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## **VIHFA Approves CDBG-MIT Housing Applications for 340 North and MainStreet Homes, Advancing Projects to Federal Review Stage**

**The Housing Finance Authority approved \$7.5 million for The Residences at 340 North and \$3.7 million for MainStreet Homes, moving both projects into environmental review and compliance phases after opposition and funding concerns raised earlier this year.**

Development / **Published On December 17, 2025 06:57 AM /**

Staff Consortium **December 17, 2025**

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**Concept design for The Residences at 340 North, an 80-unit housing development proposed for St. Thomas.**

The Virgin Islands Housing Finance Authority has approved two major project applications under its CDBG-MIT Housing Programs, including a \$7.5 million application tied to The Residences at

340 North on St. Thomas and a \$3.7 million application for the MainStreet Homes project. VIHFA said the approvals mark significant progress for resilient housing initiatives across the territory, while stressing that neither project has received final clearance to begin construction.

According to VIHFA, the authority approved the application submitted by AC Development, LLC for The Residences at 340 North under the CDBG-MIT Single Family Resilient New Home Construction (Homeownership) Program, in the amount of \$7.5 million. VIHFA also approved the MainStreet Homes project, proposed by Waterfront Development and Management, LLC, under the CDBG-MIT Multifamily Resilient Housing Program, in the amount of \$3.7 million.

VIHFA emphasized that these approvals do not constitute final project approval or authorization to start construction. Before any construction or ground-disturbing work may proceed, VIHFA said the following must be completed: a full Environmental Review under HUD regulations (24 CFR Part 58), compliance with Choice-Limiting Actions restrictions (24 CFR §58.22), issuance of an Authorization to Use Grant Funds (AUGF), successful completion of VIHFA's Capacity Assessment, execution of a formal Developer/Subrecipient Agreement, and submission and approval of all outstanding application deliverables.

The authority said the projects reflect its commitment to mitigation-focused housing development, aimed at strengthening resilience, reducing disaster vulnerability, and promoting long-term stability. VIHFA also said it remains committed to public-private partnerships while maintaining oversight to ensure responsible and transparent use of federal funds, and that the public can expect continued updates as the projects progress toward mobilization.

### **Background on 340 North and the Earlier Funding Dispute Raised in June 2025**

The approval of the 340 North application follows earlier legislative debate in 2025 about the proposed development's size, access issues, and financing.

During a June 2, 2025 Senate hearing, territorial officials and AC Development representatives described a proposal to add housing stock on St. Thomas through an 80-unit, for-sale residential development planned over multiple phases. "The proposal is to build an 80-unit, for sale residential development over three phases over 3 to 3.5 years," said Leia La Place-Matthew, the Department of Planning and Natural Resources Territorial Planner, during the Committee of the Whole meeting.

Developers said the project would include twenty-eight 20-foot townhouses, thirty-six 24-foot townhouses, and sixteen single-family homes, with 195 parking spaces. La Place-Matthew also described project features including individual cisterns, a centralized wastewater system, centralized stormwater management retention, and additional rainwater harvesting.

AC Development, LLC appeared before lawmakers in connection with Bill 36-0095, seeking approval to establish "The Residences at 340 North" as a planned area development on R-2 zoned parcels in Estate St. Joseph and Rosendahl, Great Northside Quarter.

Ajani Corneiro, born and raised on St. Thomas, told lawmakers, "we believe that the Virgin Islands should be developing its own housing, not relying on stateside firms with limited understanding of our terrain, our systems or our communities." He said the development is the "missing link between available resources, ready buyers, and a critical shortage of quality housing inventory," and argued that CDBG-MIT funds are among the tools the territory needs to deploy quickly. "Across the country, communities that can't coordinate or move quickly see those dollars retracted. We can't afford that here. The stakes are too high and the needs are too great," Corneiro

said.

At that time — as discussed in June 2025 — Corneiro told lawmakers the team had faced obstacles accessing CDBG-MIT funds and described what he believed was a process impasse. “What we're requesting is access to these funds in the tune of \$6.25 million to allocate so we can build phase one of our development,” he said, explaining that the funding was intended to help sell homes below market value. He also said an affordable housing application submitted to VIHFA “not be reviewed because our funding structure is not complete based on not having the CDBG-MIT funds allocated,” despite VIHFA having oversight of the funds. “The policy [for the CDBG-MIT funds] has not been created for us to apply for it. It makes no sense to us, but it is where it is,” he said.

### Opposition Raised During the 2025 Public Hearing and Revisited in the June Hearing

The 340 North proposal has also drawn neighborhood opposition that was aired publicly earlier this year and again at the June 2, 2025 hearing.

Resident Maria Raimer, who said she and members of her family are heirs to multiple adjacent pieces of property, opposed a proposed easement tied to the development. She said the easement would “disrupt the continuity of the family's connection to both our tamarind tree, which has stood for over 100 years, across the gut, to our family cemetery.” “Our family is 100% against,” Raimer said.

Raimer also spoke about the significance of the tamarind tree to her family history. “The tree has stood for so long that even my grandfather, David, who was born in 1905 did not know who planted it... Disrupting the underground ecosystem around it by displacing so much Earth in a concentrated area and redirecting the natural water flows, could lead to its demise,” she said. She also raised concerns about flooding and about whether the area could sustain a project of the proposed size, including wastewater impacts.

“We question not only the planning but the motives,” Raimer said, referencing stalled public housing projects. “For us, this has a sense of a gateway to covertly build exclusive communities under the guise of affordability that will eventually shut out the people, the very people who are in need of housing,” she said. “This is not the best path to establishing affordable housing in our community and it will be a detriment to the already existing community and environment.”

During the June hearing, Corneiro suggested alternatives, including not pursuing the easement access on the bottom parcel and offering another access route. “There’s no technical issues at all beyond your emotional concerns,” he told Raimer. The development team also discussed the possibility of seating a Raimer family member on the homeowners association board so “they could kind of have [a] say,” according to Dr. Jerril Fredericks.

### Lawmakers Pressed Agencies Over Delays and Funding Access

At the June hearing, lawmakers voiced frustration over what they saw as delayed access to federal funding and promised to press for answers. “It’s a crying shame,” said Senator Novelle Francis, who said the Legislature would take a closer look at the funding challenges.

Corneiro, describing what he believed were structural barriers at the time, told lawmakers, “It's a little bit unfortunate that maybe we're 20 years too young or too melanated,” and said the development needed between \$5 million and \$6 million to be sufficient out of what he described as \$60 million in available CDBG funds.

Senator Marvin Blyden said he would follow up and be “more stern,” adding, “I know for sure, when other developers come is not an issue. It's not an issue. We roll out the red carpet. But when our own try to do something positive and give back to the community, it's an issue, and it's sad.”

Senator Kurt Vialet warned against delays and urged lawmakers not to “dragging our feet and blocking these individuals from bringing a development to St. Thomas.” He also raised concerns about losing qualified professionals due to the shortage of affordable housing.

Bill 36-0095 was expected to be voted on favorably during a legislative session referenced in the background material. Now, in December 2025, VIHFA's newly announced approvals move the 340 North and MainStreet Homes proposals into the next phase of federal and local compliance steps that must be satisfied before construction can begin.

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