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In 5 Years, VIHFA Has Only Constructed 16 Homes Damaged by Storms; For Rental Repair Program, \$3.1 Million Spent and Only Two Apartments Repaired

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Senators on the Committee on Disaster Recovery and Infrastructure have again registered their disappointment with the progress and implementation of the V.I. Housing Finance Authority's (VIHFA) EnVision Tomorrow Program, meant to assist hurricane survivors.

"Every time it rains in the Virgin Islands those are the first set of people I think about because the conditions [of their homes] are not good," Sen. Franklin Johnson told executives, who came before the committee to provide an update on disaster recovery projects and programs on Wednesday.

The EnVision Tomorrow consists of the Homeowner Rehabilitation and Reconstruction (HRR) Program, and the Rental Rehabilitation and Reconstruction (RRR) Program. Currently, \$160 million is allocated to the EnVision Program, \$135 million to Homeowner and \$25 million to the Rental Program.

Under the program, VIHFA has only been able to construct 16 homes at \$20 million in the five years since starting the initiative, when the allocation by the U.S. Department of Housing and Urban Development (HUD) of \$160 million anticipated serving approximately 450 applicants. Currently, the program has 39 homes under active construction (32 -STX and 7-STT) and has completed 16 homes (10-STX and 6-STT), with more than 57 in various stages of the design-to-rehabilitation process.

“It’s very sad to see wash pan, bucket, all over a house; when you go in somebody bedroom and you can see the sky,” he remarked, having visited at least 20 homes damaged during the storms of 2017.

The blue tarps used to cover roofs of homes and which were meant only to be an interim measure during construction have deteriorated, the senator noted. Following up on the conversation regarding tarps, committee chairperson Senator Janelle Sarauw urged the authority to attempt to seek financing to replace the five-year-old tarps despite it not being their direct responsibility.

“We all live in this community and nothing precludes you from saying that’s a good suggestion, we may need an appropriation,” she remarked, noting that in May she sent out an email requesting an update inquiring about the replacement of the materials.

Meanwhile, Sen. Novelle Francis said that the authority’s EnVision Tomorrow Program which was developed to assist eligible homeowners whose primary residence was damaged by Hurricanes Irma and/or Maria has not been serving the community.

“I truly believe that we have come to the point where we just need to issue a grant to these individuals, the applicants and hold them responsible for fixing their own homes and they could draw down periodically, similarly to what the bank requires [because] we’re not meeting the needs of this community,” he said, offering a picture of an individual who he said had been waiting for months to hear from VIHFA.

Sen. Marvin Blyden called the progress “unacceptable,” pointing to problems with even reaching the V.I. Housing Finance Authority to schedule meetings as well as the slow pace of work. “I’m honestly disturbed that the pace continues to be slow,” he said.

Those sentiments were also shared by Senators Samuel Carrión, Kurt A. Violet, Jr., Carla J. Joseph, and Genevieve R. Whitaker.

Ann Hanley, director of programs responded to senators, explaining that construction costs had exceeded the program's cap. “As we’re all aware the cost of construction has increased significantly. We do have homes that are ready for construction but the concern is that the costs exceed the program’s cap. The program cap existing right now is \$250,000 and some of the change orders that we have received is in excess of \$350,000,” she said.

To mitigate the rising cost of construction in the territory, subject to the Department of Housing and Urban Development’s (HUD’s) approval, VIHFA has prepared its third substantial amendment to the Disaster Recovery Action Plan; the amendment includes additional resources to the EnVision program to support more applicants. With the approval, the program will allocate an

additional \$55 million with a budget increase of \$195,046,728 to the Homeowner Reconstruction and Rehabilitation Program (HRR) and \$50,384,097 to the Rental Rehabilitation and Reconstruction Program (RRR).

Dayna Clendinen, VIHFA interim executive director and chief disaster recovery officer explained that because of the extent of the damage to a majority of the homes, architectural drawings are necessary to restore them.

“A lot of the homes require architectural drawings which again the capacity internally has not been with VIHFA, which again is why we hired two engineers to assist. We’ve partnered with ODR [the Office of Disaster Recovery] to use their engineer to help us. We’ve got our own, we’ve tried numerous ways to make this go faster but because the homes have to have drawings, they cannot just go into construction,” Ms. Clendinen explained.

According to Ms. Hanley, after the inspection of a home a drawing can take up to 20 days to complete because these homes require “substantial rehabilitation.”

Speaking further to the slow pace of implementation, under its Rental Rehabilitation and Reconstruction Program, the authority has only been able to rehabilitate two rental units at a cost of \$3.1 million. A majority of the money was administration cost to include program implementation and case management, stated Gregory Miller, VIHFA Homeowner Reconstruction & Rehabilitation senior manager, leaving lawmakers puzzled.

The authority is further plagued by a lack of manpower, having lost 31 staffers this year, with eight in the last three months alone. But Ms. Clendinen is hopeful that the staff integration with ODR is moving the process forward.

Issues with the environmental component of projects have also caused projects to be stalled for at least six months. According to Ms. Clendinen, “Environmental could be a little unpredictable in terms of timelines. We’ve had considerable challenges in that area so much so that we’ve asked for and will receive some technical assistance within the next two to three weeks to help us with the environmental pieces of every project.”

Alanah Lavinier, director of policy, procedures, and regulatory service at VIHFA said consultants at HUD are scheduled to visit the territory in November to assist VIHFA with streamlining the authority's environmental processes and shortening the amount of time it takes to move a project away from the environmental phase and nearer to completion.

“Once they’ve helped us to streamline those processes and we can implement those processes, we do hope to roll that out within the next month once HUD visits us,” Ms. Lavinier said. “The whole phase can depend on the type of project that it is ... It just depends on those specific projects so, there’s not one set timeline per project.”

Kyora Veira, senior environmental manager at VIHFA said one of the biggest delays with the environmental review process is getting all stakeholders to engage in consultation with local and federal agencies.

“That can be seen as one our biggest delays with the environmental review process. We don’t have any jurisdiction over any of the regulations so it does require us to go into consultation with multiple agencies throughout the local and federal government and obtaining responses from those agencies can be very timely,” she told lawmakers.

In it's last two monitoring exercises - in March 2021 and again in September 2021 – VIHFA was found to have 15 policy concerns that the authority says it is working to address. This included process used early in the program, the contract review process, the environmental process and procurement process and cost reasonableness processes.

Sen. Blyden has scheduled a meeting with VIHFA for October 25 where he said he would bring along contractors to scrutinize the program and its many delays with an aim to speed up construction work.

Correction: Oct. 6, 2022 at 10:51 a.m.

A previous version of this story included an incorrect spelling of VIHFA's senior environmental manager. Her name is Kyora Veira, not Kera Rivera. We've updated the story to reflect the correct information.

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