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Housing Authority Baffled by Federal Rent Hikes and Parity Requirements in Public Housing

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“The complexity and incongruity of competing HUD goals [is] maddening,” said V.I. Housing Authority Chief Operations Officer Lydia Pelle to lawmakers on Thursday, as she discussed the agency’s annual plan for its 2024 fiscal year, which begins on January 1.

Ms. Pelle, addressing the Senate Committee on Housing, Transportation and Telecommunications, was referring to U.S. Dept. of Housing and Urban Development’s “deconcentration of poverty” policy, which she explained as working towards ensuring public housing properties are balanced between lower and higher-income households. In the Virgin Islands, this would require increasing the percentage of higher-income households in the housing communities, a goal Ms. Pelle calls almost “insurmountable”, since firstly, over 70 percent of the waiting list for public housing currently consists of low income households. Additionally, a new

policy implemented in June requires housing authorities across the nation to begin charging higher rents to higher-income households. Should they decline to pay the alternative rent, their tenancy will end. Senator Dwayne DeGraff took exception to the enforcement of the new policy, declaring that “HUD [is] out of their minds, is how I look at it.”

Ms. Pelle told Mr. DeGraff that “it’s not going to be easy,” but VIHA is committed to working with other agencies to help the families that will be affected by the alternative rent policy, many of whom have become “accustomed to those subsidies that they would normally get from other programs because they were able to live in public housing.”

One of the ways VIHA is looking to assist “over-income families,” as they are termed, is to make it easier to utilize housing vouchers for homeownership. The agency will, according to Ms. Pelle, eliminate the one-year requirement to become eligible to use such vouchers. It is thought that these families will be able to combine the housing vouchers with the VI Slice homeownership incentive program in order to fund home purchases.

Another practical solution to this quandary surrounding household incomes, said Ms. Pelle, would be to “help more residents get jobs.” VIHA is working towards that goal by maintaining its pool of 30 Section 3 workers “and continuing to recruit from that pool for permanent jobs,” Ms. Pelle told lawmakers. The agency is also encouraging its developer partners to hire Section 3 workers for construction projects, as well as coordinating with the V.I. Department of Labor to train VIHA tenants in “active recovery projects.”

Senator Marise James also took exception to the new HUD policy, remarking that “we don’t do a good job of negotiating and explaining to the federal agencies that life in the Virgin Islands is different.” The senator suggested working with the delegate to Congress to lobby the federal government for exceptions. “We’re just different,” Ms. James stated. “We can’t be treated like a state in certain instances and then not as a state in others.” Ms. Pelle noted that the Office of Congressional Delegate Stacey Plaskett has been engaged with respect to increased funding for the Low Income Housing Tax Credit Program.

Locally, the Bryan administration and the Housing Finance Authority had been approached for more support for the Housing Trust Fund program. However, while “all entities have agreed yes, we need it...there’s no actual tangibility of it... coming to fruition,” Ms. Pelle lamented.