

VIRGIN ISLANDS HOUSING FINANCE AUTHORITY



ANNUAL REPORT FY 2012



Mission:

“To increase housing access and community development initiatives for low-to moderate-income families by developing safe, decent, sanitary and affordable homes, to include rental and emergency housing, educating home buyers and sponsoring programs to maintain sustainable communities in the Territory”.

Vision:

The Virgin Islands Housing Finance Authority (VIHFA) will meet the changing needs of the low-to moderate-income residents of the Territory by being the premier agency that provides a broad spectrum of housing and community development opportunities and exceptional service to foster social and economic stability in the Territory.

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Message from the Executive Director

Thank you for taking the time to read the Virgin Islands Housing Finance Authority (VIHFA) 2012 Annual Report. This year proved to be a year of review and deep reflections. During the course of year, the Authority faced many difficult challenges in its efforts to provide affordable housing in the Territory. As we weathered the storm, we gained inspiration from the resilience of the people and their ability to overcome economic downturns and hardships in their pursuit of home ownership.

Poor economic conditions in conjunction with the “housing meltdown” have caused an industry-wide impact on agencies, businesses and individuals across the board. These events led banking and financial institutions to take more conservative lending approaches which hindered developers from obtaining financing for their projects ultimately delaying many projects. These circumstances have placed tough demands on the Authority and its ability to service the needs of its clients in an effective and efficient manner.

In an effort to address these problems, the Authority has embarked on several partnerships. The VIHFA partnered with the Virgin Islands Economic Development Authority (VIEDA) to obtain funding for the VIHFA’s Small Contractors Program. Going forward, this agreement will not only fulfill the Authority’s mandate, but it will also assist small contractors whose projects have become stagnant by providing access to financing opportunities for development of affordable housing.

The Authority also took proactive measures to provide financial management and foreclosure prevention workshops to over four hundred individuals throughout the year. These sessions proved to be the lifeline that residents needed in order to take control of their finances and to survive during these difficult economic times.

Lastly, the Authority oversaw the completion of phase I of Grandview Apartments, an affordable housing development located in Estate Donoe, St. Thomas. The construction of these apartments completed the first segment of a \$30 million dollar multi-phased project financed in part with Low Income Housing Tax Credits (LIHTC) awarded by VIHFA. Grandview marks the sixth affordable housing development of its kind on St. Thomas where residents can take advantage of lower rents based on their income.

As the market continues to change, we will continue to make the necessary adjustments to keep up with the transition. We will advance our pursuit of fresh ideas and innovative models for doing business and remain diligent and focused on our mission of “Unlocking the Doors to Affordable Housing.”

Adrienne L. Williams
Executive Director

Board of Directors



Debra E. Gottlieb

Chairperson



Alicia V. Barnes

Secretary



Carmen M. Hedrington

Board Member

Executive Staff & Senior Staff

Adrienne L. Williams

Executive Director

Julio Rhymer

Chief Financial Officer

Attorney Flavia Logie

Legal Counsel

Cherise Tucker

Director of Accounting

Desirey Brooks

Director of Collections & Servicing

Janine Hector

Director of Federal Programs

John M. Green

Director of Planning & Construction

Lisa Richards

Director of Homeownership

Yvonne Christopher, PHR

Director of Human Resources

2012 ANNUAL REPORT

Creating First-time Home Buyers

Increasing access to affordable housing is accomplished through a variety of services and programs offered by the Virgin Islands Housing Finance Authority.

To be a participant of VIHFA's home buyer programs, applicants must:

- ✓ be first-time home owners, (not owning a home in the past three years)
- ✓ have resided in the Virgin Islands for the most recent three years
- ✓ meet the income requirements

At the time of application into the program, applicants are assigned a priority number and managed through a data system that codifies clients by mortgage readiness. Periodically, those clients who are listed as "Mortgage Ready Priority Applicants" receive correspondence on available homeownership opportunities and are encouraged to update their files annually. Those clients who are determined to need counseling to improve their mortgage readiness are provided assistance on an individual and group basis.

During Fiscal Year 2011, the Homeownership Division received 95 new applications Territory-wide. To date, there are 123 clients on the mortgage-ready list on St. Croix and 23 clients in counseling. In the St. Thomas/St. John district there are currently 90 clients on the mortgage-ready list and 34 clients receiving counseling.

During the Fiscal Year, the Authority sold and closed 18 homes and financed \$1,520,866.02 in mortgages.

Being able to purchase a house with the assistance of the Housing Finance Authority was a blessing for me. For years I have been trying to purchase a house that I was residing in but it was road block after road block by the owner of the property.

I saw a house in Estate Whim that needed some tender loving care at an affordable price and seized my opportunity. Once I entered into a contract with Blue Sky Realty to purchase the unit, I contacted Mrs. Estrill my case worker at Housing Finance Authority. Her assistance along with Atty. Logie made me a proud home owner today. I tell everyone who passes my house and wants to see it that Housing Finance Authority helped me live my dream of becoming a home owner. I moved into my house during the month of April 2012.

- Ray Harris



MORTGAGE ORIGINATIONS

The Authority provides limited mortgage financing at below market interest rates to assist buyers in the construction or purchase of homes and on some occasions to assist with buyer's closing costs. Loans are repaid based on terms and conditions set by the Authority at interest rates determined and adjusted according to the prime lending rate. Funding for mortgages and closing costs are based primarily on the level of appropriations received from the local and federal governments as well as any private partnerships.

Financing is offered through the following programs:

- ✓ **Veterans Loan Program**
- ✓ **Homestead Loan Program**
- ✓ **Moderate Income Program**
- ✓ **VI Realtors Affordable Housing Assistance Fund (VITAR)**
- ✓ **Regular Funds**

The *Veteran Loan Program*, established in 1965 by the Virgin Islands Government, provides home ownership funding to Veterans who are purchasing a home as a first time homebuyer. Through this program, Veterans can acquire a home or purchase land. During this fiscal year, two veterans took advantage of this program and were able to obtain financing to purchase a plot of land. The first Veteran purchased a plot of land in the Hermon Hill subdivision, while the second Veteran opted to purchase on the open market.

The *Homestead Loan Program* was established in 1953 by the Virgin Islands Government as an additional funding source for first time homebuyers and receives its funding annually from appropriations made by the VI Legislature. As with the Veteran Loan Program, this program also provides mortgage assistance to purchase, build or to acquire land for the purpose of building a home. The program is open to all residents of the Territory who meet the Authority's eligibility guidelines. During this fiscal year, a total of six clients qualified for this program and received financing. Of these six, four were purchase transactions and two were construction loans. The total financed under this program for the year was \$462,400.



The Authority also receives funds from the local government for the *Moderate Income Program*. Funds from this program are used to assist buyers with closing costs associated with the loan.

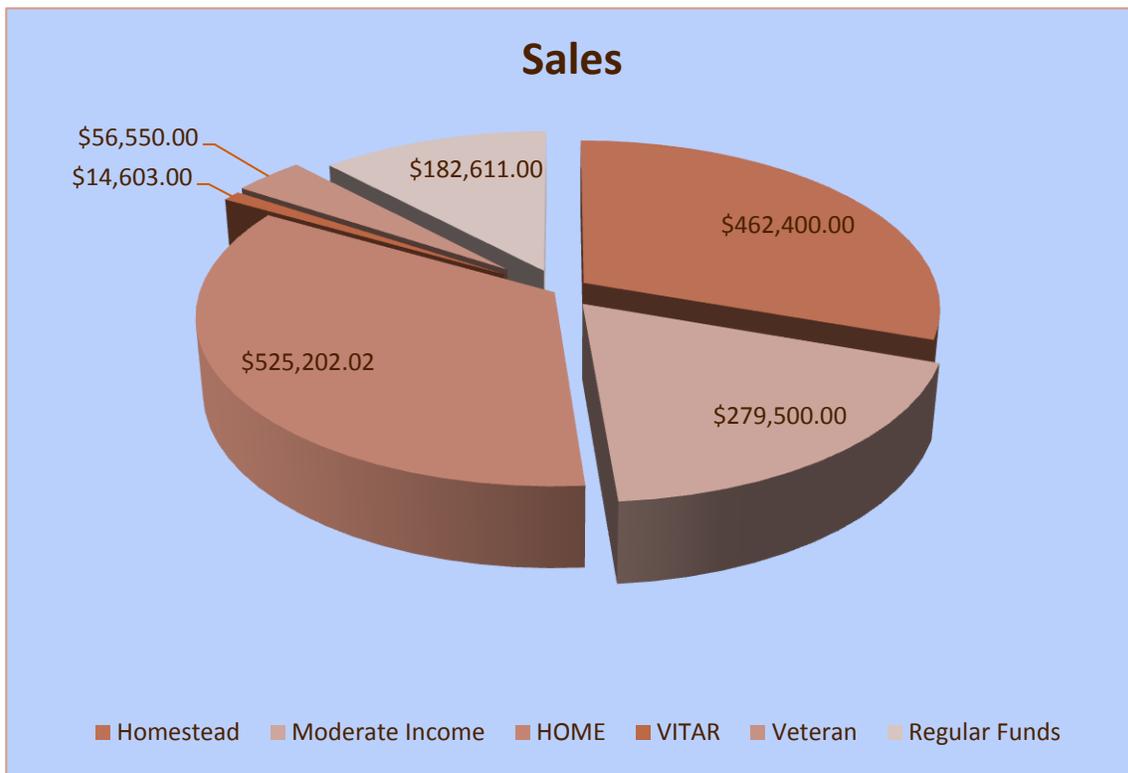
The Moderate Income Program served two clients this year, with both purchasing homes on St. Croix.

Earlier this year, local Realtors created the VI Realtors Affordable Housing Assistance Fund (VITAR) for clients of the Authority. This fund provides closing cost loans to first time home buyers in an amount up to \$5,000.00 at an interest rate of 2% payable over a five year period. The Authority was able to service three clients through this program during the fiscal year.

The Authority also provides mortgage financing from a pool of monies entitled “Regular Funds” to purchase a home, build a home or for closing cost assistance. Five clients this year received assistance from this mortgage pool. One client obtained funds to purchase and close on a home; while the remaining four received closing cost assistance in addition to the aid they received through the Homestead and Moderate Income Programs.

A total of 18 clients were served during this fiscal year; with 17 obtaining financing for their mortgage transaction. Twelve clients received loans for purchase transactions and five received funding for construction loans. Of the 12, five also received closing costs assistance.

The following is a breakdown of funding sources for home and land sales used throughout this fiscal year:



Total: \$1,520,866.02

VIHFA Subdivisions

ESTATE MARIENDAHL SINGLE FAMILY HOMES -ST. THOMAS



Estate Mariendahl is a subdivision of single family homes being constructed by Vanterpool Enterprises and J.U.B. King. During this fiscal year, one home sold, three homes were contracted and two units remain available for sale. Prices range from \$255,000 to \$277,550 for these three bedrooms two bathroom homes.



ESTATE ST. GEORGE- ST. CROIX

Estate St. George is a subdivision of lots and homes being offered for sale. Caribb Dynamics, LLC has been contracted to build six units, 3-two bedroom units and 3-three bedroom units. The homes are priced at \$181,375 and \$206,375, respectively. These units will be marketed to interested buyers.

Calabash Boom

Throughout the year, sales continued at Calabash Boom, a 24 unit townhome development on the island of St. John. Homes were priced at \$295,000.00 and until recently were marketed exclusively to first time homebuyers. Having slightly fewer home sales than anticipated this year, aggressive marketing strategies were employed to escalate the sale of homes in the development. These strategies included radio, print and television ads in addition to hosting a town hall meeting which helped to foster awareness of the remaining units available for purchase.



During a Board meeting in February of this year, approval was given to market five Calabash Boom units for sale on the open market. This approval allowed the Authority to relax its existing standards for home ownership qualifications and opened the door of opportunity to those purchasers deemed ineligible to qualify under normal criteria to now be in a position to purchase a unit with minor restrictions. Marketing includes local and national advertisement with an intense drive to attract homeowners and investors.



Community outreach efforts for Calabash Boom were also increased throughout the year. Twenty-six (26) persons were interviewed, and five presentations were given, providing a total of 111 persons with exposure to the services of the Authority and Calabash Boom in particular. These efforts consummated four (4) sales during this fiscal year bringing the total sales to date to twelve (12).

The thrust for fiscal year 2013 will be to increase marketing initiatives to retired government employees and offer home ownership presentations at churches and local businesses. In addition, a lease purchase program and an aggressive campaign to tap the market of investors will also be implemented.

LOT SALE PROGRAM

HERMON HILL LOT SALE



102- 3 Hermon Hill



102-4 Hermon Hill

Mount Royal Vistas in Hermon Hill is a moderate income lot sale subdivision that experienced great interest from the applicants on St. Croix. Lots were first made available for sale in 2010. All lots this year were financed in part by Rural Development and the HOME Program. During this fiscal year, lot 102-1 was sold. The lot is priced at \$ 28,500. Over 25% of the lot owners have begun to construct homes in the subdivision.

HOMEOWNERSHIP CONVERSION

ADVENTURE HILL LEASE TO PURCHASE PROGRAM – ST. CROIX



The Adventure Hill initiative is an existing lease purchase program that began under the Department of Housing, Parks and Recreation. Twenty six units remained in this program and were transferred to the Authority during the “housing merger”. There are currently four (4) homes remaining to be converted from lease to purchase. Three conversions are scheduled to occur during the upcoming fiscal year as these residents pay off their existing balances, while the remaining tenant plans to complete their payoff within the next five years.



POLLYBERG/ GEORGE SIMMONS TERRACE HOMEOWNERSHIP – ST. THOMAS/ST. JOHN

The Pollyberg/George Simmons Homeownership initiative was the result of the purchase of 19 rental units from the V.I. Housing Authority. A total of 16 of the original 19 renters have converted to homeownership. Of the remaining three units, two original renters have been re-housed and their units

have been renovated in preparation for sale to eligible buyers.

CALABASH BOOM TOWN HOUSES SOLAR WATER HEATER INSTALLATION

The Virgin Islands Housing Finance Authority received a \$600,000 grant to enable the installation of 130 solar water heating units in residential units constructed or rehabilitated under the Authority's various programs.

Plans were made to install the water heaters at three of the Emergency Housing communities, namely; Campo Rico Apartments (16 units), Profit Apartments (12) and Charolette Apartments (24).



SOLAR WATER HEATER PANEL

The Authority bid and commenced the two St. Croix Projects prior to a determination, by the VI Energy Office that the grant funds could only be utilized for single family homes, not for rental apartments. The Authority decided to allocate funding for the 28 units. Nevertheless, the Grant funds were utilized to benefit numerous clients of the Authority. Each home constructed or renovated under any of the VIHFA programs was provided with a solar water heater. This resulted in the installation of 21 units on St. Croix, 24 units on St. John and 11 units on St. Thomas. Total expenditures equated to \$319,765.86.

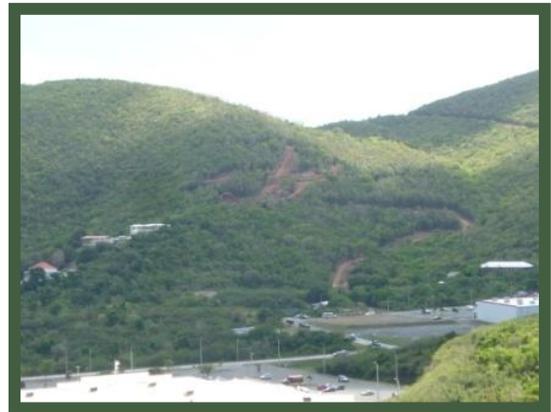
Projects on the Horizon

Several new projects were commenced in Fiscal Year 2012. These homes and lots will be available for sale as outlined in the Agency's Three- Year Affordable Housing Plan.

ST. THOMAS

WHISPERING HILLS AT ESTATE DONOE

This 20-acre single family home development is nestled in the hills of Estate Donoe with awesome panoramic views of St. Thomas and neighboring islands. This project is in its beginning stages and is slated for completion over a three-year period with deliverance of its first units by September 2013. H&V Heavy Equipment was selected as the developer and contractor for this project and will be responsible for the construction of 60 single family homes. The project will also consist of 30 individual lots for sale to individuals wishing to custom build. The homes will sit on ¼ acre lots and will feature 3 bedrooms, 2 baths and will come equipped with energy efficient solar water heaters. Home sales prices are at \$255,000 while lot sales will be priced at 75% of the appraised market value.



ESTATE FORTUNA

Several acres in Estate Fortuna have been identified for the sale of four lots and the development of four homes. Homes will be two or three bedroom units and will be priced from \$225,000-\$275,000.

ESTATE NAZARETH

The proposed development will consist of 16 – 18 lots for the construction of affordable homes. Sale prices for the homes will range from \$225,000-\$275,000. This development is slated for commencement in 2013.

ST. CROIX

THE MEADOWS AT BONNE ESPERANCE

The developer for “The Meadows at Bonne Esperance”, Northshore Partners was unable to locate financing for this development. With the notice of closure of the HOVENSA Refinery in January of 2012, lending institutions became very reluctant to fund projects of the scale initially proposed by Northshore Partners and the VIHFA. This development was therefore cancelled in May 2012.

In an effort to move development plans forward, the “Buy-a-Lot, Build-a- Home Program”, a pilot program, designed to sell quarter acre lots at 75% of the market value, will be introduced on the Bonne Esperance site. Under this program, applicants will have the option of buying a lot only, or selecting a “turn-key” package which provides the applicant with the option of securing construction financing to buy the lot and build a home. Applicants are required to obtain bank financing to secure their purchase for either option. As a cost saving measure to the client, architectural plans were designed by the Authority’s Planning & Construction Division to be utilized at the client’s discretion. These plans will be available for sale to those interested in the “turn- key” package. There are a total of 18 lots to be sold upfront. Pricing is contingent on receipt of the final subdivision approval and appraisal.

ESTATE SOLITUDE

The Estate Solitude subdivision was originally slated for the creation of 12 to 15 lots, however the project was eventually bid for the creation of no less than 20 lots. The respondent developer pricing was determined not to be cost effective to the Authority. Consequently, the VIHFA moved to develop the project as an in-house development and bid each component of the development separately. During the fiscal year, the site engineering design phase was bid and a contractor was selected. The contractor has completed the preliminary layout for the subdivision and has received approval to commence with plan submittal to DPNR.

Number of Units:	15 Lots / 5 Homes		
Sales Price Range:	Approximately \$250,000/Unit and \$35,000/Lot		
Projected Start Date:	2012	Projected Completion Date:	2013

ESTATE MT. PLEASANT

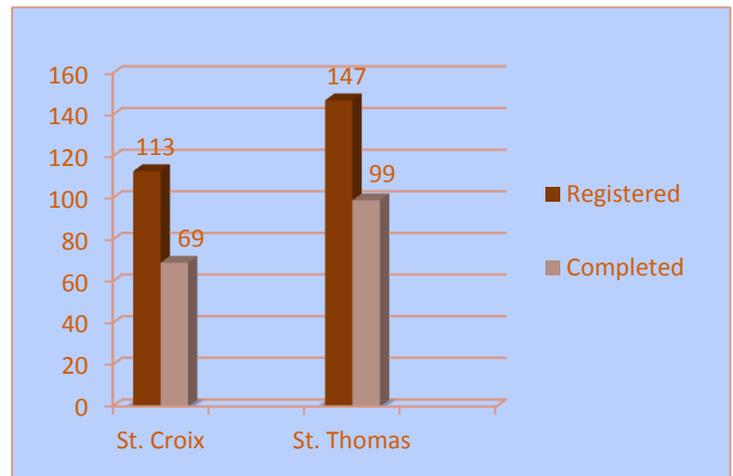
This is a 40 lot subdivision development in which the plans and layout designs of the lots have been completed. Discussions are currently being held with WAPA and the VI Waste Management Authority to determine requirements for connection to the public sewer system to provide both water and sewer lines for each plot which in turn should help to reduce the cost of home construction for clients by removing the need for septic tanks and the need for a full sized cistern.

Home Buyers Education & Counseling

The Home Buyer Education and Counseling Programs of the Authority prepares applicants to become new homeowners and assist in maintaining existing homeowners. These services are provided via the Home Buyer Education class, counseling and outreach workshops.

HOME BUYERS EDUCATION PROGRAM

During Fiscal Year 2012, a total of 260 participants registered for the Home Buyers Education Program. There were five sessions held in each district. There were 113 individuals registered in the St. Croix District, and 147 individuals registered in the St. Thomas/St. John District. Of these amounts, sixty nine (69) participants completed the nine week course on St. Croix, and ninety-nine (99) individuals completed the course on St. Thomas.



The Home Buyers Education Program provides participants with a comprehensive overview of the home ownership purchase process. With emphasis placed on budgeting and saving for homeownership, participants are encouraged to begin budgeting and creating or continuing on a savings plan. Based on data received, these are two of the most important goals of those who have completed the program. Also, issues involving credit has hindered many prospective homeownership

applicants and prevented many from becoming prequalified, therefore rectifying any issues involving credit or debt during counseling is just as important.

COUNSELING SERVICES

The Authority provides several different types of counseling, including pre-purchase, post-purchase, and foreclosure prevention. The Housing Counseling Program, which offers one-on-one assistance to individuals or families, focuses on overcoming monetary and credit obstacles that may hinder homeownership goals.



OUTREACH SERVICES

Community Education is a marketing and outreach activity designed to increase public awareness of the Authority's homeownership programs, services, and opportunities. During FY 2012, over 350 persons participated in workshops that provided information on homeownership and financial management.

The nine week course was very informative and pointed out what I should expect and what were my obligations as a homeowner. Throughout the process from prequalification until I received the keys to my new home, the Homeownership staff was always helpful, friendly and courteous. I would recommend the programs offered by the Virgin Islands Housing Finance Authority to all first time home buyers. Keep up the good work Virgin Islands Housing Finance Authority as you continue to help the people of the Virgin Islands realize their dreams of homeownership as you did for me.

Yvette M. Brutus



Maintaining Sustainable Communities

The Authority administers the Territory's allocation for several federally funded programs to include the Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Program, the HOPE 3 Program, and four stimulus programs as follows: the Neighborhood Stabilization Program (NSP), the Homelessness Prevention and Rapid-Rehousing Program (HPRP), the Community Development Block Grant-Recovery (CDBG-R), and the Low-Income Housing Grants in Lieu of Tax Credit Allocations (TCX).

COMMUNITY DEVELOPMENT BLOCK GRANT



WESLEY METHODIST AFTER-SCHOOL PROGRAM

11/03/12 - VIHFA ED Adrienne L. Williams makes a presentation to Wesley Methodist After-School students Oniyah Malone and Shomauri Gumbs who wowed the Legislature with their poise, courage and dynamic speaking skills during the Committee of the Whole Hearing.

CDBG is a formula-allocation grant which has as its primary objective the development of viable urban communities by providing decent housing, suitable living environments, and expanded economic opportunities. For the FY 2011 reporting period, the CDBG allocation for the Territory was **\$1,877,526.**

The CDBG staff reviewed 59 proposals submitted for funding and 20 projects were favorably recommended for funding.



ACCOMPLISHMENTS

The CDBG Program met the expenditure timeliness test well ahead of the test date of August 2, 2012. The early accomplishment of the milestone is attributed to the timely commencement of projects and the continued vigilance to ensure that projects remain on schedule and that sub recipients request draw downs on a timely basis.

- Additional scopes of work were completed at Long Path Garden Street Community Center at #7-8 Storre Gronne Gade in St. Thomas. Accomplishments include the completion of interior painting and the fabrication of the computer desks, installation of the transformer for the 3-phase electrical service, installation of playground fencing, and storm water controls. The sub-recipient is currently recruiting student participants for its program. The facility has hosted several community activities to include *Girls on the Go*, an organization that meets there on a regular basis.



LONG PATH GARDEN STREET
COMMUNITY CENTER

- Commencement of the rehabilitation of Caribbean Museum Center in Frederiksted, St. Croix. To date, the renovation of the kitchen has been completed; Planning & Construction is assisting the sub-recipient with the preparation of bid documents to facilitate the solicitation of bids for the remaining scope of work which entails installation of solar lighting for the exterior of the facility.



CARIBBEAN MUSEUM

- The Family Resource Center's (FRC) new counseling facility at #2317 Commandant Gade has been substantially completed. The sub-recipient has been favorably recommended for funding in the 2012 bill to renovate their existing facility at the same location. Upon completion of that phase, FRC will be serving its clientele from significantly improved facilities.
- The very successful completion of the rehabilitation of the Frenchtown Community Center (a 2010 grantee). The building received new windows, exterior doors, ceiling tiles, light fixtures, interior and exterior painting, fencing, and parking lot paving. A dedication ceremony was held on Sunday, April 1, 2012, at which time the building was named in honor of the late Charles W. Magras, Sr. The building is currently serving the community with new, upgraded amenities.

- The substantial completion of Phase II of the Bordeaux Farmers Market which entailed construction of the steel-framed pavilion building with the built-in fixtures (vending tables and wash basins). Two photos of the building under construction appeared in the August 27th edition of the V.I. Daily News.



WORKERS FABRICATE BUILT-IN TABLES AT BORDEAUX FARMERS' MARKET



HELPING CHILDREN WORK ESTATE GROVE PLACE TRAINING FACILITY

- Mon Bijou Homeowners Association is closing on the purchase of land which will be the site of a new community center. The sub-recipient also hired an architect to develop plans for the facility. The plans are now substantially complete.

A new solicitation was conducted for VIPIR's (Virgin Islands Partners in Recovery) Estate Richmond Transitional House. A contract was awarded and, as of the end of the reporting period, the new contractor has achieved substantial completion based on the contracted scope of work. The sub-recipient has been favorably recommended for funding in the 2012 bill to complete the third floor of the building and make the building ready for occupancy.



ARMA PAVIE BLEACHERS

CDBG PROGRAM		
	FY 2012	FY2011
Ongoing Projects	43	46
Public Service	21	22
Funds Disbursed	1,633,683.92	1,698.163.60
Program Year Allocation	1,872,506.00	1,877,526.00
Program Income Earned	\$17,617.13	16,251.98

EMERGENCY SHELTER/ SOLUTIONS GRANT PROGRAM (ESG)

Pursuant to the release of the Interim Rule regulations which implemented the Emergency Solutions Grant Program effective January 4, 2012, the Territory was required to prepare and submit a Substantial Amendment to its 2011-12 Action Plan describing the activities that would be undertaken utilizing the supplemental allocation funds. In accordance with the program regulations, the VIHFA consulted closely with the local Continuum of Care (CoC) to establish funding priorities, etc. for both the supplemental funds (\$48,767) and also for the regular 2012 allocation (\$154,866). The Substantial Amendment was submitted and received favorable approval from HUD.

During the year, a total of five organizations submitted applications seeking funding in various eligible categories. The joint VIHFA/CoC evaluation committee ultimately selected four organizations to be awarded: two (2) organizations will carry out emergency shelter activities, one (1) will conduct street outreach and one (1) will implement a homelessness prevention program that mirrors the now-defunct HPRP.

ACCOMPLISHMENTS

Sub-recipient agreements were prepared for the FY 2011 sub-awardees. All sub-recipients have begun implementing their respective programs.

- ESG sub-recipient, St. Croix Mission Outreach, Inc., continued to operate its facility, Genesis House, a transitional house for up to 10 men. An award of ESG funds (Shelter Operations sub-category) played an integral role in funding the operations of the facility.
- Frederiksted Baptist Church, Inc. has also continued to operate its Eagles Nest Men's Shelter. ESG funds have enabled the employment of a part-time shelter manager.

ESG PROGRAM	FY 2012	FY 2011
Ongoing projects (year-end):	7	6
No. of Draw Request prepared:	26	26
ESG funds disbursed:	\$72,629.71	\$60,567.74
Program Year Allocation:	\$135,464.00 ¹	\$80,382.00

¹ Includes the original allocation of \$86,697 plus the second allocation of \$48,767 awarded pursuant to the Interim Rule implementing the Emergency Solutions Grant.

HOME PROGRAM

The HOME funding available during the current reporting period (which is actually Program Year 2011 for the purposes of the HUD programs) was \$1,105,813.00.

In addition, the HOME program received \$224,643.20 in program income during the current reporting period. Program income is derived when clients repay the loan portion of the assistance received from the HOME funds.

NEW APPLICATIONS

A total of 11 new clients sought or were referred for assistance from the program during the reporting period. From these, a total of seven (7) new applications for HOME Program assistance were ultimately approved. The majority of the HOME cases processed were for first-time homebuyer assistance; four (4) in the St. Croix district and three (3) in St. Thomas/St. John (including one (1) each at Mariendahl, Calabash Boom, & Pollyberg.) In general, activity of the program was noticeably slower than in previous years. This is likely a reflection of the slower economy, rising construction costs coupled with stagnant income made it more difficult to structure affordable financing packages for clients.

CLIENTS ASSISTED

A total of nine (9) clients were assisted by the HOME Program during the fiscal year. Some of these represented files which were opened in earlier fiscal years but were in progress and thus carried forward into FY 2012.

HOME	FY 2012	FY 2012	FY 2011
Ongoing cases (year-end):		21	22
Home Ownership Assistance:		9	10
Owner-occupied Rehab		12	12
No. of Draw Requests prepared:		54	73
HOME funds disbursed:		\$594,403.72	784,333.24
Treasury \$:		\$594,403.72	784,333.24
Prog. Inc \$:		-----	
Program Year Allocation: (Based on formula allocation)		\$1,105,813.00	\$1,255,996.00
Program Income Earned:		\$224,643.20	\$176,755.47

HOPE 3

During the reporting period, \$14,842.01 of original sales proceeds funds assisted two (2) on-going clients on St. Thomas – one at Ottley Manor and one at Pollyberg.

As of the end of the current reporting period, principal and interest repayments on loans (i.e., HOPE 3 second generation proceeds) should be generating a revenue stream of approximately \$3,000.00 monthly.

The Collections Division reported HOPE 3 loan payments of \$38,598.22 (1st generation: \$4,125.93; 2nd generation: \$34,472.29) during the fiscal year.

The HOPE 3 Initiative is a carry-over from the federal HOPE 3 Grant which was awarded to the VIHFA in FY 1993. As a condition of the original HOPE 3 Grant, the VIHFA was required to utilize the proceeds from the sale of the original HOPE 3 units to generate additional affordable housing opportunities for low-income households.

HOPE 3 PROGRAM	FY 2012	FY 2011
Net Sales Proceeds disbursed:	\$148,648.69	\$14,842.01
Homebuyer assistance:	\$140,000.00	\$14,842.01
Other:	\$8,648.69	\$ -0-
No. of households/projects assisted:	3	
Program Income Earned:	\$70,764.49 (2 nd generation)	\$34,472.29
	\$3,299.07 (Original)	\$ 4,125.93

LOW INCOME HOUSING TAX CREDIT (LIHTC)

The Tax Credit Allocation for the U.S. Virgin Islands for calendar year 2012 is \$2,525,000. The 2012 credits have been allocated as follows: \$1,455,000 to Louis E. Brown Villas II and \$27,931.00 to Hospital Ground Villas. Applications have been received for Princess Villas (rehabilitation) and Anna's Hope Apartments.



LEB VILLAS RIBBON CUTTING CEREMONY

LOUIS E. BROWN VILLAS

The first phase of the Louis E. Brown Villas was completed during FY 2012. This project is being developed by the Virgin Islands Housing Authority in partnership with Carlisle Development Group, LLC. The first phase of the project features 102 units in 13 buildings.

A gala grand opening ceremony was held on Friday, November 18, 2012. All buildings received occupancy certificates by December 31, 2012, as

required. To date, the property has been successfully leased up.

A conditional reservation of tax credits was issued on December 30, 2011, and work is currently underway on the second phase of LEB Villas. This phase will consist of one multi-story building with a total of 40 apartments (1 and 2 bedroom units) for the elderly.

GRANDVIEW APARTMENTS – PHASE II

Work commenced this Fiscal Year on Phase II of the Grandview Apartments. The project consists of 18 family units. Construction of the three buildings is in various stages. Interior finishes are being applied at Building 7; at Buildings 8 and 9, interior stud walls and rough-ins are in progress.



Hospital Ground (AMALIE TERRACE)

The Hospital Ground project broke ground this summer and will result in 54 additional units being put into service by the close of 2013. The project consists of 54 family units constructed on the site of the former Hospital Ground property. This development will consist of three 12-unit buildings, and three 6-unit buildings. This site had existing emergency housing in a deteriorated condition, which was demolished. The same site will be redeveloped with newly constructed apartments. The site is fairly urban and steep. All buildings will be concrete construction with flat, concrete roofs.



MODULAR 1, 2 AND 3 DEMOLISHED



BUILDING F DEMOLISHED

Neighborhood Stabilization Program (NSP)

Building Neighborhoods... ONE HOME AT A TIME



The Neighborhood Stabilization Program (NSP) was created under the Housing and Economic Recovery Act of 2008 (HERA) for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. The Territory received an allocation of **\$579,451** for this program. The Authority utilized this funding for acquisition of foreclosed properties in order to create a pool of properties available for repurchase by low and moderate income individuals and families.

During the period, work was completed on the rehabilitation of #615 Mount Pleasant and #75 Welcome. Closings on the sale of the units were consummated on April 12th and April 24th, 2012, respectively.

The Authority is authorized to utilize up to ten percent (10%) of NSP grant funds (= \$57,945) for general administration and planning activities associated with the NSP initiative. A total of \$29,837.49 was drawn during the FY 2012.

The total expenditure of NSP funds as of the end of Fiscal Year 2012 is \$514,681.14.



#615 MOUNT PLEASANT



NEW HOMEOWNER

Reconstruction of #182 St. George is on-going and a potential buyer has been identified and is being prequalified. This unit is available for purchase by a household whose income does not exceed 50% of the area median.

Although rehabilitation of #183 St. George achieved substantial completion during FY 2011, the unit remains unsold at this time.

It was quite a challenging experience for me in the beginning; but Mrs. Estrill and Mrs. Sasso were very helpful and encouraging in helping me to achieve this very important phase of my life in becoming a proud home owner. I am presently enjoying my new home. Although all names were not mentioned I will like to thank all the staff of the V.I.H.F.A. in making this possible.

Sylvia Yorke

COMMUNITY DEVELOPMENT BLOCK GRANT – RECOVERY

As part of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), additional funding was made available under the Community Development Block Grant. The Territory was awarded a supplemental allocation of **\$1,810,614** under Community Development Block Grant - Recovery (“CDBG-R”).

Three major projects were undertaken with CDBG-R funds.

- Site clearance and infrastructure development (installation of roads) at a portion of Remainder Estate Bonne Esperance, St. Croix.
- Site clearance and infrastructure development (installation of roads) at a portion of Parcel No. 2 Estate Donoe, St. Thomas.
- Rehabilitation of publicly-owned, emergency housing rental units on scattered sites across the Territory (Profit, Campo Rico, Charolette Apartments and Staabiland).



During the reporting period, the rehabilitation of Charolette Apartments (24 units) and Staabiland (3 units) were completed. Campo Rico and Profit (16 and 12 units, respectively) were accomplished during FY 2011. The final number of units rehabilitated is 55.

During FY 2011, VIHFA submitted a Substantial Amendment seeking to increase the funds budgeted for the rental rehabilitation activity. The Substantial Amendment was approved by a letter dated July 10, 2012. The figures in the table below reflect the final budget as revised.

Activity	Amount Budgeted	FY 2011 Expenditure	FY2012 Expenditure
Bonne Esperance Infrastructure	\$402,800.00	\$187,054.19	
Donoe Infrastructure	\$402,800.00	\$150,990.00	
Rental Rehabilitation	\$825,000.00	\$408,871.84	
Program Administration	\$180,014.00	\$740.85	

As a result of the developer's inability to secure development financing, the Bonne Esperance project was at a standstill for several months. Eventually, the developer was directed to proceed with the CDBG-R funded infrastructure work in order to ensure the timely completion of that portion of the project and to make certain that grant funds were expended before the September 30, 2012, program deadline. Once work resumed, roadways servicing the first 18 lots were installed.



BONNE ESPERANCE ROADWAY

At the Donoe site, the developer completed the requisite survey and other work to facilitate the installation of roadways serving the first eleven (11) lots of the subdivision.

As of the close of the fiscal year, a total of \$1,810,613.43 has been expended under the grant as follows:



Activity	Amount Budgeted	FY 2010 Expenditure	FY 2011 Expenditure	FY 2012 Expenditure
Bonne Esperance Infrastructure	\$402,800.00	\$62,100.00	\$187,054.19	\$153,645.81
Donoe Infrastructure	\$402,800.00	\$156,600.00	\$150,990.00	\$95,210.00
Rental Rehabilitation	\$925,000.00	\$147,510.00	\$408,871.84	\$368,818.16
Program Administration	\$80,014.00	\$1,375.62	\$740.85	\$77,897.53

The program deadline was September 30, 2012. A small balance of \$0.47 remained unexpended; thus, the Territory will close-out the grant with a 99.99% expenditure ratio.

LOW INCOME HOUSING GRANT IN LIEU OF TAX CREDITS



GRANDVIEW RIBBON CUTTING CEREMONY

Under the American Recovery and Reinvestment Act, the Territory received a Low Income Housing Grant in Lieu of Tax Credits in the amount of \$20,246,499.

A sub-award of \$20,046,244 was approved for VIHМ's Altona and Donoe (Grandview) Apartments; the credit reservation was executed in December 2009. The closing of the transaction was accomplished in March 2010. Construction of the Altona segment (8 units) was completed during FY 2010. Grandview (54 units) was completed during the current fiscal year with all buildings having attained occupancy certificates by the December 31, 2011, program deadline. The full sub-awarded amount of \$20,046,244 was expended.

On March 27, 2012, Virgin Islands Housing Management, Inc. and Reliance Housing Foundation celebrated the completion of Phase I of Grandview Apartments with a Grand Opening Ceremony. A ribbon cutting ceremony was held after the event and attendees delighted to the sounds of music, laughter and refreshments.

Grandview Apartments is the sixth Low Income Housing Tax Credit (LIHTC) development on St. Thomas offering quality living at an affordable rate. Phase II of Grandview Apartments consisting of 18 three-bedroom units has begun and is scheduled to be online by December 31, 2012. Upon completion of the development, a total of 72 rental units will come online.





Homelessness Prevention & Rapid Re-Housing Program

ST. THOMAS ST. CROIX ST. JOHN WATER ISLAND

HOMELESSNESS PREVENTION AND RAPID RE-HOUSING PROGRAM (HPRP)

The following is a summary of the actions undertaken during the reporting period:

For much of the period, the implementation of the grant continued to be somewhat problematic. The moratorium on new intakes that had been put in place as of February 18, 2011, as well as the priority system for processing the remaining files that was put in place in July 2011, both remained in effect during the period. Eventually, the priority system did serve to facilitate a vetting process which ensured the processing of those cases which demonstrated the most urgent critical need.



homelessness and unemployment to full-time employment as the manager of an apartment complex with housing benefits; a client who went from residing in a shelter with two minor children to stable housing and self-employment as a taxi operator; a client (recovering addict) who went from literal homelessness and underemployment to stable housing and entrepreneurship. There are also several cases where HPRP provided rental assistance for clients who had fallen behind on their rent after being out of work due to illness until those clients were able to return to work and resume payment on their own.

Despite the challenges of the program, there were a number of success stories. Examples include a client that went from literal

As of the close of the fiscal year, a total of \$739,991.20 had been expended under the grant as follows:

Activity	Budgeted	Program Expenditure	Unexpended Balance
Homeless Prevention	\$465,730.00 ^(a)	\$451,154.82	\$14,575.18
Rapid Re-Housing	\$185,995.00 ^(a)	\$178,748.77	\$7,246.23
Data Collection & Eval.	\$85,455.00	\$71,289.61	\$14,165.39
Program Administration	\$38,798.00	\$38,798.00	-0-

One additional draw of \$10,407.50 in the data collection/evaluation category was accomplished on October 1, 2012; thus, the total expended to date is \$750,398.70. The program drawdown deadline was October 13, 2012. A balance of \$25,579.30 remains unexpended; thus, the Territory will close-out the grant with a 96.7% expenditure ratio.

ANNUAL ACTION PLAN

In accordance with HUD requirements, the Territory is required to adopt a Consolidated Plan relative to the use of funding provided under the CDBG, ESG and HOME Programs (the “Consolidated Plan programs”). The Territory’s most recent Consolidated Plan covers Program Years 2010-2014 and was approved by HUD in September 2010.

The FY 2012 Annual Action Plan documents were forwarded to HUD on August 15th. The Annual Plan included 17 CDBG projects, 4 ESG projects and 2 broad HOME activities (home ownership assistance and owner-occupied rehabilitation, respectively). The plan was approved. The official award letter and grant agreements were transmitted to the Office of the Governor by late October.

CAPER & HUD COMPLIANCE MONITORING

The CAPER (Consolidated Annual Performance and Evaluation Report) document covering the activities of the CDBG, HOME, and ESG programs for Fiscal Year 2011 (HUD Program Year 2010) was submitted to HUD on December 29, 2011.

As required by the Citizen Participation Plan, the CAPER was published for the requisite 15 day comment period prior to submission to HUD. In its feedback relative to the CAPER, HUD recognized various achievements such as the proper use of the funds under all three CPD programs for the benefit of eligible beneficiaries, a number of projects that will address homelessness, timely commitment and disbursement of HOME and CDBG funds, and conduct of sub-grantee monitoring. HUD also noted areas in which improvement was needed such as: timely submission of the Single Audit to the Clearinghouse; several HOME Projects with prolonged “open” status; and proper reporting of program income in IDIS.

Human Resources

The full-time employee count for the Virgin Islands Housing Finance Authority (VIHFA) as of September 30, 2012, is thirty-five (35): Twenty (20) on St. Thomas and Fifteen (15) on St. Croix.

This figure does not include two (2) employees assigned to Virgin Islands Housing Management, Inc.

Employee of the Year



SHANIKA MANNERS



CHIVONNE MOORHEAD

Congratulations are extended to Shanika Manners, Collections and Service Processor III at our St. Thomas Office, and Chivonne Moorhead, Homeownership Coordinator III at our St. Croix Office, on their selection as VIHFA 2012 Employees of the Year. Both honorees were recognized, along with other public sector employees, during the Government of the Virgin Islands Public Service Recognition Week (PSRW) held May 6-12, 2012. Their continued hard work and dedication to the Authority is commendable and we encouraged them to keep up the good work.

2012 Recognition of Retirees

Recent retirees, Laurence Joshua, Maria Brignoni and Wilfredo Osorio were recognized at the staff luncheons held December 20, 2011, on St. Thomas and December 22, 2011, on St. Croix and applauded for their years of dedicated service to the Authority. Mr. Osorio also received recognition from DWH Business Services for his years of service at the Lagoon Street Homes.

In addition, Mr. Lindsey, Maintenance Worker assigned to Lagoon Street Homes with DWH Business Services retired effective June 30, 2012, after 20 years of service. He was recognized by VIHFA and DWH at a luncheon on July 12, 2012.

LAURENCE JOSHUA



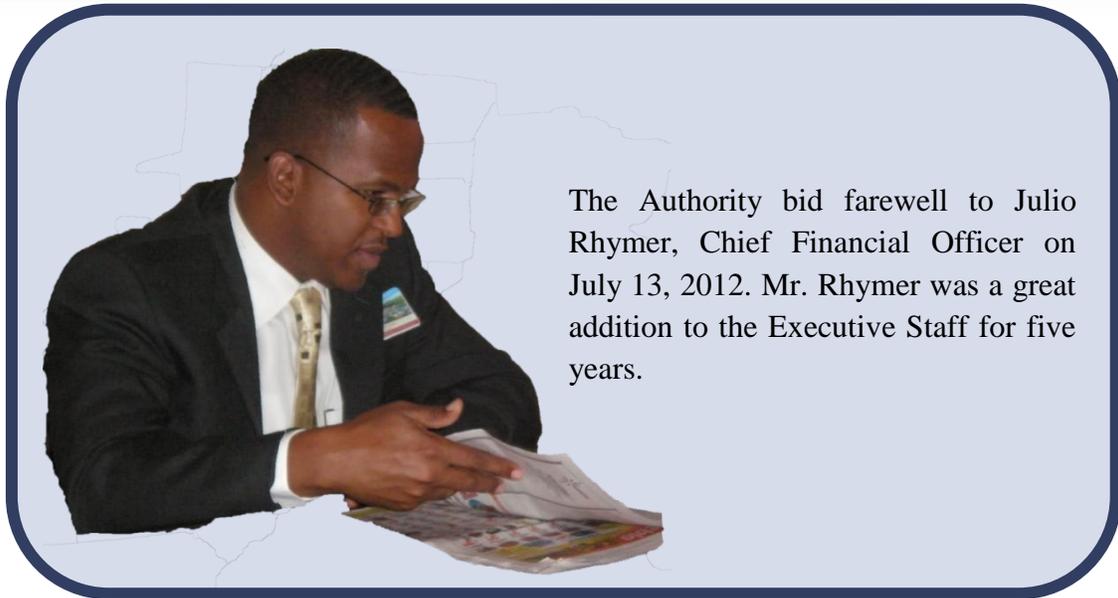
MARIA BRIGNONI



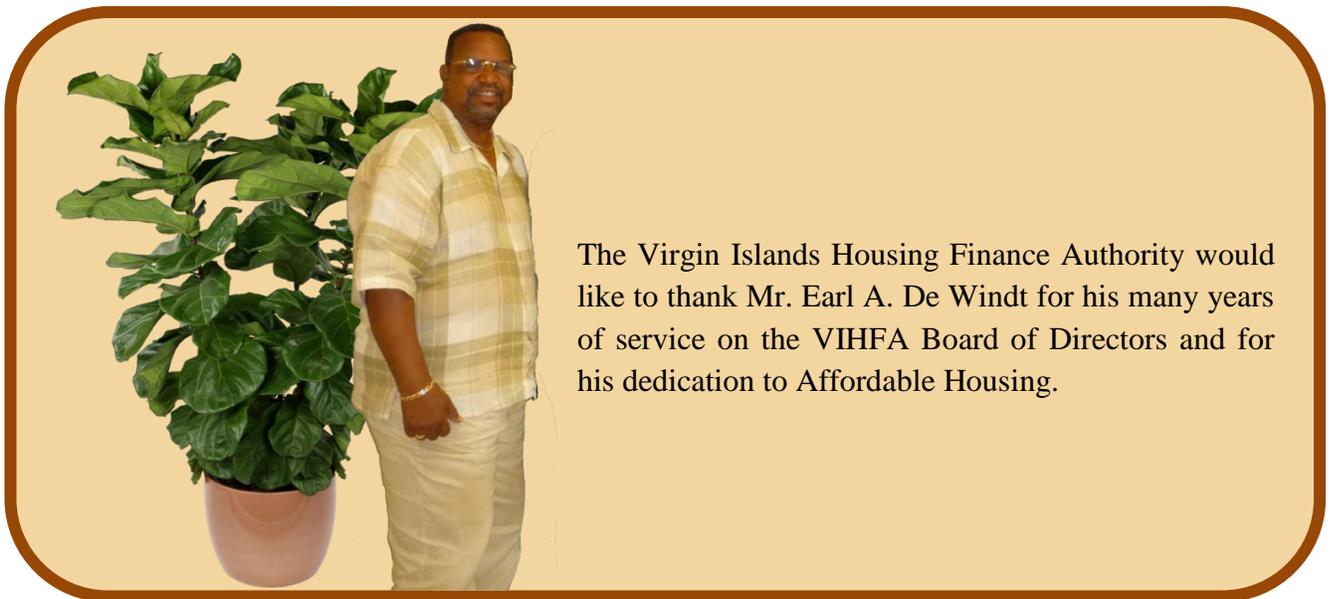
WILFREDO OSORIO



ST. CLAIRE LINDSEY



The Authority bid farewell to Julio Rhymer, Chief Financial Officer on July 13, 2012. Mr. Rhymer was a great addition to the Executive Staff for five years.



The Virgin Islands Housing Finance Authority would like to thank Mr. Earl A. De Windt for his many years of service on the VIHFA Board of Directors and for his dedication to Affordable Housing.

Employee Recognition Program

The fundamental reason employers recognize employees is because human capital is the most valuable resource an organization has and employee recognition is the company's way of expressing its appreciation. The Authority held its first Employee Awards and Recognition presentations on December 20, 2011, on St. Thomas and December 22, 2011, on St. Croix with presentation of the following employee awards:

20 YEARS OF SERVICE

DESIREY BROOKS, CONDON JOHN, LISA RICHARDS AND JANINE HECTOR



ABOVE AND BEYOND THE CALL OF DUTY (ABCD) AWARD

ANTOINETTE FLEMING, SHANIKA MANNERS, ROSALIND MORALES-ESTRILL AND MICHAEL MOREAU



TEAM PLAYER AWARD

SHANIKA MANNERS AND CHIVONNE MOORHEAD



LEADERSHIP AWARD:

ANTOINETTE FLEMING, TAMISHA THOMAS, AFISHA HILLOCKS AND CHIVONNE MOORHEAD



2011 DIVISION OF THE YEAR ACCOUNTING DIVISION

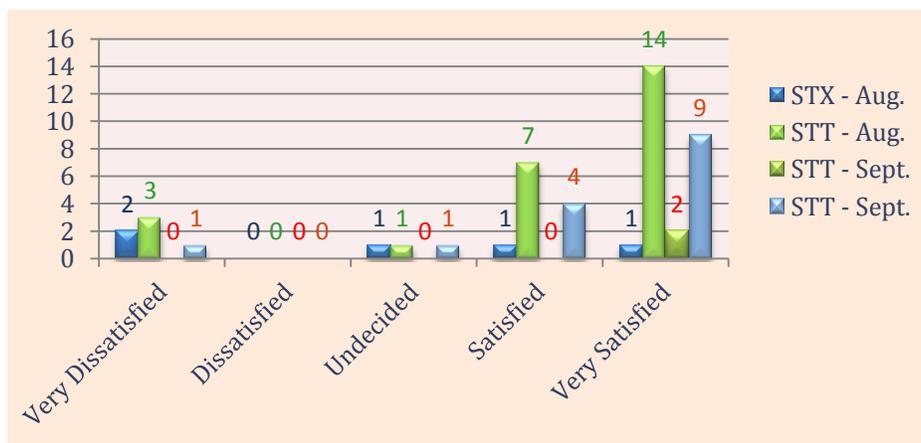


STRATEGIC PLAN

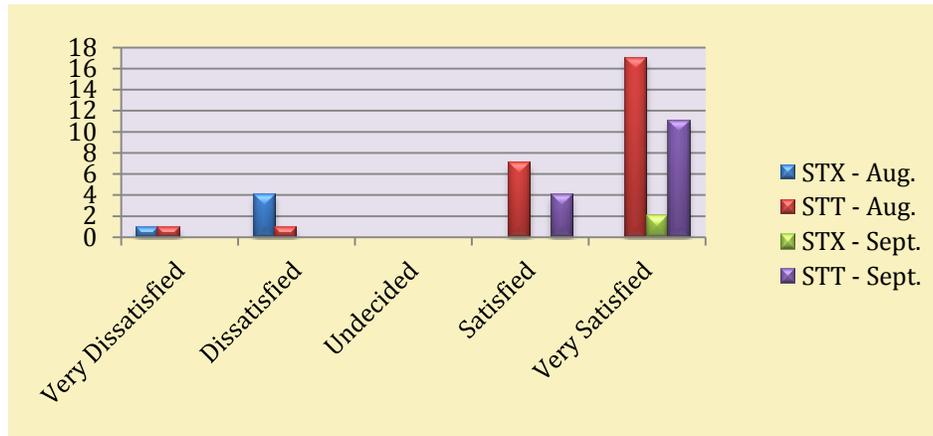
In October 2009, VIHFA embarked on creating a Strategic Plan for the Authority that reinforced its objectives, its mission and the need for an overall plan to ensure continued success in the area of excellence and achievement. This Plan identified the Authority's current status, its forthcoming goals and a direct approach to effectuate positive and quantitative results over a three-year period.

In June 2011, all employees, Managers and Directors were asked to complete a survey and attend a workshop to discuss the agency's objectives over the next five years. This two-day work session, led by a Consultant, focused on team building and encouraged individuals to explore innovative ideas to help achieve favorable outcomes in critical areas necessary for the agency's longevity and continued success. Accomplishments during Fiscal Year 2012 relative to the Authority's Strategic Plan were discussed and documents were distributed to staff who were then encouraged to participate in the implementation process as the agency moved closer to forming a concrete plan.

Initial steps for the development of the Strategic Plan included surveying stakeholders to ascertain the level of service they received when conducting business at VIHFA. This confidential, 10 question survey helped the Authority determine the quality of service being provided in the various departments and served as a gauge in evaluating the strengths, weaknesses and opportunities that could be garnered in the area of customer service. It was further determined that periodic distribution of surveys, questionnaires in addition to other methods would be used on a consistent basis to collect feedback from stakeholders and to continue the measurement of progress in this area. A total of 31 surveys were completed during the month of August. There were 26 surveys completed in the St. Thomas/St. John District and 5 in the St. Croix District. During the month of September, 19 surveys were completed - 16 in the St. Thomas/St. John District and 3 in the St. Croix District.



How satisfied are you with the employee's ability to answer your questions?



Overall, how satisfied were you with the way your question was resolved?

OTHER NOTABLE ACCOMPLISHMENTS

ALTONA WATER LINE

Thirty-Four (34) units were placed onto newly installed WAPA water lines in Estate Altona this year. After an assessment was made by WAPA to determine the average usage by clients, a lump sum payment was made to the residents to cover the expected water usage for the entire year. Affected residents were instructed to file for a WAPA water account. It was further decided that annual payments will be made to residents once a year, subsequent to receipt of a dedicated funding source and allocation from the Legislature. Fourteen (14) lots remain on the public account; however, plans are being made to switch these remaining users over to individual WAPA accounts in FY 2013.

ASBESTOS ABATEMENT

Subsequent to numerous asbestos studies made between 2001 and 2007, on a home located at 13-1 Norsidevej, St. Thomas, the Virgin Islands Legislature allocated funds to abate, demolish and reconstruct the home. A total of \$500,000 were allocated to the Department of Housing, Parks and Recreation and then subsequently forwarded to the Virgin Islands Housing Finance Authority to complete this project. In August of 2010, a contract was issued to Environmental Concepts to commence the abatement of the structure. The abatement and shipping of all asbestos materials was completed in October of 2010. In June of 2011, a Building Permit for the demolition and reconstruction of a 5 bedroom 2 bath home was issued by DPNR. Planning and Construction solicited a contractor and the Authority issued a contract to Dealco in October of 2011. The contractor completed the construction of the unit in October of 2012. This project experienced numerous delays due to owner requested change orders. The unit is now occupied and the homeowner's are very happy to be back in their new home.

The final costs were as follows: \$83,185 for Asbestos Abatement, \$217,086.55 for Home Construction and \$62,000 for relocation costs.

2012 Highlights

VIHFA CELEBRATES HOUSING MONTH

In celebration of National Home Ownership Month, the Virgin Islands Housing Finance Authority (VIHFA) celebrated NeighborWorks Week, June 2nd through June 9th. The theme for this year was “Revitalizing Our Communities,” and during this week, the Authority planned activities in each district that exemplified the purpose of the week – to educate the

community, advocate neighborhood awareness and change and build partnerships with non-profits to beautify communities. The Authority partnered with local non-profits and business leaders on both St. Croix and St. Thomas. On St. Croix, the VIHFA partnered with Catholic Charities, St. Croix Foundation and Eagle’s Nest Shelter to beautify the Strand Street/Smith Street block in Christiansted.



BEFORE



AFTER



EXTERIOR HOME MAKEOVER ON ST. THOMAS

What a difference a week can make! NeighborWorks Week brought together dedicated groups of volunteers to revitalize communities. On St. Thomas, VIHFA partnered with J.U.B. King & Associates, Sherwin Williams, My Brothers Workshop and A-9 Trucking to conduct beautification activities for a family in the Frenchtown community. This Frenchtown Community, Demarara Development, is one of the first affordable single family home developments of the Virgin Islands Housing Finance Authority. This deserving family received

an exterior home make over to include cosmetics, landscaping and scrape and paint. J.U.B. King & Associates, Sherwin Williams, My Brothers Workshop and A-9 Trucking donated their labor and materials free of charge for this worthy cause. On this day, VIHFA staff and volunteers came prepared to get a little dirty as they rolled up their sleeves to help revitalize the Demarara Development. This community was one of the VIHFA's first affordable single family home developments on the Island of St. Thomas.



BEFORE



AFTER





VIHFA Housing Expo

National NeighborWorks Week was the kickoff to Housing Month which included the “2012 Housing Expo” which took place on Saturday, June 16, 2012, on St. Croix at the St. Croix Central High School Gymnasium and Saturday, June 30, 2012, on St. Thomas at the Mark C. Marin Center. The expos provided free informational sessions throughout the event on Refinancing, Financial Education, Foreclosure Prevention, as well as Budgeting and Credit. This event featured key note speaker, Author and Financial Planner, Mr. Meade W. Malone, who spoke on “Managing during Difficult Times.”



SMALL CONTRACTORS TRAINING PROGRAM

During Fiscal Year 2012, the Authority continued to forge ahead with creating viable solutions and partnerships to help spur economic growth in the area of development. VIHFA and the Virgin Islands Economic Development Authority (VIEDA) entered into a MOA on February 29, 2012, to fund the Authority’s Small Contractor’s Program with \$1M to be utilized as a line of credit for contractors to build affordable housing through the program.



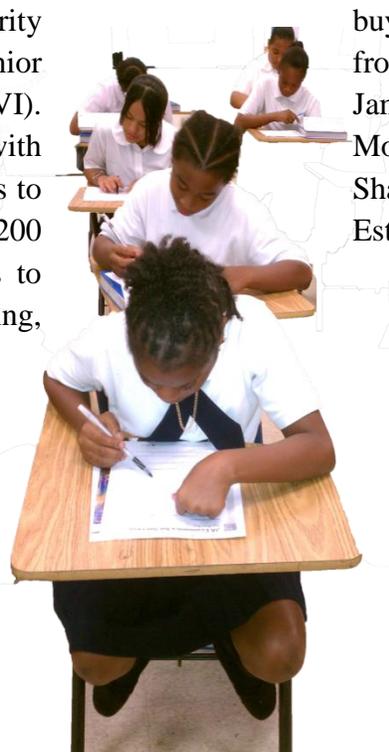


The Authority kicked off this announcement by hosting a free two-hour workshop entitled “Building Blocks” for contractors and developers on St. Thomas and St. Croix. “Building Blocks” provided information to contractors and developers on funding for the Small Contractor’s Program as well as additional financing options offered by VIEDA through its State Small Business Credit Initiative Program (SSBCI). Workshops focused specifically on accessing the line of credit, collateral support for projects, loan guarantees, surety, payment and performance bond support.

Contractors who were not registered for the Authority’s Small Contractor’s Program were encouraged to attend their six-week comprehensive training course to receive certification and to learn how to attain a preferred bidder status, knowledge of construction opportunities and access to the Virgin Islands Economic Development Authority (VIEDA) Financing. This course was well attended by 28 contractors in St. Thomas and 24 contractors in St. Croix. The contractors rated the course with a solid A in both districts.

JUNIOR ACHIEVEMENT PROGRAM

During this year, the Authority participated in the Junior Achievement Program (JAVI). Staff volunteers partnered with JAVI, businesses and educators to introduce approximately 200 students of the Virgin Islands to the principles of saving, investing,



buying and selling. Volunteers from VIHFA included Candice James, Nina Desouza, Chivonne Moorehead, Tamisha Thomas, Shakema Bastian and Rosalind Estrill.



VETERAN'S OUTREACH

A concerted effort has been made over the fiscal year to share information to veterans regarding HFA products and services. Newspaper ads in the Daily News and Avis encouraged veterans on St. Thomas and on St. Croix to apply for mortgages available to veterans. On St. Croix, Homeownership staff Rosalind Estrill and Nina Desouza made a presentation on Saturday, February 4, 2012, to Veterans at the LTC Lionel A. Jackson Armory. A total of fifty-five (55) National Guard members participated.

There were similar outreach sessions held in the St. Thomas/St. John district throughout the year.

FINANCIAL FITNESS WORKSHOPS

Staff provided Financial Fitness workshops on St. Thomas and St. Croix on Tuesday, February 28, 2012. These workshops were free to the public and attended by forty four (44) participants. These workshops were held to assist residents of the Territory who were facing tough economic times and were tailored specifically to help deal with those who were having to readjust their lifestyle in response to the economic climate. Workshops were scheduled in conjunction with the Department of Labor's Rapid Response Program and Banco Popular's Loss Mitigation Department for the employees of WAPA.



Rental Housing

The Virgin Islands Housing Finance Authority administers the Emergency Housing Program in the Territory and is responsible for ensuring that housing is available to victims of domestic violence and for those who are displaced due to a natural disaster, catastrophe or temporary financial hardships. The Authority owns a total of 635 units of which 214 are used for the purpose of emergency housing. The Authority employs the assistance of a private management firms to manage 421 permanent rental housing units. Emergency housing units are managed by the Virgin Islands Housing Management, Inc. (VIHM), a non-profit 501(c)(3) organization responsible for constructing, reconstructing, acquiring, leasing and managing rental properties and the emergency housing stock owned by the Virgin Islands Housing Finance Authority.

VIHM, Inc. currently manages four communities on St. Thomas and four on St. Croix.

Managed by VIHM

St. Thomas

Charolette Housing Community	28
Queen Louise Housing Community	15
Ross Taarneberg Housing Community	24
Stabiland Housing Community	3

St. Croix

Anna's Hope Housing Community	16
Campo Rico Housing Community	16
Estate Profit Housing Community	12
LBJ Gardens Housing Community	100

Managed by Property Management Firm DWH Business Services

Bethlehem Village	96 Units
Profit Hills	99 Units
Frits Lawaetz Homes	60 Units
Ruby M. Rouss Homes	114 Units

Managed by Property Management Firm Pan American Investments

Paradise Mills	52 Units
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RENTALS – EMERGENCY HOUSING

During this fiscal year, several projects were funded with monies from the American Recovery Act (ARRA), including the project to connect the Charolette units to WAPA water lines, enabling the Authority to realize a tremendous savings.

Stabiland Apartments also experienced an undertaking this year. Three units were renovated by J.U.B. King and Associates. Funding was provided by CDBG – R for the rehabilitation.

In addition, an assessment on the structural integrity of the Queen Louise Apartments was ordered and results are expected in early November 2012.

Efforts this fiscal year also focused on the establishment of a true emergency housing program. Initially, persons moving into the Emergency Housing units did so under emergency conditions. Over the years, however, the occupancy of the Emergency Housing units transitioned from short-term occupancy to permanent rental housing by individuals and families unable to find alternative affordable rental housing. There are 8 housing communities under the emergency housing program and managed by the Virgin Islands Housing Management, Inc, a 501(c)(3) non-profit organizations.



Charolette Apartments



Staabiland Apartments



Queen Louise Apartments

OTHER PROJECTS

Lagoon Street Complex- Lagoon Street Complex (LSC), Parking lot and site Drainage plan.

Last year DWH, Property Manager of the Lagoon Street Complex, contracted with A-Z Maintenance for Stairway and Parking lot renovations. Renovations are currently underway and scheduled for a completion date in early FY 2013.

In addition, DWH contracted for the Painting of all of the LSC Buildings with Pro-Touch Painting, which was successfully completed. DWH also dealt with laundry waste water from units, which was flooding the grounds. This scope of work provided down-piping and soak-away pits to resolve the problem.



Financials

Revenues & Expenditures

COLLECTIONS & SERVICING

FISCAL YEAR 2012 ACCOUNT RECEIVABLES		
FEDERAL		
CDBG	\$ 17,617.13	
HOME	\$ 224,643.20	
NSP - Returned Funds #8 Rem. Hospital Ground	\$ 32,500.00	
1st Generation Hope	\$ 3,299.07	
2nd Generation Hope	\$ 70,764.49	
HPRP	\$ 800.00	\$ 349,623.89
MORTGAGES		
Homestead	\$ 571,178.37	
Moderate Income	\$ 341,677.20	
Regular Mortgage	\$ 308,260.22	
Veterans	\$ 302,526.68	\$ 1,523,642.47
LAND		
Adventure Hill	\$ 13,197.88	
Castle Burke	\$ 11,411.57	
Goldmine - Land Purchase	\$ 13,000.00	
Hermon Hill	\$ 71,263.94	
Honduras	\$ 5,294.13	
HP&R - Land (R. Flanders)	\$ -	
Mariendahl	\$ 115,887.54	
Nazareth	\$ 146,512.95	
Profit	\$ 4,465.00	
100-1C Estate Taarneberg - STFCU land purchase	\$ 779,663.69	
Santa Maria	\$ 28,034.35	
2B, 3b & 3C Prince Street - EDL Enterprise	\$ 5,000.00	\$ 1,193,731.05
RENTALS		
Commercial	\$ 106,425.57	
George Simmonds	\$ 2,460.00	
DUE VI Housing Management	\$ 1,055.00	\$ 109,940.57

MISCELLANEOUS

Allotment	\$ 1,935,998.84
Application Fee	\$ 11,450.00
Appraisal	\$ 12,700.00
Audit Reimbursement - Federal Programs	\$ 24,600.01
Bid Packages - STT	\$ 4,625.00
Closings	\$ 425,291.74
Compliance Monitoring	\$ 15,120.00
Conference Room Rental	\$ 3,210.00
Copies	\$ 1.50
Credit Report	\$ 3,197.00
Deed Revision Fee	\$ 1,050.00
Document Preparation Fee	\$ 600.00
Donated Leave	\$ 9,569.70
DWH	\$ 2,417.92
Early Retirement Incentives	\$ 37,464.99
Earnest Deposit	\$ 90,875.00
Escrows	\$ 29,781.82
Flood Certification Fee	\$ 202.50
Ground Lease	\$ 14,480.00
Home Buyers Education Fee	\$ 1,120.00
Housing Expo 2012	\$ 17,518.00
Interest - Closing	\$ 914.43
Inspection Fee	\$ 1,200.00
Origination Fee	\$ 8,140.50
Other H/O Fees	\$ 0.50
Paul M. Pearson Corp.	\$ 76,000.00
Payroll - Reimbursement CDBG	\$ 321,838.85
Payroll - Reimbursement HOME	\$ 150,736.11
payroll - Reimbursement VIHM	\$ 80,123.47
Payoff Letter Fee	\$ 60.00
Post Purchase Counseling	\$ 40.00
Postage	\$ 59.55
Recapture Fee	\$ 15,000.00
Return Check fee	\$ 1,480.00
Reimbursement from VIHM	\$ 1,035.45
Reimbursement - Electricity (Federal Programs)	\$ 14,754.14
Settlement Fee	\$ 2,000.00
Solar Project	\$ 153,091.00
Stamp Tax	\$ 350.00
Subordination of Mortgage	\$ 2,981.00
Supplies	\$ 419.59
Telephone reimbursement	\$ 16.75

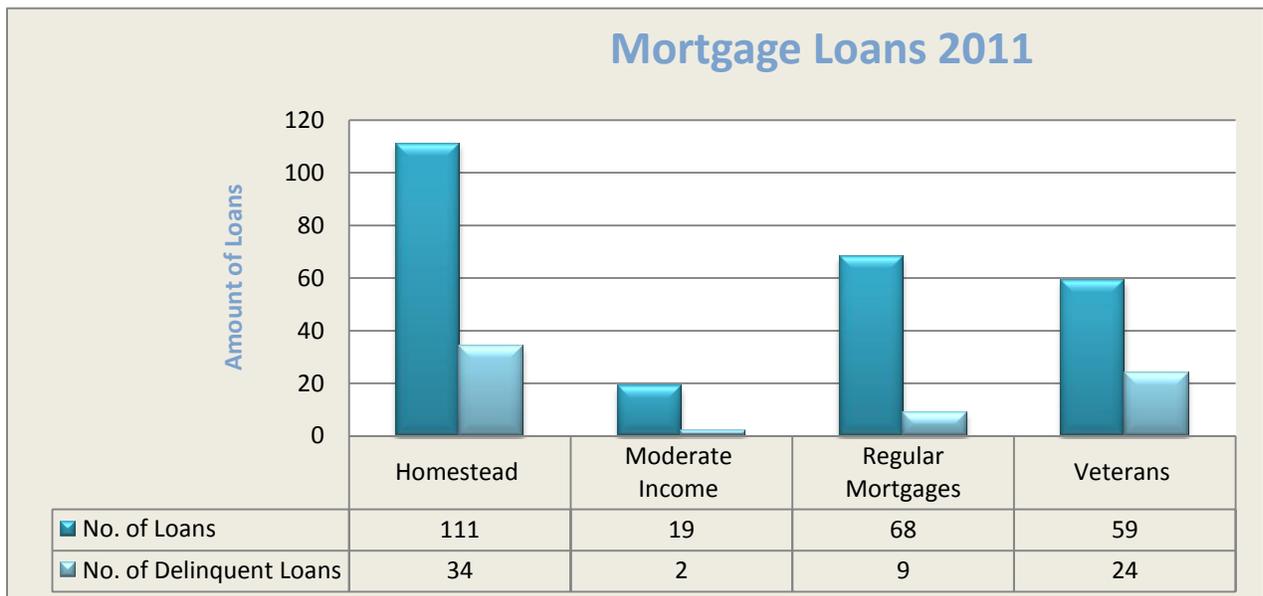
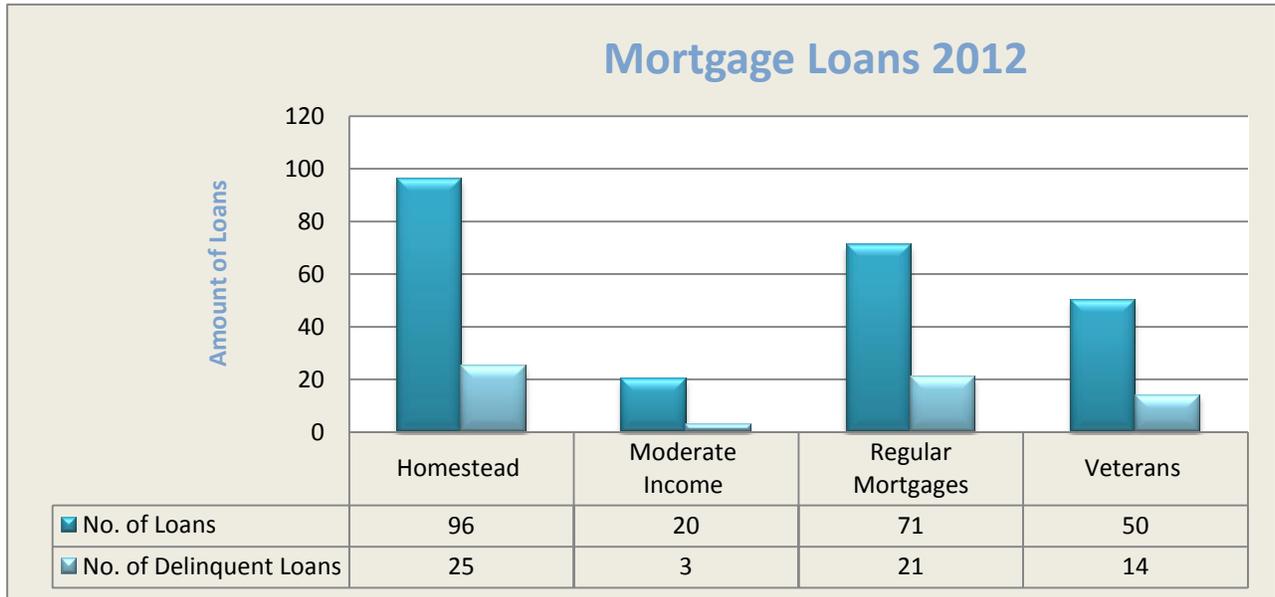
Title Insurance	\$ 425.00	
Travel Reimbursement	\$ 9,175.14	
Uniform - shirt	\$ 75.00	
VIHM Reimbursable	\$ 17,272.04	
WAPA Reimbursement	\$ 335,000.00	
Water Reimbursement (M. Rivera)	\$ 287.48	
Water Gut Homes Loan	\$ 45,000.00	
Water Testing Fee	\$ 198.00	
Witness Fee / Subpoena	\$ 40.00	
Workman Compensation Reimbursement	\$ 4,484.00	\$ 3,883,472.02
OVERALL COLLECTION FOR FISCAL YR 2012		\$ 7,060,410.00

CONDO ASSOCIATION DUES		
Calabash Boom Association	\$ 7,992.12	
Ottley Manor Condominium Association	\$ 5,320.08	\$ 13,312.20

SERVICING		
Habitat for Humanities	\$ 9,287.06	
VITAR	\$ 1,791.72	
TOTAL COLLECTION FOR FISCAL YR 2012		\$ 11,078.78

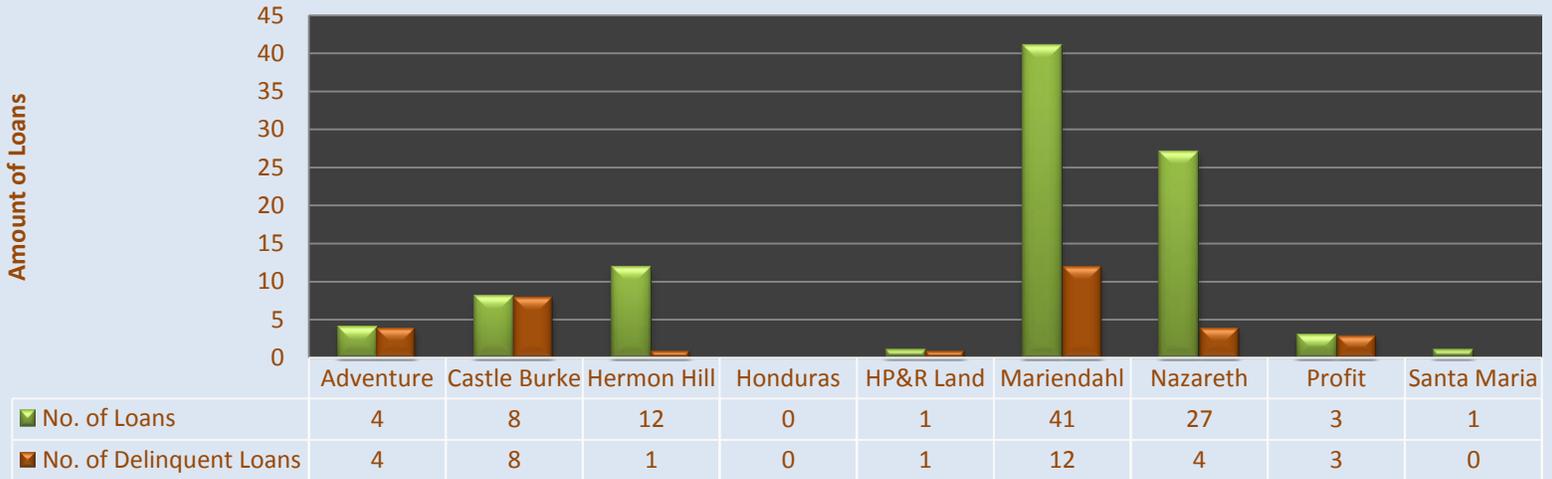
VIRGIN ISLANDS HOUSING MANANGEMENT INC.		
Rent - St. Thomas	\$ 173,409.25	
Rent - St. Croix	\$ 111,060.10	
Cleaning Deposit	\$ 500.00	
CDBG Reimbursement	\$ 6,525.00	
Due to VIHFA	\$ 62.71	
Loan from VIHFA	\$ 250,000.00	
Security Deposit - STX	\$ 750.00	
Stamp Tax Subsidy	\$ 23,087.52	
TOTALS		\$ 565,394.58

Mortgage Loans Collections Comparison FY 2012 vs. FY 2011

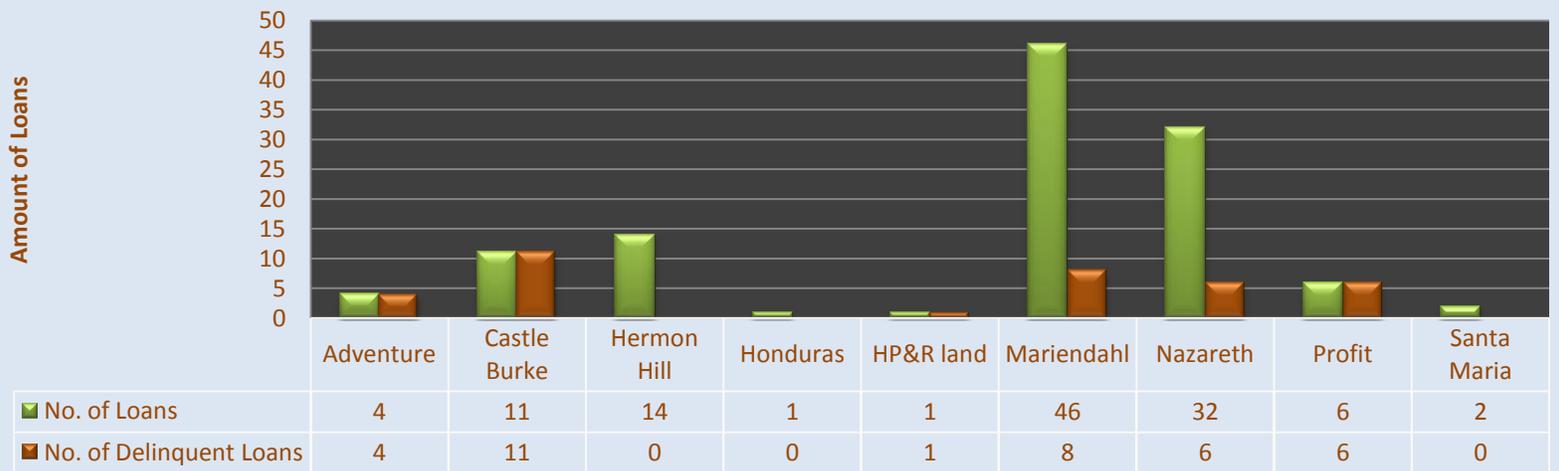


Land Loans Collections Comparison FY 2012 vs. FY2011

Land Loans 2012



Land Loans 2011



PAYMENT AGREEMENTS

There were a number of payment agreements written in Fiscal Year 2012 for various loan types. Several of these agreements were renegotiated for borrowers in Castle Burke, Profit and for HOME loans due to nonpayment.

Castle Burke	04	HOME	02
Hope	01	Homestead	06
Nazareth	01	Profit	01
Regular	02	Veteran	01

The Authority currently has 45 Repayment Agreements in place.

LOANS CLOSED

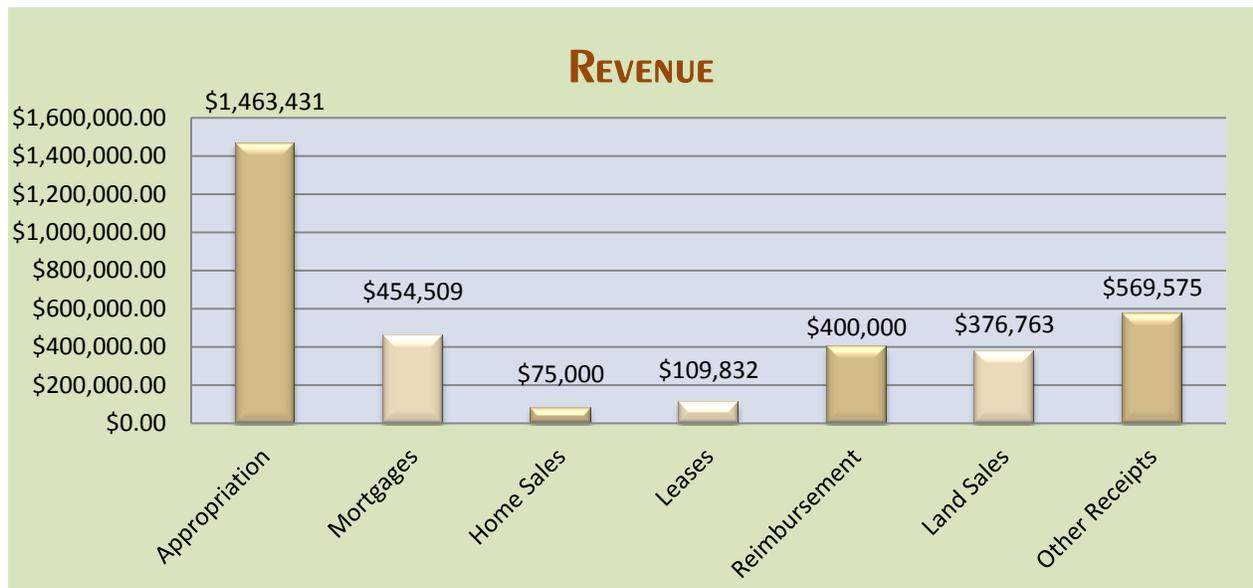
There were 22 loans added to our loan servicing program for this fiscal year totaling **\$1,172,154.63**. These loans were a mixture of local and federally funded loans. See the breakdown below for the categories and the listing attached.

Federal Loans	Number of Loans	Total Loan Amount
HOME	5w/1 Modification	\$152,376.63
Hope	1	\$ 70,000.00
Total	6 Loans	\$222,376.63

Local Loans	Number of Loans	Total Loan Amount
Homestead	4	\$ 329,500.00
Moderate Income	2	\$ 279,500.00
Regular Mortgage	5	\$ 269,625.00
Veteran	2	\$ 56,550.00
VITAR	3	\$ 14,603.00
Total	16 Loans	\$ 949,778.00

REVENUES

During the Fiscal Year 2012, the Authority collected **\$3,449,110.00** from the following revenue categories: **Appropriation \$1,463,431.00**; **Mortgages \$454,509.00**; **Home Sales \$75,000.00**; **Leases \$109,832.00**; **VIHM Reimbursement \$400,000.00**; **Land Sales \$376,763.00**; and **Other Receipts \$569,575.00**.



EXPENDITURES

For the 2012 Fiscal Year, there was **\$3,735,956.00** in expenditures at the Authority. Currently, **Payroll expenditures total \$2,458,418.00**; **Operating expenditures total \$964,661.00** and **Professional Services expenditures total \$312,877.00**.

