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Housing Authority Plans $49 Million Federal Budget as Trump Proposal Includes Housing Program Cuts

VIHA’s FY2027 budget relies entirely on about $49 million in federal funding as proposed national housing cuts create uncertainty. The authority also projects a nearly $3 million operating shortfall, with only 1,261 of 2,092 vouchers actively leased.

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The Walter I.M. Hodge Pavilion.

The V.I. Housing Authority told lawmakers Wednesday that it will require no local funding for fiscal year 2027 and expects approximately $49 million from the U.S. Department of Housing and Urban Development, but is planning conservatively as proposed federal cuts create uncertainty for housing programs nationwide.

VIHA Executive Director Dwayne Alexander appeared before the Senate Committee on Budget, Appropriations and Finance to outline the authority's financial plan and operating priorities for the coming year.

Because VIHA's operating budget is entirely federally funded, Alexander said decisions made in Washington "have a direct impact on our ability to operate, maintain, preserve, and expand affordable housing opportunities…"

The authority developed its fiscal year 2027 budget "using conservative financial assumptions, prudent expenditure planning, and a continued commitment to protecting essential resident services," he said.

Alexander said VIHA intends to remain financially stable "regardless of future federal funding decisions."

Trump Budget Proposes Housing Reductions

President Donald Trump's proposed fiscal year 2027 budget contains "significant reductions to several federal housing programs, along with proposed policy changes that could affect rental assistance, homelessness initiatives, and community development programs nationwide," Alexander testified.

Rather than waiting for Congress and the federal administration to make final decisions, he said VIHA has "already begun implementing prudent financial planning measures."

HUD is expected to provide approximately $49 million for VIHA operations and housing-assistance programs.

The anticipated funding includes about $19 million for low-income public housing, $10.8 million through the Capital Fund Program, approximately $17 million for the Housing Choice Voucher Program and $1.1 million for the Central Office Cost Center.

VIHA's operating priorities for the coming year include improving occupancy, strengthening preventative maintenance, enhancing resident safety and maintaining compliance with HUD performance standards.

Nearly $3 Million Operating Subsidy Gap Projected

Alexander also provided lawmakers with an update on the authority's fiscal year 2026 performance.

As of the middle of the year, VIHA had received "approximately $8.5 million in Operating Subsidy funding," an amount that would total approximately $17 million if annualized.

That level of funding would produce an anticipated shortfall of "nearly $3 million when compared to the original adopted budget."

VIHA's fiscal year 2027 plan therefore "conservatively projects Operating Subsidy revenues of approximately $19.4 million," a reduction from the previous year.

Alexander told Committee Chairman Sen. Novelle Francis Jr. that he did not expect the projected difference to significantly disrupt operations.

“I don’t think that will really impact us,” he said.

Alexander expects the shortfall to balance out as the year progresses because it is tied to unit occupancy and the use of Housing Choice vouchers.

Housing Shortage Limits Voucher Use

HUD authorized $17.5 million for VIHA’s Housing Choice Voucher Program in fiscal year 2026, allowing the authority to support 2,092 eligible families.

As of June, however, only 1,261 vouchers were “actively leased.”

VIHA “continues to face significant challenges in maximizing voucher utilization,” Alexander said.

The territory’s shortage of affordable rental properties remains the principal obstacle to placing more participating families in housing.

The authority is “always looking for landlords that want to get on the program,” he said.

Alexander told Francis that VIHA would “look at any option as long as it is ethical that will help us house our residents.”

VIHA Reviewing 31 Vacant Positions

The authority is also working through internal staffing challenges, with 31 positions currently vacant. Many of the openings are in maintenance.

VIHA is evaluating those positions based on “operational necessity, alignment with organizational priorities, and long-term financial sustainability.”

Alexander called the review a “thoughtful approach to balance fiscal responsibility with our commitment to maintaining high-quality services…”

Authority No Longer Classified as "Troubled"

VIHA continues to pursue redevelopment projects across several public-housing communities.

Authority officials also highlighted that HUD no longer classifies VIHA as “troubled.”

Significant work remains before the authority can move beyond its current “substandard” designation, however, and VIHA is operating under a recovery plan intended to improve its performance.

Sen. Kurt Vialet expressed approval of the authority’s progress.

Alexander said VIHA’s fiscal year 2027 priorities are guided by the principle that “every initiative undertaken by the Authority must improve housing, strengthen communities, enhance accountability, and create opportunities for the people of the Virgin Islands.”

Other lawmakers also offered favorable assessments of VIHA’s presentation.

Sen. Hubert Frederick described the authority's reporting as "amazing," while Sen. Carla Joseph commended VIHA for doing a "great job."