

VI Slice Program Facing Early End as Funding Runs Out; Senators Weigh Future Support

The VI Slice program, launched with \$8 million from the American Rescue Plan Act, is projected to exhaust funds by year's end. With 65 approvals to date and more than 400 still eligible, officials urge quick action as lawmakers weigh additional support.

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The V.I. Economic Development Authority (EDA) expects the VI Slice Homeownership Program to run out of funding by the end of 2025, a year earlier than originally anticipated. For EDA's executive director, Wayne Biggs, "obviously the program has been successful in fulfilling the needs" of Virgin Islanders striving to become homeowners.

Mr. Biggs delivered the update during Wednesday's hearing of the Committee on Housing, Transportation, and Telecommunications. He reported that four draft applications remain in the pipeline, totaling \$369,250 in gap financing. To complete them, an additional \$19,000 will be required. "We anticipate at this level that we will run out of V.I. Slice funding by the end of the calendar year," he said. Senator Carla Joseph called the shortfall "not a lot."

Once those applications are processed, Mr. Biggs warned that "there will no longer be a VI Slice program unless the Senate is going to provide additional funding." Senator Ray Fonseca expressed confidence that "if the proposal comes back to this body, this body will approve," stressing the Legislature's commitment to "get our folks [into] homes."

The VI Slice program is designed to "increase homeownership rates amongst moderate income households in the US Virgin Islands by offering gap financing." It provides "financial assistance to expand affordable home ownership opportunities to first-time homeowners," according to Mr. Biggs. The program was initially funded with an \$8 million allocation from the American Rescue Plan Act.

Since its launch, the EDA has approved 65 of 88 applications. Some were withdrawn or deemed ineligible. Of the approvals, 46 came from St. Croix, totaling \$4,009,207.96 in gap financing. On St. Thomas, 18 applicants received \$2,633,412.30 in support, while St. John had one approval for \$168,570. The lower number of St. John participants, Mr. Biggs explained, is tied to "inventory and cost of construction."

According to the V.I. Housing Finance Authority, more than 400 individuals across the territory currently qualify for homeownership opportunities. For now, the EDA says it will continue processing applications until funding runs out. "We're still taking applications, but we're letting people know that it's basically first-come come first-served," Mr. Biggs explained. "When we run out of funds, we run out of funds, but we're not cutting anybody off."

By contrast, the Own A Lot, Build a Home program, managed by the Office of Disaster Recovery (ODR), has seen much slower uptake. ODR Director Adrienne Williams-Octalien reported that only five applications are currently in the pipeline. While interest is high, she noted that many prospective applicants are unprepared. Some lack sufficient savings to meet lending requirements, others do not yet have drawings, and several are still gathering necessary documents.

The program is funded by a \$10 million Department of Housing Disaster Recovery Grant, which must be used by 2027. With local construction timelines, the expiration date is a looming concern. Ms. Williams-Octalien said ODR is working to expand participation by holding "conversations with other lending institutions" beyond Banco Popular and USDA Rural Development, the only two currently involved. "We're also doing a lot more hand-holding so that they can get them through the process," she told Senator Milton Potter. Providing sample plans, she added, is one of the strategies being used.

During the hearing, Senator Marise James questioned whether the requirement that lots remain in a "natural state" before applying discouraged participation. She argued that some landowners install cisterns in advance to be "proactive" and asked whether a "waiver" or "exemption" could be granted.

Ms. Williams-Octalien said no, explaining, "You must get the environmental approval prior to doing any work on the property." The rule applies to all recovery projects as a federal mandate. Senator Clifford Joseph asked if flexibility could be offered where landowners had conducted their own assessments beforehand. Ms. Williams-Octalien again said no. "It has to be done by the

program,” she stated.

Despite these restrictions, Ms. Williams-Octalien urged the public to take advantage of the opportunity before time runs out. “If you own your property, you have land, please give us a call and we will work with you,” she said.

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