



Virgin Islands Kick-Start LIHTC Developments



U.S. VIRGIN ISLANDS

LEAD DEVELOPER

CARLISLE DEVELOPMENT GROUP

CONGRESSIONAL DISTRICT

U.S. VIRGIN ISLANDS AT-LARGE

RENTAL HOMES

101

CATEGORY

FAMILIES, SENIORS, GREEN DEVELOPMENT



Photo: Courtesy of Quiana Adams from Q Studio, LLC

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The combination of high expenses and severe weather makes it difficult to build anything, particularly affordable housing, on the U.S. Virgin Islands. But thanks to the low-income housing tax credit (LIHTC) and a determined housing authority, Louis E. Brown Villas I offer housing to families earning a maximum of 60 percent of the area median income (AMI).

The former public housing development suffered the effect of multiple hurricanes, starting with category 5 Hurricane Hugo in 1989, which rendered most of the Louis E. Brown Villas buildings uninhabitable. Finally, after a long dry spell, the new Louis E. Brown Villas opened in 2011, with the completion of the first phase of construction.

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Even that came with some drama. “During the first eight months of construction, we had four tropical storms and three hurricanes,” said Marvin Wilmoth, regional director of Carlisle Development Group, the property’s developer. “I’ve heard horror

stories about developments [in the Virgin Islands] not being completed and closing timelines getting extended.”

Logistical complications make it even more difficult. Utility costs are about four times what they are on the mainland and most raw materials aren’t available and must be imported. That combination and the high cost of development limit the amount of funding available. “The only resources available to build affordable housing are tax credits,” said Robert Graham, executive director of the Virgin Islands Housing Authority (VIHA).

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The build out of the first phase brought the 101 rental homes in 13 buildings. To help lower residents’ utility bills, Carlisle equipped the property with solar lighting, solar thermal water heaters, energy-efficient appliances and a rainfall cistern. Combined, the green energy features were estimated to reduce the property’s annual utility costs by \$7,000 a year.

Eventually, the development will encompass 27 buildings with 244 affordable apartments for both families and seniors. With 4,000 names on its affordable housing waiting list, VIHA was pleased with the development.

“We’re embarking on an aggressive production of affordable housing in the Virgin Islands,” Graham said. “As we succeed and get funding for one, we’re moving on to the next one.” Several other LIHTC developments have been completed since Louis E. Brown Villas I was finished, including two developments financed with the 2014 LIHTC allocation. ❖

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FINANCING

- ◆ \$30 million LIHTC equity from Raymond James Tax Credit Funds
- ◆ Other funding from HUD programs

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