



Housing

Contents

Introduction	2
Regulatory Context	2
Government Agencies Involved in Housing	3
Federal	3
USVI	3
Virgin Islands Housing Authority	3
Virgin Islands Housing Finance Authority	4
Other	4
Housing Stock and Market Conditions	4
Age of Housing Stock	5
Housing Costs	6
“Cost Burdened” Households	6
Home Sale Prices	7
Drivers of Housing Cost	8
Housing and Economic Development	9
Homelessness	9
Plans and Initiatives	10

Introduction

Housing is fundamental. Providing residents with opportunities to have safe, affordable homes is a cornerstone of the economic and social health in any community. A balance of diverse housing opportunities and adequate supply can support the spectrum of housing needs through a lifetime – an apartment after graduation, a first home for a family or individual, or downsizing for empty-nesters or retirees. Housing also influences economic development and employment, with important implications for transportation needs. As demonstrated by the 2017 hurricanes, the structural vulnerability of housing is a key factor in the overall resilience of a community.

The type of housing available, its cost, and its condition are important attributes that help determine whether families and individuals are able to live in the USVI. Housing cost and availability dictate whether people who grew up here are able to stay here; whether people who have moved away are able to come back; and whether people can find the financing to regularly maintain their homes or repair them after a natural disaster. As an island territory, the USVI must consider how best to use its limited land resources to meet these housing needs and how it can better redevelop existing homes and buildings to meet these needs. Another important consideration is how to ensure that more housing is available that people can actually afford. These and other topics must be addressed by the CLWUP. There are no simple answers, but as a community, we must always strive to do better.

Much of the information in this chapter is derived from the U.S. Virgin Islands Hurricane Recovery and Resilience Task Force (2018) ([USVI Hurricane Recovery and Resilience Task Force: Report 2018](#)).

Regulatory Context

The USVI Building Code, based on the International Building Code and several international reference documents provide design and construction standards for housing in the USVI (see inset).

Currently, the USVI generally operates under the 2018 versions of these documents. The USVI also has the *Construction Information for a Stronger Home* guidance document, referenced in the USVI Building Code. The third edition of that document was updated in 1995, following Hurricane Marilyn, and the fourth edition was updated in April 2018, following the 2017 hurricanes. The 2017 hurricanes demonstrated the value of the *Construction Information for a Stronger Home*, as homes built to those standards reportedly experienced little or no damage.

Standards for Housing Construction are governed by the following documents:

- *Title 29 of the Virgin Islands Code*
- *International Residential Code*
- *International Mechanical Code*
- *International Energy Conservation Code*
- *National Electrical Code*
- *Uniform Plumbing Code*

The DPNR Division of Building Permits oversees these policies, through administrative, plan review, and inspections services. Code requirements generally apply to new construction or renovations to greater than 50% of the existing structure. DPNR relies on outside engineers to submit recommendations on approvals and generally does not conduct its own compliance reviews.

As described further in the Land & Water Regulations and Trends Section, the DPNR Division of Comprehensive and Coastal Zone Planning (i.e., the Division of Planning) oversees land use and zoning which also influences housing. For example, the Virgin Islands Zoning and Subdivision Law includes specific provisions, requirements, and incentives for Planned Area Affordable Housing Developments to

encourage affordable housing creation in the Territory. The Planned Area Affordable Housing Development allows for a specialized and expedited review process in return for an agreed upon number of affordable housing units, in coordination with DPNR.

Insurance is a regulatory requirement for certain properties, with mortgages on private property required to have insurance or forced-placed (i.e., creditor-placed or collateral protection) insurance. Homeowners with construction loans are required to purchase builder's risk insurance during construction.

There are also requirements for flood insurance in some instances, with all financed properties required to be assessed and all buildings with federally backed mortgages that are in U.S. Federal Emergency Management Agency (FEMA) flood zones required to get National Flood Insurance Program (NFIP) insurance. Optional NFIP policies are also available to other property owners, including homes. Outside of these instances, property owners are not required to purchase insurance and, because of high premiums, may choose to forego insurance, making them financially vulnerable.

Government Agencies Involved in Housing

Federal

Several government agencies are involved in housing in the USVI. At the federal level, the U.S. Department of Housing and Urban Development (HUD) provides support and funding to the USVI through its San Juan Field Office, serving Puerto Rico and the USVI. Following the 2017 hurricanes, HUD has funded disaster recovery efforts in the USVI, especially for housing, such as through Community Development Block Grant Disaster Recovery (CDBG-DR) funds.

The U.S. Census Bureau collects housing and other demographic data for the USVI, through a long-form questionnaire conducted in the Island Areas of the U.S. Territories. This questionnaire is similar to the American Community Survey (ACS) conducted in the 50 U.S. states, Washington, D.C., and Puerto Rico, although the ACS is not used in the USVI and these territories.

USVI

Within the USVI, as described above, the DPNR Division of Building Permits and Division of Planning are responsible for building code and zoning oversight, including for housing. Other agencies have a variety of roles related to housing described below.

Virgin Islands Housing Authority

The Virgin Islands Housing Authority (VIHA) constructs, maintains, and operates units of public housing, and also oversees HUD's Housing Choice Voucher Program (HCVP) for rental assistance for individuals and families making 50% of the USVI median income or less. VIHA manages approximately 3,000 units of public housing in more than 25 communities, with the units split roughly evenly between St. Croix and St. Thomas, although there are more VIHA communities on St. Croix. At the time of writing, VIHA is developing a Portfolio Repositioning Strategy to rehabilitate or newly construct more than 3,000 units. The goals include reducing the isolation of these homes, deconcentrating poverty, increasing resiliency against storms and other hazards, better application of green construction and energy efficient measures, and better integration of open space and play areas.

As of 2022, VIHA had a waiting list of 736 people in 365 families on St. Thomas and 864 people in 483 families on St. Croix. These numbers represent increases from 2021, reflecting the ongoing and likely increasing demand for affordable housing. By one estimate, as many as 9,000 low- to medium-income units are needed throughout the USVI, a number that has only increased since the 2017 hurricanes. Additional information on existing affordable housing units is shown in Table 1 below.

Table 1: Affordable Rental Housing Units in the USVI as of 2019

Type of Unit	Number of Units
Public Housing (VIHA)	3,014
Low-Income Housing Tax Credit (LIHTC)	1,500
Project-Based Rental Assistance	1,275
Rural Development Administration (RDA)	430

Virgin Islands Housing Finance Authority

The Virgin Islands Housing Finance Authority (VIHFA) provides funds, grants, and support for housing affordability in the USVI, including addressing homelessness issues. VIHFA administers programs such as Mortgage Revenue Bonds, Low Income Housing Tax Credits (LIHTC), HOME Funding, and Community Development Block Grants (CDBG), including the CDBG-DR funding following the 2017 hurricanes.

Affordable housing in the USVI is governed by the 2014 Joint Rules and Regulations Virgin Island Affordable Housing Program. These rules apply to the financing and development of affordable housing, including polices on financing, construction and mortgage loans, housing development plans and agreements, participation, construction contract review, rental housing standards and procedures, standards and procedures for homeownership programs, legislative approval, and tax incentives.

Other

The Office of the Lieutenant Governor’s various divisions also serve important roles related to housing. The Office of the Tax Assessor maintains cadastral and parcel data, including on the condition of houses, while the Division of Geospatial Information Systems (GISD) manages geographical data. The Division of Banking, Insurance, and Financial Regulation regulates banking, insurance, and finance services and serves in a consumer protection role. In addition, the Virgin Islands Department of Humans Services also provides “specialized residential treatment,” for vulnerable populations, including those with physical or mental disabilities.

Housing Stock and Market Conditions

Housing data from the 2020 U.S. Census is presented in Table 2. As shown in the data, St. Croix and St. Thomas have similar values, although St. Thomas tends to have more expensive housing. St. John has fewer housing units and tends to have more expensive housing than either St. Croix or St. Thomas. Owner-occupied housing is around 50%, although that number is lower in St. Thomas (40%) and higher in St. Croix (56%).

Table 2: Selected Housing Data for the USVI, 2020

Housing Parameter	USVI Total	STX	STJ	STT
Housing Units	57,257	25,470	3,645	28,142
Average Household Size	2.14	2.18	2.08	2.11
Median Value (owner-occupied housing)	\$290,558	\$247,090	\$591,160	\$356,977
Median Rent (renter-occupied housing)	\$926	\$822	\$1,283	\$960
Owner-occupied housing	47.8%	55.7%	48.7%	40.6%
Renter-occupied housing	52.2%	44.3%	51.30%	59.40%

Age of Housing Stock

Figure 1 provides information about the age of the Territory’s housing stock. As shown in the figure, the majority of housing units in the USVI were constructed between 1960 and 1999, with more than three-quarters (~77%) of housing units constructed during that time period territory-wide. St. Croix and St. Thomas experienced a similar trend with 79% and 78% of housing units constructed during that time period on each island, respectively. St. John had a slightly smaller percentage of its housing units constructed during that time period at 64%, with a larger percentage of its housing units constructed between 2000 and 2009 (22%) than St. Thomas or St. Croix (8% each) or the USVI as a whole (9%). These data indicate that much of the housing in the territory predates some of the protective building code and guidance, such as *Construction Information for a Stronger Home*, referenced above, even though roughly 80% of the homes in the USVI are of masonry construction, which can be more durable than wood-frame construction. However, some buildings remain wood-frame, making them potentially structurally vulnerable.

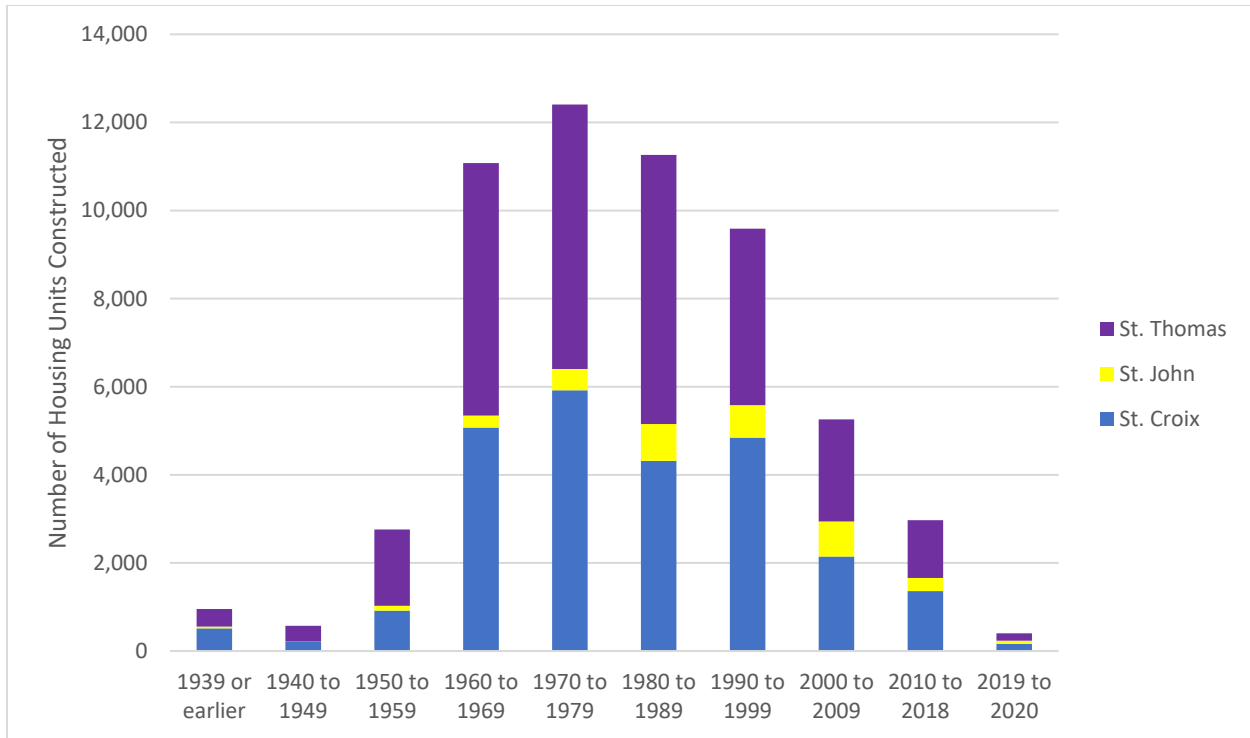


Figure 1: Housing Construction Timing

Housing Costs

Housing affordability is a significant challenge in the USVI. Studies have identified drivers of this challenge, including comparably low incomes of USVI residents, high costs of construction, limited availability of developable land, demand pressures from nonresidents, and high costs of homeowners insurance and other financing challenges. In addition, given that most homes do not have access to public water and sewer, many people have to factor in septic systems, water cisterns, and septage and water hauling costs into their total housing expenses. Lack of affordability of housing was highlighted as a key challenge, especially for renters, and a threat to economic growth in the USVI’s 2021 economic action and strategy plan *Vision 2040: Our Community. Our Economy. Our Future. A Vision of Prosperity for All*. Additional economic details are in the Economic Development Section.

“Cost Burdened” Households

Across the U.S., HUD generally measures housing affordability based on Comprehensive Housing Affordability Strategy (CHAS) data. However, these data are based on U.S. Census ACS data, which are not available for the USVI. Another frequent measure of housing affordability is the proportion of the population that is considered “cost burdened,” meaning those who spend more than 30% of household income on housing costs. These data are available for the USVI, based on U.S. Census long-form questionnaire data, and are presented in Table 3.

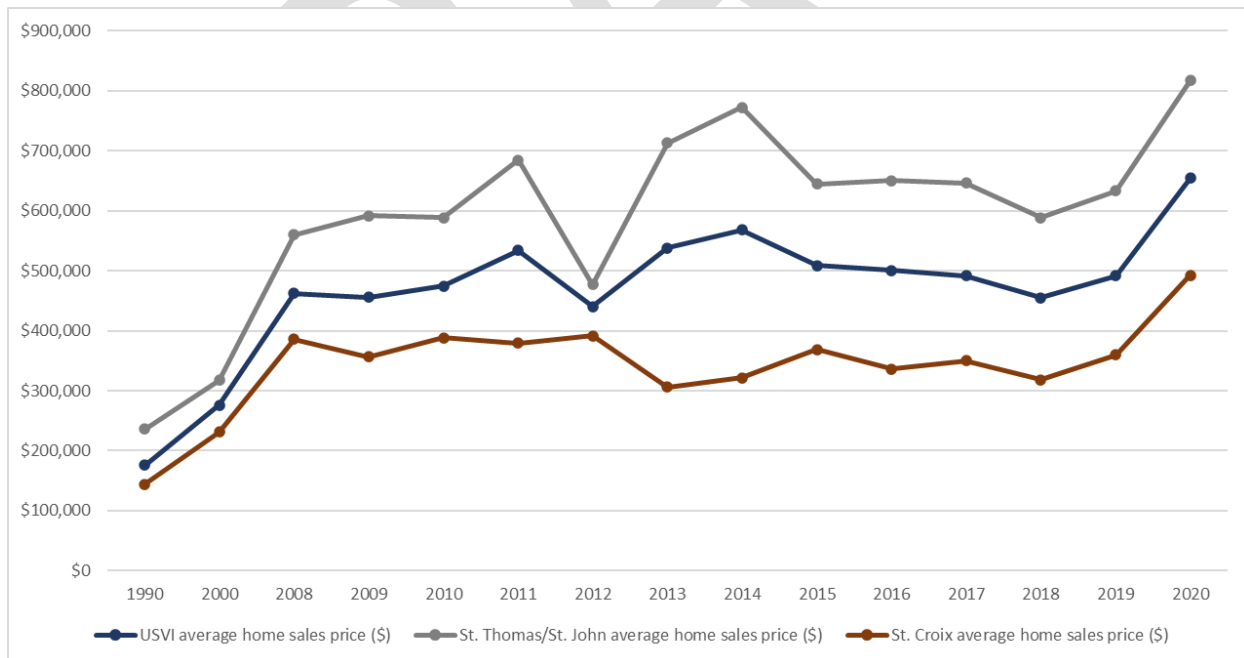
Table 3: Housing Affordability in the USVI: Percentage of Housing Units that are Occupied by Cost Burdened Households (spend more than 30% of household income on housing costs)

	USVI	STX	STJ	STT
Owner-occupied Housing Units	24%	20%	26%	29%
Renter-occupied Housing Units	43%	35%	49%	47%

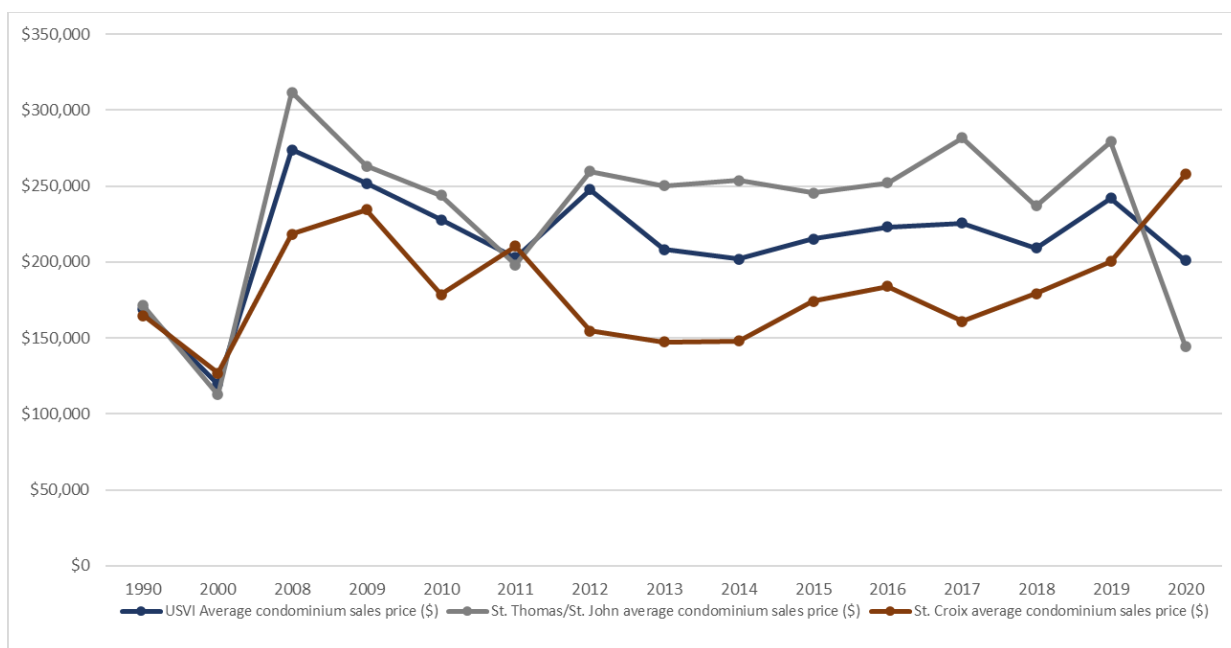
As shown in Table 3, large portions of the USVI population are cost-burdened, with percentages for renters nearly twice that for owners. These data demonstrate the housing affordability challenges facing many residents in the USVI, but particularly renters. The majority of households in the USVI rent their homes, and of the three main islands, only St. Croix has a higher percentage of homeowners versus renters. This suggests that a majority of the population is likely cost burdened.

Home Sale Prices

These affordability challenges are also reflected in home sale prices reported by the USVI Bureau of Economic Research (BER). Based on this data average home prices in the USVI, St. Thomas/St. John,¹ and St. Croix have all increased since 1990, especially since 2018, likely as a result of recovery following the 2017 hurricanes. Condominium prices, however, have remained more stable over that timeframe, with a recent decrease in prices. These housing cost data, shown in Figures 2 and 3, are particularly striking in the context of the median household income for the USVI of roughly \$40,000.



¹ This information is derived from USVI Bureau of Economic Research (2022). [U.S. Virgin Islands Annual Tourism Indicators](#). That dataset groups St. Thomas and St. John together, so this information is reflective of that grouping.



Figures 2 and 3: Average Home and Condominium Sale Prices 1990-2020

Drivers of Housing Cost

The housing market in the USVI tends to be driven by several factors, such as tourism, demand for second homes, hurricanes, and broader economic trends. For example, home prices dropped during the Great Recession (2008-2009) (see above). Home sales also dropped following the 2017 hurricanes but have rebounded more recently. Nonresidents can increase demand for housing and drive-up associated prices, and the rise in home prices, despite economic stressors following the 2017 hurricanes, has exacerbated affordability issues. Incoming workers, such as those for recovery efforts, also strain the housing market, especially the rental market. Recently, the conversion of apartments to short-term vacation rentals and the increase in teleworking during the COVID-19 pandemic, especially among higher-salaried workers from the U.S. mainland, have further increased housing prices.

Much of the housing stock is vulnerable to hurricanes and other intense storms, as exemplified by the 2017 hurricanes. Vulnerabilities, such as those associated with intense storms and extreme heat, are anticipated to increase due to climate change. Affordability and vulnerability to storms overlapped as challenges following the 2017 hurricanes, as the homes of many low- and moderate- income households were damaged, as shown in Figure 4 below. Damaged or destroyed housing units have also reduced housing supply, further increasing prices. Limited access to building materials and importation challenges can also exacerbate these issues.

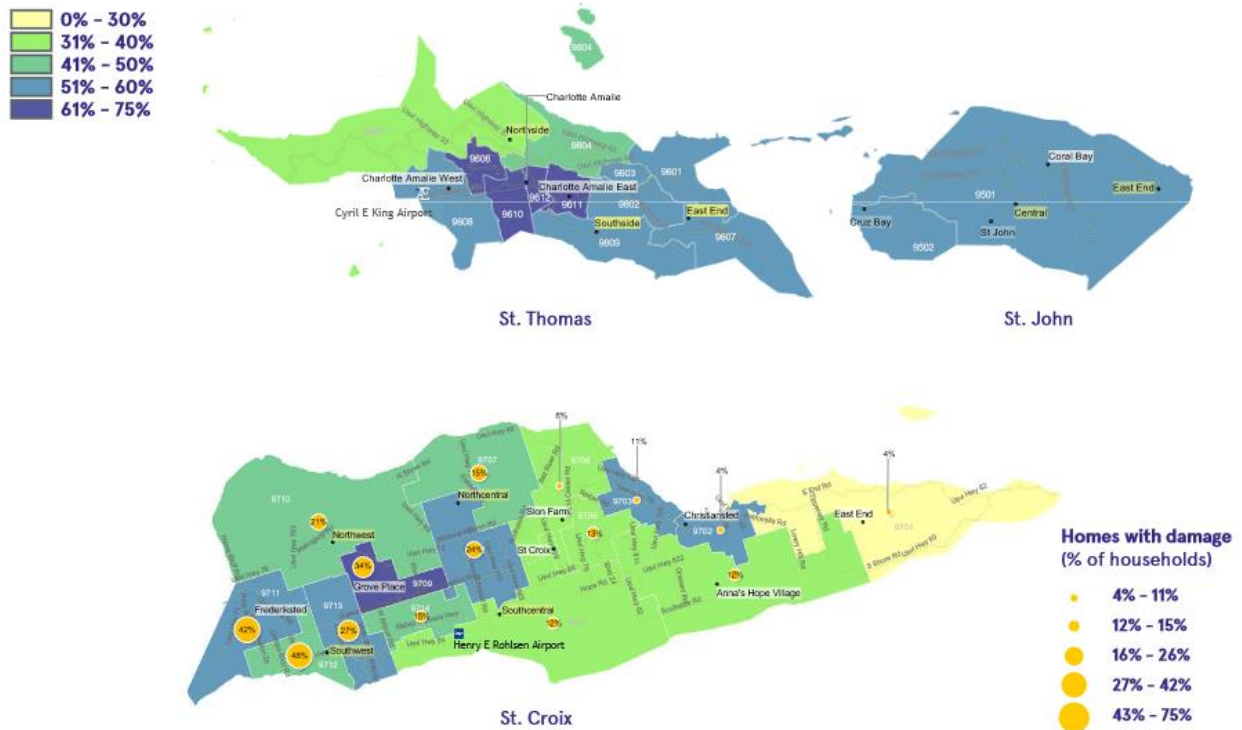


Figure 4: Low and Moderate-Income Households Damaged by 2017 Hurricanes

Housing and Economic Development

The housing challenges described above have economic consequences, as described in *Vision 2040: Our Community. Our Economy. Our Future. A Vision of Prosperity for All*. Housing affordability is not an isolated issue to solve on its own. It is tied directly to economic development, transportation, and more. The more people’s incomes improve, the more they can comfortably spend on housing. The more housing is located in walkable neighborhoods near jobs and shopping, the more people can save on transportation. The less people spend on housing in proportion to their income the more they can support the local economy with other purchases. At the same time, as discussed above, as more higher-income people move to or buy property in the Territory, there is even more pressure on housing costs to rise, making long-term subsidized affordable homes, for ownership and for rental, all the more important. The ever-increasing cost of housing threatens economic growth, by making it more difficult for critical members of the workforce to afford to live here. In short, the whole economy benefits when housing is “affordable” – whether because it is subsidized or just affordable based on incomes.

Homelessness

Estimates of homeless individuals in the USVI have ranged from 200-500 over the last several years. In 2019, the USVI re-established the 26-member Virgin Islands Interagency Council on Homelessness

(VIICH), led by the Virgin Islands Department of Human Services (DHS) and Virgin Islands Housing Finance Authority (VIHFA). The VIICH also works with the prior Virgin Islands Continuum of Care on Homelessness (CoC). According to these efforts, homeless individuals in the territory often suffer from other challenges, such as mental health issues, substance abuse, domestic violence, and HIV/AIDS. Support services are provided by DHS and other agencies, with shelters and meal assistance also provided by charitable organizations, including religious organizations.

Plans and Initiatives

There are several plans guiding housing in the USVI at this time. VIHA released its Fiscal Year 2022 and 2023 Annual Plans, which lay out the Repositioning Strategy described above. VIHFA has a *Disaster Recovery Action Plan* under CDBG-DR funding (see above) in response to the 2017 hurricanes. That plan presents the funding, projects, and anticipated timing for disaster recovery efforts, with many related to housing. That plan is currently on its third amendment. The VIHFA also has a *2015-2019 Consolidated Plan for Housing and Community Development* which presents the territory's priorities related to CDBG funding in general, prior to the 2017 hurricanes.