

The Virgin Islands Consortium

New Bryan Administration Program Will Provide Up To \$50,000 For Landlords To Repair Damaged Rental Property Free Of Charge

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One of the most daunting problems facing locals looking for permanent housing is the cost of rent in the U.S. Virgin Islands. The price has shot up so high -- more than \$2,000, in some cases, for a 2-bedroom apartment -- that many locals displaced following Hurricanes Irma and Maria have stayed with relatives, an arrangement many have said is not the most compatible at times. In some instances, renters have even shared that they were being forced out of apartments they'd occupied for years by landlords seeking to cash in on the premium price of rent. The premium price came about following the 2017 storms when rental units became short in supply and demand increased.

To help with the situation, the Bryan administration is unveiling in July a new program aimed at providing up to \$50,000 per apartment to landlords to repair their damaged apartments. The idea is that landlords who participate in the program would have to abide by the Virgin Islands Housing Finance Authority's (V.I.H.F.A.) controlled rent rates.

Governor Albert Bryan confirmed the new program to The Consortium during an interview on Friday, and said while the program was slated to launch in August, he was pushing Darryl Griffith, head of V.I.H.F.A., to expedite for a July launch instead, noting the urgency of the need.

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The administration is hoping to add another 500 units to the market of controlled rent with the program, which equates to a budget of \$25 million.

"A lot of local folks are being pushed out of their housing because they can't afford to rent," Mr. Bryan said. He said Senator Novelle Francis had approached him about a measure to control rent in general in the territory, but after examination, the idea was set aside because it posed so many problems. "We looked at it closely, but the problem with us is we have single-owner renters, so if you tell me I have to renew my lease, I'll just say I'm not renting my house. The tenant still got to leave, two months later I rent it for whatever price I want. So it wouldn't have been as effective," Mr. Bryan said.

The plan, if successful, would help ease the rent crisis by making available 500 additional units on the market of controlled rates.

The administration has also been working to build additional units across the territory. A private investor was provided with \$4 million to build an additional 60 housing units in the Magens Bay area in St. Thomas, Mr. Bryan made known. Another 80-100 units are slated to be build to the far east of the old Ralph de Chabert housing community in Christiansted. "We're going to rehab 100 units in Safarali here in St. Croix. We're going to continue with the homeownership land in Williams Delight; we'll rehab those units and sell them to the tenants," the governor added, making known that an additional 100 units would soon be build in another location on St. Thomas as well.

Mr. Bryan explained that unlike the roofing program, which was not a pre-obligated cost program, construction on the new units would happen faster because the funds are made available upon a 10-percent match reimbursement.

"The roofing program was not a pre-obligated cost program, so it's different from what we're dealing with. So we went out and repaired the roofs, they billed for the roofing, and then we got to get the cost approved by FEMA because of the urgency of what it is," he said. "These other programs where FEMA is obligating funds is different. The funds are already obligated, so when we make the contracts to do whatever business we want to do, all we got to do is match our 10 percent, pay the contractor and we get reimbursed for it."

The local government, strapped for cash, has had a hard time meeting the 10 percent match. However, the government is able to use the HUD-provided CDBG-DR funds -- \$1.8 billion of which is available to the territory, according to Mr. Bryan -- for the match.

It's a setup that the governor does not want to use, but push come to shove, it would have to be done, Mr. Bryan acknowledged.

"We're covered but we're still working hard because it doesn't make sense to me that the federal government gives you \$500 million and tells you you need a 10 percent match to be in the game, but then on the other side they give you \$1.8 billion and then they say you don't have any requirements. That don't make sense, right? I mean why is HUD [U.S. Department of Housing and Urban Development] giving us money to satisfy skin in the game for FEMA?"

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