



## **Virgin Islands Housing Authority and MDG Design + Construction celebrate completion of phase one of \$116.7m preservation of affordable housing development**

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St. Croix, U.S. Virgin Islands The Virgin Islands Housing Authority (VIHA) and MDG Design + Construction (MDG) held a ribbon cutting ceremony for the completion of Phase One at Walter I.M. Hodge Pavilion. This milestone marks the completed renovation of 82 units across seven buildings and great strides in the first project of VIHA's long-term plan to rebuild, renovate, and strengthen its affordable housing portfolio throughout the U.S. Virgin Islands.

The revitalization of Walter I.M. Hodge Pavilion is being completed in four construction phases that will ultimately modernize all 248 units and 21 buildings within the development, continue to preserve affordability for residents, and strengthen the site's resilience to natural disasters. The full site is expected to be completed by September 2024.

"The Housing Authority is proud to implement the transformative vision of our progressive board of commissioners and work with our extraordinary partners to preserve our housing inventory for low-to-moderate families. Moreover, we encourage all our families to actively participate in our leading-edge, privately funded, and comprehensive resident services programs designed to uplift all members of the household," said Robert Graham, executive director of VIHA.

"We are so excited to celebrate the completion of phase one at Walter I.M. Hodge Pavilion, an incredible example of how thoughtful partnerships and creative financing can create opportunities to support residents, build beautiful places to live, and keep affordable housing affordable," said Michael Rooney, founding principal of MDG Design + Construction. "Thanks to our many incredible partners, Walter I.M. Hodge Pavilion will be a safe, clean, modern, and storm-resilient place to live for many years to come."

Walter I.M. Hodge Pavilion is located at the corner of Centerline Rd. and Sandy Point Rd. in Frederiksted and was originally built in 1971. Following Hurricanes Irma and Maria in 2017, the site suffered significant damage and was in desperate need of repairs. As a result, all construction is being completed under the US Department of Housing and Urban Development (HUD)'s Rental Assistance Demonstration (RAD) program, which allows for maintaining affordability for residents while making critical investments in operational efficiency and resident quality of life.

All 82 completed apartments received new windows, doors, fixtures, flooring, cabinets, ceiling fans, LED lighting, and a new coat of paint. Each unit is now equipped with new low-water usage kitchen

and bathroom fixtures, a highly efficient right-sized electric water heater, and EnergyStar appliances.

New plumbing and electrical systems have been installed in the seven upgraded buildings, which lowers the development's carbon footprint. The buildings' new façade systems also incorporate hurricane-wind resistant window-louver systems, doors, and storefronts, and additional systems have been installed, including new roofs, and enclosed stairwells to protect against wind and wind-driven rain. Additionally, there are significant site beautification measures – moving a critical portion of each building's electrical service underground; creating new site signage; landscaping; and redesigning pedestrian walkways, seating areas, and recreational facilities. Resiliency measures, like solar photovoltaics (PV), re-established cistern system, and emergency back-up generators, will increase the site's imperviousness to future storms.

J. Benton Construction, the general contractor on the project, has also helped drive job creation within the local community by providing residents and St. Croix-based subcontractors with job opportunities, while paving the way for long-term relationships and full-time positions with the company. To date, over \$11 million in Minority and Women-Owned Business Enterprise (MWBE) contracting has been completed; currently, two Disadvantaged Business Enterprises (DBE) are subcontracted, and nine residents of Walter I.M. Hodge Pavilion are employed by J. Benton.

Additionally, over the past year, residents and the greater community have taken advantage of exciting events, including a job fair hosted by J. Benton; a youth basketball clinic with trophies and prizes hosted by senator Vialet; a book donation event with the Zeta Phi Beta Sorority; and a co-sponsored community health and wellness day. VIHA is implementing a robust resident wellness and empowerment program called Bright Path and the development team has secured long-term funding to support additional educational opportunities, job placement, and the physical and social health of the residents.

In partnership with local artists, artwork will be displayed within all buildings at the site. Work from Christa-Ann Davis Molloy, based in St. Croix, is currently on display. Christa-Ann's art is a reflection of her background and the cultural heritage of the USVI and the wider Caribbean.

"We are very proud of the work our team has done on the revitalization of Walter I.M Hodge Pavilion. This is not just another project for us, but the realization of much needed, modernized, affordable housing for 82 families in phase one. The J. Benton Construction management team, our talented tradesmen and tradeswomen, and our dedicated trade partners, suppliers and support companies all look forward to delivering the next 166 quality apartments to deserving families," said James Benton, president and founder of J. Benton Construction, LLC.

"We are excited to partner with VIHA on their first RAD conversion at the Walter I.M Hodge Pavilion, which will positively increase the stock of affordable housing for many generations of Black families in the Virgin Islands," said Michael Lohr, managing director in the Urban Investment Group within Goldman Sachs Asset Management. "The project combines quality housing, climate resiliency and community programming and we are proud to work with partners that align with the Goldman Sachs' One Million Black Women initiative, which aims aim to close opportunity gaps for Black women and

families over the next 10 years.”

“Merchants Capital congratulates VIHA and MDG on the progress made with completion of Phase One and celebrates the end goal of full modernization of Walter I.M. Hodge Pavilion. Merchants recognizes the supply of safe, affordable housing to be a critical national issue. We are proud to be a financial partner on this impactful project,” said Ben Levine, SVP, originations at Merchants Capital.

There are three additional phases of the construction, all of which have now commenced and are at various stages of completion: phases two and three together include 70 additional apartments, a new senior center, and improvements to the existing community center and management office, and phase four includes the final 96 units. All improvements are designed to meet the National Green Building Standard Tropical Zone Certification.

The remaining 166 units will receive the same individual apartment upgrades during the ongoing renovations. The completed site will include a new playground, upgraded basketball courts, and a renovated community garden with planting boxes.

Financing for the project includes \$49.9 million in funding from VIHA utilizing FEMA Public Assistance and Hazard Mitigation Grant programs and \$22.65 million from VIHA utilizing HUD’s Community Development Block Grant-Disaster Recovery program. The project received 9% Low Income Housing Tax Credits, which, along with the Solar Investment Tax Credit, will yield an equity investment of \$27.56 million from Goldman Sachs Bank. Additionally, Merchants Bank of Indiana provided a construction loan in the amount of \$28.50 million.

Nixon Peabody LLP served as legal counsel to development firm MDG Design + Construction.

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