

logo not found or type unknown

## Contractor Concerns and VIHFA Home Repair Delays Under Spotlight Yet Again

Disaster Recovery / **Published On October 26, 2023 06:54 AM /**

Nelcia Charlemagne **October 26, 2023**

Image not found or type unknown



After focusing on [challenges facing the VI Slice program](#) during the first block of Tuesday's meeting of the Senate Committee on Housing, Transportation and Telecommunications, discussions centered heavily on the difficulties plaguing the V.I. Housing Finance Authority's EnVIision Tomorrow home repair program. Amid concerns of potential federal funds being returned due to the program's slow progress, contractors aired frustrations regarding the VIHFA's processes and communication.

With [more than sluggish start](#), lawmakers were relieved to hear from VIHFA Interim Executive Director Dayna Clendinen in March that work had been proceeding at a [much faster pace](#). However on Tuesday, Ms. Clendinen disclosed that authorities were still working hard to find enough contractors to address to the large number of home repairs that are still incomplete.

“We've increased our advertisement with new billboards branding and outreach to national publications such as National Engineering Institute, general contracting, and leading lenders, which target developers and contractors,” she explained.

Despite the constant struggle to balance the supply of workers with the volume of work to be completed, Ms. Clendinen said that VIHFA continues to make progress. “To date there are more than 407 [homes] in the design to rehabilitation process,” she said.

According to Ms. Clendinen, a significant challenge is that contractors often hinder the ability of the agency to make prompt payments by submitting incomplete payment packages. However, Steven Thibou of Synergy Construction, who also testified during the hearing, shared a slightly different perspective.

According to Mr. Thibou, VIFHA's practices were less than business-friendly, leading contractors to waste time and money. “Several local contractors including Synergy Construction invested a significant amount of resources and man hours to perform walk-arounds with the VI Housing Finance Authority to complete the bid jobs,” he explained. “However, there was minimal communication from the VI Housing Finance Authority to the contractors, which led to contractors bearing the costs of estimating and submitting a bid package. Despite this, the jobs were not awarded, which caused frustration for contractors like myself and homeowners as well.”

Additionally, Mr. Thibou contends that VIHFA's pay scales are just not enough. “The costing method used by VI Housing Finance Authority for the selection and award process is significantly lower than the market value at which contractors complete their work. This creates a problem, compounded by the high cost of building materials and transportation which unfairly burdens the contractor,” he said.

Noting the oft-repeated refrain from various government officials that the major bottleneck to construction is a shortage of contractors and construction labor, Senator Marvin Blyden questioned the true nature of that shortage. He said that several contractors have been in communication with him. “They do have bonding, they have added qualifications, but they have not [been] contacted. In your opinion, do you believe we have an issue with bringing contractors online, or do we have an issue with contractors who qualify?”

Ms. Clendinen admitted that there is a mismatch between demand and supply. “There is some challenge with getting the contractors to bid,” she said, explaining that bids are sometimes “far beyond” VIFHA's budget for the project. “Historically, some of the contractors have been maybe a little tired with the payment process; It has taken too long, they don't want to overextend themselves. So we are diligently working on that,” she disclosed.

Rupert Pelle, VIHFA's chief engineer, noted that Envision program projects do not require bonding as they all fall below the \$500,000 threshold required for such bonding. He also responded to Mr. Thibou's complaint about project pricing by noting that the process has “totally changed” in a way that “has allowed us to get better prices.” Recent and upcoming meet and greet events on all three islands, he explained, are designed to communicate that to contractors and provide the opportunity for them to have their questions answered.

Senator Blyden asked why VIHA could not maintain a database of construction specialists including roofers, tilers, and carpenters to pull from as needed, especially as bonding is not required. He pushed back on Mr. Pelle's assertion that HUD would not allow a non-competitive process. “HUD is very lenient, very open,” the senator said, citing his past career as an HUD

employee. “If we can show them the reason why we need to do it this way, I guarantee you - I'm 90% sure they won't have a problem with that... I think it's up to us to be creative and change the policy. I'm begging you to please look into that,” he requested. Senator Dwayne DeGraff warned that if the issues with the program are not remedied, people will soon begin to leave the territory and seek housing elsewhere.

Lawmakers contrasted the cumbersome VIHFA program with the work done by non-governmental organization Love City Strong, whose representatives told lawmakers that they had built over 35 homes on St. John since 2018. Ms. Clendinen protested the comparison, noting that VIHFA had to meet strict federal guidelines that the NGO was not subjected to.

As the hearing came to a close, committee chair Sen. Blyden acknowledged the frustration of the community when it came to housing issues in the territory. He said that it was patently obvious that stakeholders - financial institutions, contractors, government agencies, and others – need to come together to figure out solutions to the various bottlenecks preventing rapid progress and placing federal grant funding at risk of having to be returned.