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## Lawmakers Advance Bill Redirecting Unused \$4 Million in Housing Funds to Williams Delight and VI Slice Programs

**Senator Kurt Vialet said VIHFA had spent none of the \$4 million awarded nearly five years ago for first-time homebuyers, prompting lawmakers to redirect the funds toward Williams Delight purchases and VI Slice gap financing.**

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Lawmakers have advanced legislation to redirect \$4 million that was awarded to the Virgin Islands Housing Finance Authority nearly five years ago for a homeownership initiative but remains unspent.

Bill 36-0273, sponsored by Senator Kurt Vialet, amends Act 8465 and redirects \$4 million from VIHFA's First-Time Homebuyers Program to the Williams Delight Community Homeownership Program and the VI Slice Homeownership Program.

On Monday, Senator Vialet told the Committee on Budget, Appropriations, and Finance that "the balance is still \$4 million. So in five years, the Housing Finance Authority has spent \$0." Referencing the current real estate market, Mr. Vialet said he believed it was prudent to repurpose the funds.

Part of the \$4 million would be used to provide \$15,000 to Williams Delight residents who have already started the home purchase process. "It literally would allow 34 families to be able to purchase [their] home. It's going to come to a total of \$510,000," Mr. Vialet explained.

He said "there's some other stuff that the Housing Authority is going to do, and some other discussion with some other funds to help those residents."

Housing Authority Executive Director Dwayne Alexander supported the measure, stating that "while modest in comparison to the territory's overall housing needs, these funds would provide meaningful support..."

The balance would be allocated to the VI Slice Program, which is operated by the Economic Development Authority. "They are literally running out of money," Senator Vialet said, pointing to growing demand for the program.

Although he was not present, EDA Executive Director Wayne Biggs submitted testimony stating that the EDA "welcome the additional funding." The agency has been forced to close its application portal because "high demand for gap financing" quickly depleted its last appropriation.

Senator Vialet also said he would consider funding a Cistern and Slab Program under VIHFA. The suggestion came from Julio Rhymer, director of the Office of Management and Budget, who proposed that \$2 million be allocated to a grant program providing "up to \$50,000 per eligible applicant." Mr. Vialet said he would make that decision at the "appropriate time."

He clarified that although the First-Time Homebuyers Program funding is being repurposed, the initiative itself would remain an option. He said the Legislature will "look at how we're going to be able to fund the First-Time Homebuyers Act with a certain amount of money every single year."

The main opposition to Bill 36-0273 came from VIHFA. Interim Executive Director Valdez Shelford testified that restructuring the funds "presents a significant financial challenge in that it may inadvertently diminish the territory's ability to maintain a diversified portfolio of homeownership assistance programs."

She said the move would "impact the various new initiatives that the Authority is set to launch," including home construction projects. "Redirecting the funds will eliminate a key source of funding for mortgage financing..." Ms. Shelford explained.

Committee members learned from VIHFA that prospective homebuyers prefer the VI Slice Program because it offers grant funding. By contrast, the First-Time Homebuyers Program offers loans, as it was designed to operate as a self-sufficient, revolving fund.

Still, Ms. Shelford said the “elimination of funding” would reduce “financing options available” to purchase homes. She asked lawmakers to “be mindful of the legislative decisions that imperil the long-term viability of the territory’s affordable housing programs.”

Lawmakers offered mixed comments on the bill.

Senator Angel Bolques Jr. said he appreciated VIHFA’s program plans, but argued that “it seems more prudent for us to fill a gap now than wait for tomorrow.” When HFA representatives emphasized the agency’s mandate to develop affordable housing, Mr. Bolques responded that “one could argue that the Housing Finance Authority has underperformed in that area.”

Senator Hubert Frederick expressed concern about “robbing Peter to pay Paul.” He said he was comfortable with “defunding them now because we feel they're not spending the money fast enough.”

Senator Marvin Blyden supported the allocation for Williams Delight residents but disagreed with appropriating money to the EDA for VI Slice. “Anything that has to do with housing should be under the HFA,” he said.

Closing the discussion, Senator Violet dismissed HFA’s comments that federal HOME funds could be used for the Williams Delight homeownership conversion. “I heard the cry for William's Delight consistently. Nothing was done. Now we bring in a bill. You're hearing all different type of stuff,” he declared.

He also pushed back against HFA’s position that the \$4 million should remain with the authority. “You come in here with all kind of justification when you barely build any house in the last seven years. You could count them on one hand,” he stated.

The bill now moves to the Committee on Rules and Judiciary, where an amendment is expected to be introduced granting \$1,745,000 to the VI Slice Program and \$1,745,000 to the Cistern and Slab Program.

“Colleagues, we're going to stand up for our big island that they done make a little island,” Senator Violet said, a statement that underscored lingering tension between the two districts.