Factor | Sub Factor (from NOFA) | Amendment 3 – Add Use E, Redevelopment Activity to our plan for New Castle County and City of Wilmington.
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1 – Need | Target Geography | City of Wilmington will target redevelopment efforts in those census tracts identified in the original NSP2 application. By combining financing and rehabilitation of foreclosed properties and redevelopment of vacant properties, the City of Wilmington is better able to make a positive impact on targeted neighborhoods. New Castle County will target redevelopment efforts to census tract 103 in redeveloping a large vacant property into a community facility.

1 – Need | Market Conditions | The City of Wilmington and New Castle County have asked the Delaware State Housing Authority to permit them to use some of their awarded funds to do activities in the City and County under “Use D & E.” The October 6, 2008 Federal Register did not allow housing rehabilitation on vacant properties, therefore Wilmington originally did not apply for “Use E.” However, once the rules changed to allow rehabilitation on vacant properties, DSHA submitted and was granted approval of a substantial amendment to allow Wilmington to use NSP1 funds for redevelopment of vacant properties. As of the submission of the NSP2 application, approval of this activity for NSP1 had not been approved or implemented. However, Wilmington has found the addition of redevelopment as an activity under NSP1 to be very beneficial and would like to continue and expand these efforts under NSP2. Many of the vacant properties the City and its partners would consider to rehabilitate are in the approved NSP census tracts for the City of Wilmington NSP.

The City of Wilmington believes that this amendment is essential for maximum positive impact in the targeted communities with the NSP2 plan. The ability to redevelop vacant land due to demolished derelict properties is a critical component to the City’s ability to implement and administer a successful NSP. Many homes in these neighborhoods are vacant and abandoned and are located in the census tracts that have been approved for NSP funds. The coordination and partnership of different programs strengthens the entire effort of revitalization. These properties are critical because other revitalization efforts are underway in the surrounding communities. The acquisition of these properties will accelerate the revitalization efforts. Further, this project demonstrates how “Use E” can enable Wilmington to spend less NSP funds on a per-unit basis, while enhancing their neighborhood impact.

The amendment provides the City of Wilmington a more comprehensive and flexible means to address the most severely-impacted communities with NSP funds.
2 - Demonstrated Capacity  Past Experience
In addition to the capacity outlined in the original application for NSP2, Wilmington has utilized “Use E” under NSP1 to redevelop 32 properties.

2 - Demonstrated Capacity  Management Structure
The management structure remains the same as in the original application.

3 - Soundness of Approach  Proposed Activities
CITY OF WILMINGTON
In addition to financing and acquisition rehab activities identified in the original application, the City of Wilmington proposes to use eligible “Use D & E” funds for demolition and redevelopment of vacant properties in targeted neighborhoods.

NEW CASTLE COUNTY
In addition to acquisition rehab activities identified in the original application, New Castle County proposes to use eligible “Use E” funds for a redevelopment project in the 103 census tract. The long time vacant 13.45 acre Children’s Home would serve as the site for a new community library for the Claymont area. The current facility is the center of a working class neighborhood, but has a negative affect on the neighborhood due to its extended vacancy, poor condition and signs of break in and crime.

Using NSP2 funds for acquisition and demolition, the County plans to build a 15,000 square foot facility to serve as the new Claymont Public Library on the parcel. Both the State and New Castle County Twenty-Year Master Plans for Libraries recognized the need for a new library in Claymont. The central location of this site will provide all of Claymont with very accessible use of all library benefits.

3 - Soundness of Approach  Completion Schedule
CITY OF WILMINGTON
The completion schedule will be quite aggressive, and therefore, Wilmington will need maximum flexibility to select vacant and foreclosed properties. We have until February 2012 to spend 50% of the funds and until February 2012 to spend 100% of the funds.

NEW CASTLE COUNTY
The current design and construction plan calls for the library to open in October 2012. A bid for architectural services will be released in September 2010. Construction will start in early fall of 2011. NSP2 funds would be used for acquisition of this redevelopment activity and be used within one year.

3 - Soundness of Approach  Income Targeting
Income targeting will be the same as proposed in our original NSP2 application.

3 - Soundness of Approach  Continued Affordability
Affordability measures will be the same as proposed in our original NSP2 application.
3 - Soundness of Approach  Consultation & Outreach
Consultation and Outreach will remain much the same as indicated in the original application, while adding of information provided in the amendment requesting the addition of the Claymont 103 census tract in New Castle County.

3 - Soundness of Approach  Performance Monitoring
Performance monitoring will be the same as proposed in our original application.

4. Leverage  Leverage $  

CITY OF WILMINGTON
DSHA’s NSP partner organizations have identified approximately $2.6 million in leveraging funds for NSP2 as our program is currently described:

- The City of Wilmington has acquired a three-year, $4 million line of credit, which some of it will be used to acquire and redevelop NSP properties;
- The City of Wilmington will also leverage about $500,000 between HOME, CDBG, and their strategic fund; and
- Interfaith Community Housing of Delaware has received a grant of $141,750 from Neighborhood Works of America to use only toward NSP2 properties they are developing.

In addition, we have been able to leverage substantial resources under NSP1 with an approved substantial amendment allowing “Use E.” DSHA is exploring other leveraging opportunities with our partner jurisdictions and other entities that would require approval of a substantial amendment to allow redevelopment activity through “Use E” for Wilmington and New Castle County.

If the substantial amendment to allow “Use E” for redevelopment is approved, Wilmington will add properties valued at approximately $250,000. These are properties they have acquired using City funds that would be rehabilitated and sold to NSP-eligible buyers. With the approval of use of the redevelopment activity, the City of Wilmington and their partners have almost $2.9 million in leveraged funds for NSP work.

NEW CASTLE COUNTY
New Castle County will use some funds for acquisition and rehab of foreclosed homes as in NSP1. They also plan to use $1,300,000 to redevelop a vacant parcel in Claymont into a community library. New Castle County has been planning and fundraising for the library for a number of years and has raised over $8,000,000 for design and completion of the library. With the opportunity presented by NSP2, the County may be able to take a large blighted
property formerly used by Catholic Charities as a Children’s home and turn it into a beautiful library with reading gardens.

Total funds leveraged are expected to be at least $8,000,000 and possibly up to $10,000,000.

4. Leverage Rubric

1.5 X (Σ of total vacant properties proposed to be addressed via acquisition and rehabilitation) + (Σ of total vacant properties proposed to be addressed via demolition)/ Σ of total vacant properties in target area.

1.5 x ( 24 ) + (13)/( 1630 ) = .034

Used target area of census tracts 3,5,6,02,7,8,9,16,21,22,23 &103 from 2nd Q 2010 USPS vacancy data downloaded from the HUD website.

5. Sustainability N/A

6. Neighborhood Transformation N/A