



# ANNUAL REPORT 2011

## VIRGIN ISLANDS HOUSING FINANCE AUTHORITY



*Unlocking the Door to Affordable Housing*

# VIRGIN ISLANDS HOUSING FINANCE AUTHORITY

## MISSION:

“To increase housing access and community development initiatives for low-to moderate-income families by developing safe, decent and sanitary homes, 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) 2011 Annual Report. The VIHFA is particularly proud of its efforts to revitalize and develop decent, safe, and affordable housing. Despite these difficult economic times, our

commitment to promoting new housing opportunities in support of sustainable communities is unwavering.

The Low Income Housing Tax Credit (LIHTC) Program has provided financing for the rehabilitation of severely dilapidated emergency housing modular units in Estate Altona on St. Thomas. These units were demolished and replaced with modern, energy efficient rental units. This project was completed and 100 percent occupied by June 30, 2011 with eight new families.

Additionally, Grandview Apartments is under way and will serve as replacement housing for tenants relocating from Hospital Ground and Queen Louise Apartments, which are existing Emergency Housing communities slated for demolition. The Grandview development comprises of 70 units. To date, the first phase is approximately 84 percent completed and scheduled to be online by December 2011 and the subsequent phase of construction at Hospital Ground is set to be online by December 2012. This \$44.2 million project will add over 130 new affordable rental units in the St. Thomas district.

The Authority is concentrating its aspirations on empowering and educating the community as well. During this Fiscal Year, the VIHFA was awarded a HUD Counseling Grant in the amount of \$60,000. This grant was used to provide increased home buyer counseling and education programs and expansion of services to the Spanish speaking community and increased offerings of Foreclosure Prevention Workshops.

The revival of the housing market is one of the barometers for the resurgence of this economy and our plans are to prepare for such a time. At the VIHFA, there is an array of programs and services to meet the needs of our clients. As the housing market continues to change, we have to adapt measures to keep pace with the growing demands and the many changes in the industry. In preparation, we are developing a five-year strategic plan which includes expanding service on existing programs, increasing housing access and community development initiatives, implementing a new Emergency Housing Program, increasing the number of new home and rental developments and expanding our community outreach programs.

We have set our marks high and our aim is to be successful through these difficult times. Our focus for the future is embodied in a newly developed rallying cry that propels the VIHFA to be that beacon of hope to continue “*Unlocking the Doors to Affordable Housing.*”

Adrienne L. Williams  
Executive Director

# VIHFA

"Unlocking The Door To Affordable Housing"



## BOARD OF DIRECTORS

DEBRA E. GOTTLIEB

Chairperson

EARL DE WINDT

Vice Chairperson

ALICIA BARNES

Secretary

CARMEN HEDRINGTON

Board Member

## EXECUTIVE STAFF



**Adrienne L. Williams**  
*Executive Director*

**Julio Rhymer**  
*Chief Financial Officer*

**Valerie Francis**  
*Executive Administrative Assistant*

**Rometa Dorsey**  
*Project Administrator*

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## SENIOR STAFF



**Cherise Tucker**  
*Director of Accounting*

**Desirey Brooks**  
*Director of Collections & Servicing*



**Janine Hector**  
*Director of Federal Programs*

**John Green**  
*Director of Planning & Construction*



**Lisa Richards**  
*Director of Homeownership*

**Yvonne Christopher**  
*Director of Human Resources*

# CREATING FIRST-TIME HOME BUYERS

A variety of services are offered to provide affordable homeownership to low- and moderate- income families in the Territory.

The Authority offers prequalification services, credit counseling services and maintains a list of qualified buyers who can participate in the sale of affordable home sites and homes provided by the Authority.

The Authority provides limited mortgage financing to assist in the construction or purchase of homes. A low interest rate is adjusted annually and is determined by the federal prime rate. Construction financing is offered through the Veteran Program and the Homestead Program.

During the Fiscal Year, the Authority assisted 24 applicants with their home ownership aspirations and financed **\$1,570,731.01** in mortgages. Of this total, five applicants were veterans.

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

- ✓ **Be first-time home owners**
- ✓ **Have resided in the Virgin Islands for the most current three years.**
- ✓ **Meet the income requirements**



The coordination between Rural Development and the Virgin Islands Housing Finance Authority was excellent. Before I knew it, my signature was on a million documents and my house was being built. Today, as I sit back and think about the process I can safely say that commitment leads to action and action brings your dreams closer. I was committed to realizing my dream but I could not have done it without the helpful staff of Rural Development and VIHFA. In executing their daily duties they encouraged me to be patient. Thank you! Because of programs like this, today I am getting ready to enter my own home. Though from time to time over the past couple of days I have had to pinch myself to make sure I am awake, I may smile a little too much when I am alone but this process has thought me that **Success is Sweet.**

I Paula Barry am a homeowner!



# VIHFA Subdivisions

## ESTATE MARIENDAHL

Estate Mariendahl on St. Thomas hosts a subdivision of six single family homes being constructed by Vanterpool Enterprises. These homes have three bedrooms and 2 bathrooms with over 1300 square feet of living space. During this fiscal year, four applicants are proud owners of new homes in this subdivision and two units are under construction.

## CALABASH BOOM



Calabash Boom is a subdivision of 24 town home units built on the island of St. John and priced at \$295,000.00 to be sold exclusively to first-time home buyers. The **seven** units that have been sold to date **closed** during this fiscal year. These first closings were noted by a Key ceremony held on October 27, 2010 at Calabash Boom. Various marketing strategies have been employed to aggressively sell this subdivision to first-time home buyers. These units have three bedrooms and 1 1/2 bathrooms and are nestled in the

growing Coral Bay community on St. John.



# Lot Sale Program

## HERMON HILL LOT SALE

Mount Royal Vistas, the newest moderate-income lot sale subdivision has sold very well on St. Croix. Lots were first made available for sale on February 26, 2010. To date, 18 lots have been purchased. During this fiscal year, five lots were sold and the Authority financed three mortgages totaling \$60,750 for potential home owners in this community. The remaining two lots are under contract.

Mount Royal Vistas has an active homeowners' association that envisions a new, vibrant community in Estate Hermon Hill. Over 25% of the home owners have already begun construction on their homes.

The Lot Sale Program provides first time home buyers with the opportunity to purchase land developed by the Authority and sold for less than market value. The program also provides financing for land sold by the Authority or on the open market. This program is made possible by funding availability of the Homestead and Veteran Loan Programs.



## ESTATE MARIENDAHL LOT SALE

The Estate Mariendahl lot sales subdivision in St. Thomas saw its close out during this fiscal year. Five applicants were provided the opportunity to acquire a piece of land to build their first home. Lots for purchase were first offered at the Mariendahl Subdivision in 2002. All 66 lots have been sold and owners have begun construction on their homes. The lots were priced in range from \$18,000 – \$24,100 and were ¼ acre in size.

# Homeownership Conversion

## ADVENTURE HILL LEASE TO PURCHASE PROGRAM



**Adventure Hill** is a community of single family homes that was designed for sale through a lease purchase program. The sales price of these units is \$40,000.00 and all tenants are afforded the opportunity to convert to homeownership affordably by crediting rents paid to a reduction in the price of the homes. Twenty six units were originally transferred to the Authority by the Housing Merger. During this fiscal year, 2 residents converted to homeownership. Of the remaining four residents, all have made arrangements on the terms of payment to assist in converting them to homeownership. It is anticipated that all will be converted to Homeownership within a five year period.

## HOMESTEAD LOAN PROGRAM

**The Homestead Loan Program** provides residents with mortgage assistance to purchase or build a first home or to acquire land for the purpose of building a first home. Primary or secondary financing is available to qualified buyers. The maximum loan amount under this program is \$125,000.00 for homes and \$50,000.00 for the purchase of land.

During this fiscal year, thirteen loans were financed through the Homestead Loan Program totaling \$685,489.00.



# Projects on the Horizon

Several new projects are being offered in Fiscal Year 2012. Over 222 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

H&V Heavy Equipment has been selected to construct 60 single family 3 bedroom 2 bath units and forty 3 bedroom 2 bath townhouses on 20 acres at Estate Donoe, St. Thomas. The homes will range in price from \$245,000-\$257,000. The inclusion of solar water heaters, made possible by a grant from the VI Energy Office, will allow residents to enjoy reduce energy costs at no extra cost to them.



### ESTATE MARIENDAHL HOMES

Numerous units have been developed in this area over the past ten years. Vanterpool Enterprises and JUB King Contractors have been selected contractors to build on six remaining lots held by the Authority. Construction has already commenced on four of the units and two units remain in the permitting stage. The price range for the units is \$255,000 - \$267,000.

### ESTATE FORTUNA

Several acres available in Estate Fortuna have been identified for the development of both housing units and parcels for owner construction. Currently, there are eight lots that will be subdivided from a larger parcel and four of the lots will be developed with two or three bedroom units.

**Number of Units:** 4 Lots – 4 Homes  
**Sales Price Range:** \$225,000 - \$275,000  
**Projected Completion Date:** 2013

### ESTATE NAZARETH

The proposed housing would be developed on 18 lots in the Estate Nazareth. Prior to the construction of the homes or sale of the lots, a contractor will be selected to design the new subdivision.

**Number of Units:** 9 Lots – 9 Homes  
**Sales Price Range:** \$180,000 - \$210,000  
**Projected Start Date:** 2011 **Projected Completion Date:** 2013

## ST. CROIX

### **THE MEADOWS AT BONNE ESPERANCE**

Northshore Partners has been awarded the contract to develop 66 single family homes on the remainder of the 80- acre plot at Estate Bonne Esperance. Units will be mixed between two and three bedroom to accommodate the projected housing needs. The sales price of the homes is \$205,000.



### **ESTATE SOLITUDE**

This project is currently in the bidding stages. The contract will be let for one year and the developer for the homes shall be selected subsequent to the completion of the subdivision.

|                              |   |                                   |      |
|------------------------------|---|-----------------------------------|------|
| <b>Number of Units:</b>      | 7 Lots / 5 Homes                              |                                   |      |
| <b>Sales Price Range:</b>    | Approximately \$250,000/Unit and \$35,000/Lot |                                   |      |
| <b>Projected Start Date:</b> | 2011  | <b>Projected Completion Date:</b> | 2013 |

### **ESTATE ST. GEORGE**

An RFP was issued earlier this year and FR Construction and Caribb Dynamics were selected to construct six homes each. There will be two different unit sizes offered. Six units will be 3 bedroom 2 bath units and six units will be 2 bedroom 2 bath units. This is a developer-financed program with local banks or VIHFA providing permanent mortgages.

|                              |                     |                                   |      |
|------------------------------|---------------------|-----------------------------------|------|
| <b>Number of Units:</b>      | 12 Homes            |                                   |      |
| <b>Sales Price Range:</b>    | \$180,000 - 205,000 |                                   |      |
| <b>Projected Start Date:</b> | 2011                | <b>Projected Completion Date:</b> | 2013 |

# Homebuyer Education & Counseling

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

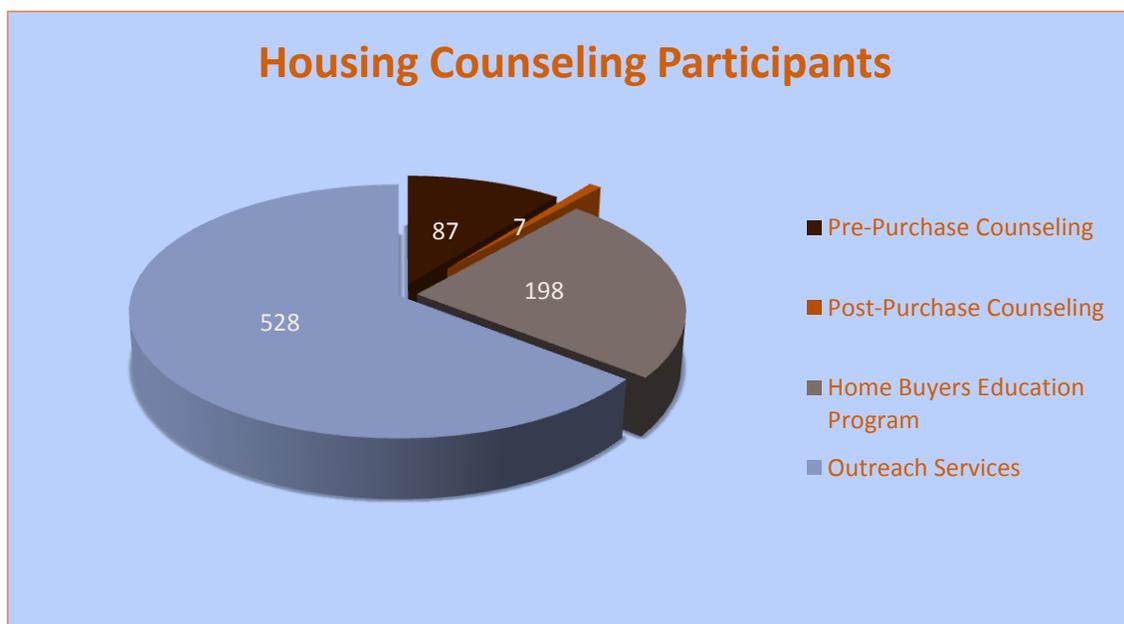


*Even after participating in the Home Buyers Education Class in 2009, I felt a sign of accomplishment because I knew I was on the right track. I had begun to clean up my credit and address my spending issues. In the process, I was able to pay off my debts, and I learned to save and to budget my money. I can recall receiving my tax refund check, and was told not to spend it; that I should use it to pay off the balances on my credit cards and loans. I so wanted to go on vacation, but I knew that you had my best interests at heart.*



*It was a long and tedious process, but I knew that my ultimate goal was to have my own home. I am happy to say that our hard work paid off. In December 2010, I purchased a piece of land that I will be building my home on; exactly two years after I began counseling with you.*

*-Fanny Andrews*



# 2010 HOUSING COUNSELING GRANT

The Virgin Islands Housing Finance Authority was awarded a 2010 HUD Counseling Grant in the amount of \$60,000.00. The grant was used to supplement the homebuyer education and counseling services that the Authority presently provides. Of note were the workshops offered in Spanish which were new to the Territory. The first Spanish seminar was conducted on July 15, 2011 at the Iglesias Bautista Casa de Dios in Catherine's Rest while the second was held on St. Thomas on September 29, 2011 at the Frenchtown Evangelistic Assembly Church. A total of 47 persons attended these workshops.

In addition to reviewing programs that VIHFA has to offer, the seminar covered credit and budgeting basics. The participants were eager to learn about the programs and services offered through the Virgin Islands Housing Finance Authority. The seminar was interactive with many questions being asked and answered.

In addition, staff received certification training at the NeighborWorks Training Institute on Post-Purchase Education; Foreclosure Basics, CounselorMax, Home buyer Education and Counseling under the grant.

| Pre-Purchase Counseling                                 |     |
|---|-----|
| Number of referrals received                            | 67  |
| Number of clients currently in pre-purchase counseling  | 87  |
| Number of new clients FY2011                            | 46  |
| Number of clients completed counseling                  | 14  |
| Number of clients who purchased land or home            | 3   |
| Post-Purchase Counseling                                |     |
| Number of referrals received                            | 19  |
| Number of clients currently in post-purchase counseling | 7   |
| Number of clients pending                               | 6   |
| Home Buyers Education Program                           |     |
| Number of Sessions completed                            | 10  |
| Number of participants registered                       | 265 |
| Number of participants completed Sessions               | 198 |
| Outreach Services                                       |     |
| Number of workshops                                     | 30  |
| Number of persons served                                | 528 |

# COMMUNITY DEVELOPMENT THROUGH FEDERAL FUNDING



**LONG PATH GARDEN STREET COMMUNITY CENTER**

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 and the HOPE 3 Program. The Authority also administers 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.

## Community Development Block Grant

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.



**Bordeaux Farmer's Market**



### **Some notable project accomplishments include:**

- Preparation of a draft re-programming bill for the St. Thomas/St. John district. The bill seeks to close-out of several dormant projects and award the re-programmed funds to three subgrantees – to include Hearts in Service Association to begin the construction of their transitional housing facility and also V.I. Resource Center for the Disabled to expand their program in St. Thomas.
- Substantial completion of the Long Path Garden Street Community Center at #7-8 Storre Gronne Gade in St. Thomas. Currently, this project has been recommended as a recipient of re-programmed funds to allow for the completion of the interior and also the acquisition of furniture so that the facility can be fully operational.
- Completion of the architectural drawings for Catholic Charities' new Supportive Housing and Soup Kitchen/Outreach Center Project at #16 Friedenstahl, Christiansted.
- The start-up of Family Resource Center's new counseling facility at #2317 Commandant Gade.
- The start-up and subsequent completion of Methodist Training & Outreach's second phase of construction at #4A Kronprindsens Gade, St. Thomas.
- The start-up of the rehabilitation of the Frenchtown Community Center.
- The start-up and subsequent completion of Phase I of the Bordeaux Farmers Market which entailed construction of the 60,000 gallon cistern.
- Enterprise Zone Scrape & Paint projects were completed in both the St. Thomas and St. Croix districts. In St. Thomas, a total of six (6) units were completed and four (4) units were also completed in St. Croix.

### **BEFORE**



### **AFTER**



### **Scrape Paint & Rejuvenate Program**

## Emergency Shelter Grant Program (ESG)

The Emergency Shelter Grant Program (ESG) provides grants to state and local governments for four sub-categories of activities related to homelessness rehabilitation or conversion of buildings for use as emergency shelters, payment of eligible operating expenses associated with operation of shelters, homelessness prevention activities and essential social services. For the FY 2011 reporting period, the allocation for the Territory was **\$80,382**.



**Eagle's Nest**

This year six applications were received with five projects being selected for funding.

### Some notable project accomplishments include:

- ✓ A number of prior year projects with balances were successfully closed out. The number of open projects (6) is slightly lower than the previous reporting period. Given that three (3) new projects were added in FY 2011, this is an indication that continued progress is being made toward timely completion of projects during the year. Total draw downs for the year was **\$60,567.74**.
- ✓ 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.

## HOPE 3

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.

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 report 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.

|                            |                    |
|----------------------------|--------------------|
| HOPE 3 loan payments total | <b>\$38,598.22</b> |
| 1 <sup>st</sup> generation | \$ 4,125.93        |
| 2 <sup>nd</sup> generation | \$34,472.29        |

# HOME Program

The main purpose of the HOME Program is to expand the supply of decent, affordable housing for very- low and low-income families by providing grants to states and local governments referred to as participating jurisdictions or "PJs."



## Funding

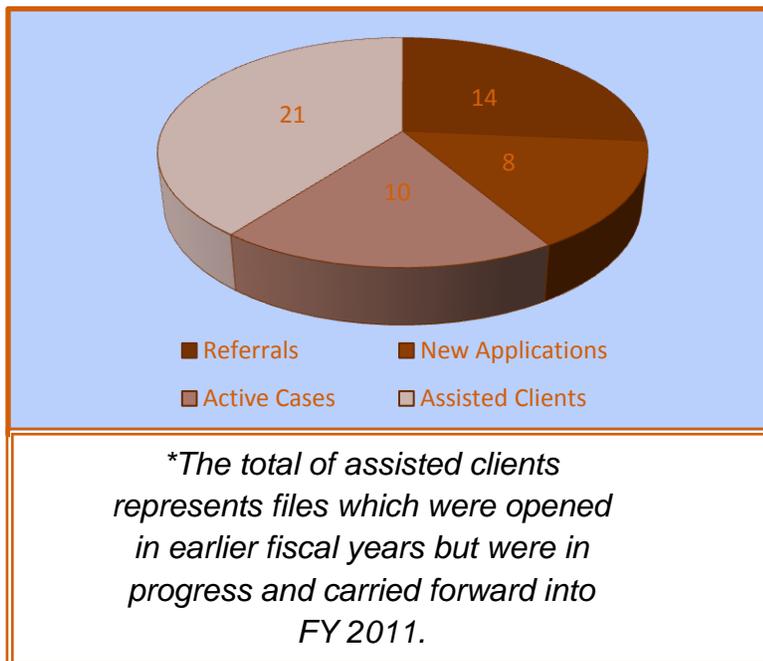
The HOME funding available during the current reporting period was \$1,255,996.00. In addition, the HOME Program received \$176,755.47 in program income during the current reporting period.

## New applications

A total of 14 new clients sought or were referred for assistance from the program during the reporting period. From these, a total of eight new applications for HOME Program assistance were accepted.

## Active caseload

Active cases total 10. As of the end of the fiscal year, there are 12 pending owner-occupied rehabilitation cases.



## Clients assisted

A total of 21 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 2011.

# Low Income Housing Tax Credit (LIHTC)

The Virgin Islands Housing Finance Authority is designated as the Housing Credit Agency for the U.S. Virgin Islands Housing for the purposes of allocating and administering the Low Income Housing Tax Credit (LIHTC) established under Section 42 of the Internal Revenue Code.

The Tax Credit Allocation for the U.S. Virgin Islands for Calendar 2011 is **\$2,465,000** coupled with the \$2,278,499 which was carried forward from Calendar year, the total credits available for allocation in 2011 is \$4,743,499. All of the 2011 credits have been allocated as follows:

- \$1,400,000 to Louis E. Brown Villas
- \$945,500 Donoe –Phase II
- \$2,273,000 to Hospital Ground Villas.



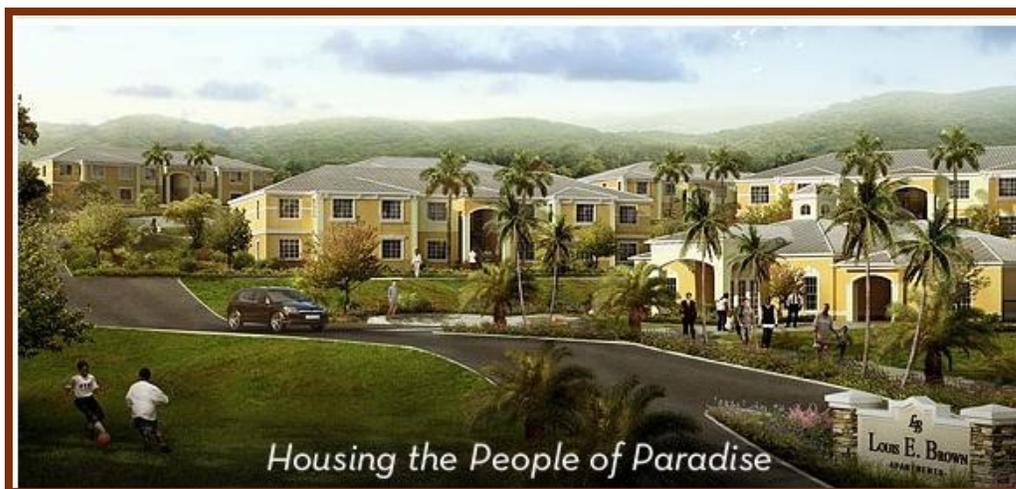
**Altona Apartments**  
8 rental units

## Louis E. Brown Villas

Work is currently underway on the first phase of the Louis E. Brown Villas. Some buildings have already received occupancy certificates. All units must be placed in service by December 31, 2012.

During the reporting period, a tax credit application was submitted for Phase II of Louis E. Brown Villas. This project is

being developed by the Virgin Islands Housing Authority in partnership with Carlisle Development Group, LLC. The project will consist of one multi-story building with a total of 40 apartments comprising of 1 and 2 bedroom units for the elderly. After review of the application, issuance of a conditional reservation of tax credits was recommended.



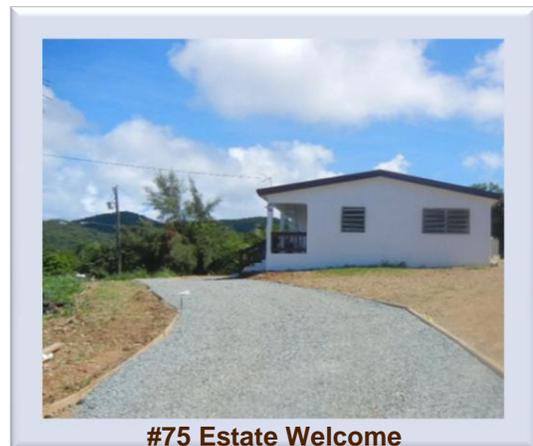
## Neighborhood Stabilization Program (NSP)

The Neighborhood Stabilization Program 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** under the Neighborhood Stabilization Program (NSP).

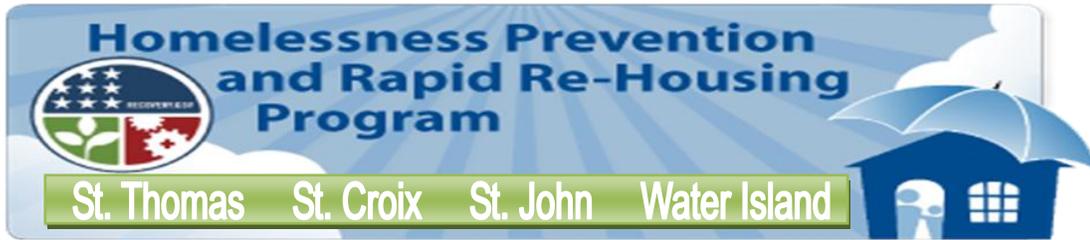


The Authority pledged to use up to 75% of the NSP grant funds or \$434,000 to purchase foreclosed or vacant properties for resale or rental. One property (#615 Mount Pleasant) was purchased from First Bank and a second foreclosed property (#75 Welcome) was purchased from USDA Rural Development.

In the Spring of 2011, separate solicitations were conducted to identify contractors to carry out the rehabilitation of these units. In light of the limited inventory of foreclosed properties, the Authority sought to use NSP funds for the rehabilitation of several foreclosed properties which were within its inventory. The Authority identified two units in the St. George Villas subdivision which had been purchased by the VIHFA several years ago. Rehabilitation of one unit (#183 St. George) was achieved substantial completion during the period. A contractor was selected for the reconstruction of the second unit (#182 St. George) which is currently in the permitting stage.



Upon completion of the rehabilitation, the units will be sold to persons who meet the NSP eligibility requirements. The total expenditure of NSP funds as of the end of Fiscal Year 2011 is **\$352,733.80**.



The Homelessness Prevention and Rapid Re-Housing Program (“HPRP”) was created under Title XII of the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”). The purpose of the Homelessness Prevention and Rapid Re-Housing Program is to provide financial assistance and services to prevent homelessness or to help those who are experiencing homelessness as defined by HUD to be quickly re-housed and stabilized. The Territory of the U.S. Virgin Islands was allocated the sum of **\$775,978** under the Homelessness Prevention Rapid Re-Housing Program.

Despite the challenges of the program, there are a number of success stories emanating from both island districts. Examples include a client that went from literal 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. The rental assistance provided by HPRP paid the rent until the clients were able to return to work and resume payment on their own.

As of the close of the fiscal year, a total of **\$635,923.83** has been expended under the grant as follows:

| Activity                | Budgeted                    | FY 2010 Expenditure | FY 2011 Expenditure |
|-------------------------|-----------------------------|---------------------|---------------------|
| Homelessness Prevention | \$467,432.00 <sup>(a)</sup> | \$29,248.60         | \$375,114.22        |
| Rapid Re-housing        | \$184,293.00 <sup>(a)</sup> | \$41,623.52         | \$130,830.25        |
| Data Collection & Eval. | \$85,455.00                 | \$0.00              | \$28,955.13         |
| Program Administration  | \$38,798.00                 | \$4,300.94          | \$25,851.17         |

<sup>(a)</sup> Includes funding for both financial assistance and housing relocation and stabilization (case management)

## 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”).

The VIHFA identified three major projects to be undertaken with CDBG-R funding:

- Site clearance and infrastructure development at a portion of Remainder Estate Bonne Esperance, St. Croix
- Rehabilitation of sixty (60) publicly-owned, emergency housing rental units on scattered sites across the Territory (Profit, Campo Rico, Charolette Apartments and Staabiland).
- Site clearance and infrastructure development to include the installation of roads, water lines, and sidewalks at a portion of Parcel No. 2 Estate Donoe, St. Thomas.

As of the close of the fiscal year, a total of \$1,115,242.50 has been expended under the grant as follows:

| <b>Activity</b>                                     | <b>Amount Budgeted</b> | <b>FY 2010 Expenditure</b> | <b>FY 2011 Expenditure</b> |
|---|------------------------|----------------------------|----------------------------|
| <b>Bonne Esperance Infrastructure</b>               | \$402,800.00           | \$62,100.00                | \$187,054.19               |
| <b>Donoe Infrastructure</b>                         | \$402,800.00           | \$156,600.00               | \$150,990.00               |
| <b>Rental Rehabilitation Program Administration</b> | \$825,000.00           | \$147,510.00               | \$408,871.84               |
|   | \$180,014.00           | \$1,375.62                 | \$740.85                   |



# HUMAN RESOURCES

The full-time staff count for the VIHFA as of September 30, 2011 is forty (40); twenty-one (21) on St. Thomas and nineteen (19) on St. Croix. This figure includes:

- Two (2) individuals employed with the Virgin Islands Housing Management, Inc. (VIHM, Inc.);
- One (1) individual employed with DWH Business Services, Inc. at Lagoon Street Homes; and
- Two (2) individuals awarded contracts for professional services as Construction Managers to assist the Planning and Construction Division.

## Employee of the Year

In conjunction with the Government of the Virgin Islands' Public Services Recognition Week (PSRW), which is coordinated by the Division of Personnel (DOP) two employees were selected as VIHFA Employees of the Year for 2011. Antoinette Fleming, Associate Planner II for the St. Thomas/St. John District and Michael Moreau, Construction Manager for the St. Croix District.



The Director of Human Resources worked closely with the DOP regarding PSRW activities and with both honorees to share information and answer questions. The Honorees were treated to several activities and recognized during an Awards Ceremony in their respective Districts. St. Thomas' ceremony was held on Thursday, May 26, 2011 at Wyndham Sugar Bay Resort and the St. Croix ceremony was held on Friday, May 27, 2011 at Divi Resort. They were also provided with agency gifts

and granted administrative leave as a token of appreciation for their hard-work and dedicated service to the agency.

## Benefits Fair

VIHFA hosted its 2nd Annual Benefit Fair on Wednesday, March 23, 2011 on St. Croix and Thursday, March 24, 2011 on St. Thomas. The purpose of this year's fair was to provide employees with information on financial management and ways to increase savings during tough economic times. Participating service providers were Banco Popular de Puerto Rico with a presentation on new products and services available and the benefits of saving; VIHFA's very own Homeownership Coordinators III with presentations on debt reduction strategies and the Virgin Islands Water & Power Authority with a presentation on water consumption and energy saving tips to save money at home.

Opening sessions were conducted by Warner Riviere, President of Ambassador Financial Group Inc. with a presentation on "Investing in Tough Financial Times" on St. Croix and Jamila Harris, Broker Owner Realtor of Eagle Realty with a presentation on "Handling our Finances in Changing Times" on St. Thomas.



## Health Fair

In our efforts to retain employees and maintain high employee morale, employees must be empowered to take care of themselves and their family as it relates to their health. It gives great pride to report that the Authority hosted its' first health fair on September 23, 2011 in both districts. This event, themed "Know Your Numbers" raised staff awareness of common health issues plaguing our Territory. The goal

was to improve staff health literacy as they learned about themselves and to introduce and stimulate healthy behaviors to achieve and maintain a healthy lifestyle. This event was used as a kick-off to our health and wellness initiative for fiscal year 2012. DOP encourages employees to complete a health risk assessment on [mycigna.com](http://mycigna.com) as part of DOP's initiative.



## Retirement

The Authority bid farewell and happy retirement to Mrs. Audrey Morton. Mrs. Morton retired effective December 31, 2010 after seventeen (17) years of dedicated service to VIHFA. Throughout her tenure with VIHFA, she held several positions with the Director of Special Projects being her last position held.

Well wishes for a happy retirement were bestowed to Mr. Laurence Joshua, Collections and Service Processor III assigned to the St. Thomas Office, and to Mr. Wilfredo Osorio, Maintenance Worker assigned to Lagoon Street Homes on St. Croix. Mr. Joshua joined the VIHFA family in 2008 having transferred from the Department of Planning and Natural Resources as a result of the Housing Merger of 2008. His retirement was effective September 23, 2011 after 31 years of government service. Mr. Osorio is one of the last remaining founding employees of VIHFA. He began his employment with the agency in 1980 when it was known as the Urban Renewal Board. His retirement was effective September 30, 2011 after 32 years of government service.

### Personnel action changes processed during fiscal year 2011 are as follows:

- Retirements for three employees: Audrey Morton, Director of Special Projects, effective December 31, 2011; Laurence Joshua, Collections and Service Processor III, effective September 23, 2011 and Wilfred Osorio, Maintenance Worker, effective September 30, 2011.
- Recruited and hired contractual Construction Manager for the Division of Planning and Construction's St. Thomas Office; two Homeownership Counselors for the Division of Homeownership with funding under a Homeownership Counseling Grant and a Project Administrator for the St. Thomas Office.
- Re-Organization of the Homeownership Division to include added responsibilities for Special Projects and the Home Buyers Education Program.
- Departure of Clifford Graham as the Agency's Executive Director and appointment of Adrienne L. Williams as the new Executive Director.

# The Authority Bids Farewell to Clifford F. Graham



The Authority said goodbye to its fifth Executive Director in April 2011. Mr. Clifford Graham's tenure with the Authority spanned 17 years where he served as a Planning Assistant, the Director of Planning and Construction and the Executive Director for the Agency.

Under his leadership, the Agency obtained its own office building in the Frenchtown Plaza on St. Thomas which serves as the main office for the Authority. Mr. Graham also successfully managed the Merger of the housing component of the Department of Housing, Parks & Recreation and the CDBG Program into the Virgin Islands Housing Finance Authority. He is responsible for a number of development projects in Mount Pleasant, Estate Concordia and in the Christiansted and Frederiksted towns on St. Croix, Estate Mariendahl and Nazareth on St. Thomas as well as constructed the first affordable home ownership subdivision on the island of St. John. Mr. Graham has left an indelible mark on the Authority.

The staff provided him with many gifts and well wishes and other tokens of appreciation for his years of service and leadership to the Agency.



# 2011 HIGHLIGHTS

## Housing Expo



In accordance with June being declared as Housing Month, VIHFA hosted a Housing Expo on Saturday, June 11, 2011 at Mark C. Marin Center at Antilles School on St. Thomas and on Saturday, June 25, 2011 at Sunshine Mall on St. Croix. Over 600 individuals registered with the Virgin Islands Housing Finance Authority. With

over 100 exhibitors participating Territory-wide, attendees were provided with a wealth of information on the home buying process as well as home improvement ideas for current home owners.

Banco Popular, a major sponsor, conducted seminars pertaining to the mortgage loan process, financial management and preventing foreclosure. In addition, the bank accepted new applications and provided on site pre-qualification to interested individuals.

Demonstrations and Do-It-Yourself tips were presented by Ka-Ma-Kris Hardware and Home Depot.

The Energy Office provided information on energy saving tips and its rebate programs and WAPA demonstrated how plugging in an iron can spike a meter reading. Both Agencies encouraged attendees to decrease kilowatt usage

through implementation of simple energy saving exercises such as using compact fluorescent lights instead of incandescent lights and decreasing usage of energy burners in one's home.



There were a variety of door prizes raffled every hour.

Some of the prizes included a \$100 gift certificate from Solar Solutions to be used for the next month's WAPA bill, 10 yards of concrete, 5 yards of gravel, a bathroom cabinet, a barbeque grill, a microwave and hurricane preparedness bag. Overall the event was a resounding success with awesome feedback and requests to host a similar event next year.



## VITAR Grant Funding



The Virgin Islands Housing Finance Authority was awarded a grant to fund an Affordable Housing Assistance Program by the Virgin Islands Territorial Association of Realtors (VITAR) on June 18, 2011. The grant was in the amount of Fifty Thousand Dollars (\$50,000). Funding will be used to assist low- and moderate-income families with closing cost assistance up to Five Thousand Dollars (\$5,000) per family. Assistance will be awarded in the form of very low

interest loans with rates as low as 2% and will not exceed a five-year term.

## Strategic Planning

VIHFA embarked on creating a Strategic Plan for the Agency that will identify who we are, where we plan to go, and develop an overall approach to get there. At the end of a two-day session, mission and vision statements were crafted and have been adopted. Aggressive efforts have been taken to complete a 5-Year strategic plan during the next fiscal year.



Staff workshops were conducted on Monday, June 6, 2011 on St. Croix and Tuesday, June 7, 2011 on St. Thomas. These workshops were key components in creating the Agency's strategic plan. "Become a Rainmaker" sessions were designed to clarify employees' understanding of the Agency's operations and build enthusiasm within employees to increase productivity. Personality profiles were conducted for each employee and guidance on how to work with the different personality types were shared. The facilitator, Jamila Harris, also conducted working sessions with Directors and Managers to discuss ideas for the strategic planning process.

## Smartnet LLC Participates in VIHFA Employer-Assisted Program

The Virgin Islands Housing Finance Authority is pleased to have Smartnet, LLC as a participant in its Employer-Assisted Program to offer the benefits of the **Home Connection Program** for its employees to become first-time home owners.

Smartnet, LLC negotiated a financial package to utilize the program to exclusively provide its employees with Home Buyer Education Classes, Individual Counseling and Priority VIHFA Application Processing.



Michael Carty, owner of Smartnet, LLC and Alliance Data Management, expressed his commitment to helping his employees to become home owners. He recalled his experience with purchasing a home and wants to equip his staff with the knowledge needed to begin the process. He hopes to take the program a step further and provide down payment assistance and/or closing cost assistance to his employees once they are ready to purchase.

The VIHFA is working to establish partnerships with other companies to further the reach of the Home Connection Program.



The Virgin Islands Housing Finance Authority acquired the Warren E. Brown site from the Virgin Islands Housing Authority for \$1.3 million dollars.



## Junior Achievement Program

The VIHFA participated in the Junior Achievement Program. Staff volunteers completed the JAVI partners with business and educators to teach students to introduce approximately 200 students of the Virgin Islands to principles of saving, investing, buying, and selling. Volunteers from VIHFA included Candace James, Nina Desouza, Chivonne Moorehead, Tamisha Thomas-Porter and Rosalind Estrill.

## New Home Owners Showered with WELCOME WAGON PROGRAM

The Homeownership staff joined with the new home owners from Estate Solitude and the Christiansted Townhomes for a grand “Meet & Greet” celebration. Neighbors engaged each other in a wealth of conversation while indulging in dishes which they created. Presidents of the Home Owners’ Associations addressed the group and spoke briefly on a bright and affluent future they foresee for their communities. Each home owner was provided with a basket of goodies from the Authority.

Several in attendance shared their home ownership experience and heralded the VIHFA “friendly staff” that guided them throughout the entire process to become successful home owners.



# RENTAL HOUSING

The Virgin Islands Housing Finance Authority administers the Emergency Housing Program in the Territory. The Virgin Islands Housing Finance Authority owns a total of 335 units of which 52 are managed privately and the remaining 283 are managed by the Virgin Islands Housing Management, Inc. (VIHM).

Virgin Islands Housing Management, Inc. was created in October 2008 to construct, reconstruct, acquire, lease and manage rental properties and the emergency housing stock owned by the Virgin Islands Housing Finance Authority. VIHM, Inc. manages 11 housing communities, seven on St. Thomas and four on St. Croix.

Efforts for this Fiscal Year were concentrated 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 10 housing communities under the emergency housing program and managed by the Virgin Islands Housing Management Inc., a 501(C) 3 non-profit organization.

## Managed by VIHM

### St. Thomas

Charolette Housing Community  
Hospital Ground Housing Community  
Hospital Ground Modular Community  
Queen Louise Housing Community  
Ross Taarneberg Housing Community  
Staabiland Housing Community

### St. Croix

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

## Managed by Property Management Firm DWH Business Services

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

## Managed by Property Management Firm Pan American Investments

Paradise Hills

# Emergency Housing Rehabilitation

There were 52 emergency housing units that underwent extensive rehabilitation this fiscal year. The Estate Campo Rico and Profit Emergency Housing communities on St. Croix as well as the Charlotte Apartments on St. Thomas were completed utilizing ARRA funding. Solar water heaters were also installed in all the units as well as water lines were installed for access to potable water projects consisted of the renovation of the 16 units at Campo Rico and 12 units at Profit. The Staabiland Apartments project was not able to proceed this year. Work is expected to commence in the next fiscal year on this community. Units will now be leased under the newly established guidelines for emergency housing.



**PROFIT BEFORE**



**PROFIT AFTER**



# FINANCIALS

## Collections & Servicing

| FISCAL YEAR 2011 ACCOUNT RECEIVABLES   |                 |                 |
|--|-----------------|-----------------|
| <b>FEDERAL</b>                         |                 |                 |
| CDBG                                   | \$ 16,251.98    |                 |
| HOME                                   | \$ 176,755.47   |                 |
| 2nd generation Hope                    | \$ 34,472.29    |                 |
| 1st Generation Hope                    | \$ 4,125.93     | \$ 231,605.67   |
| <b>MORTGAGES</b>                       |                 |                 |
| Habitat for Humanities                 | \$ 9,293.57     |                 |
| Homestead                              | \$ 614,911.65   |                 |
| Moderate Income                        | \$ 324,878.94   |                 |
| Regular Mortgage                       | \$ 375,757.64   |                 |
| Veterans                               | \$ 306,465.83   | \$ 1,631,307.63 |
| <b>LAND</b>                            |                 |                 |
| Adventure Hill                         | \$ 44,368.10    |                 |
| Castle Burke                           | \$ 15,444.67    |                 |
| Fortuna Vista                          | \$ 10,775.41    |                 |
| Hermon Hill                            | \$ 100,788.77   |                 |
| Honduras                               | \$ 1,770.36     |                 |
| HP&R - Land (R. Flanders)              | \$ 590.12       |                 |
| Mariendahl                             | \$ 128,451.49   |                 |
| Nazareth                               | \$ 187,450.28   |                 |
| Profit                                 | \$ 8,297.88     |                 |
| Santa Maria                            | \$ 7,601.16     |                 |
| Work & Rest                            | \$ 246.05       | \$ 505,784.29   |
| <b>RENTALS</b>                         |                 |                 |
| Commercial                             | \$ 135,818.20   |                 |
| George Simmonds                        | \$ 2,460.00     |                 |
| DUE VI Housing Management              | \$ 18,940.00    | \$ 157,218.20   |
| <b>MISCELLANEOUS</b>                   |                 |                 |
| Advertisement Reimbursement            | \$ 816.00       |                 |
| Allotment                              | \$ 2,008,474.00 |                 |
| Application Fee                        | \$ 13,270.00    |                 |
| Application Fee - Tax Credit           | \$ 500.00       |                 |
| Appraisal                              | \$ 6,175.00     |                 |
| Audit Reimbursement - federal Programs | \$ 45,700.00    |                 |
| Bid Packages- STT                      | \$ 5,190.00     |                 |
| Calabash boom Home sales               | \$ 279,865.76   |                 |

|  |               |
|--|---------------|
| CDBG - Mars Hill                         | \$ 182,429.33 |
| Commission on Est. Pearl                 | \$ 8,800.00   |
| Commission on Raphune Hill Vistas        | \$ 28,497.48  |
| Compliance Monitoring                    | \$ 58,864.50  |
| Computer                                 | \$ 1,167.10   |
| Condo Fee - Calabash Boom                | \$ 3,935.00   |
| Condo Fee - Ottley Manor                 | \$ 5,297.00   |
| Conference Room Rental                   | \$ 4,090.00   |
| Construction Inspection Fee              | \$ 400.00     |
| Copies                                   | \$ 37.50      |
| Credit Report                            | \$ 6,567.00   |
| Deed Revision Fee                        | \$ 700.00     |
| Earnest Deposit                          | \$ 136,698.00 |
| Escrows                                  | \$ 2,003.65   |
| Flood Certification Fee                  | \$ 135.00     |
| Home Buyers Education Fee                | \$ 3,995.00   |
| Housing Summit                           | \$ 12,290.00  |
| Hurricane Lenny Proceeds - Estate Profit | \$ 40,541.80  |
| Interest - Closing                       | \$ 236.00     |
| Inspection Fee                           | \$ 150.00     |
| Insurance- VIHFA Automobiles             | \$ 17,410.09  |
| Insurance Refund                         | \$ 165.00     |
| Land Division                            | \$ 65,000.00  |
| Mariendahl Home Sale                     | \$ 674,750.00 |
| Miscellaneous                            | \$ 208.97     |
| Modification Fee                         | \$ 100.00     |
| Mortgage Revision                        | \$ 350.00     |
| Origination Fee                          | \$ 2,430.80   |
| Other Account receivable                 | \$ 148.80     |
| Other H/o Fees                           | \$ 0.50       |
| Payroll - Reimbursement CDBG             | \$ 190,156.20 |
| Payroll- Reimbursement HOME              | \$ 149,989.04 |
| Payroll - reimbursement HPRP             | \$ 15,250.50  |
| payroll - Reimbursement VIHM             | \$ 373,680.60 |
| Payoff Letter fee                        | \$ 90.00      |
| Petty Cash reimbursement - VIHM          | \$ 56.45      |
| Post purchase Counseling                 | \$ 750.00     |
| Postage                                  | \$ 159.21     |
| Quitclaim Deed                           | \$ 1,050.00   |
| Refund - Client                          | \$ 210.35     |
| Return Check fee                         | \$ 600.00     |
| Reimbursable Fees                        | \$ 17.25      |
| Reimbursement - Construction Manager     | \$ 3,906.00   |
| Reimbursement HPRP                       | \$ 1,800.00   |

|  |                 |                         |
|--|-----------------|-------------------------|
| Reimbursement from VIHМ                      | \$ 32,369.55    |                         |
| Security Deposit Reimbursement               | \$ 440.00       |                         |
| Settlement Fee                               | \$ 410,047.79   |                         |
| Solar Project                                | \$ 231,800.00   |                         |
| Stamp Tax                                    | \$ 3,000,000.00 |                         |
| Subordination of Mortgage                    | \$ 3,326.00     |                         |
| Supplies                                     | \$ 1,924.79     |                         |
| Survey                                       | \$ 1,300.00     |                         |
| Telephone reimbursement                      | \$ 1,370.46     |                         |
| Title Insurance                              | \$ 441.50       |                         |
| Transfer Duplication Reversal                | \$ 175.00       |                         |
| Travel Reimbursement                         | \$ 14,077.68    |                         |
| Uniform Reimbursement                        | \$ 130.95       |                         |
| <b>Variance</b>                              | \$ 5.00         |                         |
| WAPA Reimbursement                           | \$ 5,000.00     |                         |
| Water Reimbursement (M. Rivera)              | \$ 650.00       |                         |
| Water Gut Homes Loan                         | \$ 45,000.00    |                         |
| Water Testing Fee                            | \$ 396.00       |                         |
| WAPA - VIHМ ( water hauling)                 | \$ 5,000.00     |                         |
| Waivers                                      | \$ 175.00       |                         |
| Vitar  | \$ 50,000.00    | \$ 8,158,734.60         |
| <b>OVERALL COLLECTION FOR FISCAL YR 2010</b> |                 | <b>\$ 10,684,650.39</b> |

| <b>VI HOUSING MANAGEMENT INC.</b>  |               |                      |
|------------------------------------|---------------|----------------------|
| Rent - St. Thomas                  | \$ 230,712.18 |                      |
| Rent - St. Croix                   | \$ 111,365.00 |                      |
| Return Check fee                   | \$ 50.00      |                      |
| Security Deposit - STX             | \$ 400.00     |                      |
| Bid Packages                       | \$ 280.00     |                      |
| Cleaning Deposit                   | \$ 100.00     |                      |
| Upfront Fee - deposited by mistake | \$ 250.00     |                      |
| <b>TOTALS</b>                      |               | <b>\$ 343,157.18</b> |

## Loans Closed

There were 35 loans added to the loan servicing program for this fiscal year totaling **\$1,539,731.01**. These loans were spread between local funds and federally funded loans

| Federal Loans | Number of Loans    | Total Loan Amount |
|---------------|--------------------|-------------------|
| Home          | 7 w/2 Modification | \$ 291,193.41     |
| Total         | 7 Loans            | \$ 291,193.41     |

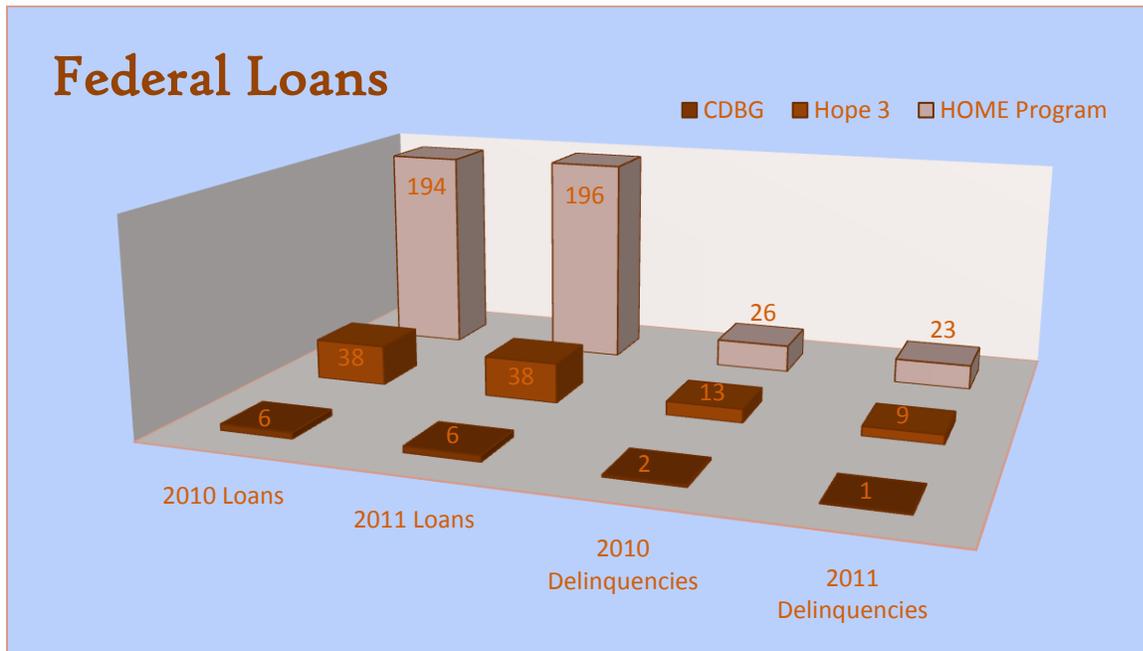
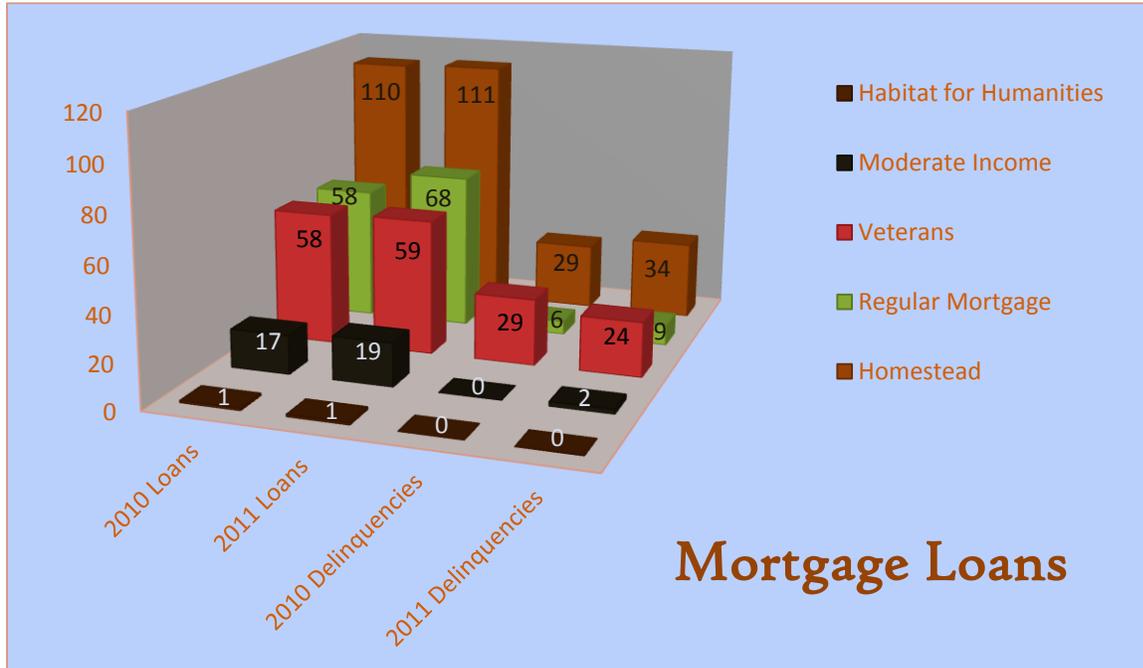
| Loans            | Number of Loans    | Total Loan Amount |
|------------------|--------------------|-------------------|
| Homestead        | 13                 | \$ 685,489.00     |
| Moderate Income  | 1                  | \$ 128,080.00     |
| Regular Mortgage | 9                  | \$ 141,101.00     |
| Veteran          | 5 w/3 Modification | \$ 293,867.60     |
| Total            | 28 Loans           | \$ 1,280,825.60   |

The Authority also received \$1,333,681.06 from the sale of 8 homes in Calabash Boom and Mariendahl.

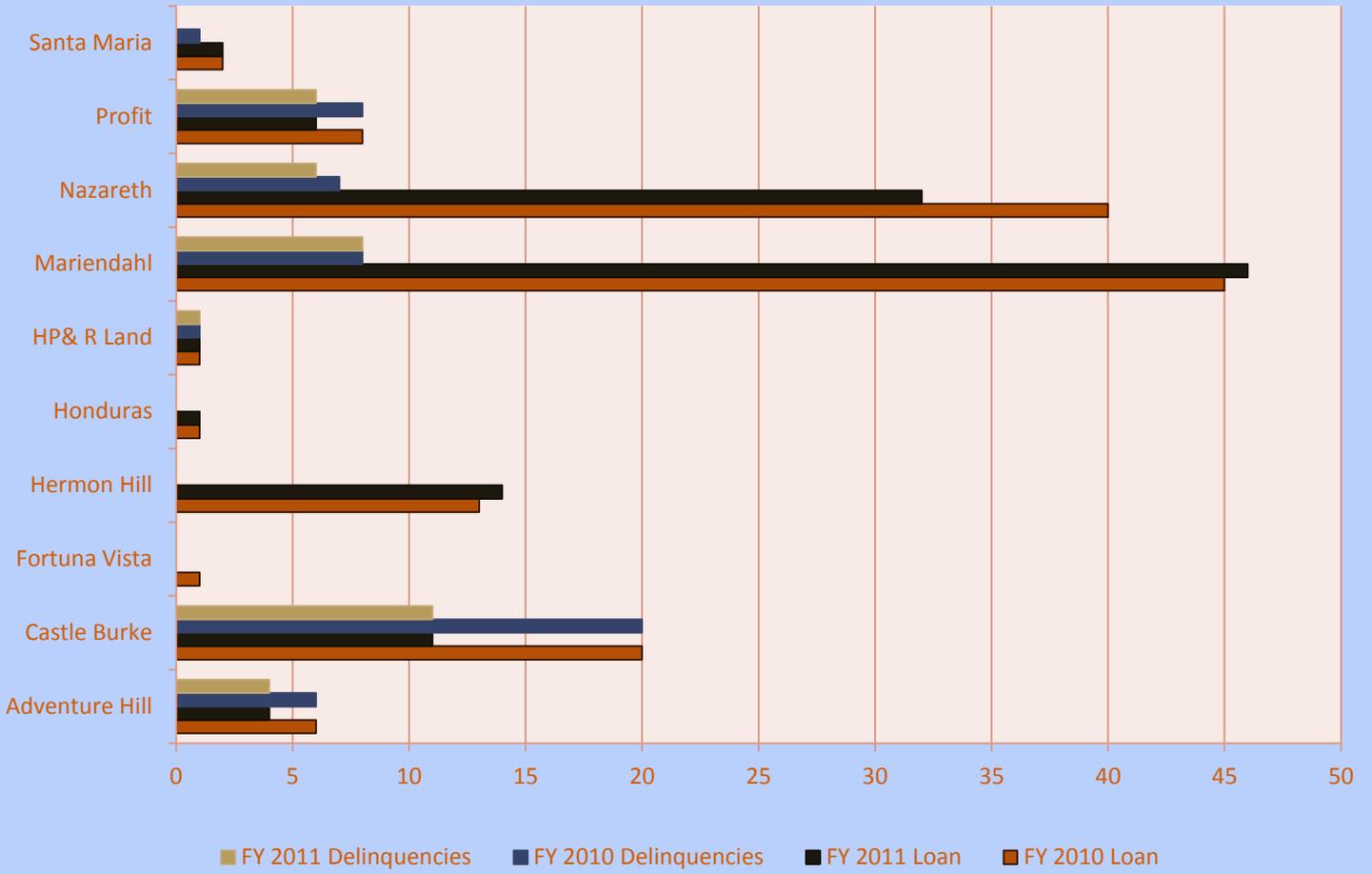
## Pay-Offs in Fiscal Year 2011

| CASTLE BURKE |                 |
|--------------|-----------------|
| \$           | 489.20          |
| \$           | 69.69           |
| \$           | 476.16          |
| \$           | 402.00          |
| \$           | 45.05           |
| \$           | 1,137.96        |
| \$           | 876.84          |
| \$           | 318.85          |
| \$           | 335.00          |
| \$           | 876.84          |
| PROFIT       |                 |
| \$           | 56.38           |
| \$           | 366.47          |
| TOTAL - \$   | <b>5,648.44</b> |

# Mortgage Loans Servicing

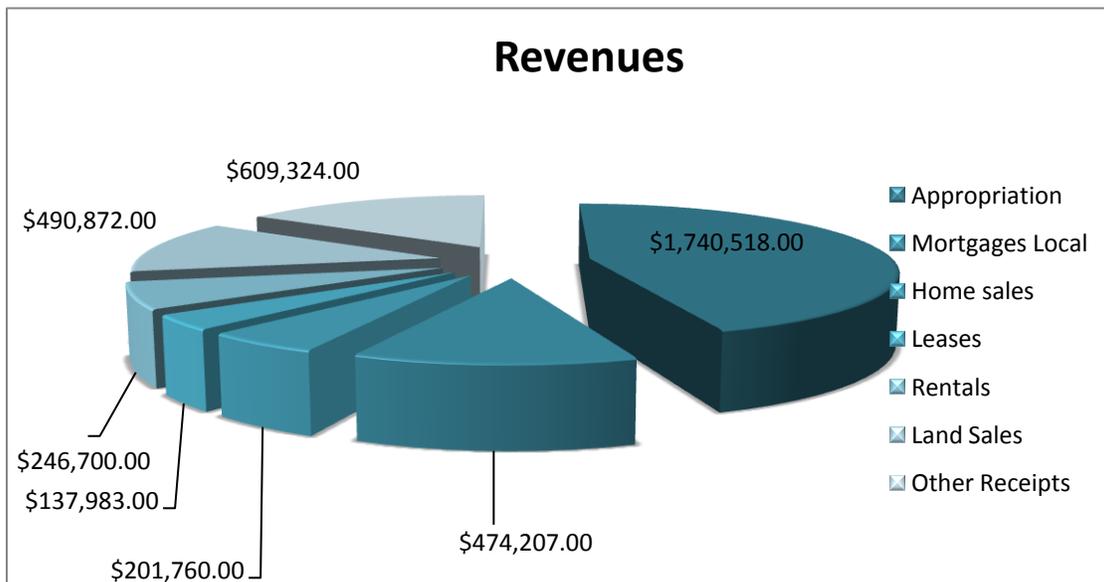


# Land Loans



## Revenues

During the Fiscal Year 2011, the Authority collected **\$3,901,364.00** from the following revenue categories: Appropriation: **\$1,740,518.00** Mortgages Local **\$474,207.00**; Home Sales **\$201,760.00**; Leases **\$137,983.00**; VIHM Services **\$246,700.00**; Land Sales **\$490,872.00**; and Other Receipts **\$609,324.00**. The Authority revenues total **\$3,901,364.00** (see the breakdown on chart below):



## Expenditures

The Fiscal Year 2011 ended with **\$3,869,246.00** in expenditures at the Authority ended with **\$505,246.00** above the 2011 budgetary projections. Total Payroll Expenditures totaled **\$2,836,723.00** which is **\$236,723.00** above budgetary projections. Operating Expenditures totaled **\$624,374.00** which is **\$165,374.00** above budgetary projections. Finally, Professional Services Expenditures totaled **\$408,148.00** which is **\$80,292.00** above budgeted projections.

