VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

WRITTEN TESTIMONY
FOR
THE COMMITTEE ON HOUSING, TRANSPORTATION, INFRASTRUCTURE AND TELECOMMUNICATIONS

Presented by:
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Executive Director
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Good morning Senator Marvin A. Blyden, Chairman of the Committee on Housing, Transportation, Infrastructure and Telecommunications, members of the committee, other Senators present, and the listening and viewing audience. I am Daryl Griffith, Executive Director of the Virgin Islands Housing Finance Authority (VIHFA). Today, I appear before you accompanied by Ms. Valdez Sherald, Chief Financial Officer and Mr. Darin Richardson, Chief Operating Officer to provide you with an update on housing issues in the Virgin Islands.

I will give a brief overview of the Authority’s core mission projects.

**ST. CROIX**

**The Meadows at Bonne Esperance**

Bonne Esperance continues to be a very popular community with its location in mid-island St. Croix. The Authority is currently constructing homes in the second phase of the Meadows at Bonne Esperance with plans to start the development process for Phase III later in the fiscal year. The 66 homesites within the first two phases is where over 40 families now call home. Phase II consisted of 34 home sites of approximately ¼ acre each comprising of turnkey homes for sale, lots for sale, and the Buy-A-Lot Build-A-Home Program. Phase III of this much sought after community will utilize CDBG-DR funding and yield an additional 32 home sites.

**Estate Mount Pleasant**

The Authority is proud to announce that the four final closings for turnkey homes built by North Shore Partners, Inc. within Phase IV in “Morning Glory Ridge” at Estate Mount Pleasant, (West) on St. Croix is scheduled to be completed by May 1, 2021. These homes were part of a ten-home turnkey contract awarded to North Shore Partners, Inc. This is one of the many successful partnerships that the VIHFA has fostered in providing homeownership opportunities to residents within our community. The Authority is also delighted to be in the evaluation stage of an IFB to construct seven homes from the remaining thirteen lots. This community which consists of 40, ¼
acre home sites will have all the remaining available lots constructed upon and sold as turnkey homes. The procurement process for the construction of the final six homes to be constructed by the Authority will begin in April.

**Estate Solitude**

This community on the far east side of St. Croix will consist of infrastructure development and home construction of 20 turnkey homes on this 7.3-acre site. The VIHFA procured engineer is developing the subdivision plan for DPNR’s approval within the third quarter of FY ‘21. The Authority expects approval of the subdivision plan by the mid-fourth quarter of FY’21. Procurement will commence shortly thereafter for a developer to construct both the infrastructure and homes within the community.

**ST. THOMAS**

**Whispering Hills**

The Authority’s has completed siting for 8 of the next 16 homes to be built at Whispering Hills subdivision in Estate Donoe. The Invitation for Bids (IFB) for the construction of these homes in Phase II is scheduled to be out by mid-March 2021. This procurement is expected to be followed by a relatively similar procurement for the remaining 8 homes in this phase within the next few weeks. This would allow for the construction and delivery of all 16 homes within 16 months with a staggering of the start dates for each home. The Authority will also be embarking on the final stage of the Whispering Hills community, which will consist of approximately 38 homes with supporting roads and infrastructure.

**Estate Nazareth**

The VIHFA is continuing to develop home sites in Estate Nazareth on the eastern end of St. Thomas. Three homesite that were developed last year are scheduled to be closed this month. The VIHFA also intends to issue a procurement for the development of a 30-home site subdivision plan for submission to DPNR in October 2021. The Authority had expected to
complete the subdivision plan process by November 2021, but has pushed this date back to January 2022 due to a realignment in our development schedule.

Estate Fortuna - Wild Pineapple

Estate Fortuna, on the Western end of St. Thomas across from the Blue Water Bible College, has commenced construction on the Phase 1 infrastructure. Contractor, Grade All Construction is scheduled to complete this work by June 1, 2021. The VIHFA expects the first homes to commence construction in November of 2021 for this 57 home community. It is the Authority’s intent to only offer turnkey homes for sale within this community. Final prices will be based on appraised value of the units. The project is expected to be completed in May of 2025.

Ross Taarneberg

The Authority’s three-story mixed-use building, for which architectural plans have been completed, will incorporate moderate-income rentals on the third floor as well as serving as the VIHFA’s new office on St. Thomas. The project is currently awaiting approval of its Phase 1 Environmental Assessment. The mixed-use building concept will afford the Authority the ability to provide much needed affordable rentals in St. Thomas and contribute to the revitalization of this area. The Authority expects to begin the procurement process to select a general contractor to construct the mixed-use building on June 2021. This was delayed due to a request from HUD for another Noise Assessment test with additional parameters to be conducted. This Noise Assessment test is required for environmental approval. Ground-breaking on the estimated 18,000 square foot building is now expected to be held in October 2021. This project will be funded by the VIHFA’s Infrastructure funding and CDBG-DR. The approved CDBG-DR funding is in the amount of $2,970,500.

Fritz Lawaetz Complex (Lagoon Complex)

The VIHFA has commenced its redevelopment plan for the repair and enhancement of the Fritz Lawaetz (AKA Lagoon Street Complex). The Authority has commenced on the repair phase of this project. This first phase work includes repairs to hurricane damage units with Phase II being the redesign of the façade and rear porches. Additionally, the community will see an enlargement
to the bathroom in each unit. This first phase will also see the addition of two handicapped accessible units.

**Kronegade Inn**

This emergency home project at the entrance of Christiansted town will be entering its application phase for CDBG-DR funding within the next few weeks after securing an engineering assessment and estimate for reconstruction to provide 18 units for emergency housing. This project is vital in providing much needed units for VIHFA’s emergency home stock on the island of St. Croix.

**LIHTC**

1) **Project:** Donoe Redevelopment (St. Thomas) – VI Housing Authority

**Project Description:** The project will be an 84-unit Low Income Housing Tax Credit (LIHTC) rental community to be located on Parcels 3B and 3B-1 Estate Donoe, New Quarter, St. Thomas US Virgin Islands. Closing occurred in November of 2020 on the LIHTC ($26.2 million) portion. Disbursements to date total 4.9 disbursement out of the $29 million.

2) **Project:** Magens Junction II (St. Thomas) – Jackson Development

**Project Description:** The development team consists of Jackson Development, general contractor GEC in collaboration with Hunt Capital. The project is a 60-unit, eight story Multifamily complex with a basement, 3 cisterns and 106 parking spaces. This is Phase 2 of the master plan for the Magen’s Junction residential community. Funded in part by the CDBG-DR program coupled with LIHTC ($30 million) funds, disbursement of the approved 3.5 million currently stands at $3.2 million with an anticipated completion date of June 2021.
Emergency Rental Assistance Program

On February 1, 2021 Governor Albert Bryan requested that the VIHFA administer the Emergency Rental Assistance Program (ERAP). The Territory received $21,315,497.10 of ERAP funds with an expenditure deadline of December 31, 2021. The funds are to be used to provide rental assistance and utility assistance for tenants. Eligibility criteria are as follows:

- Qualifies for unemployment or has experienced a reduction in household income, incurred significant costs or experienced a financial hardship due to COVID-19.
- Demonstrates a risk of experiencing homelessness or housing instability.
- Has a household income at or below 80% of the area median income.

In light of the anticipated volume of applications, the VIHFA recognizes that it will be necessary to make available multiple locations where individuals will be able to apply for the program; thus, we have adopted a program model whereby we will utilize partner agencies to conduct intake. We have reached out to the Continuum of Care, a non-profit organization composed of social service agencies (predominantly non-profits) who work to assist individuals facing or experiencing homelessness. A number of CoC member organizations, to include Methodist Training & Outreach Center (MTOC), Catholic Charities, St. Croix Mission Outreach Inc, and St. John Community Foundation, have already expressed interest in serving as intake locations. We are hopeful that several additional agencies will agree to participate as intake locations. The Department of Human Services is also being considered to conduct intake for the ERAP Program. VIHFA is currently assessing the capacity of each agency; understanding available resources will assist our planning efforts and ensure a smooth roll-out of the program.
The VIHFA is currently developing an on-line application that prospective applicants will be able to complete ahead of their visit to the intake location. Later this week, we will embark on a public information campaign geared towards informing potential applicants of the program eligibility criteria and the documents that they will be required to provide for the eligibility determination process.

A key component of the program will be data management. The Homeless Management Information System (HMIS) will be utilized to store the client intake information, which will enable real-time tracking of application status. Another key capability of the system is the ability to flag possible duplications by various means. HMIS is also able to create numerous reports which will be useful for program management as well as for the required federal reporting. Methodist Outreach (MTOC), which manages the Territory’s HMIS, has been coordinating with the HMIS software vendor to customize the platform to ensure that all the necessary data points are covered. Within the next three weeks, intake agency employees will be trained on the use of the software. The goal to be able to begin accepting client applications on March 29, 2021.

The Authority understands the urgency of families who need this assistance. COVID-19 has had a dramatic impact on every aspect of our lives. For those who have suffered loss or reduction of employment income and have been unable to pay their rent, the resulting housing insecurity is now an added anxiety. The Emergency Rental Assistance Program will bring relief to hurting families. Help is on the way. The program is very new with a lot of moving parts. We are working feverishly to ensure that there is a smooth roll-out; we appreciate the community’s continued patience. Help is on the way.
CDBG

Villa Morales Transitional/Supportive Housing (STX) - The Authority acquired the property in December 2019 and leased it to Liberty Place nonprofit to manage and provide the much-needed homeless support services. The interim agreement was signed on May 20, 2020.

Catholic Charities St. Teresa Transitional Housing (#16 Friedenstahl, STX) – The facility includes a total of 11 units.

Catholic Charities Bethlehem House Shelter (Hospital Ground, STT) – The project entails development of a new shelter facility at #24-25 Hospital Ground. The facility will incorporate an existing building on the site which will be fully rehabilitated as well as the construction of a new 2-story building.

Catholic Charities Light of Christ Shelter (Frederiksted, STX) – The project entails major rehabilitation of the hurricane-damaged Light of Christ facility to create a new homeless shelter facility to replace St. Croix’s Bethlehem House shelter which has been closed since Hurricane Maria ravaged the Territory in September 2017. The vision is that the new facility will offer sheltering in a dignified setting for up to individuals and up to 2 families. CCVI is preparing to solicit for survey services after which a solicitation for architectural services will be conducted.

St. John Rescue Inc. (STJ)- The project has achieved completion of the original contracted scope and also an additional scope for the various additional items for the resiliency and hardening of the facility – which included provision of hurricane shutters, enclosure for generator, full solar system.

WCSC East Street Crisis Center – The first phase of the project is 100% completed. The second phase continues underway and is progressing well.
The Authority remains steadfast in accomplishing its core mission while simultaneously working to help the Territory recover from the devastating effects of the two Category five hurricanes that occurred in September 2017 and the far reaching impacts of COVID-19.

Senator Blyden thank you for allowing the VIHFA to testify in front of this body. My team and I stand ready to answer any questions.