Board is proposing another change to its composition for proper representation for both public housing residents and voucher leaseholders. Accordingly, this change requires an amendment to Title 29 of the Virgin Islands Code (V.I.C.).

Title 29; V.I.C.; Subchapter 31 amended in 2014 provides that the Board of Commissioners is comprised of seven (7) members: two (2) by virtue of their positions, the Executive Director of the Virgin Islands Housing Finance Authority, and the Commissioner of the Department of Human Services; three (3) are nominated by the Governor of the Virgin Islands and confirmed by the Legislature of the Virgin Islands. The other two (2) Commissioners shall be residents of public rental housing projects. Further, the statute required the two (2) resident commissioners to be elected by residents of public housing.

The Board of Commissioners’ vision to transform our obsolete 3,000-unit public housing inventory requires a shift from HUD’s traditional housing subsidy to a Housing Choice Voucher funding platform. What this means ultimately is that VIHA will convert 3,000 public housing units of affordable housing units supported by vouchers. Currently, we have 2,100 public housing households and 1,500 Housing Choice Voucher households. Thus, we are recommending the voucher holders have representation on the Board of Commissioners.

To adequately reflect representation for both groups of households on the Board of Commissioners, VIHA has requested that Chairman Blyden submit an amendment to Title 29 to have one of the two resident commissioners be elected by Voucher leaseholders. The process to alternate a public housing resident commissioner and a voucher leaseholder commissioner between the two districts would remain. Towards this end, VIHA respectfully requests this housing committee to support this change in the statute.

We will now focus our attention on VIHA’s response to the present pandemic.

III. COVID-19 Response and Ongoing Efforts

In March 2020, HUD awarded VIHA $3,236,293 in CARES ACT relief funds to develop strategies to reduce the risk of exposure to the virus in the workplace and provide relief to residents. To date, we have invested half or $1.6 million of those funds in protective measures. In our planning, we prioritized the protection of our workers and our residents.

To date, thanks to these efforts, only one VIHA employee has contracted the virus, a case quickly identified and contained, and one (1) resident case has been reported.
Our success in preventing the spread of the virus can be attributed to our effective partnerships with our sister agencies. The Department of Human Services (DHS) and the Department of Health (DOH), along with the cooperation and dedication of our employees.

In August, we participated in the DHS Infection Prevention and Control Assessment and adopted its recommendations to prevent the spread of the virus. Surgical masks were distributed to residents weekly; masks were required of all staff and visitors, and tighter monitoring of entrances and screening of visitors was implemented.

VIHA also joined with DOH and the Centers for Disease Control and Prevention (CDC) to give free COVID-19 tests to our most vulnerable residents at Celestino A. White Senior Citizens Residence and the Lucinda Millin Home on St. Thomas. Testing was also conducted at the following communities on St. Croix - Wilfred Pedro Home, Joseph E. James Terrace, and residents at Louis E. Brown (LEB) II. Thankfully, the sites had zero positive cases.

We are now working with DOH to provide the COVID-19 vaccine to homebound seniors and disabled residents in their homes.

We want to commend Senator Blyden for his participation with VIHA in the distribution of CARES packages to over 2,100 families on St. Thomas and St. Croix. The packages will continue to be distributed to new residents upon move-in. The packages include items that would prevent the spread of the virus, such as face masks, household cleaning products, hand sanitizers, bottled water, paper goods, hygiene products, and a Red Cross AM/FM Radio for emergent news during and after the pandemic, and any other disaster.

With these funds, VIHA is also planning sustainable activities that can serve to support residents if the pandemic is prolonged. We are partnering with DHS to provide onsite meals: VIHA will be renovating the kitchens at two senior sites and DHS would provide food and preparation for residents. Further, mobile vans are contemplated to deliver hot meals to seniors in other public housing communities. Lastly, VIHA is partnering with viNGN to expand internet access to the community centers in our public housing communities.

Our housing update to this committee will now focus on operations of both our Housing Choice Voucher Program and public housing communities.

IV. OPERATIONS
A. HOUSING CHOICE VOUCHER PROGRAM
Our Housing Choice Voucher Program has a budget of approximately $15 million that supports approximately 2,047 families. Currently, there are approximately 1,580 families receiving housing assistance for a 77% utilization rate. However, by the end of the fiscal year, we will have utilized approximately 99% of the budget available.
The HCV Program consists of two primary voucher programs, Tenant-Based and Project-Based Vouchers. As of January 31, 2021, there are approximately 4,000 applicants, split almost evenly between both programs. In 2021, we expect that approximately 5% of the waiting list or 200 individuals will have vouchers looking for units to lease.

The primary challenge the program faces is the lack of available units to lease in the Territory. To address this issue, VIHA has been and will continue to assist families in their search for units, by negotiating with developers and landlords to set aside units in new or renovated developments and by extending the allowable time for a family to find a unit on a case-by-case basis. Thus far, our leaseholders are fortunate with regards to rent adjustments, evictions and the time needed to find a unit to lease as further explained below:

- **Rent Adjustments:** There has been a significant financial impact on our participants within the HCV Program. As a result, we have 400 households out of approximately 1,500 who have requested rent changes due to loss of income. To address this issue, we are working with our families to reduce the burden and help them through this financial crisis. Currently, there are approximately forty-four (44) outstanding requests to be processed.

- **Eviction Moratorium:** With respect to evictions, we have not had any voucher leaseholders evicted for non-payment of rent or any other lease violations.

**B. LOW-INCOME PUBLIC HOUSING**

VIHA’s public housing inventory contains twenty-six (26) developments grouped into twelve (12) Asset Management Properties (AMPs), currently totaling 2,954 units. Included within the 26 public housing communities, four are (4) non-viable developments and will be demolished: Estate Tutu Apartments, Ludvig Harrigan Court, Williams Delight Villas (partial demolition), and Walter I. M. Hodge Pavilion.

In this section of the testimony, we will provide an update on several areas of concern which include curb appeal, exterior lighting and outdoor space, maintenance and service requests, tenants accounts receivables, resident support services, and hurricane damage repairs.

1. **Curb Appeal**
   - **Abandoned Vehicles:** VIHA continuously works with the Administrators of both districts to limit and timely remove abandon vehicles from our public housing communities. However, we would like this Committee to enjoin the VIHA to change the perception that it is ok to dump vehicles in public housing communities.
We are proposing that the Committee submit a requirement that the Bureau of Motor Vehicle increases the penalty for vehicles which are not properly disposed of by imposing a significant penalty for the last recorded owner of an abandoned vehicle. This strategy will ensure that all vehicles are properly disposed of in the Territory.

- **External Lighting and Outdoor Space:** VIHA has inventoried all exterior lights owned by VIHA by the Virgin Islands Water and Power Authority (WAPA). To ensure all lights are replaced timely, we have requested that WAPA schedule monthly meetings with us to establish a timeframe for the repairs of their owned exterior lights.

With regards to recreation areas, VIHA is collaborating with the Department of Sports, Parks, and Recreation to develop a community park concept master plan at several redevelopment locations. We are also in the process of preparing a solicitation for the replacement of playground equipment and resurfacing of basketball courts at our existing housing communities. These improvements will be realized later this year.

2. **Tenant Accounts**

- **Tenant Accounts Receivables (TARs):** In 2019, VIHA initiated a process of adjusting a household rent arrearage due in part to deferred maintenance. That process took on additional meaning for residents that may have lost income due to the COVID-19 pandemic. So, throughout 2020, VIHA has increased its communication with residents to reduce rent arrears. Currently, our residents in both districts owe a balance of approximately $700,000. By district, St. Thomas has 268 households with a TARs balance of approximately $450,000.00 and St. Croix has 202 households with a TARs balance of approximately $250,000.00.

- **Rent Adjustments:** VIHA continues to encourage residents of public housing to report decreases in wages, job hours, and family income due to the COVID-19 pandemic so the appropriate rent adjustments can be made timely. To date, approximately 90 VIHA households have reported lost income. Over 80 households are currently vulnerable to evictions when the national eviction moratorium ends.

- **Repayment Agreements:** During 2020, VIHA implemented a new program to assist residents “Helping Hands”. The objective of the program is to help residents to pay down delinquent rents gradually and remain in good standing. As the residents continued to feel the economic impact of COVID, VIHA has extended the “Helping Hands” Program three times since
the pandemic began. The program remains in place through March 31, 2021.

3. **Maintenance and Service Requests**
   
   - **Work Orders:** Monthly, VIHA reports on the status of maintenance, particularly work orders. On average VIHA has approximately 3,000 open work orders for approximately 2,000 public housing units. Currently, we can complete approximately 500 work orders per month. However, approximately 500 new work orders are created each month. Thus, VIHA must work harder to manage the balance of work orders. The pandemic complicated this challenge, wherein only emergency and health and safety work orders were completed to minimize any possible exposure to our maintenance staff. One contributing factor is active workers. We have approximately 100 maintenance workers within the twenty-four (24) public housing communities. During 2020, VIHA was short approximately twenty-five (25) maintenance workers. However, so far in 2021, we have just recruited fifteen (15), full-time maintenance workers. Thus, we expect significant improvements in work order reduction as we continue to increase the workforce.

   - **Hurricane Repairs:** As of February 2021, FEMA has written over $90 million of Project Worksheets (PWs) in Categories A, B, E, and Z for VIHA. With the additional scope of work items being added and final cost adjustments being made, the total amount should increase our projected total to be received to $227 million. Currently, VIHA has expended $8.3 million: $6.1 million for Hurricane Irma and $2.2 for Hurricane Maria.

   VIHA has four (4) significant projects underway. The demolition of five (5) buildings at Estate Tutu; roof repairs at Kirwan Terrace, Knolls at Contant, and Paul M. Pearson Gardens. We also have completed one project, the community center at George Simmons Terrace on St. John. With the change to the Biden Administration, we expect that FEMA will accelerate its PW approvals. Thus, we expect more hurricane repair projects to begin over the next several months.

4. **Resident Support Services**
   
   - **Resident Support Services:** Through the Resident Services Division, VIHA provides a variety of resources geared towards increasing opportunities for residents to achieve self-sufficiency through the implementation of programs and partnerships that focus on education and training that promotes self-reliance and self-sufficiency.
- **Educational Enrichment for Students:** VIHA recognizes that children need support to succeed in school and life, thus we offer a place to go when their parents are at work, help with homework, anti-bullying education, leadership classes, sports activities, and much more.

VIHA continues to implement programs aimed to help our adult residents improve the level of education and training needed to obtain jobs that pay well, provide benefits for their families, and offer opportunities for advancement. Unfortunately, the pandemic has forced our community centers to remain closed. We continue to work toward safely reopening our facilities and re-start programming.

- **Rehabilitate Community Technology Centers:** VIHA has partnered with the Virgin Islands Next Generation Network (viNGN) to implement the free community Wi-Fi signal project at all public housing community centers. viNGN is in the process of completing the procurement of equipment for delivery on-island by the end of March. We are optimistic that we will be able to complete the activation of the Wi-Fi signals at VIHA community centers within 60 days after the delivery of the equipment. This phase of the project will offer residents internet connectivity at the community centers and the immediate area outside of the community center buildings.

The next phase of the implementation is to outfit the centers with hardware. VIHA has already started working to assess the cost, purchase, and install the computers and other necessary equipment at each center. Residents will soon be able to access the labs in their communities for connectivity to further their education, preparation for the workforce, conduct job searches and do homework. Funding will be utilized from the CARES Act to facilitate this phase of the project.

- **Resident Referrals:** VIHA is committed to providing support to residents, especially those in the most vulnerable households, who face chronic mental and physical health problems, low literacy levels, substance abuse, and family members with criminal records. Assistance to residents in the above-mentioned category is handled through referrals that will link them to community-based services. Statistics show that when crises are addressed, residents become stable and more willing to participate in positive programs and activities.

- **Economic Opportunities for Residents:** Through the FSS Program, VIHA’s staff functions as a case manager to assist residents to identify their goals and offer resources and support thereby leading to economic independence and self-sufficiency. There are approximately twenty-five
(25) head-of-households in the program which allows individuals to establish a 5-year improvement plan for their household. Any salary increase during that time allows a resident to offset the rent into a savings plan to be used for economic advancement.

Also, our Section 3 Program allows VIHA and its contractors to hire residents for construction and other jobs in our developments and offices.