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VIHFA's Homelessness Initiatives Stalled by Funding Delays

The delay in releasing \$5 million in Stamp Tax revenues has hampered the V.I. Housing Finance Authority's efforts to ramp up homeless initiatives and other crucial programs

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VIHFA Executive Director Eugene Jones. By. V.I. LEGISLATURE

The V.I. Housing Finance Authority has yet to receive a \$5 million appropriation promised to them in their FY2024 budget. The allotment, taken from Stamp Tax revenues, was earmarked for several VIHFA projects, now shelved until the Office of Management and Budget releases the funds.

The update was provided by Eugene Jones who has spent the past three months as VIHFA's new executive director. Though new to the position, he told lawmakers he has already sought an update from OMB. "We haven't had a chance to process it," was the explanation offered to the authority. The response was deemed "unacceptable" by Senator Marvin Blyden, who promised to get to the root of the issue. The delay in the transfer of funds to VIHFA is perhaps another consequence of the Government of the Virgin Islands' chronic cash flow issues.?

Without the \$5 million, Mr. Jones says VIHFA is currently unable to "create some different types of programs, especially [ramping] up homeless initiatives on the territory." The inability of the authority to tackle issues like homelessness due to insufficient funding disappointed Senator Donna Frett-Gregory. "You hear a lot of conversation about the challenges that we have with homelessness... but if we're not going to get the minimal amount of money that we need to push these programs forward, then all we're doing is talking," she said.

This wasn't the end of bad news for the VIHFA. Though Mr. Jones anticipates receiving another \$5 million in Stamp Tax revenue in FY2025, Senator Frett-Gregory informed him that the projection provided by OMB means that they may only receive \$1 million instead of \$5 million. VIHFA is entitled to 50% of Stamp Tax revenue proceeds, but "we are projecting as a government that we are only going to generate \$2 million in Stamp Taxes," Ms. Frett-Gregory noted. "This will woefully impact the work that you're doing," she sympathized.

The VIHFA is also facing staffing challenges, with 25 vacancies and 11 recent separations. "It stretches our staff to the limits because we have to double up," Mr. Jones told lawmakers. Nevertheless, he told the Committee on Budget, Appropriations, and Finance, that the authority was working to fill the positions. "We can probably fill about half of those before the end of this month," Mr. Jones said. According to the executive director, VIHFA wants to "create stability."?

The VIFHA is hopeful that approval of its FY2025 budget request will contribute to that stability. The total proposed operating budget is \$26,574,629 including \$2 million from the general fund, the anticipated \$5 million in Stamp Tax revenue, and money generated through the sale of homes, commercial leases, mortgages, and federal reimbursements. The authority anticipates collecting approximately \$1.8 million in home sales, \$350,000 in mortgages, and \$160,000 in commercial leases. Federal reimbursements will total "a little over \$21.6 million."?

The estimated annual payroll for FY2025 is \$8,619,604, while \$3.8 million is earmarked for fringe benefits for 94 staff. According to Mr. Jones, combined personnel costs "represent a decrease of \$2.6 million." VIHFA also anticipates spending \$107,497 for supplies, \$1.2 million for rent and \$9,043,700 for professional services, including consultants, construction management and website management. Utilities have been budgeted at \$377,500, and another \$550,000 is penciled in for software upgrades. Other services and charges are expected to cost \$761,772.

The usual \$2 million general fund appropriation is used "solely for salaries and fringe benefits", noted Mr. Jones. However, "given the rising cost of health insurance premiums and employee retirement contributions," the amount is only able to fund 17 of the authority's 94 employees. Ms. Frett-Gregory intends to investigate whether "there is a true need for the entire \$2 million," as some positions tied to the General Fund allocation are currently vacant.

"We are looking for ways to save and divert funds if we can because our revenues are tight," she noted.