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Housing Authority Commits to Improving Affordable Housing Amid Significant Challenges in Virgin Islands

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Janeke Simon **July 20, 2023**

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**The D. Hamilton Jackso Terrace in Estate Richmond, St. Croix. By. ERNICE GILBERT/
V.I. CONSORTIUM**

The V.I. Housing Authority is facing a number of challenges, but the authority remains committed to providing affordable housing to low-income families in the Virgin Islands, testifiers told lawmakers Tuesday.

In her testimony before the Senate Committee on Budget, Appropriations and Finance, VIHA Chief Operating Officer Lydia Pelle noted that the budget picture for U.S. Housing and Urban Development was unclear, but said that the authority, which operates solely on federal funds, was optimistic that funding levels would be maintained.

She told lawmakers that the Biden Administration has proposed a modest increase in funding for HUD, including \$7.6 billion for rehabilitating and redeveloping distressed public housing and \$22 billion in housing vouchers for extremely low income veterans and youth aging out of foster care.

Locally, VIHA will receive approximately \$59.5 million in HUD funding for FY 2023, which will be used to assist about 4,000 families with housing. There is another \$10.8 million for the Capital Fund Grant, Ms. Pelle said, but those monies will not be used until the next fiscal year, which begins on January 1, 2024. Approximately \$15 million will go towards the Housing Choice Voucher program, which the VIHA COO says will assist 700 landlords. The agency is also using funding from the voucher program to support six smaller but significant grants for Special Needs families.

Ms. Pelle noted that VIHA's overall financial health remains strong, thanks to its well-managed fiscal and federal programs. The authority also has a number of programs in place to help families become self-sufficient, such as the Resident Occupancy and Family Self-Sufficiency Program and the Veterans Affairs Supportive Housing (VASH) Program. VIHA expects to house 200 to 300 more families each year, as developments are converted to project-based vouchers through the rental assistance demonstration program. The Authority is also working to leverage FEMA funding to repair damaged public housing units and to build new affordable housing.

However, Pelle acknowledged that VIHA still faces a number of challenges. The authority's public housing inventory is aging and in need of major repairs. The authority also has a shortage of available units, and high housing costs make it difficult for low-income families to afford housing in the private market.

VIHA has plans to address these issues, including a \$2 billion redevelopment plan that will replace the authority's aging public housing inventory with new construction and comprehensive modernization. Ms. Pelle said the authority is committed to working with its partners to address the challenges facing the authority and to provide affordable housing to low-income families in the Virgin Islands.

Senators Donna Frett-Gregory and Marvin Blyden questioned Ms. Pelle about VIHA's plans to address the aging population and the need for assisted living facilities in the territory. Pelle said that the authority is looking at providing assisted living facilities as part of its redevelopment plan, but that it needs to collaborate with other entities, such as the Department of Human Services, to make it a reality.

Mr. Blyden also asked about the authority's new maintenance plan, which includes 100 percent inspections of all public housing units by third-party contractors starting in August. Pelle said that the authority is not receiving any additional funds from the federal government to cover the cost of the inspections, but that it is able to absorb the cost within its current budget.

When Ms. Frett-Gregory expressed concern that the cost of the inspections could impact the authority's financial health, Ms. Pelle assured that the cost was relatively low – \$40,000 annually for all of the units in the territory.

Meanwhile, Sens. Frett-Gregory and Angel Bolques Jr. asked Pelle about plans to resolve outstanding balances owed to the Water and Power Authority. The VIHA COO said that the agency was working with WAPA to resolve the water consumption issue.

In response to a question from Senator Ray Fonseca, Ms. Pelle noted that existing cisterns had been decommissioned when VIHA was under HUD receivership, but that the authority has since received a grant from the Department of Planning and Natural Resources to store one cistern. She said that as the authority redevelops communities, the cisterns will be repaired or replaced. Ms. Pelle also promised to investigate why the cable service at one housing community serving elderly residents had been disconnected.

When it comes to receivership, senators were dismayed to learn that VIHA was just two points above the threshold that would trigger it being placed in receivership. However, Ms. Pelle argued that the exigencies of Covid-19 made it difficult to collect rent and conduct inspections, but expressed confidence that scores would rise now that the pandemic has receded, and also because they have committed to inspecting every VIHA unit annually, meaning that maintenance issues can be caught in a timely manner.

Senator Kenneth Gittens expressed discomfort at the thought that demolition projects were coming on stream without the commensurate rebuilding, meaning that people would be left without shelter. However, Ms. Pelle explained that some of the structures identified for tear-down, particularly those on one side of the William's Delight community, were completely unsafe and needed to be demolished. The authority was promised \$6 million in funding from the American Rescue Plan Act, but those monies have not yet been disbursed, Ms. Pelle disclosed.

This revelation prompted Frett-Gregory to note, in frustration, that programs are not being coordinated by the various agencies to ensure a smooth transition out of public housing into home ownership for Virgin Islanders. "We are not truly giving folks true opportunities," she said. "We have to look at this comprehensively."

While admitting that the agency's challenges are significant, the VIHA COO said that the authority is committed to providing suitable affordable housing to low-income families in the Virgin Islands. "Just wanted to relay that to the residents of public housing and our housing choice voucher program, that our team here at VIHA is working really hard to improve the conditions that you have been subjected to, which may not have been, you know, safe, decent, sanitary as we would like it ourselves," Ms. Pelle said. "Our staff prides ourselves in wanting to have the same amenities and the same type of home that would be provided if we were living there. We do have some layers, but barring that, you will be seeing a considerable improvement in both of those programs as we get ourselves out of substandard scoring by HUD, and continue to improve this agency and bring it back to what it used to be," she concluded.