The Virgin Islands Consortium

Rental Assistance Program Still Limping Along; First-Time Homebuyers Program Gaining Steam as Four Banks Commit to Participate

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One segment of Tuesday's sitting of the Senate Committee on Housing, Transportation and Telecommunications was devoted to receiving updates on programs that provide assistance to renters and first-time homebuyers in the USVI.

Dayna Clendinen, Interim Director of the V.I. Housing Finance Authority first shared details on the Emergency Renters Assistance Program, ERAP. The initiative offers help to renters affected by Covid-19 who have fallen behind on their obligations. The territory initially received $21.3 million in the first round of ERAP 1 allocations in March 2021. Of that amount, just under $4 million has been disbursed to approximately 480 households in direct and indirect assistance.

The ERAP program, Clendinen says, has had challenges, including treasury restrictions and a lack of staff for application processing. Incomplete applications have also caused delays in the disbursement of funds. The authority has since awarded a $1 million contract to Plexos Group LLC whose portfolio extends to disaster recovery and case management solutions. At Tuesday's hearing, senators had questions about VIHFA's need for outsourcing case management, however Ms. Clendinen assured that the processing backlog had been significantly reduced. This clears the way, she said, for a new push to recruit applicants.

"We thought it important to be able to take care of those that have been waiting for quite some time for their payment before we really embarked on a whole new robust campaign in terms of the program," Ms. Clendinen explained in response to a query from Senator Samuel Carrion.

As part of ERAP 1, payments to the Water and Power Authority on behalf of renters so far amounts to approximately $67,000. The amount paid out per client depends on how much was owed with a limit of 18 months of arrears. To date 40 residents have benefited, with the average assistance being $1,676.

During Tuesday’s hearing V.I.H.F.A. noted that just under $15 million is also available, through the second tranche of ERAP funding. The ERAP 2 money has a spending deadline of 2026 and comes with more flexibility in the type of financial needs that can be covered.

The authority also provided testimony on the First-Time Home Buyers Program, which provides assistance to moderate income, first-time home owners. Beneficiaries of the program can access funds to help with the purchase of land, home construction or purchasing, and home improvement.

VIFA Chief Operating Officer Darren Richardson said four local lenders have so far committed to being part of the program, but that applicants were not yet forthcoming. Only one person, he disclosed, had submitted an application for the land loan program. Richardson said first-time home buyers can find information on the program on the Virgin Islands Housing Finance Authority website.