

# Delaware

Consolidated Annual  
Performance  
Evaluation Report  
(CAPER)

FY2010  
A Supplement to the  
Five-Year  
Consolidated Plan  
2010 - 2014



DSHA  
18 The Green  
Dover, DE 19901  
302-739-4263  
[www.destatehousing.com](http://www.destatehousing.com)

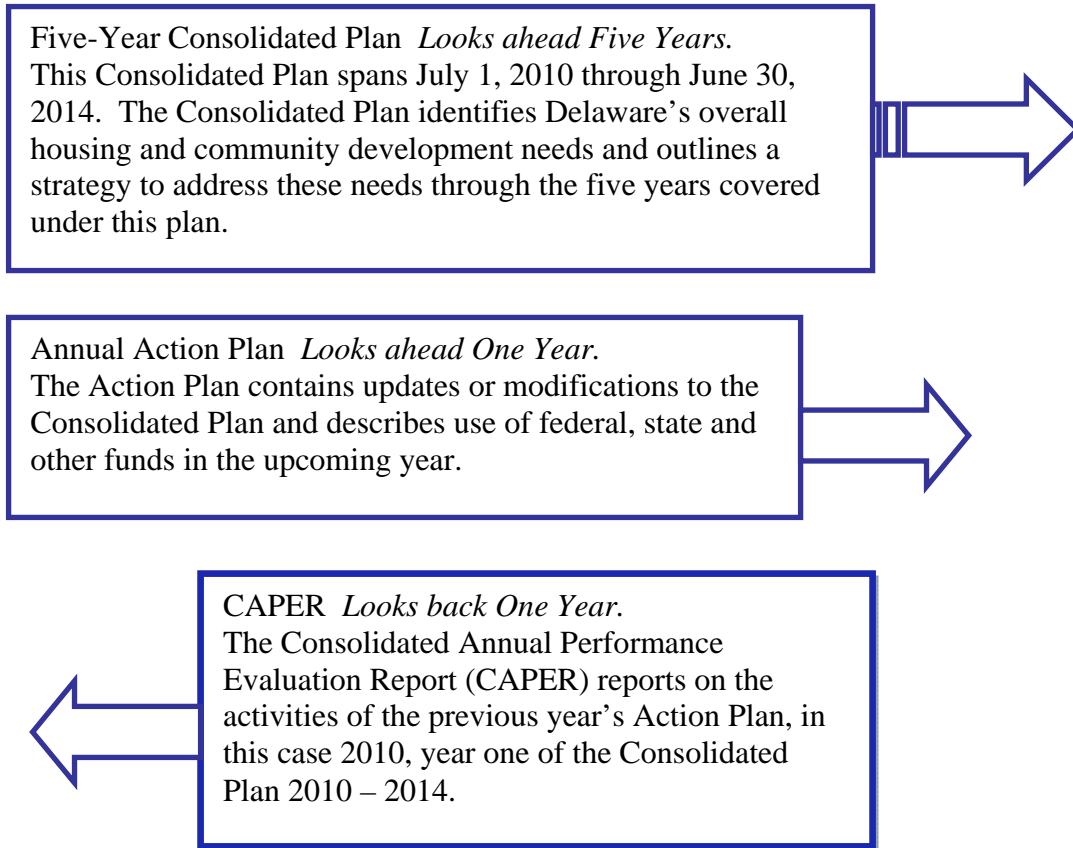
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## Executive Summary

The Delaware State Housing Authority (DSHA) is responsible for preparing Delaware’s Consolidated Plan. This planning document, required by the U.S. Department of Housing and Urban Development (HUD), outlines the State’s objectives for targeting and expenditure of annual HUD funding (and to a lesser extent State funding) for housing and community development for the balance of state. The current Consolidated Plan is effective July 1, 2010 through June 30, 2014 and is updated annually.

This Consolidated Annual Performance and Evaluation Report (CAPER) documents the State of Delaware’s progress in meeting its housing and community development objectives during FY2010 as outlined in the Consolidated Plan. Delaware State Housing Authority (DSHA) administers four HUD entitlement programs: Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Emergency Shelter Grants (ESG) Program and the Housing Opportunities for Persons with Aids (HOPWA) Program. HUD requires the State of Delaware to supply three separate documents relative to this funding, and any State funding, associated with accomplishing the goals set forth in the Consolidated Plan.



The FY2010 CAPER was prepared pursuant to the Consolidated Plan Regulation 24 CFR 91.520(a), which requires that each jurisdiction that has an approved Consolidated Plan shall

annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its Strategic Plan and its Action Plan. Within 90 days of the close of the state fiscal year, the state is required to report to the public and to the federal government about the progress made under the one-year Annual Action Plan. The CAPER also recaps the number and characteristics of low-income Delawareans benefiting from these resources.

The public is able to comment on this draft FY2010 CAPER, from September 14, 2010 through September 28, 2010. Notice of availability of the CAPER was advertised in the Delaware State News and the News Journal. Additional notification is provided through DSHA Highlights with an email subscriber list of approximately 1,400 people. Notification was also sent to Delaware's Consolidated Plan mailing list. The CAPER is available for download from DSHA's website at [www.destatehousing.com](http://www.destatehousing.com).

**Combined State and Federal Resource Summary**

Activity	Type of Assistance Strategy Addressed	Program	State Funding	Federal Funding	Proposed Families/ Units Assisted	Proposed Entities Assisted
<b>Homeownership</b>	Mortgage Assistance	Single Family Mortgage Revenue Bond (SFMRB) Program	\$200,000,000		750	
		HOME Downpayment Assistance		\$30,000	2	
		Second Mortgage Assistance Loan (SMAL) Program	\$1,200,000		400	
		Live Near Your Work (LNYW) Program	\$10,000		10	
		Housing Rehab Loan Program	\$1,000,000		15	
		DEMAP	\$730,000		70	
	Housing Counseling	Federation of Housing Counselors & NCALL	\$175,000		350	
<b>Rental</b>	Create, Rehab and Preserve Rental Housing, and Leverage Multifamily Developments	Low Income Housing Tax Credit (LIHTC) Program		\$2,665,000	350	
		HOME		\$2,500,000		
		HOME General Administration		\$300,000		
		HDF	\$8,000,000			
<b>Community Development</b>	Rehab Owner Occupied Homes	HOME		\$200,000	12	
		CDBG		\$1,786,281	164	
	Infrastructure	CDBG		\$54,000		1
		CDBG Program Income		\$100,000		
		CDBG General Administration		\$380,627		
		CDBG Rehab Program Delivery		\$100,000		
	Assistance to Homeless Shelters	Emergency Shelter Grants (ESG) Program		\$101,046		8
	Rental Assistance to Persons Living with Aids	Housing Opportunities for Persons With Aids (HOPWA)		\$202,783	30	
	Emergency Home Repair	Emergency Home Repair	\$350,000		200	
<b>Total</b>			<b>\$211,465,000</b>	<b>\$8,419,737</b>	<b>2,353</b>	<b>9</b>

2010 CAPER						
Performance Relating to 2010-2014 Consolidated Plan Strategies						
<i>DH-1 and DH-2 Availability/Accessibility/Affordability of Decent Housing</i>						
<i>STRATEGY 1: Preserve and expand Delaware's stock of affordable rental housing.</i>						
Strategy Development and Implementation	2010 Outcomes	2011 Outcomes	2012 Outcomes	2013 Outcomes	2010 Outcomes	Cumulative
Preserve the affordability and physical condition of the existing rental housing stock for low- and very-low income Delawareans (175 units)	188				DSHA Programs assisted with rehabilitating 188 households during FY2010	188
Expand access to affordable housing by adding to Delaware's assisted rental housing stock (175 units)	123				HOPWA funds assisted 34 households, comprised of 53 persons, with rental assistance. HDF funds were committed to create 83 new units.	123
Manage a portfolio of 4,667 Project-Based Section 8 and 6,157 LIHTC units, monitoring for physical condition, financial condition and fulfillment of contract obligations.	692				DSHA successfully preserved 692 affordable rental units through renewal of HAP contracts.	692

2010 CAPER Performance Relating to 2010-2014 Consolidated Plan Strategies						
<i>DH-2 Affordability of Decent Housing</i>						
<i>STRATEGY 2: Assist Delaware families to achieve and sustain homeownership.</i>						
Strategy Development and Implementation	2010 Outcomes	2011 Outcomes	2012 Outcomes	2013 Outcomes	2010 Outcomes	Cumulative
Assist Delaware families to achieve homeownership with below-market mortgage financing and NSP funding (750 families).	915				DSHA assisted 912 first-time homebuyers during FY2010 with the SBMRB Program and 3 homeowners were assisted with NSP.	915
Assist Delaware families to achieve homeownership with downpayment and closing cost assistance (400 families).	595				DSHA assisted 590 families through the SMAL Program and four families through the LNYW Program. One family was assisted with downpayment assistance with the HOME Program.	595
Support homeownership counseling and outreach to underserved populations.	199				DSHA assisted 199 families with foreclosure counseling with grants from the NFMC.	199
Provide funding for affordable homeownership development, including new construction and acquisition rehabilitation.	22				Through NSP, 22 families were assisted with acquisition rehabilitation.	22
Participate in the statewide efforts to assist families to maintain homeownership and avoid foreclosure (70 families).	190				42 families were assisted through DEMAP to avoid foreclosure and 148 families were assisted through HGAP.	190

2010 CAPER						
Performance Relating to 2010-2014 Consolidated Plan Strategies						
<i>STRATEGY 3: Provide access to high-quality, affordable housing and aid families to move from assisted to unassisted housing.</i>						
Strategy Development and Implementation	2010 Outcomes	2011 Outcomes	2012 Outcomes	2013 Outcomes	2010 Outcomes	Cumulative
Through case management and incentives, assist families to become economically self-sufficient (45 families).	60				During FY2010, 60 families moved to unassisted housing.	60

2010 CAPER						
Performance Relating to 2010-2014 Consolidated Plan Strategies						
<i>DH-1 Availability/Accessibility of a suitable living environment</i>						
<i>STRATEGY 4: Assist in ending homelessness in Delaware and ensure that those at-risk of homelessness have access to affordable, integrated, supportive housing options</i>						
Strategy Development and Implementation	2010 Outcomes	2011 Outcomes	2012 Outcomes	2013 Outcomes	2010 Outcomes	Cumulative
Assist emergency and transitional shelters in Kent and Sussex Counties (1500 individuals).	1,712				DSHA assisted six emergency and transitional shelters through ESG funding serving 1,712 people.	1,712
Improve access to existing housing and supportive housing.	93				93 families utilized the Step-Up Program for rental assistance which is funded through the HDF.	93
Provide funding for new supportive housing.	0				No new supportive housing was completed during FY2010.	0

## **SECTION II: Assessment of Progress Toward FY2010 Action Plan** *Year One of the Five-Year Consolidated Plan*

### ***Priority 1: Preserve and expand Delaware's stock of affordable rental housing.***

DSHA continued to provide and administer grant and tax credit programs targeted for construction or rehabilitation to quality rental housing for the very low-, low- and moderate-income households. The Housing Development Fund (HDF), HOME, CDBG and the Low Income Housing Tax Credit (LIHTC) Programs assisted with rehabilitating 188 households. The revitalization of three of these units was assisted through the Housing Rehabilitation Loan Program (HRLP). The HRLP provides three percent interest housing repair loans to homeowners and landlords for up to 15 years to moderately rehabilitate existing properties or to make a property accessible to persons with disabilities.

During FY2010, Delaware received a HOPWA grant in the amount of \$202,783. This grant was awarded in its entirety, less DSHA administration funds, to the Delaware HIV Consortium, Inc., which provided rental assistance to low-income persons living with HIV/AIDS and their families in Kent and Sussex Counties, Delaware through a rental assistance voucher program. This grant assisted 34 households consisting of 34 persons living with HIV/AIDS and 19 other persons, for a total of 53 persons assisted.

Additionally, DSHA is also the contract administrator for 4,667 development-based Section 8 Housing units. In FY2010, DSHA successfully preserved 692 affordable rental units for additional years through renewal of multiple HAP contracts. Further, DSHA awarded approximately \$330,000 to financially assist 456 units with capital and physical needs.

### ***Priority 2: Assist Delaware families to achieve and sustain homeownership.***

In FY2010, DSHA assisted 1,506 Delaware families achieve the *American Dream* of homeownership through a variety of programs and assistance.

The Single Family Mortgage Revenue Bond (SFMRB) Program aided 912 first-time homebuyers in purchasing a home. The SFMRB is a statewide program that provides first mortgage financing at below-market interest rates to low- and moderate-income Delaware homebuyers, who have not owned a home in the past three years.

During FY2010, DSHA assisted 590 families achieve homeownership through the Second Mortgage Assistance Loan (SMAL) Program, which provides downpayment and closing cost assistance. Four additional families were aided through the Live Near Your Work (LNYW) Program, which is a partnership between state, local communities and local employers to encourage homeownership near an employee's place of employment. In this program, downpayment and closing cost assistance is provided to families in the form of a grant and is matched by participating employers and local communities. One additional family was assisted through the HOME Program.

DSHA assisted 42 families avoid foreclosure in FY2010 through the Delaware Emergency Mortgage Assistance Program (DEMAP). DEMAP is a loan program that provides Delaware homeowners with assistance in preventing residential mortgage foreclosures that result from circumstances beyond their control. Such circumstances may include temporary loss of employment, illness, and divorce or legal separation.

Through a partnership with the Delaware Division of Social Services and funding through the American Reinvestment and Recovery Act (ARRA), DSHA administered the Homeownership Grant Assistance Program (HGAP). This was a grant program for homeowners facing possible foreclosure due to circumstances beyond their control. HGAP granted qualified applicants up to \$5,000.00 for the reinstatement of their delinquent mortgage. This federally-funded program required that there be a dependent child under the age of 18 living in the home. In FY2010, DSHA assisted 148 families with foreclosure assistance.

DSHA was awarded \$19,600,000 of Neighborhood Stabilization Program (NSP) funding from HUD. The funds provide assistance for the acquisition and redevelopment of foreclosed properties that might otherwise become sources of abandonment and blight within their community. Through a competitive process based on need and on each applicant's proposed impact statewide, DSHA allocated funds to New Castle County, Kent County, Sussex County, the City of Wilmington and the City of Dover. Each subgrantee designed their own NSP model, providing opportunities customized to their jurisdictions. During FY2010, NSP assisted three homeowners with mortgage assistance and 22 homeowners with acquisition rehabilitation.

During FY2010, DSHA provided assistance to 118 families to maintain their homes. Ninety-one households utilized CDBG funds, nine with CDBG-R funds, 14 families utilized HOME funds, and four families were assisted through the Housing Rehabilitation Loan Program (HRLP).

***Priority 3: Provide access to high-quality, affordable housing and assist persons and families to become economically self-sufficient.***

DSHA is the Public Housing Authority for Kent and Sussex Counties, Delaware with the exception of the City of Dover. DSHA owns and operates 508 units of Public Housing located throughout both Counties and 65 units of Section 8 New Construction project-based housing. In addition, DSHA administers 905 Housing Choice Vouchers. The Housing Choice Vouchers enable low-income Delawareans to lease privately-owned rental units from participating landlords. Further in FY2009, DSHA was awarded 50 Family Unification Program (FUP) by HUD. FUP is a program under which vouchers are provided to families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out of home care. Youths at least 18 years old and not more than 21 years old who left foster care at age 16 or older and who do not have adequate housing are also eligible to receive housing assistance. DSHA currently allocates 20 vouchers for family unification and 30 vouchers for foster youth.

There is a lack of jobs at wages that can sustain independent living, among other issues, which presents a challenge to residents. The Delaware Housing Coalition (DHC), in their *Who Can*

*Afford to Live in Delaware* report dated May/June 2011, states that the amount a full-time worker (at 40 hours per week) must earn per hour in order to afford a two-bedroom unit at the Fair Market Rent in Delaware is \$18.74 or \$38,979.00 annually. Moreover, there is a shortage of jobs at this wage level. Certainly, the lack of affordable housing is also a key factor in moving residents to unassisted housing. In spite of the barriers, DSHA has successfully provided assistance to over 660 families who chose to move from assisted to unassisted housing since the inception of the MTW Program. One hundred ninety-six (196) have purchased homes and 464 have either begun paying fair market rent at their current unit or moved into non-subsidized housing. Though some of those families would undoubtedly have been successful without MTW, DSHA feels that the majority became successful by taking advantage of the counseling and social services made available through the program, as well as the savings they accumulated while in the program.

### *Moving to Work*

DSHA's Public Housing and Housing Choice Voucher Programs participate in the block-granted MTW demonstration program. DSHA's MTW Demonstration Agreement received a ten-year extension and will now expire June 30, 2018. This time-limited, innovative and successful program continues to:

- ◆ Reduce costs and achieve greater cost effectiveness;
- ◆ Give incentives to families to obtain employment and become economically self sufficient; and
- ◆ Increase housing choices for low-income families.

Under the administration of the MTW Program, DSHA instituted a rent cap that allows MTW participants to save all amounts over their rent cap up to 35 percent of their income. Since MTW began, more than 1,737 savings accounts have been established by working residents. The MTW savings and the extensive resident services provided help make this program a success. Resident services seek to improve housing options for our residents by offering or coordinating resources such as:

- ◆ Homeownership counseling and assistance;
- ◆ Budget counseling;
- ◆ Fair market housing counseling;
- ◆ Assistance in obtaining a Low Income Housing Tax Credit Unit;
- ◆ MTW Savings Account as income increases;
- ◆ Counseling to repair credit problems;
- ◆ Referral to Individual Development Account (IDA) program; and
- ◆ Employment readiness training and job search.

### *Additional resident services include:*

- ◆ Financial Literacy – DSHA continues to provide a certified Financial Literacy course to all MTW families;

- ◆ Adult Education – DSHA purchased, installed and provided training to case managers for the TutorSystems Adult Basic Education (ABE)/General Equivalency Diploma (GED) program at all of its Public Housing family sites. DSHA staff participates on the Governor’s Interagency Council on Adult Literacy as well as pursuing partnerships with education providers to further utilize the program toward providing educational opportunities for residents. James H. Groves Adult Ed Diploma Programs are offered at two sites; and
- ◆ DSHA provides a scholarship program for MTW participants. Up to \$500 per person may be used for such expenses as registration fees, supplies, uniforms and lab equipment, which are not usually covered in traditional scholarship programs.

*To specifically address resident youth:*

- ◆ DSHA signed a Memorandum of Understanding (MOU) with the Boys and Girls Club of Delaware to implement summer and after-school programs for up to 25 children at Liberty Court. The program includes Project Learn, which is a Power Hour homework assistance activity, as well as technological instruction in areas such as web-page building and conducting research on the Internet. Field trips and recreational activities are also offered;
- ◆ DSHA also signed a MOU with the University of Delaware, Cooperative Extension, to provide 4-H programs at Hickory Tree, Clarks Corner, Burton Village, and Mifflin Meadows. The 4-H program is aimed at students K-8. Activities include academic and social skills, as well as recreation and approximately 25 youth attend this summer and after school program. The program also partnered with local schools and received 21<sup>st</sup> Century Grant funds to enhance the programs;
- ◆ An MOU was signed with Delaware State University’s Cooperative Extension to provide 4-H programs at Mifflin Meadows and McLane Gardens. These 4-H programs also provide activities to improve academic and social skills for youth ages 6-12, as well as recreation during the school year and summer;
- ◆ DSHA provides an annual youth student awards luncheon for outstanding scholastic achievement and school attendance. Children from grades one through college receive much-needed backpacks and school supplies for the upcoming school year;
- ◆ DHSAs has updated the computers in all of its computer labs, giving residents of all ages the opportunity to increase their skills and knowledge in math, geography, science, spelling, reading and typing; and
- ◆ The Summer Food Service Program was offered at our Public Housing sites, ensuring that our young residents received at least one nutritious, well-balanced meal during the summer.
- ◆ During FY2010, DSHA provided 50 refurbished computers to Public Housing families through a lottery process.

DSHA recognizes that asset building, case management and Resident Services are of vital importance for residents to move from assisted to unassisted housing. Therefore, DSHA is committed to continuing its efforts to obtain approval for permanent MTW status with HUD.

**Priority 4: Assist in ending homelessness in Delaware and ensure that those at-risk of homelessness have access to affordable, integrated, supportive housing options.**

DSHA continued to support the activities of the Homeless Planning Council (HPC) in its capacity as the statewide Continuum of Care coordinating entity. DSHA worked with various agencies throughout the state that provided permanent housing, transitional housing and supportive services to homeless households. The Continuum of Care grants provided funding for activities throughout the State of Delaware.

The Delaware Interagency Council on Homelessness (DICH) works closely with the HPC to develop collaborative strategies to more efficiently and effectively address the needs of the homeless people in Delaware and to end chronic homelessness for the State. In 2010, *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness* was updated to expand the efforts of the HPC and the DICH beyond just the chronically homeless. The updated Plan includes homeless families, unaccompanied youth, veterans and offenders leaving incarceration.

During 2010, the HPC began spearheading an effort to establish a statewide centralized intake for the homeless. The central intake will focus on prevention, diversion and appropriate shelter for those experiencing homelessness in Delaware.

***Step-Up Rental Assistance Program***

DSHA implemented a State rental voucher program (“Step-Up Program”) in FY2008 to assist emancipated youth exiting the foster care system that are at-risk of homelessness, and individuals with mental health and/or substance abuse conditions, who are chronically homeless or at-risk of chronic homelessness. The Step-Up Program was designed to be a permanent supportive housing program where the rental subsidy was provided by DSHA and services for Step-Up participants was provided by a nonprofit service agency. The rent subsidy was to be paid directly to the landlord and the nonprofit partners were held to high measures of accountability in regard to their service provision. To be eligible for the program, participants must have an income of 50 percent Area Median Income (AMI) or below and have a need for intensive services.

The initial Step-Up Program was funded for \$1,000,000 for three years through DSHA’s HDF, a yearly State-funded allocation. The following nonprofits were awarded funds through a Request for Proposal (RFP) process.

<b>Step-Up 1 Grantees</b>	<b>Funds Awarded</b>	<b>Minimum # Vouchers</b>
Connections CSP, Inc.	\$370,500	15
Gateway House, Inc.	\$259,900	10
West End Neighborhood House, Inc.	\$370,500	10
<b>Total Funded</b>	<b>\$1,000,000</b>	<b>35</b>

There were a number of measures put into the Step-Up Program to ensure accountability and measurable success. Subgrantees had to develop a program manual within 90 days of the

contract being signed, submit monthly reports accounting for the expenses of their Step-Up participants, complete bi-annual performance measurements, HMIS entry was required, and they were to be monitored by DSHA at least once a year. In addition, the subgrantees were responsible for having the number of individuals they were to serve housed within a given time frame as determined by the subgrantee with guidance provided by DSHA. All possible rental units had to pass an inspection akin to the Housing Choice Voucher inspection, but DSHA provided all inspections in two of Delaware's three counties free of charge.

The Step-Up Program ran with guidelines similar to Federal permanent housing programs, but with the advantage of being locally administered. Due to the strong desire to see the Step-Up Program be successful, DSHA made every effort to provide maximum technical assistance to subgrantees. The nature of the challenges that Step-Up participants faced, meant DSHA and the subgrantees had to remain flexible and willing to change if it meant that an individual's needs would be met. This model program has been relatively trouble-free for DSHA because the rental vouchers operate in a similar fashion to Housing Choice Vouchers and the nonprofits who have been awarded funds, have a proven track record of success with these populations while providing the services.

The Step-Up Program was received with overwhelming support from the nonprofit service providers and other State agencies during that first year. It was seen as a tangible step in the right direction to reducing chronic homelessness in Delaware. In fact, the program was so well received, DSHA decided to fund the Step-Up Program for a second allocation in 2009. This second round, often referred to as Step-Up 2 was for \$1,000,000 for three years, as in the pilot program. The following nonprofits were funded through a RFP process for Step-Up 2.

<b>Step-Up 2 Grantees (2009)</b>	<b>Funds Awarded</b>	<b>Minimum # Vouchers</b>
Connections CSP, Inc.	\$430,000	20
Ministry of Caring	\$140,000	5
West End Neighborhood House, Inc.	\$430,000	14
<b>Total Funded</b>	<b>\$1,000,000</b>	<b>39</b>

The Step-Up Programs were providing services and housing to 93 individuals by late 2009, when DSHA continued the Step-Up Program for a third allocation. Step-Up 3 was funded for \$750,000 and four nonprofits were awarded funds through the RFP process in May 2010. Based on recommendations from the DICH, HPC, and other service providers, DSHA expanded the program to also serve those being discharged from medical or mental health facilities for Step-Up 3. There was also careful consideration in Step-Up 3 to put emphasis on a statewide approach; rather than targeted geography in the City of Wilmington, where services were already saturated. The following nonprofits were funded through a RFP process for Step-Up 3.

<b>Step-Up 3 Grantees (2010)</b>	<b>Funds Awarded</b>	<b>Minimum # Vouchers</b>
Catholic Charities, Inc.	\$110,000	5
United Cerebral Palsy	\$165,000	8
West End Neighborhood House, Inc.	\$275,000	11
Psychotherapeutic Services	\$200,000	8
<b>Total Funded</b>	<b>\$750,000</b>	<b>32</b>

Combined, the Step-Up Programs served 134 individuals who are chronically homeless or at risk of becoming chronically homeless since its inception.

Throughout FY2010, DSHA worked with the nonprofits funded through Step-Up, as well as the Department of Health and Social Services (DHSS), the Department of Services for Children, Youth and Their Families (DSCYF), the Governor's Office, and the State Legislature to secure funding for a State Rental Assistance Program (SRAP). Unlike Step-Up, SRAP will be managed by DSHA in much the same way as the Housing Choice Voucher Program. However, participants must have a disabling condition or be a young adult with foster care history. SRAP will transition many of the participants from Step-Up who continue to need rental assistance. Additional people will also be referred to SRAP over the next year with a goal of assisting between 150 and 200 people.

Step-Up 1 was slated to end on December 31, 2010, but DSHA extended it so that all Step-Up rounds would end on December 31, 2011. In May of 2011, DSHA released an application process for current Step-Up participants wishing to transition into SRAP.

A total of 48 applicants were selected to transition to SRAP. The remaining participants will remain in Step-Up until the end of the program on December 31, 2011. DSHA made special considerations for a few participants whose leases end in early 2012 and decided to extend the rental assistance of those participants until their lease-end date. Including those few special considerations, Step-Up rental assistance will cease on April 30, 2012.

To date, all Step-Up Programs combined have served over 134 individuals and have achieved high levels of success. The program goals for emancipated foster youth include stabilize housing, increase self-sufficiency, increase educational attainment, and increase employability. To date, almost all of these goals have been met through measurable results. Youth have graduated with Bachelor and Associate Degrees, as well as received their GED or high school diploma. Several others are currently attending classes and pursuing these educational endeavors. Additionally, for those Step-Up participants with mental health and/or substance abuse conditions, results are extremely positive. All participants have had an individualized service plan developed for them. All of the rental vouchers have been leased up with participants in stable housing. Many have been enrolled in employment training or are currently employed. One-hundred percent of Step-Up participants with mental health and/or substance abuse conditions have been enrolled in any supportive services they are eligible for and 100 percent have received mental health and/or substance abuse counseling. Several of the Step-Up participants have received their GED or high school diploma. In all cases, even those with severe disabilities, Step-Up has helped participants achieve success living in the community and helped to stabilize their conditions.

**ESG** – The ESG Program is used to assist in the operating expenses of emergency shelters, improve the quality of emergency shelters, make additional shelters available and provide prevention programs and essential social services to homeless individuals and families. (*please see ESG program narrative*)

**Homeless Prevention Rapid Re-Housing Program (HPRP)** – The purpose of the HPRP is to provide homelessness prevention assistance to households who would otherwise become

homeless – many due to the economic crisis – and to provide assistance to rapidly re-house persons who are homeless as defined by section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302). The program was created as a part of the American Recovery and Reinvestment Act of 2009. DSHA was awarded \$934,980 in August 2009 and subsequently subgranted \$906,930 to six nonprofit agencies to administer HPRP services and assistance to eligible individuals and families across the State. The program may provide financial assistance in the form of rental assistance including arrears, security deposits, utility deposits, and utility payments including arrears. In addition, HPRP can provide housing relocation and stabilization services in the form of outreach, case management, housing search, legal services and credit repair. HPRP funds may also be used for administration expenses and data collection. The subgrantees and award amounts are as follows:

Organization	Awards	Financial Assistance	Services	Data Collection	Administration
CLASI	125,000		122,500		2,500
Catholic Charities	125,000	122,500			2,500
Connections	207,430	145,921	57,262		4,247
The Way Home	100,000	80,000	18,000		2,000
People's Place	300,000	262,618	30,150	1,350	5,882
Homeless Planning Council	49,500				
<b>Total Subgrantees</b>	<b>906,930</b>	<b>611,039</b>	<b>227,912</b>	<b>50,850</b>	<b>17,129</b>
DSHA Admin					28,050
	<b>906,930</b>	<b>611,039</b>	<b>227,912</b>	<b>50,850</b>	<b>45,179</b>
Total Grant \$934,980.00					

During FY2010, HPRP funds provided financial assistance and case management services to 239 persons and 215 households.

**HOPWA** – The HOPWA Program is designed to provide eligible applicants with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases and their families. Delaware HIV Consortium utilized the program funds for payment of project- or tenant-based rental assistance. HOPWA funds assisted 34 households, consisting of 53 persons, with decent affordable housing in FY2010. (*see HOPWA program narrative*)

**Priority 5: Assist in creating sustainable communities by connecting housing to jobs, fostering local innovation and helping to build a clean energy economy.**

DSHA continued to use its leadership position to address system inefficiencies with respect to coordination in the areas of nonprofit housing development, provision of homeless assistance, provision of housing assistance and program consolidation.

The FY2010 Action Plan was developed in accordance with Governor's current strategies for growth management. These strategies curb sprawl and redirect growth to areas of the state that can best support it through investments in infrastructure and planning. The provision of quality, safe, affordable housing is essential to the success of the strategy.

The state's goal is to encourage the integration of racial and ethnic minorities through its economic and housing priorities. The key element in the state's strategy is to provide greater choices for all Delawareans with respect to employment and housing.

DSHA will continue to encourage housing professionals statewide to coordinate resources in order to deliver quality affordable housing and related services to low- and moderate-income Delawareans.

Strong Communities is a coalition of eight rural communities in Sussex County and four rural communities in Kent County. This program was established to help residents of impoverished communities with high crime rates and need for housing rehabilitation, infrastructure improvements and community services become self-sufficient. The program allows state agencies to target needed services to these underserved communities. DSHA is active in both Kent and Sussex County's programs and assists in identifying needs and coordinating CDBG and HOME funds to address deficiencies in these impoverished communities.

Throughout 2010, DSHA performed capital improvements to enhance energy efficiency in multiple Public Housing sites. These improvements included: new windows, doors and siding; solar panels; new roofing; HVAC improvements; bathroom rehabilitation; and replacement of various appliances with Energy Star units.

### *Preliminary Land Use Service (PLUS)*

Through the Preliminary Land Use Service (PLUS) review, DSHA encourages housing developers and communities to proactively plan for affordable housing in development proposals and comprehensive land use plans. The PLUS process, as outlined in Chapter 92 of Title 29 of the Delaware Code, involves reviews by all applicable State agencies at the start of the land development process, adding value and knowledge to the process without taking over the authority of local governments to make land use decisions. Land use change proposals are submitted to State agencies through the Office of State Planning Coordination (OSPC) and are the subject of monthly PLUS meetings, hosted by the OSPC, at which applicants meet with State agency resource experts to discuss their plans and identify possible problems, and solutions. The types of proposals that receive a PLUS review are:

- ◆ Major residential subdivisions with internal road networks and more than 50 units;
- ◆ Any non-residential subdivision involving structures or buildings with a total floor area exceeding 50,000 square feet;
- ◆ Rezoning, conditional uses, site plan reviews and/or subdivisions, within environmentally sensitive areas, as identified within any local jurisdiction's certified comprehensive plan;
- ◆ Annexations inconsistent with the local jurisdiction's certified comprehensive plan;
- ◆ Any other project which is required to be referred to the State for pre-application review by local jurisdiction regulations;

- ◆ Any local land use regulation, ordinance or requirement referred to the OSPC by a local jurisdiction for the purpose of providing the jurisdiction with advisory comments; and
- ◆ County and municipal comprehensive plans.

DSHA uses this review process as an opportunity to provide education and outreach. DSHA actively advocates for increased housing opportunities by encouraging communities to include a variety of housing densities in their plan. If a comprehensive plan is still submitted for PLUS review that promotes only single-family detached housing, DSHA will recommend against PLUS “certification”. As a result, local jurisdictions are beginning to increase the overall housing density in their plans, thereby allowing more affordable single-family attached (typically affordable to first-time homebuyers) and multifamily housing opportunities to occur. DSHA also uses PLUS to encourage developers to: integrate affordable housing into their land use proposals; use affordable quality site design; and participate in local housing initiatives such as Sussex County’s Moderately Priced Housing Unit Program.

## SECTION III: Fair Housing

The Federal Fair Housing Act, as Amended, prohibits discrimination in the rental, sale, or financing of any dwelling based upon race, color, religion, sex, national origin, familial status, or disability. As a condition for receiving federal funds from HUD, entitlement jurisdictions, such as the State of Delaware, must affirmatively further fair housing. This phrase means to: conduct an analysis to identify impediments to fair housing choice within the jurisdiction; take appropriate actions to overcome the effects of any impediments identified through the analysis; and maintain records reflecting the analysis and actions taken in this regard. The following is a summary of the actions that DSHA has undertaken to affirmatively further fair housing during FY2010.

### *Analysis of Impediments to Fair Housing Choice*

Over the past 18 months, DSHA has collaborated with the Cities of Wilmington and Dover, and the count of New Castle, to prepare an *Analysis of Impediments to Fair Housing Choice (AI)*. With only three counties, the manageable scale of the State of Delaware lends itself to a regional AI. Each local entitlement jurisdiction realized that affirmatively furthering fair housing does not begin and end at jurisdictional boundaries and that the policies and practices of one jurisdiction clearly impact neighboring jurisdictions. From the outset, each of the entitlement entities in the State committed to an AI that addresses impediments to fair housing within their jurisdiction, as well as, impediments that are regional in nature. This AI was just released one month ago and therefore, is in the very early stages of implementation.

The consulting firm of Mullin & Lonergan Associates, Inc. (M&L) was contracted to conduct the study and utilized a comprehensive approach to complete the analysis. They reviewed each entitlement community's laws, regulations, and administrative policies, procedures, and practices affecting the location, availability, and accessibility of housing, as well as assessed conditions, both public and private, affecting fair housing choice. The following specific sources were utilized:

- ◆ The most recently available demographic data regarding population, household, housing, income, and employment;
- ◆ The most recent Five-Year Consolidated Plan for each entitlement community;
- ◆ The most recent AI for each entitlement community;
- ◆ Public policies affecting the siting and development of housing, including comprehensive plans and municipal zoning ordinances;
- ◆ Administrative policies concerning housing and community development;
- ◆ Admission and Continuing Occupancy Policy documents from public housing authorities (PHAs);
- ◆ Housing Choice Voucher (HCV) Administrative Plans from PHAs;
- ◆ Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database;
- ◆ Previous Annual Plans (AP) and Consolidated Annual Performance and Evaluation Reports (CAPER) for each entitlement community;
- ◆ Local plans and studies provided by participating jurisdictions; and

- ◆ Interviews and focus group sessions conducted with agencies and organizations that provide housing and housing-related services to members of the protected classes.

This research defined the underlying conditions and trends that restrict or impact the availability of housing choice, for members of protected classes. From this contextual framework, impediments were able to be identified for each entitlement jurisdiction, as well as the entire State.

### *Impediments identified for the DSHA (Balance of State) and its Subgrantees:*

- ◆ The Balance of State's increasingly diverse minority population may require language accommodations to ensure that all residents can access programs and services;
- ◆ Minority households have greater difficulty becoming homeowners in the Balance of State because of lower incomes;
- ◆ The Balance of State's supply of housing that is affordable to households up to 80% of median housing income is inadequate;
- ◆ The Balance of State's supply of affordable and accessible housing units is inadequate to meet demand;
- ◆ DSHA's process for allocating and reporting CDBG and HOME funds could be improved from a fair housing perspective;
- ◆ Policy documents utilized by DSHA could be improved from a fair housing perspective;
- ◆ Kent County's 2007 Comprehensive Plan does not recognize the County's responsibility to affirmatively further fair housing;
- ◆ Sussex County's 2007 Comprehensive Plan does not recognize the County's responsibility to affirmatively further fair housing;
- ◆ Various zoning ordinances throughout the Balance of State should be amended to promote fair housing choice;
- ◆ Members of the protected classes could be more fully represented on boards and commissions dealing with housing issues in Kent and Sussex Counties;
- ◆ Mortgage loan denials and high-cost lending disproportionately affect minority applicants; and
- ◆ Foreclosures appear to disproportionately affect minority households in this State.

### *Regional Impediments:*

- ◆ The State's Qualified Allocation Plan (QAP) and related policies should be revised to reflect Delaware's commitment to affirmatively further fair housing;
- ◆ The requirements outlined in State Senate Bill (SB) 400 represent an impediment to fair housing choice;
- ◆ A uniform definition of areas of concentration should be adopted and utilized by all entitlement communities throughout the State;
- ◆ Impact fees, also referred to as sewer and water connection fees, discourage new housing construction, particularly affordable housing projects that are undertaken by nonprofit housing developers and community development corporations;
- ◆ The different policies and procedures established by each of the five HCV Programs in the State make it very difficult for a voucher holder to port between the cities and counties, thereby restricting fair housing choice;

- ◆ Regional collaboration among the various entitlement communities throughout the State is needed in order to remedy segregation and concentration issues that persist in the City of Wilmington;
- ◆ There is an overall lack of data available to support the need for more affordable, accessible housing throughout the State;
- ◆ Public transit service is largely limited to higher density areas and does not accommodate persons working evening, night, and weekend shifts;
- ◆ Several policies and programs of statewide advocacy organizations could be improved from a fair housing perspective;
- ◆ There exists a continuing need for quality fair housing education, outreach, training, and real estate testing throughout the State;
- ◆ Mortgage loan denials and highcost lending disproportionately affect minority applicants; and
- ◆ Several newspapers, including *The News Journal*, *Dover Post*, *Delaware State News - The State Capital Daily*, and the *Cape Gazette*, do not comply with the Federal Fair Housing requirements.

This AI will serve as the basis for fair housing planning, provide essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assist in building public support for fair housing efforts. The elected governmental bodies are expected to use it for direction, leadership, and resources for future fair housing planning. It will also serve as a baseline for progress, again which implementation efforts will be judged and recorded in future CAPERs.

There are many recommendations provided throughout the AI to address the identified impediments. These recommendations are not exhaustive and the adoption of specific ordinances and financial commitments is not necessarily mandatory for a jurisdiction to be considered compliant. There may be alternatives to some of the specific recommendations provided that may just as effectively further fair housing in an affirmative manner.

Regardless, these impediments are extensive and challenging. Some affect only DSHA policies and programs or those of its subgrantees and others that will need a collaborative response. Full implementation of the policies and detailed action steps is expected to take several years, but DSHA is starting immediately to:

- ◆ Use the recommendations to make internal changes to ensure fair housing is embedded in all DSHA's housing programs and activities;
- ◆ Provide assistance to local subgrantees in understanding and complying with fair housing laws and DSHA fair housing-related guidelines and requirements; and
- ◆ Continue collaboration with the other entitlement jurisdictions and other partners, such as the Fair Housing Task Force, in response to the impediments, particularly regional impediments.

***Immediate DSHA initiatives, identified in AI, already underway:***

- ◆ Providing other language services (i.e. translators, interpreters, etc.) on an as needed basis as part of DSHA's Limited English Proficiency (LEP) plan;

- ◆ Applying the minimum set-aside for accessible units and require accessible units in all housing projects;
- ◆ Requiring that all new housing units financed with HOME funds meet visitability standards;
- ◆ Requiring that at least five percent of new units developed with HOME funds meet Uniform Federal Accessibility Standards (UFAS) or other safe harbor accessibility standards;
- ◆ Conducting a statewide study to determine the supply/demand characteristics of housing for persons with mobility and sensory impairments;
- ◆ Amending the QAP and HDF to encourage developers to provide affordable rental housing for families outside of areas of racial and ethnic concentration;
- ◆ Mitigating the impacts of foreclosure by supporting increased buyer education, increased credit and buyer counseling, and legislative protections for borrowers to assist them in meeting housing costs;
- ◆ Include the "Special Unit Requirements Questionnaire" section on its combined public housing and HCV application form;
- ◆ Identifying opportunities for the development of affordable family housing along existing transit routes. Collaborating with DART to adequately serve this area with public transit; and
- ◆ Increasing opportunities for fair housing education, outreach training, and real estate testing throughout Delaware.

### *DSHA Staff Fair Housing Training*

- ◆ October 2010 – Two Management Division staff attended the PennDel National Affordable Housing Management Association’s (AHMA) conference, where there were several sessions on Fair Housing.
- ◆ October 2010 – Three Management Division staff from Management Division and one Policy and Planning Division staff attended the Division of Human Relation’s “Rights and Responsibilities for Persons with Disabilities” workshop.
- ◆ March 2011 – DSHA paid for forty-seven site managers, from DSHA public housing, HCV Program, and tax credit sites, to attend Delaware National Association for Housing and Redevelopment Official (DE-NAHRO)’s “Compliance with Federal Fair Housing Requirements – Multi-Family Housing” training. Five Development Division staff also attended.
- ◆ March 2011 – Two DSHA Community Development staff attended Fair Housing and Section 3 training at the Council of State Community Development Agencies (COSCDA) Program Managers meeting.
- ◆ April 2011 – Seven staff attended the Division of Human Relation’s 18<sup>th</sup> Annual Fair Housing Training. DSHA also co-sponsored this event.
- ◆ April 2011 – Two Finance Division staff attended the Housing Opportunities of Northern Delaware (HOND)’s 15<sup>th</sup> Annual Fair Housing Law Forum “Fair Housing: Changing Lifestyles”.
- ◆ April 2011 – Ten staff attended HOND’s Fair Housing Awards Ceremony and Luncheon.
- ◆ June 2011 – One staff attended the National Fair Housing Alliance’s (NFHA) “Fair Housing in a Changing Market Place”.

DSHA will continue to leverage all opportunities to increase awareness of, compliance with and furtherance of fair housing in the State of Delaware. DSHA will report on its accomplishments,

goals, and action steps as part of the consolidated planning process, including through the annual Action Plan and future updates to the AI. DSHA will maintain its relationship with the Fair Housing Task Force to provide progress updates, receive feedback, and to discuss potential future initiatives.

### *Fair Housing Task Force*

There are a number of organizations taking action to further fair housing practices that include providing education, outreach and enforcement in Delaware. They include, but are not limited to, DSHA, Delaware Division of Human Relations (DHR), HOND, Delaware Community Reinvestment Action Council (DCRAC), Community Legal Aid Society, Inc. (CLASI), Delaware Housing Coalition (DHC) and HUD. The Fair Housing Task Force Committee is comprised of these entities, other housing authorities, and nonprofit organizations, and acts as a formal statewide advocacy network for fair housing, as well as, for implementing the State of Delaware Fair Housing Plan.

### *Task Force Member Fair Housing Activities*

DHR sponsored two fair housing events during the past year – the Annual Fair Housing Conference in April 2011 and a Disability Conference in October 2010.

DHR provided fair housing training monthly through its lunch time series and also provided training in the past year to realtors and other groups.

DHR participated in several education and outreach events such as the Hispanic Festival, Martin Luther King event, and Black History Month.

DHR participated in the preparation of the *Analysis of Impediments to Fair Housing Choice*.

DCRAC hosted four fair housing symposia and spoke at a training targeted to realtors. These trainings were attended by 124 Delawareans.

DCRAC held four servicer events and reached 206 families who were able to meet with their lender/servicer, access information about housing counseling and foreclosure prevention programs, and receive one-on-one consultations.

DCRAC was on the radio for 33 hours. The focus was foreclosure prevention and fair housing. Thirty hours were in English and four hours in Spanish.

DE NAHRO provides a Fair Housing Training yearly for housing managers and maintenance personnel. This training is geared to front line people to assist them with understanding fair housing laws and the ramifications of violation of these laws. In March 2011, approximately 200 people attended this training.

### *Balancing Housing Investments to promote Fair Housing Choice*

Many recommendations from the AI are intended to strike a balance in terms of its housing investments. For example, on one hand, expanding fair housing choice requires DSHA to affirmatively select projects in non-impacted communities of opportunity. On the other hand, expanding affordable housing **exclusively** in communities of opportunity and withholding investment entirely from impacted areas would adversely affect efforts to revitalize neighborhoods in decline.

Expanding fair housing choice and breaking down historic patterns of segregation is a double edged sword. For some residents of impacted neighborhoods, exercising fair housing choice means moving to another neighborhood that offers economic opportunity, proximity to the workplace, better schools and a more safe and secure environment. Affirmative moves from impacted neighborhoods to areas of opportunity assist in breaking down patterns of segregation.

Prior to the AI, DSHA's HDF policies already recognized the importance of expanding the supply of affordable housing outside of non-impacted areas. DSHA's definition of impacted area includes census tracts that have a homeownership rate of less than 50 percent and, where more than 25 percent of the total number of housing units are subsidized. Using this definition, there are six impacted census tracts in the State of Delaware, including tracts 1, 4, 17, 20 and 21 in the City of Wilmington, tract 425 in Milford, and tract 409 in Dover.

However, DSHA's definition of impacted area did not consider racial, ethnic, or LMI concentrations. In regard to impacted areas, the AI made two recommendations. First, that the definition be applied consistently among the QAP, HDF development standards and DSHA's Five Year Consolidated Plan. The second recommendation was that it be expanded to include census tracts that are racially and ethnically concentrated, and/or are LMI areas. The AI defines areas of racial and ethnic concentration as those census tracts having a percentage of Black or Hispanic residents that is at least 10 percentage points higher than the relative presence of Black or Hispanic residents for the community (City or County) as a whole. Using this definition, there are 47 areas of racial concentration and 15 areas of ethnic concentration in the State of Delaware. Furthermore, the AI defines areas of LMI concentration as block groups where more than 51% of residents meet the criteria for LMI status. In the State of Delaware, 140 block groups met the criterion for areas of LMI concentration.

DSHA is using both the current and expanded definitions of impacted area to make the following modifications to the 2012 QAP. Continue to deny new projects in DSHA impacted areas via the HDF supplement. Add points for projects located in communities of opportunity (non-impacted areas that have access to infrastructure and services):

- ◆ New rental creation
  - QAP: Add points for new rental creation in communities of opportunity.
  - HDF Supplement: Deny new rental sites in DSHA impacted areas.

- ◆ Rental preservation

- QAP: Add points for expanded definition of Impacted Areas and add points for communities of opportunity.
- ◆ Special populations
  - QAP: where the whole building is set aside for special population, add points if in a community of opportunity area.

Implementing these recommendations, where appropriate, in DSHA's programs will show affirmative steps to expand fair housing choice and break down historic patterns of segregation.

### Impacted Areas, 2010

Census Tract	Community	Current Definition	Expanded Definition	
		DSHA Impacted	Racial/Ethnic Concentration	LMI Concentration
1	Wilmington	X	X	X
2	Wilmington		X	
3	Wilmington		X	
4	Wilmington	X		X
5	Wilmington		X	X
6.01	Wilmington		X	X
6.02	Wilmington		X	X
7	Wilmington		X	X
8	Wilmington		X	X
9	Wilmington		X	X
14	Wilmington			X
15	Wilmington			X
16	Wilmington		X	X
17	Wilmington	X	X	X
18	Wilmington			
19	Wilmington		X	X
20	Wilmington	X	X	X
21	Wilmington	X	X	X
22	Wilmington		X	X
23	Wilmington		X	X
25	Wilmington		X	X
26	Wilmington		X	X
27	Wilmington			X
129	New Castle County		X	
24	New Castle County		X	
27	New Castle County		X	
101.01	New Castle County		X	X
101.02	New Castle County		X	X
103	New Castle County			X
107	New Castle County		X	X

112.01	New Castle County			X
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Census Tract	Community	Current Definition	Expanded Definition	
		DSHA Impacted	Racial/Ethnic Concentration	LMI Concentration
120	New Castle County			X
121	New Castle County			X
122	New Castle County		X	X
123	New Castle County		X	X
124	New Castle County			X
125	New Castle County			X
127	New Castle County			X
129	New Castle County		X	X
131	New Castle County			X
132	New Castle County		X	X
136.09	New Castle County			X
137	New Castle County		X	X
139.02	New Castle County			X
140	New Castle County			X
141	New Castle County			X
143	New Castle County			X
144.02	New Castle County			X
144.03	New Castle County			X
145.01	New Castle County			X
145.02	New Castle County			X
147.03	New Castle County			X
147.06	New Castle County		X	
148.08	New Castle County			X
149.02	New Castle County		X	
149.03	New Castle County		X	X
149.05	New Castle County		X	X
150	New Castle County			X
151	New Castle County			X
152	New Castle County		X	X
154	New Castle County		X	X
155	New Castle County		X	X
156	New Castle County		X	X
158	New Castle County			X
159	New Castle County			X
160	New Castle County		X	
162	New Castle County			X
163.01	New Castle County			X
163.02	New Castle County		X	

163.03	New Castle County		X	X
164.02	New Castle County			X
169.02	New Castle County		X	

Census Tract	Community	Current Definition	Expanded Definition	
		DSHA Impacted	Racial/Ethnic Concentration	LMI Concentration
402.03	Kent County		X	X
405	Kent County		X	
406	Dover		X	
406	Kent County		X	
407	Kent County		X	
408	Kent County		X	
409	Dover	X		
410	Kent County		X	
411	Kent County			X
412	Kent County		X	
413	Kent County		X	
414	Kent County		X	X
414	Dover		X	X
415	Kent County		X	X
418.01	Kent County			X
418.02	Kent County			X
422.01	Kent County			X
424	Kent County			X
425	Kent County	X	X	X
430	Kent County			X
502	Sussex County		X	
503.01	Sussex County			X
503.02	Sussex County			X
504.02	Sussex County			X
504.04	Sussex County		X	
505.02	Sussex County		X	X
506.02	Sussex County			X
507.01	Sussex County		X	
507.02	Sussex County			X
510.03	Sussex County			X
514	Sussex County		X	X
518.02	Sussex County		X	X

**DSHA-defined impacted area** – census tracts having a homeownership rate of less than 50 percent and where more than 25 percent of the total housing units are state or federally subsidized.

**Areas of racial/ethnic concentration** – census tracts having a percentage of Black or Hispanic residents that is at least 10 percentage points higher than the relative presence of Black or Hispanic residents for the community as a whole.

**LMI concentration** – block groups where 51 percent or more of residents meet the criterion for LMI status.

**Census Tract Population by Race and Hispanic Origin, 2010**

Census Tract	Total Population	Minority Residents			
		White	Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
<b>Delaware Total</b>	890,137	71.6%	21.0%	3.1%	6.7%
<b>Balance of State</b>	318,762	78.3%	14.3%	1.3%	5.3%
<b>Kent County **</b>	124,438	74.7%	17.1%	1.8%	3.7%
401	6,219	85.9%	9.0%	0.7%	2.1%
402.01	4,132	75.0%	17.9%	0.6%	4.7%
402.02	11,005	85.2%	9.6%	1.9%	1.8%
402.03	4,837	64.7%	27.3%	1.5%	3.4%
404*	1,207	83.4%	9.6%	1.0%	2.5%
405*	9,985	54.3%	34.0%	3.3%	5.2%
406*	2,247	28.9%	63.6%	1.9%	4.6%
407*	4,926	61.8%	28.1%	3.4%	4.3%
408*	3,228	50.6%	42.9%	1.2%	5.8%
410*	5,539	47.3%	37.7%	3.9%	8.3%
411*	3,857	66.0%	17.6%	2.8%	9.5%
412*	4,275	51.4%	37.0%	3.2%	5.0%
413*	2,171	51.5%	37.4%	2.4%	5.3%
414*	3,358	35.0%	48.0%	8.6%	6.2%
415*	4,310	58.8%	28.7%	3.9%	6.3%
416*	2,567	79.4%	12.8%	1.9%	4.1%
417.01	5,704	71.8%	20.6%	1.9%	3.3%
417.02	4,295	63.9%	26.3%	4.3%	3.8%
418.01*	9,384	69.5%	19.3%	3.9%	2.8%
418.02*	5,630	81.7%	11.4%	3.3%	2.3%
419	5,441	86.7%	7.4%	0.9%	1.8%
420	3,116	85.7%	9.2%	1.1%	1.1%
421	3,498	80.1%	13.6%	1.3%	3.3%
422.01	9,384	68.4%	21.3%	2.1%	5.0%
422.02	8,263	75.2%	15.4%	2.3%	4.3%
424	2,824	84.4%	8.0%	1.1%	3.2%
425	3,333	47.4%	35.1%	2.0%	10.8%
426	3,116	77.0%	15.3%	1.1%	6.1%
427	1,313	67.9%	25.7%	0.8%	3.1%
428	7,125	81.1%	12.9%	0.9%	2.6%
429	4,692	76.9%	18.0%	1.1%	2.6%
430	5,059	75.5%	19.1%	0.8%	3.0%
431	2,723	86.6%	7.3%	60.0%	1.9%

\*Starred census tracts are partially contained within Kent County. Therefore, census tract totals may be greater than the County Total.

\*\*Excludes the City of Dover

Source: DemographicsNow

## Census Tract Population by Race and Hispanic Origin, 2010 (Continued)

Census Tract	Total Population	Minority Residents			
		White	Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
<b>Sussex County</b>	194,324	80.6%	12.5%	0.9%	6.4%
501.01	3,571	89.8%	5.5%	0.8%	4.2%
501.02	9,230	72.5%	19.3%	0.7%	9.6%
501.03	4,028	90.0%	5.6%	1.1%	3.1%
502	3,585	63.0%	30.0%	0.2%	6.6%
503.01	6,682	72.5%	18.4%	1.1%	8.7%
503.02	4,800	79.5%	13.7%	0.6%	5.8%
504.01	3,838	82.1%	14.3%	0.6%	2.0%
504.02	8,988	71.9%	18.8%	2.1%	6.9%
504.03	3,329	72.5%	18.0%	1.4%	9.6%
504.04	9,893	66.2%	28.2%	0.9%	3.6%
505.01	3,445	83.1%	9.1%	0.7%	8.1%
505.02	9,781	58.9%	19.6%	0.2%	31.4%
506.01	4,656	83.6%	10.2%	0.8%	4.5%
506.02	5,170	75.7%	16.6%	2.5%	5.6%
507.01	3,223	67.2%	23.7%	0.5%	3.5%
507.02	11,579	88.4%	5.9%	0.4%	3.9%
508.01	3,896	73.9%	14.2%	0.5%	12.6%
508.02	4,133	75.7%	16.7%	0.3%	7.3%
508.03	6,578	86.4%	8.2%	1.4%	2.8%
509	7,768	90.6%	5.7%	1.1%	1.9%
510.01	8,267	89.0%	6.6%	0.6%	2.8%
510.02	6,354	94.6%	1.9%	1.5%	2.1%
510.03	3,933	79.6%	14.5%	1.5%	4.3%
511	3,183	94.9%	1.5%	1.1%	3.9%
512	4,909	96.6%	1.3%	0.6%	1.8%
513.01	4,718	96.1%	1.6%	0.6%	1.5%
513.02	2,832	87.8%	7.6%	0.7%	2.4%
513.03	5,323	95.7%	1.6%	0.5%	1.2%
513.04	5,272	93.6%	2.6%	0.9%	9.9%
514	3,401	63.5%	20.1%	2.4%	23.4%
515	3,401	63.5%	20.4%	0.5%	8.3%
517.01	3,965	90.4%	5.5%	1.6%	2.1%
517.02	5,471	90.4%	5.3%	0.5%	1.9%
518.01	4,847	84.5%	10.7%	1.1%	3.2%
518.02	4,342	68.0%	24.3%	1.5%	3.3%
519	4,318	80.3%	15.2%	1.1%	2.5%

Source: DemographicsNow

DSHA beneficiary data is reported in the Information Disbursement and Information System (IDIS). In FY2010, beneficiary data indicates that DSHA is serving more African Americans than would be proportional, which shows that DSHA and its subcontractors are doing effective outreach into African-American communities. The participation in DSHA formula programs of people who reported an ethnicity of Hispanic is somewhat lower than the overall reported rate of Hispanic ethnicity for Delaware. DSHA will monitor participation rates and continue outreach efforts into the Hispanic community, such as attending Hispanic festivals and advertising in local Hispanic newspapers.

Further during FY2010, the CDBG Program assisted the following areas of minority concentration and impoverished neighborhoods characterized by substandard housing in Kent and Sussex Counties, Delaware.

Census Tract	Neighborhood	Housing units completed	Units under Contract
510.03	West Rehoboth	2	4
504.04	Coverdale Crossroads	7	0
507.01	Mt. Joy	6	2
518.02	Town of Laurel	3	3
425	City of Milford	1	3
412	Capital Park	0	4
405	Kentwoods MHP	1	3
402.03	Town of Smyrna	4	2

## SECTION IV: Continuum of Care

A Continuum of Care (CoC) is a community plan to organize and deliver housing and services funding to meet the specific needs of people who are homeless as they move to stable housing and maximum self-sufficiency. It includes action steps to end homelessness and prevent a return to homelessness. The fundamental components of a comprehensive CoC system are:

- ◆ Outreach, Intake and Assessment to identify service and housing needs and provide a link to the appropriate level of both;
- ◆ Emergency shelter for a decent and safe alternative to the streets, especially for homeless families with children;
- ◆ Transitional housing with supportive services to allow for the development of skills that will be needed once permanently housed; and
- ◆ Permanent and permanent supportive housing to provide individuals and families with an affordable place to live with services if needed.

The CoCs are tasked to track and manage the homeless community in their area. One of the most important activities entrusted to CoCs is the annual count of the homeless population and an annual enumeration of emergency systems, transitional housing units, and beds that make up the homeless assistance systems. These counts provide an overview of the state of homelessness in a CoC, and offer the information necessary to redirect services, funding and resources as necessary. The CoC also manages these services, offering both prevention strategies and homeless assistance programs to assist those at-risk of or experiencing homelessness.

The Homeless Planning Council of Delaware (HPC) is the lead organization in Delaware's statewide CoC planning process. The HPC has coordinated the CoC grant since 1998, bringing over \$60 million in federal homeless funding to Delaware. These federal funds are awarded through an intensely competitive process and Delaware has continually exceeded the pro rata amounts that would normally be awarded based on demographic information. The HPC's responsibilities include planning and development of the statewide CoC application; the administration of Delaware's Homeless Management Information System (DE-HMIS); and the administration of Delaware's Point-in-Time Study process.

Through the Delaware Interagency Council on Homelessness (DICH), DSHA assists in the statewide planning and furthering the implementation of *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness*. The DICH is in the process of revising the Plan to align with *Opening Doors: Federal Strategic Plan to Prevent and End Homelessness*.

DSHA continues to support the activities and work closely with the HPC in their mission to identify gaps to ensure that every Delawarean has the support necessary to secure safe shelter. DSHA provided the HPC a grant from the HDF to support the CoC planning and DE-HMIS activities.

## *2010 CoC Grants*

HUD announced the Homeless Assistance awards under the FY2010 CoC Competition. The following awards were made:

◆ West End Neighborhood House, Inc./Lifelines	\$252,207.00
◆ Connections CSP, Inc./Next Step	\$212,970.00
◆ Connections CSP, Inc./Delthine House	\$152,421.00
◆ Connections CSP, Inc./Easy Access	\$399,128.00
◆ Connections CSP, Inc./Permanent Hsg for 20	\$149,429.00
◆ Ministry of Caring, Inc./House of Joseph II	\$212,357.00
◆ Ministry of Caring, Inc./House of Joseph II Expan	\$145,034.00
◆ Connections CSP, Inc./Enterprise	\$249,240.00
◆ Ministry of Caring, Inc./Bethany House	\$ 45,612.00
◆ Ministry of Caring, Inc./House of Joseph	\$374,174.00
◆ Ministry of Caring, Inc./Nazareth	\$129,874.00
◆ Ministry of Caring, Inc./Mary Mother of Hope	\$ 66,467.00
◆ Ministry of Caring, Inc./St. Francis	\$200,408.00
◆ Ministry of Caring, Inc./Samaritan	\$647,697.00
◆ YWCA/Homelife Management Center II	\$323,967.00
◆ Delaware Health & Social Services Division of Substance Abuse/5 beds	\$ 26,596.00
◆ Delaware Health & Social Services Division of Substance Abuse/8 bed	\$128,049.00

### *State of Delaware Continuum of Care Total: \$3,715,629*

As shown above, Delaware received CoC renewal grants totaling \$3,715,629.00 in FY2010. Most of the funding received is to continue existing programs, but each year the HPC works to capitalize on any new funding offered by HUD. In 2010, the CoC was able to attract additional HUD funding for the following new projects:

- ◆ Ministry of Caring/Bethany House II – This program will provide permanent supportive housing for six disabled women.
- ◆ Connections CSP, Inc./ Permanent Housing in Sussex County – This program will provide permanent supportive housing for 28 households with up to 32 members, including adults with disabilities and families in which the head of household has a disability. At least sixty percent will be chronically homeless.
- ◆ Connections CSP, Inc./Permanent Housing for 30 in Kent County – This program will provide permanent supportive housing for 30 adults with disabilities. At least seventy percent will be chronically homeless and twenty-five percent will be homeless veterans with disabilities.
- ◆ Connections CSP, Inc./Permanent Housing for 50 in New Castle County – This program will provide permanent supportive housing for 50 adults with disabilities. At least fifty percent will be chronically homeless and at least ten percent will be homeless veterans.

- ◆ Connections CSP, Inc./Next Step 3 – This program is provide rental subsidies and case management for 16 households in Sussex County, a designated rural area in Delaware. Of the households served, at least ten will consist of individuals who are homeless veterans with disabilities; three will be families in which the head of household is either a disabled homeless veteran or a person meeting the definition of chronically homeless (or both); and three will be chronically homeless individuals.
- ◆ Delaware HMIS

*(also see ESG Program narrative)*

## SECTION V: Other Housing and Community Development Actions

### *Actions taken to meet underserved needs*

DSHA recognized in its Consolidated Plan the need to identify those groups who are underserved and pursue strategies that would serve their needs. During FY2010, the LIHTC QAP awarded points to developers that provide permanent housing for persons with special needs. Special needs populations are identified as:

- ◆ Persons with HIV/AIDS Related Illness;
- ◆ Homeless;
- ◆ Mentally Ill;
- ◆ Persons with Physical Disabilities;
- ◆ Mentally Challenged/Developmentally Disabled Persons; and
- ◆ Migrant and Seasonal Farm Workers.

Recently, DSHA changed the grant application process for the Housing Development Fund. The purpose of the HDF grants is to provide nonprofit sponsors the opportunity to administer or fund housing projects/programs when it is proven that only a grant will enable the project/program to work successfully. Projects/programs considered for grants must be targeted towards low- to very low-income persons and applications will be taken on a semi-annual basis. There are three semi-annual set-asides for the HDF grants. One is for administrative grants, which eligibility requires a nonprofit status of the applicant and eligible activities are limited to the administration of housing related activities. The second is for housing grants, which requires a nonprofit status of the applicant and allowable activities are limited to assistance for homeownership units. The housing grants are limited to \$35,000 per unit and these activities include gap financing for homebuyers and housing rehabilitation. The third is for loans for nonprofits who will utilize the funds to create rental properties or special needs housing. Loans may also be used for land acquisition or other rental projects that serve low- to moderate-income Delawareans.

Further, DSHA's 2010 LIHTC Qualified Allocation Plan (QAP) included incentives for developers to construct fully accessible units, as well as an additional new category to encourage developers to build new units that will add 83 affordable apartments to the statewide inventory. Fully accessible units encompass design elements – such as cabinet height, hallway width, first floor bathroom and bedroom on the same level, in addition to numerous other specifications – that can provide accommodation for a person with a disability. Currently, several federal and state regulations, such as, the American Disabilities Act (ADA), Section 504 and the Fair Housing Act require five percent of all units to be fully accessible, as well as all common areas such as offices, parking and playgrounds. Of the 355 units that were ranked in FY2010's LIHTC funding round, 5.6 percent (20 units) were required for accessibility. However, with the new additional ADA/Fair Housing category, 46 units (12.96 percent) will be fully accessible, which is more than double the required units. The State Architectural Accessibility Board reviews all plans and DSHA will ensure accessibility compliance at the sites.

Anas Ben Addi, DSHA's Director, is a Governor appointed member of the Commission on Community-Based Alternatives for Persons with Disabilities. DSHA staff provides technical assistance to the Commission's Housing Subcommittee. The subcommittee developed a five-year plan to address the housing needs of people with disabilities. DSHA has committed to coordinating implementation of a number of the items outlined in the plan including operating and marketing the affordable housing on-line locator, maintaining current stock of vouchers and affordable housing units through advocacy and preservation and assist in establishing a coordinated system across housing organizations to develop, administer, and implement housing programs for individuals with disabilities.

In addition, a DSHA staff person serves as a member on the Governor's Advisory Council for the Delaware Division of Substance Abuse and Mental Health (DSAMH). This Council advises as to the policy, procedures and funding of DSAMH, as well as advocates for those with substance abuse and mental health issues.

***DSHA Language Access Plan*** – In August 2000, Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency", was issued and published. Under this order, recipients of federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important governmental programs, services and activities. DSHA performed an analysis of policies and practices relative to LEP clients and the general public to improve customer service strategies and ensure equal access to DSHA programs, activities and services.

DSHA continually reviews Census data and other information to identify populations of people with limited English proficiency. Currently, there are no populations in Delaware that reach the threshold for requiring translation activities. However, DSHA has translated nearly all key program materials into Spanish, the second most common language spoken in Delaware after English. During FY2010, DSHA continued to provide meaningful access for Hispanic clients who have difficulty communicating. This was done through the use of bilingual staff and the translation of written documents and publications, also offering interpretative services on phone calls requesting information. It should be further noted that DSHA will provide any reasonable accommodation for persons with language and/or disability barriers to access program information.

***Money Follows the Person*** – In May 2007, the Centers for Medicare and Medicaid Services awarded Delaware a grant through the Money Follows the Person (MFP) Rebalancing Demonstration Program established by the Deficit Reduction Act of 2005. The State is using the MFP funding to enhance existing efforts to transform the long-term support system that serves people with disabilities and the chronically ill populations. MFP funding assists in promoting the use of person-centered planning and consumer direction, and will result in an increased use of home- and community-based, rather than institutional services.

Delaware has committed to serve a projected 100 people transitioning under MFP through December 2011. Fifty-two people have been transitioned as of August 2011 with approximately 22 others needing affordable housing to be able to transition. The program was recently extended through 2016 and will allow additional people to be transitioned to the community.

Due in part to the significant barriers identified relative to finding affordable and accessible housing for people who wish to transition, many of the people who transitioned in the first two years have been those who have family to live with or can return to the home that they lived in prior to being admitted to the institution. Those who need housing that meets their needs in terms of accessibility features, location and affordability required more coordination with DSHA and other community partners. Affordable housing waiting lists are often closed, or long and very few affordable units have accessibility features needed by many of the people who wish to transition to the community. To address this need, DSHA added MFP participants to those eligible for state rental assistance through the Step-Up program.

United Cerebral Palsy of DE was awarded \$165,000, which provided rental assistance to 10 people transitioning from institutions to the community. DSHA began the Step-up Program as a pilot program with DSHA funds. With the success of the program and the critical housing needs of the people the program serves, Governor Jack Markell recommended funding for the SRAP program in his budget. During 2010, DSHA actively prepared to implement SRAP and the official start date was July 1, 2011. As stated previously, SRAP will serve people with disabilities transitioning from institutions and youth transitioning from foster care. Nineteen applications have been submitted for the State Rental Assistance Program and the program is expected to serve 150 to 200 people the first year.

In July 2010, DSHA coordinated two applications in response to HUD's Non-Elderly Vouchers for People with Disabilities Notice of Funding Availability (NOFA). DSHA applied for 100 vouchers total with 25 requested in category 2, specifically for MFP participants and 75 requested in category 1. Although the applications met threshold requirements Delaware did not receive vouchers in either category.

In February 2010 the MFP Program held a Housing Policy Academy that included housing professionals, transition coordinators, advocates, and staff from institutions to discuss the barriers to housing for people trying to move into the community from institutions. The Policy Academy sought to build relationships and identify resources to increase the availability of housing for those transitioning from institutions and to allow people to avoid institutionalization. Governor Jack Markell attended, as well as representatives from each of Delaware's five Public Housing Authorities, and a number of non-profits that serve people with disabilities or provide affordable housing. DSHA staff assisted in the planning of the Policy Academy.

***The Neighborhood Assistance Act*** – In July 1999, Delaware's Legislature passed the Neighborhood Assistance Act (NAA), a state charity tax credit, to be administered by Delaware's Department of Economic Development (DED). It stated that companies, within Delaware, which contribute to eligible neighborhood organizations and nonprofits in impoverished areas, are eligible to receive state tax credits worth up to fifty percent of their donation.

On July 1, 2007, The Neighborhood Assistance Act of 1999 was amended. The changes included allowing individuals to participate, redefining impoverished areas, and the transference of the administration of the program to DSHA. DSHA further redefined the NAA by establishing a maximum contribution amount of \$200,000/contributor, as well as setting the minimum contribution amounts to \$10,000 for businesses and \$5,000 for individuals.

By making the above-noted changes, and extensive marketing of the program, the annual authorization of \$500,000 has been fully expended for the last four fiscal years. Prior to the above-noted changes the program typically awarded \$7,000 per year. Furthermore, DSHA's annual authorization of \$500,000, which became effective 07/01/10, was fully utilized by late 2010. During that time period, DSHA awarded \$500,000 NAA tax credits to fifty-six taxpayers, both individuals and businesses, whose contributions to fourteen different nonprofit organizations totaled \$1,000,000.

Effective FY2011, the annual authorization of \$500,000 was divided into two set-asides. The larger set-aside of \$400,000 is reserved for nonprofits with gross annual receipts over \$1,000,000. The smaller set-aside of \$100,000 is reserved for nonprofits with gross annual receipts under \$1,000,000.

### *Actions taken to foster and maintain affordable housing*

***Diamond State Community Land Trust (DSCLT)*** – DSHA provided initial research and technical assistance in the creation of the DSCLT and continues to support its work as the organization grows and develops. DSCLT has many partners among nonprofit organizations, private entities, funders and other government agencies. The DSCLT is structured along the lines of a “classic” Community Land Trust (CLT), but serving a geographic area much larger than the typical CLT.

Through the HDF, DSHA has provided support to CLT homes statewide, and encouraged NSP-participating jurisdictions to partner with DSCLT as part of their long-term affordability strategies. In FY2010, the CLT welcomed several new homeowners, including some through its partnerships with NSP subgrantee jurisdictions and other nonprofit organizations, and now has over 20 homes in its inventory. Further in FY2010, DSHA provided funding from the HDF to DSCLT to develop a buyer-initiated program for acquisition and rehabilitation of 16 foreclosed homes in Kent County, as a partnership with the County's NSP.

***Manufactured Housing*** – DSHA was instrumental in taking steps to comply with the Federal Manufactured Housing Improvement Act of 2000, which requires manufactured home installation programs, installation standards and dispute resolution programs in all states. In June of 2005, the Delaware General Assembly adopted DSHA draft legislation and later enacted the Manufactured Home Installation Act in 2006. This Act provides for minimum installation standards, establishes a Manufactured Home Installation Board (the Board), and directs the Division of Professional Regulation (DPR) to establish a training and licensing program for manufactured home installers, and directs the counties or other local government agencies to inspect installations. The Board and DPR worked together to develop an installation program and adopted regulations for the licensing

The State of Delaware recently passed legislation giving manufactured home owners the “Right of First Refusal” to buy their manufactured home parks when the park owners decide to sell their communities. During FY2010, the Real Estate Advisory & Development Services (READS) organization continued assisting Delaware manufactured homeowners in forming Cooperatives to buy the land in their communities when their parks go up for sale. If manufactured home

parks needing infrastructure upgrades are sold to their residents, units of general local government may begin applying to DSHA for CDBG assistance to facilitate infrastructure upgrades to those communities. DSHA would not see CDBG applications for such assistance until FY2011, at the earliest. In FY2010, DSHA also supported, through the HDF, the creation of a revolving loan fund at a local Community Development Financial Institution (CDFI), NCALL Research, for the conversion of manufactured home communities to cooperative ownership.

***Energy Efficiency*** – DSHA actively promotes energy efficient buildings that are environmentally responsible, affordable, and healthy places to live. The long-term goal is to increase the affordability of housing by encouraging builders and nonprofit developers to build more energy-efficient homes, thereby reducing the amount of money low- and moderate-income families spend on energy.

### ***Actions taken to eliminate barriers to affordable housing***

DSHA actively participates in the Fair Housing Task Force Committee to carry out a comprehensive program for Fair Housing education and outreach to landlords, tenants and public planners at the local level around the state. (*please refer to Fair Housing narrative*)

***Study on the Impact of Affordable Housing Developments*** – In FY2010, DSHA provided initial support as one of several funders of a new study to be conducted on the impact of affordable housing developments, especially neighborhood impacts on property values. The Delaware Housing Coalition is facilitating the study, which will be conducted by an economics consulting firm and specifically analyze the effects of several sample sites in Delaware. This study, which is expected to be completed in FY2011, will be a valuable advocacy tool for Delaware's housing community and help provide evidence to counter "Not In My Backyard" (NIMBY) concerns about new multifamily affordable housing sites.

***Providing Technical Assistance to Local Communities*** – DSHA is continually expanding its capacity to provide more direct technical assistance to communities so that they are able to better facilitate and encourage affordable housing opportunities. This is being accomplished through the following:

***Affordable Housing Resource Center Website*** – Recognizing that communities play a key role in addressing housing challenges, DSHA developed the "Affordable Housing Resource Center" (AHRC). This is a resource for local government officials and public viewers to learn about their community's housing needs and develop strategies to address those needs. DSHA partnered with the University of Delaware, Institute of Public Administration (IPA) and the Office of State Planning (OSP) to help develop the AHRC and provide ongoing training assistance, including an annual planning workshop for local officials, developers and planners.

Launched in November 2007 and updated through FY2010, the web-based AHRC offers workable solutions to the housing affordability problem in a comprehensive, educational format. It is a one-stop shop of affordable tools and strategies that can be used to increase affordable housing for residents with low to moderate incomes (80 percent-115 percent) of the local median

income). The site includes numerous best practices, local and national models, and a guide to assist municipalities in the development of their Comprehensive Plans.

The AHRC addresses the need for Delaware to increase its stock of affordable housing. In the early 2000s, housing costs – especially home prices – in Delaware increased rapidly. Meanwhile, much of Delaware's workforce was being priced out of the market. Economic data show and project a continuation of trends toward increasing job growth in lower-paying industry sectors. This is occurring at the same time federal resources for affordable housing have been scaled back. As a result, it is increasingly important that state and county officials and local municipalities have strategies in place to encourage the development and preservation of safe, decent, and affordable housing. Many of Delaware's small communities, however, cannot afford the high cost of professional housing studies and planning services.

DSHA has presented the website at the annual Housing Workshop provided by the University of Delaware IPA Department, the Governor's Conference on Housing, and to the State of Maryland's Department of Housing and Community Development. The Housing Element Guide has generated responses from several towns and planning consultants to assist them as they work with local communities on land use and housing plans, and to answer technical questions.

***DSHA Tools & Strategies Toolkit*** – The toolkit provides a basic primer on planning tools that can be used by local governments to create, preserve, and promote affordable housing development in their respective jurisdictions. The tools provide specific information, such as: how local governments can apply the tools; the tool's ability to address local housing needs; and the tool's proven success in other communities. The Tools include: (A) Planning and Zoning Tools - Accessory Dwelling Units, Affordable Housing Good Design, and Inclusionary Zoning; (B) Long-term Affordability Tools - Community Land Trusts (CLTs), and Shared Equity Homeownership; and (C) Other Local Solutions - Developer Incentives, Ensure Availability of Sites for Affordable Housing, Generate Capital for Affordable Homes and Reduce Regulatory Barriers.

***Additional Website-Based Resources*** – Additional resources have been strategically placed on this website in order to help readers achieve their community objectives, including a Housing Data Section, Housing Needs Assessment Report, DSHA Quarterly Real Estate Data Report, DSHA Quarterly Affordability Gap Report, Links to town and county Comprehensive Plans, housing news pertaining to the use of the tools in the toolkit being used in Delaware and throughout the country, and links to other housing resource sites to enable readers to further their education.

***Individual Assessment, Discharge and Planning Team (I-ADAPT)*** – DSHA has been active as a member of the offender reentry efforts initiated by Governor Markell's Executive Order Number 7, reducing recidivism and creating I-ADAPT. This team used the exemplary practices document to develop a reentry system that attempts to incorporate many of the exemplary practices. DSHA works with probation officers prior to release and the offenders after release to try and identify suitable and affordable housing.

In response to working with I-ADAPT, DSHA adopted a new process for reviewing criminal records for reentering offenders based on convictions, rather than arrests. DSHA also provides

for discussion prior to Public Housing and HCV applicant denials for various convictions. DSHA has also worked with other Delaware PHAs to encourage them to adopt the same or similar policies regarding reentering offenders.

### ***Actions taken to overcome gaps in institutional structure and enhance coordination***

***Affordable & Accessible Online Housing Locator*** – This database of multifamily housing for the state of Delaware, continuously updated for accurate information and new features during FY2010, presents the detailed demographics for all housing sites. This is including, but not limited to: disability features, rent amounts, management company information, onsite manager information, child care facilities, access to public transportation within walking distance and the number and sizes of units at each facility. The locator is available online for Delaware residents to search for housing by their particular needs. The locator is also used to create maps to demonstrate the need or the clusters of affordable housing in Delaware. Additionally, it is utilized to outline the programs and funding sources that each site receives. The locator also features a wide array of useful resources including information on local tenant rights, laws, and protections. In addition, useful worksheets and guides to help Delawareans move are available. These include a guide on what rent is affordable based on one's income, a blank monthly budget worksheet, a moving costs worksheet, and a moving checklist hyperlink that outlines all the areas need to be considered when moving. The locator is available on DSHA's website at [http://www.destatehousing.com/services/hl\\_housinglocator.shtml](http://www.destatehousing.com/services/hl_housinglocator.shtml). Since the locator's inception, the site has received almost 15,000 hits and has helped countless individuals locate housing.

***Preliminary Land Use Service (PLUS)*** – DSHA participates in a state agency review of major land use change proposals prior to submission to local governments, adding value and knowledge to the process without taking over the authority of local governments to make land use decisions. This upfront process has a three-fold purpose:

- ◆ To identify and mitigate potential impacts of development, which may affect areas beyond local boundaries;
- ◆ To fully integrate state and local land use plans; and,
- ◆ To bring state agency staff together with developers and local officials, early in the process.

DSHA is also using PLUS to encourage developers to: consider using energy efficient practices when building housing to lower monthly utility bills; and, to participate in local initiatives to increase affordable housing, such as Sussex County's MPHU Program and the DSCLT.

Further, DSHA will continue to use PLUS as a forum for educating other State agencies, units of local government and private developers about the importance of affirmatively furthering fair housing.

***Provides Current Data Products***—DSHA collects, compiles, and analyzes qualitative and statistical data to have information readily accessible, as DSHA is frequently asked for up-to-date statistics. Several of these reports are published to the agency website for public and

professional inquiries. Data that DSHA ensures the availability of include:

- ◆ Quarterly Affordability Gap data – Quarterly report comparing median incomes to median home prices in Delaware’s three counties;
- ◆ Housing Production Report - Monthly report to track new housing starts;
- ◆ State and County Housing Fact Sheets – Fact sheets, updated frequently, with a variety of housing, population, employment and affordability data for general users;
- ◆ Geographical Information System – Data is analyzed and presented through ArcView Geographical Information System (GIS);
- ◆ U.S. Census Data - Using U.S. Census and American Community Survey data to respond to internal and external data requests;
- ◆ National Delinquency Survey – Compiling data from the Mortgage Bankers Association on mortgage defaults and foreclosure filings; and
- ◆ Local Foreclosure and Sheriff Sale Data – Compilation and analysis of data from Delaware’s three counties on foreclosure filings and sheriff sales.

*State Growth Management* – Since the mid-1990s, the State of Delaware has worked diligently to promote a strong intergovernmental approach between state and local governments on land-use matters. At the time, there was a realization that the development pattern associated with sprawl was putting a heavy strain on Delaware’s fiscal and physical resources. This development pattern was also more costly for citizens and contributed to the neglect of the older and more traditional communities. Furthermore, there was also a realization that to deal with these issues effectively, coordination between all levels of government would be needed.

In 1999 to foster this partnership, the state, via the Cabinet Committee on State Planning Issues (CCSPI), created and published a document with coordination among local governments and citizens that functions like a statewide comprehensive plan called the *Delaware Strategies for State Policies and Spending*. This document was updated in 2004 and 2010. The Director of DSHA is a member of the CCSPI and has been active in ensuring DSHA programs are aligned with the strategies outlined in the document.

*eHousing* – DSHA continues to offer an online application process for housing assistance. This allows anyone who wants to apply for the Public Housing and the Housing Choice Voucher Programs in Kent and Sussex Counties, Delaware to apply online at [www.destatehousing.com](http://www.destatehousing.com) from any computer with internet access. The online application is user-friendly, and allows applicants to easily update their information as it changes.

### *Actions taken to improve public housing and resident initiatives*

DSHA celebrated its 22<sup>nd</sup> year as a nationally recognized “high performer” housing authority by the U.S. Department of Housing and Urban Development.

During FY2010, DSHA decided to redesign the MTW Program. Currently, the MTW Program is a five-year time-limited program that requires residents, except the elderly and disabled, to work or be in school in order to receive a housing subsidy. The purpose of the program continues to be to reduce costs and achieve greater cost effectiveness, to give incentives to

families to obtain employment and become economically self-sufficient and to increase housing choices for low-income families. Effective July 1, 2011, the following changes were made to enhance the MTW Program:

◆ ***Increase the five-year time limited MTW Program to a seven-year time limited Program***

Increase the time limit for the MTW Program from five to seven years, with the elimination of the Safety-Net status. Under the revised Program, there will be two tiers of participation. MTW Tier I will be for the initial five years and MTW Tier II for the final two years. Tier I participants will receive case management services with an emphasis on overcoming barriers to self-sufficiency, education, financial literacy, family issues and increasing their potential earning income and employability. Tier II participants will continue to receive case management services during the final two years of the program, but with an emphasis on job placement and retention and becoming ready to move out of subsidized housing by year seven. After the seventh year of participation, the family will stop receiving housing assistance. A participant may request that their case be reviewed by the Hardship Panel if they have extenuating circumstances supporting a continuation of housing assistance beyond the seven-year period. The three-person Hardship Panel will be comprised of one DSHA staff member, one non-DSHA non-State member and one member from another State agency. Requests to have cases reviewed by the Hardship Panel must be made at least six months prior to the end of participation in the MTW Program during the seventh year, but must be conducted at least four months before the end of the last year. Extenuating circumstances that may be considered include, but not limited to:

- Health and/or medical issues;
- Job Availability and/or under-employment issues;
- Past performance of participant and adherence to MTW Program requirements;
- Previous participation in DSHA-sponsored or referred services and programs;
- Personal initiative of participant in achieving self-sufficiency; or
- Other extenuating circumstances.

◆ ***Integrate the existing Safety-Net participants***

All families currently in the Safety-Net will be integrated into the MTW Program as Tier II participants and will be provided with case management (as noted above) to help them prepare to move into other forms of non-DSHA housing, such as tax credit housing. Effective July 1, 2011, these existing residents will be given one year from the date of their next annual recertification to complete the revised MTW Tier II Program. After the end of this period, the family will stop receiving housing assistance. A participant may request that their case be reviewed by the Hardship Panel if they have extenuating circumstances supporting a continuation of housing assistance beyond the seven-year period.

◆ ***MTW Savings Account***

Access to the MTW Savings Account will be extended to include individuals in years six and seven of the program. For participants that successfully complete the program, before or in the fifth year of participation (under MTW Tier I), will be eligible to utilize 100 percent of their MTW savings account. Contributions to the MTW Savings will stop

after the fifth year. For participants successfully completing the program in their sixth year of the MTW Program (under the MTW Tier II), will have access to 75 percent of MTW Savings and those successfully completing the Program in their seventh year will have access to 50 percent of MTW Savings. Successful MTW clients will be required to utilize at least 60 percent of the savings fund for homeownership/fair market rental related expenses. This includes: downpayment, closing costs, security deposits, utility deposits, clearing credit issues and satisfying debt for medical bills, education and transportation. The remaining 40 percent of the MTW savings will be distributed to the client for discretionary use. If a client does not successfully complete the MTW Program, all savings account funds will be forfeited.

The goals and objectives under the DSHA MTW Program are outlined as follows:

- ◆ To reduce costs and achieve greater cost effectiveness by administrative reforms to the Public Housing and Housing Choice Voucher Programs;
- ◆ To give incentives to families who are employed or seeking employment and self-sufficiency; and
- ◆ To improve housing options for our residents by offering or coordinating the following resources:
  - ◆ Homeownership counseling and assistance;
  - ◆ Budget counseling;
  - ◆ Fair market housing counseling;
  - ◆ Assistance obtaining a Low Income Housing Tax Credit Unit;
  - ◆ MTW Savings Account as income increases;
  - ◆ Counseling to repair credit problems;
  - ◆ Financial literacy education;
  - ◆ Individual Development Accounts (IDA) for approved participants;
  - ◆ Public Housing Homeownership Program; and
  - ◆ Resident Homeownership Program.

In addition to the case management services now provided, the following new programs will be established:

- ◆ DSHA is partnering with the Delaware Department of Labor to provide employment services through the Mobile One-Stop Program at our Public Housing sites and additional employment-related services for participants that require assistance;
- ◆ DSHA will continue to work with the Department of Labor and the Delaware Economic Development Office to share information on new industry and business coming to Delaware, job trends and current job information. As needed, meetings will be scheduled for all parties, as well as MTW participants;
- ◆ DSHA will continue to require all MTW participants to complete financial literacy training. In addition, DSHA case managers would be included in a new Financial Empowerment Program sponsored by the Department of Health and Social Services. Information obtained through the Financial Empowerment Program would be incorporated into case management for all MTW clients;
- ◆ DSHA will be contracting with the National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL) to provide “Getting Ready for Fair Market Housing”

workshops for MTW Tier II participants. Through the workshops, each resident will develop the steps that they need to transition to fair market housing. The workshops may be expanded to MTW Tier I participants in the future as the number of MTW Tier II participants are reduced;

- ◆ DSHA is currently working with the Department of Labor to provide job placement services and training through Delaware Technical and Community College for MTW Tier II participants for a twelve-week period. The program would be similar to one already in place for TANF clients; and
- ◆ DSHA case managers will meet with all MTW participants in the fifth year to determine their status for successful completion or eligibility for continued participation as MTW Tier II clients during the sixth and seventh year of the program. At this time, a revised plan will be completed to address case management needs and goals for the sixth and seventh year of participation.

### *Actions taken to evaluate and reduce lead-based paint hazards*

Grantees and housing rehabilitation contractors have been trained in lead-safe work practices and HUD's regulations. The CDBG Program Guidelines reference HUD's lead-based paint regulations and all applicants must demonstrate how the rehabilitation work will be conducted in accordance with these regulations. DSHA also requires any activity funded by the HDF or HOME Program, especially acquisition/rehab activities, to conduct an Environmental Site Assessment Phase 1. If lead-based paint is present, then it must be remediated as part of the construction process in accordance with local, state and federal regulations. DSHA continually cooperates with the Division of Public Health to facilitate lead-safe work practices training to contractors. Any individual performing lead-based paint activities in the State of Delaware must be certified by the Division of Public Health (DPH). After completing an approved training course, a person wishing to be certified must submit an Application for Certification to DPH. The applicant must then pass the state certification (3<sup>rd</sup> party) exam. A certification fee is required and the certification is valid for two years. Grantees are monitored for compliance with lead-based paint regulations, and have shown that they are in compliance.

During FY2010, the Delaware Office of Lead Poisoning Prevention (OLPP) became part of a new Office of Healthy Environments (OHE) in the Delaware Division of Public Health (DPH). A Lead Advisory Committee, comprised state agencies, city and county governments, private lead risk assessors and other interested parties, met twice during FY2010. One of the primary topics during these meetings was to clarify the distinctions and overlaps between HUD's Lead Safe Housing Rule (LSHR) and Environmental Protection Agency's (EPA) Renovation, Repair and Painting Rule (RRP).

On April 22, 2008, the EPA issued the RRP Rule, requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning. Under the rule, beginning in April 2010, contractors performing renovation, repair and painting projects that disturb lead-based paint in homes, childcare facilities, and schools built before 1978 must be certified and must follow specific work practices to prevent lead contamination.

Beginning in December 2008, the EPA's RRP Rule required that contractors performing renovation, repair and painting projects that disturb lead-based paint provide the lead hazard

information pamphlet *Renovate Right: Important Lead Hazard Information for Families, Child Care Providers, and Schools* to owners and occupants of child care facilities and to parents and guardians of children under the age of six that attend child care facilities built prior to 1978.

Starting April 22, 2010, the RRP Rule affected paid renovators who work in pre-1978 housing and child-occupied facilities, including: renovation contractors; maintenance workers in multifamily housing; and painters and other specialty trades.

It should be noted that all housing receiving federal assistance must still comply with HUD's LSHR. HUD's Office of Healthy Homes and Lead Hazard Control (OHHLHC) website provides information on complying with the LSHR and RRP Rule. DSHA notified CDBG and HOME subgrantees about the new requirements and provides technical assistance as needed.

Further during FY2010, the OLPP and local jurisdictions applied for applicable HUD grants. These included the Lead Based Paint Hazard Reduction Grant and the Healthy Homes Production Grant. DSHA continues to support the grant applications to assist in eliminating the hazards of lead based paint.

### ***Actions taken to ensure compliance with program and comprehensive planning requirements***

For the LIHTC and HOME Program, owners/management agents are notified of areas of non-compliance and are given a reasonable period of time to respond. They are asked to provide DSHA with all required documentation in order to maintain the units within the standards of continuous compliance. When serious instances of non-compliance are discovered, a follow-up on-site inspection is conducted and documented. If the follow-up visit still indicates areas of concern, another monitoring visit will be held.

DSHA is continually updating and revising program guidelines to meet any new requirements as determined by the State of Delaware and HUD. Please refer to individual program narratives for additional monitoring procedures.

DSHA staff continues to be active in national organizations and attend training conferences to remain up-to-date with program changes and comprehensive planning requirements. These organizations include, but are not limited to, the Council of State Community and Development Agencies (COSDA), the National Association of Housing and Redevelopment Officials (NAHRO), the National Council of State Housing Agencies (NCSHA) and the Public Housing Authorities Directors Association (PHADA).

### ***Actions taken to reduce the number of persons living below the poverty level***

#### ***Housing Needs of Persons with Disabilities Study***

Despite extensive efforts to acquire and compile local-level data on housing needs of persons with disabilities in Delaware as part of the 2008 – 2012 Statewide Housing Needs Assessment, the State's housing community has still struggled with the need to better understand the scope

and nature of the housing needs of persons with disabilities in Delaware. With multiple unique subpopulations, each with distinctive needs and their own network of service providers, advocates, and data sources, simply assembling the information that is available into a coherent whole is itself demanding.

To revisit this topic, the Housing Sub-Committee of the Governor's Advisory Council on Community Based Alternatives for People with Disabilities and the DHC have joined together to make use of a renewed and enhanced Housing Sub-Committee to serve as a workgroup. The purpose of this workgroup is to produce a new study of the housing needs of persons with disabilities in Delaware and related policy and program recommendations. The workgroup held its first meeting in FY2010. The Housing Sub-Committee's leadership is working to ensure participation, encourage wide collaboration in the work, and provide guidance and insight. The DHC is facilitating the study and the work plan (data gathering, research, analysis, report). Several Divisions of the DHSS are participating in the Housing Sub-Committee. DSHA is providing intensive assistance in collecting and analyzing data and the development of the needs section of the report. The report is expected to be completed in FY2011.

*Also ,refer to Priority 3 narrative, Resident Services/Management Division.*

## **SECTION VI: Leveraging Resources**

### ***Community Development Block Grant***

Neighborhood infrastructure improvements may be leveraged through any combination of the following:

- ◆ Local – bonds, in-kind, municipality’s general fund and local water and sewer fund;
- ◆ State – Delaware Department of Transportation, Department of Natural Resources and Environmental Control State Revolving Fund and municipal street aid fund; and
- ◆ Federal – DOT, EPA, FEMA and USDA.

The uses of CDBG funds for owner-occupied rehabilitation may leverage additional rehabilitation funding from nonprofit, private and public sources; however, this is usually not the case with the exception of a small amount of Housing Preservation Grant funds each year.

HUD requires a one-for-one match on CDBG funds used for state administration in excess of \$100,000. DSHA spent the maximum allowable in state administration for FY2010, and matched the funds in excess of \$100,000. DSHA did not use any program income for administration; therefore it did not require a match.

The FY2010 Delaware CDBG program guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties matched their administration allocations in local funds.

Delaware CDBG program guidelines also require subgrantees to match their CDBG infrastructure project funds with minimum match amounts that vary with the amount of CDBG funds requested. Cash matches may be provided through other sources of funding for the same activity. The following are the CDBG infrastructure match requirements:

- ◆ Up to \$100,000 requires a 10 percent cash match or a 15 percent in-kind match;
- ◆ \$100,000+ to \$200,000 requires a 15 percent cash match or a 20 percent in-kind match; and
- ◆ \$200,000+ requires a 20 percent cash match or a 25 percent in-kind match.

### ***HOME Investment Partnerships***

The majority of the State of Delaware's HOME funds are provided to multi-family rental developments in conjunction with the LIHTC Program. During the reporting period, DSHA completed one HOME multifamily development.

The permanent financing breakdown of the one completed HOME-financed multifamily rental development indicates HOME funds provided 21 percent of the financing, while 79 percent of total development costs were provided by other sources including: 48 percent of Section 1602 Tax Credit Exchange Funds; 17 percent permanent financing from other federal sources; and 14

percent financing from owner funds. While each development has different financing needs and sources, DSHA leveraged each HOME dollar spent for this multifamily rental development at least four to one with other funding sources.

DSHA also provided assistance to homebuyers for downpayment and closing costs from the HOME Program. The total financing for the one downpayment assistance loan closed during the reporting period indicates HOME funds were 19 percent of the total funding of the costs, other federal programs provided 81 percent of the funding. Based on the above financing, DSHA leveraged each HOME dollar used for downpayment or closing costs at least five to one with other financing.

Leveraging of other funds is not required under the HOPWA and ESG Programs, however given the limited formula allocations, all ESG subgrantees are highly leveraged with state funds and private donations. (please refer to HOPWA narrative for leveraging)

## **SECTION VII: Citizen Participation and Public Notice**

Public notice for the review of this draft document was given in accordance with Delaware's Citizen Participation Plan and federal law (24 CFR 91.115).

Notice of availability of the Draft FY2010 Consolidated Annual Performance Evaluation Report (CAPER) was advertised in the Delaware State News and the News Journal. Notification was also sent to DSHA's Consolidated Plan mailing list, which includes affected constituents and interested citizens throughout Delaware. Additional notification is provided through DSHA Highlights with an email subscriber list of approximately 1,400 people. Public comments will be accepted regarding the FY2010 CAPER beginning on September 14, 2011 through September 28 2011. The CAPER is also available for access at libraries located in each county and at each of the three county offices. The CAPER is available for download from DSHA's website at [www.destatehousing.com](http://www.destatehousing.com). Hard copies are available upon request.

Public comments to the FY2010 CAPER will be inserted prior to submission to HUD.

## **SECTION VIII: Self Evaluation**

### *Impacts on identified needs*

DSHA's mission is to efficiently provide, and assist others to provide, quality affordable housing opportunities and appropriate supportive services, to responsible low- and moderate-income Delawareans.

During FY2010, the CDBG Program continued to address the needs of communities in a more holistic manner. Where pockets of substandard housing exist in communities that can be assisted through the CDBG Program, it was the intent of the state to increase the number of units in each targeted area, so as to maximize the impact in that area. Also the number of infrastructure projects was limited so that those activities with the greatest neighborhood impact were awarded funding. These changes strongly benefited Delaware's low- and moderate-income households.

DSHA is the lead agency in the evaluation and implementation of HUD's four consolidated formula programs. The objectives and the investment of resources are established in both the Consolidated Plan and Action Plan for the State. DSHA continued to evaluate and refine its efforts in respect to implementation of the formula grant programs and other housing and community development-related programs.

DSHA has also afforded opportunities for the sharing of experiences and expertise regarding affordable housing issues. The CoC Plan maximizes the broad spectrum of services available to special needs populations, especially the homeless. In terms of product improvements, DSHA has sought to increase the capacity and responsiveness of housing assistance providers, including local nonprofit organizations.

Throughout FY2010, DSHA continually researched innovative programs to address the affordable housing need in Delaware. Great strides have been taken to tackle the lack of affordable housing through the Regional CLT and participation in the Housing Needs of Persons with Disabilities Study. Further, continued efforts to increase compliance with EPA's Energy Star Program will accomplish the long-term goal of reducing energy expenses, thereby making homeownership more affordable.

Moreover, the State's efforts continued to address its priorities and objectives related to affordable housing and community development issues in the administration of related HUD-funded programs. As a result, DSHA concludes that, although not all of the goals and objectives outlined in the Consolidated Plan and Action Plan were met, progress was made in meeting the stated priorities. This conclusion is based on the number and type of grants awarded and the number of persons benefiting from our programs. Please refer to individual narratives for the four formula grant programs.

### *Timely disbursements and in concert with expenditures*

For FY2010, HOME Performance Snapshots ranked Delaware as of the 6/30/11 report, 10<sup>th</sup> overall of 51 statewide-participating jurisdictions. Delaware was ranked 12<sup>th</sup> for percentage of

funds committed and 20<sup>th</sup> in percentage of funds disbursed. Delaware ranked above the national average in both categories for commitments and disbursements at 96.28 percent and 90.89 percent respectively. In addition, the CDBG Program ranks consistently in the top 10% of entitlements for drawdown rate.

Moreover, it is DSHA policy to process any draw requests for expenditures within seven business days given they are complete and in compliance with HUD regulations.

*Status of progress toward major goals*

In FY2010, Delaware ranked 8<sup>th</sup> nationwide in homeownership at 74.7%. Innovative financing alternatives have enabled many low- and moderate-income households to become homeowners. Many of the FY2010 annual goals were met or surpassed with continued focus on affordable rental units and community development actions. These results are highlighted through various sections throughout this CAPER.

## **SECTION VIII: Monitoring**

DSHA has the responsibility of monitoring all housing activities covered by the FY2010 Action Plan, whether the activity is conducted directly by a unit of local government, a nonprofit housing agency or by DSHA itself. The purpose of this section is to describe the policies and procedures that are used in Delaware to monitor activities carried out in furtherance of the Five-Year Consolidated Plan and to ensure long-term compliance with requirements for CDBG, ESG, HOPWA and HOME Programs.

Monitoring is an ongoing process involving continuous grantee communication and evaluation. The process involves frequent telephone contacts, written correspondence, analysis of performance reports and audits and periodic on-site visits. These processes occur differently for each of the four programs to be discussed.

### ***Community Development Block Grant Program***

The monitoring process is divided into two components: regulatory and performance compliance. Monitoring of regulatory compliance includes review of accountability and financial management, environmental impact, labor standards, civil rights and fair housing, acquisition and relocation activities and citizen participation.

Monitoring of performance compliance includes evaluation of project timeliness, components of eligibility and compliance with National Objectives and an assessment of continuing capacity to carry out approved activities.

DSHA applies the following outcome standards:

- ◆ At least 70 percent of the funds must be spent on projects that benefit low- and moderate-income persons;
- ◆ 100 percent of the funds must be spent on eligible activities;
- ◆ 100 percent of the program funds must be obligated to local governments within 15 months of receiving the grant award; and
- ◆ DSHA staff uses checklists of all program components during their evaluations. These include: Fair Housing Equal Opportunity (FHEO), Labor Standards, Rehabilitation Checklist, Financial Management Checklist, Section 3 Checklist, and Environmental Review Checklist.

DSHA staff will monitor a sampling of rehabilitation activities on an annual basis. This monitoring will consist of:

- ◆ Review of pertinent files for required documentation, compliance with program regulations and verification of the accuracy of information provided to DSHA;
- ◆ A visit to the project site to observe activities and ensure consistency with the application; and
- ◆ Results of the monitoring visit are submitted to the grantee generally within fifteen days of the monitoring visit.

In the event of a Determination of Concern, Finding of Deficient Performance or Finding of Noncompliance is indicated; the grantee will present documentation to address the concern, resolve the deficiency or present a corrective action plan.

A follow-up visit may be necessary to verify a corrective action or to provide technical assistance. When DSHA's review indicates the grantee has provided satisfactory corrective action, a letter will be sent to the grantee stating that the finding(s) have cleared. All findings must be cleared before closeout.

DSHA can bar a grantee from applying for CDBG funds, withhold unallocated funds, require return of unexpended funds or require repayment of expended funds if a grantee fails to provide satisfactory corrective action.

### *HOME Investment Partnerships Program*

DSHA ensures that recipients of HOME funds comply with the regulations through various monitoring activities. Monitoring activities include both desk and on-site reviews. Throughout a project, DSHA is committed to ensuring compliance with federal regulations, ensuring production and accountability and evaluating organizational and project performance.

For HOME, the overall program standards that will be addressed and verified include the following:

- ◆ All projects will meet all of the HOME statutory requirements, and will satisfy all HOME regulations in conformity with the DSHA Program Guidelines;
- ◆ Not less than 90 percent of all HOME-assisted units in rental housing projects will rent to a tenant whose income does not exceed 60 percent of AMI at or below the maximum HOME rent limits (65 percent of AMI). In addition, no less than 20 percent of those units will rent to tenants at or below the low HOME rent limits (50 percent of AMI);
- ◆ Not less than 100 percent of all HOME-assisted units in homeownership projects (both owner-occupied rehabilitation and down-payment closing cost assistance) will loan or grant funds to homeowners at or below 80 percent of AMI;
- ◆ 100 percent of the funds allocated for the previous two (2) program years will be committed to projects by the end of the second year;
- ◆ 100 percent of the funds allocated for the previous five (5) program years will be expended by the end of the fifth year; and
- ◆ DSHA may require any Community Housing Development Organization (CHDO) to reapply for designation upon the event of a material change in the structure of the CHDO or at such other time as required by HUD. In addition, DSHA requires all CHDOs receiving funding to certify that there has been no material change in their status that would affect such funding.

DSHA monitoring can be broken down into the two phases of a typical project: 1) pre-construction and construction, and 2) in-service.

### *Pre-construction and construction stage*

DSHA ensures each recipient of HOME funding understands the program requirements applicable to their activity. These requirements include, but are not limited to, fair housing, financial management and accountability, environmental impacts, labor standards, procurement, lead-based paint, affirmative marketing and acquisition and relocation activities.

On-site monitoring of an activity during the construction phase is preferred to ensure consistency with requirements and identify construction deficiencies. A portion of activity funds is withheld until deficiencies, if any, have been corrected and all program reports have been submitted to DSHA's satisfaction.

### *In service*

DSHA staff conducts annual on-site reviews of rental housing activities to ensure the activity sponsor maintains the following:

- ◆ Correct rent and utility allowance levels for all HOME-assisted units;
- ◆ Accurate annual re-certification of tenant income;
- ◆ Compliance with Housing Quality Standards;
- ◆ Compliance with Affirmative Marketing Requirements; and
- ◆ Compliance with other requirements of the HOME Program Guidelines.

In addition, DSHA ensures the proper payment of loan installments and escrow deposits, as required in the project's loan documents.

### *Recordkeeping*

In accordance with DSHA policy and federal requirements, DSHA has established and maintains records to enable DSHA staff, HUD, auditors, and the general public to determine the status of each HOME project, as well as overall program progress and status. Records are maintained in written and electronic format and are available to the public upon request. However, public review of documents is subject to the Freedom of Information Act.

### *Emergency Shelter Grants Program*

Service providers receiving ESG funds are monitored annually. The annual monitoring visit occurs after the end of the program year and consists of a review of applicable files, programs and processes of the agency. Areas examined include, but are not limited to, organization, environmental, conflicts of interest, insurance coverage, nondiscrimination and drug-free workplace policies, project activities and timelines, financial management and matching funds, procurement procedures, demographics, essential services, operations, homeless prevention and rehabilitation activities.

Written documentation of any finding(s) is provided to the sponsor identifying areas of noncompliance and the actions required to correct them. Prior to any further grant awards, all finding(s) must be resolved and documented satisfactorily.

For ESG, the overall program standards that will be addressed and verified include the following:

- ◆ All grantees complete a Quarterly Performance Report;
- ◆ Not less than 100 percent of the services provided will be services that are eligible by ESG statutes and HUD regulations; and
- ◆ Not less than 100 percent of the clients served will be eligible homeless families in accordance with HUD definition. One hundred percent of the funds allocated for any grant period will be expended by the end of said grant period.

### *Housing Opportunities for Persons with Aids Program*

Any service provider receiving a HOPWA grant is monitored annually. The annual monitoring visit occurs after the end of the program year and consists of a review of applicable files, programs and processes of the agency. Areas examined include, but are not limited to, organization, conflicts of interest, insurance coverage, nondiscrimination and drug-free workplace policies, project activities and timelines, financial management and matching funds, procurement procedures, demographics, essential services, environmental, operations, homeless prevention and rehabilitation activities.

Written documentation of any finding(s) is provided to the sponsor identifying areas of noncompliance and the actions required to correct them. Prior to any further grant awards, all findings must be resolved and documented satisfactorily.

For HOPWA, the overall program standards that will be addressed and verified include the following:

- ◆ The Grantee completes an Annual Performance Report;
- ◆ Not less than 100 percent of the services provided will be services that are eligible by HOPWA statutes and HUD regulations; and
- ◆ 100 percent of the funds allocated for any grant period will be expended by the end of said grant period.

## **SECTION X: Community Development Block Grant (CDBG)**

The overall mission of the State of Delaware's CDBG Program is to enhance the quality of life for low- and moderate-income residents in Kent and Sussex Counties, Delaware.

*a. Assess the use of CDBG funds in relation to the priorities, needs, goals and specific objectives in the Consolidated Plan.*

The goals of the program are to ensure that the State's CDBG funds will be used to give maximum feasible priority to activities, which will benefit low- and moderate-income families; to aid in the prevention of slums and/or blight; and to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and where other financial resources are not available to meet such needs. The CDBG funds shall principally benefit low- and moderate-income persons in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit low- and moderate-income persons. In order to comply with the 70 percent principal benefit requirement, it is further agreed that not less than 70 percent of the FY2010 CDBG Grant funds shall be utilized for activities that benefit low- and moderate-income persons as defined in the FY2010 CDBG Program Guidelines.

During FY2010, all of the CDBG grants funded have supported at least one of the above objectives. Particularly, because of the program's strong emphasis on housing rehabilitation, which provides 100 percent benefit to low- and moderate-income persons, the total benefit to low- to moderate-income persons well exceeds the program requirements. As of the end of the program year, 91 households were assisted with housing rehabilitation throughout Kent and Sussex Counties and 18 households were assisted with utility hookups.

*b. Evaluate progress toward meeting the goals of providing affordable housing using CDBG funds, including number and types of households served.*

As mentioned above, CDBG funds assisted 91 households with housing rehabilitation and another 18 housing units received utility hookups. Of these households, 12 were disabled and 67 were female head of household. The FY2010 CDBG Program is on target to accomplish the outcomes outlined in the Action Plan.

*c. Indicate the extent to which CDBG funds were used for activities that benefited extremely low-income, low-income and moderate-income persons.*

For FY2010, all of the CDBG funds, with the exception of allowable administration costs, were obligated to activities benefiting low- and moderate-income persons. The following activities were completed in FY2010 utilizing CDBG funds: 91 single-family households utilized funds for rehabilitation; and water/sewer hookups assisted 18 families.

Of these households, 50 percent of the units assisted were under 30 percent of median income, 34 percent of the units assisted were between 31-50 percent of median income and 16 percent of the units assisted were between 51-80 percent of median income.

### *Changes in Program Objectives*

Through our Consolidated Planning process, our constituents have confirmed our efforts to maintain and improve the quality of life for low- and moderate-income residents. Comments received from citizens have been supportive of the CDBG Program's housing emphasis, and recognize the need to reduce substandard housing for low- and moderate-income persons as a priority. As a result of our experience, the following programmatic change was incorporated into the FY2011 Program Guidelines.

- ◆ A new section was added to allow applications for Emergency Home Repair funds. This will allow subgrantees to address limited emergency home repair needs for those rehabilitation applicants whose names have not yet come up on the whole house rehabilitation waiting lists.

### *Neighborhood Revitalization*

Statewide housing code enforcement and targeted CDBG assistance has made considerable progress in revitalizing long-neglected minority communities characterized by substandard housing. Current examples of this include the coordinated effort by the State, Sussex County, First State Community Action Agency (FSCAA) and others to revitalize the West Rehoboth, Ellendale, and Coverdale Crossroads communities. A CLT has been established in West Rehoboth to help prevent this low-income minority community from being redeveloped as high priced beach housing. For FY2010, DSHA awarded a grant for rehabilitation of four housing units in the West Rehoboth target area (part of Census Tract 510.03). Two of these housing units have been rehabilitated, and another four units are under contract. All of the applicants and beneficiaries for this rehabilitation activity have been black or African American. A working group of members from DSHA, Delaware State University (DSU), local financial institutions, Sussex County and FSCAA completed a study on the needs of the Coverdale Crossroads community. DSU followed-up on this study and received a Historically Black Colleges and Universities (HBCU) grant from HUD for Coverdale Crossroads. The HBCU dollars were combined with additional sources of revenue; including Self-Help Housing Opportunities Program (SHOP) funding administered by Milford Housing Development Corporation, a nonprofit, and built low- to moderate-income housing in Coverdale Crossroads.

In Sussex County, DSHA awarded a FY 2010 grant for rehabilitation of four housing units in the Coverdale target area (part of Census Tract 504.04). Seven housing units have been rehabilitated under this activity, and all the beneficiaries (12) have been black or African American. DSHA also awarded a FY2010 grant for rehabilitation of four housing units in the Mount Joy target area (part of Census Tract 507.01). Six housing units have been rehabilitated in this target area, and another two units are under contract. All the beneficiaries for this activity, so far, have been black or African American. The Town of Laurel target area (Part of Census Tract 518.02) was awarded a FY2010 grant for rehabilitation of five housing units. Three housing units have been rehabilitated in this target area, and another three units are under contract. Four of the beneficiaries for this activity, so far, have been black or African American, and three beneficiaries have been white.

In Kent County, DSHA awarded a FY2010 grant for rehabilitation of four units in the City Milford target area (Part of Census Tract 425). One housing unit has been rehabilitated in this target area, and another three units are under contract. DSHA also awarded a FY2010 grant for rehabilitation of four units in the Capitol Park target area (Part of Census Tract 412). Although no housing units have been rehabilitated in this target area, four units are under contract. The Kentwoods Mobile Home Park target area (part of Census Tract 405) was awarded a FY2010 grant for rehabilitation of four housing units. One housing unit has been rehabilitated in this target area, and another three units are under contract. All the beneficiaries for this activity, so far, have been white. The Town of Smyrna target area is partially in Census Tract 402.03, and the Town was awarded a grant to rehabilitate four housing units. Four housing units have been rehabilitated in this target area, and another two units are under contract. Two of the beneficiaries for this activity, so far, have been black or African American, and three beneficiaries have been white. Considerable progress was made in addressing the problems of concentrated minority poverty areas.

In FY2010, the CDBG Program rehabilitated 91 households to assist low- to moderate-income persons for the purpose of providing decent affordable housing. Moreover, the Program assisted 18 households with accessibility to water/sewer hookups for the purpose of providing decent affordable housing.

### *Results of Monitoring*

On October 12, 2010, October 19, 2010, and November 17, 2010, DSHA monitored Sussex County's FY2009 CDBG program. The monitoring covered the work status of the housing rehabilitation program, financial management, environmental reviews, labor standards, and civil rights/beneficiaries. Eight housing rehabilitation projects were monitored including site visits to those projects. There are no findings as a result of these monitoring visits. The monitoring report did note that one fair housing complaint was filed on November 17, 2010. The complainant charged that low- and moderate-income residents of Delaware have been denied equal housing opportunity and subjected to discriminatory treatment by Sussex County on the basis of race, color or national origin. The complaint was jointly filed with the State Division of Human Relations and the United States Department of Housing and Urban Development. The monitoring report stated that that the fair housing complaint was still open and unresolved as of the January 5, 2011 date of the monitoring letter.

## **SECTION XI: HOME Investment Partnerships Program (HOME)**

*Assess the use of HOME funds in relation to the priorities, needs, goals and specific objectives in the Consolidated Plan.*

The State of Delaware's Consolidated Plan identifies five priorities to address the housing needs within the State as follows:

- ◆ Preserve and expand Delaware's stock of affordable rental housing;
- ◆ Assist Delaware families to achieve and sustain homeownership;
- ◆ Assist families to become economically self-sufficient and move from assisted to unassisted housing;
- ◆ Assist in ending homelessness and ensure those at risk of homelessness have access to affordable, integrated, supportive housing options; and
- ◆ Assist local jurisdictions in strengthening communities and providing quality, affordable housing opportunities to current and future populations.

HOME funds were identified in the Consolidated Plan as a vehicle to address the first two priorities noted above. Homeless shelters are not an eligible HOME activity, although HOME funds may also be used to address other listed housing priorities depending on applications received. The State committed HOME funds totaling \$2,552,103 during the reporting period. The funds committed consisted of six units of rehabilitation of multifamily rental housing and 11 units of new construction elderly rental housing. DSHA also committed \$200,000 for 12 units of homeowner rehabilitation and an additional \$15,000 that aided one unit with homeowner Downpayment Assistance (DPA). The six units of rehabilitation totaling \$802,347 in the multifamily rental development addressed the priority/strategy/objective of using HOME funds to preserve the physical condition and affordability of assisted-rental stock and one new construction rental development of \$1,534,756 with 11 HOME units addressed the need for newly created affordable rental housing. Additionally, the one unit of DPA aided the family in achieving homeownership with downpayment and closing cost assistance and the 12 units of homeowner rehabilitation addressed the priority/strategy/objective of assisting homeowners in maintaining their homes.

*Evaluate the progress toward meeting the goals of providing affordable housing using HOME funds, including the number and types of households served.*

HOME Program activities completed in IDIS during the reporting period included: rehabilitation of 14 units of owner-occupied housing totaling \$176,956 (enabling homeowners to maintain their homes) and DPA to one homebuyer at \$15,000 allowing the family to achieve homeownership. Both types of homeownership activities promote affordable housing. One acquisition/rehabilitation family rental development was also completed with 11 HOME units at \$1,494,000 that addressed both the need for the rehabilitation of affordable rental housing and rehabilitation of affordable rental housing.

*Indicate the extent to which HOME funds were used for activities that benefited extremely low-income, low-income and moderate-income persons.*

There were 26 HOME-financed units completed during the reporting period. Income ranges of the households benefiting from the assistance for 14 homeowner rehabilitation units and one DPA unit included nine extremely low-income, two very low-income and four moderate-income families. The 11 HOME-assisted rental units completed consisted of ten extremely low-income households and one very low-income household.

*HOME Reports.*

1. Match Contributions Report - HOME Match Report form HUD-40107-A is attached in Appendix C.
2. Contracts and subcontracts with MBE/WBE's - form HUD-40107-A Part III is attached in Appendix C.

*Results of on-site inspections of affordable rental housing assisted under HOME.*

During the reporting period, DSHA performed on-site inspections of 39 HOME-assisted developments consisting of 1,962 total units and 460 HOME-funded units. Physical inspections of the majority (58%) of units were conducted. The monitoring includes physical inspections, review of tenant files and records, tenant rents, tenant selection and orientation, leases and security deposits, application processing, affirmative marketing plans, and general management policies. In addition to inspecting tenant incomes and rents, Uniform Physical Condition Standards (UPCS) were used during the units' physical inspection and also for all common areas in HOME-assisted properties. These areas include, but are not limited to, hallways, stairwells, laundry rooms, recreation rooms, lobbies and all exteriors areas. Three tenants were found not to be initially certified, one tenant found was not annually recertified and 23 developments had UPCS findings during the physical inspection. All findings during the reporting period have been corrected by the owners. The chart below represents HOME Development Monitoring – FY2010. DSHA will continue to monitor the developments to assure that HOME Program requirements are met.

*Project Monitoring FY 2010*

Description of areas monitored for on-site inspections:	
<ul style="list-style-type: none"> <li>◆ Maintenance: Physical inspections; preventative maintenance; vacant units.</li> <li>◆ Financial Management: Budget management, financial compliance; submission of reports; rental collection; rent schedules.</li> <li>◆ Leasing and Occupancy: Tenant selection and orientation; leases and security deposits; application processing; waiting lists; tenant files and records.</li> <li>◆ Affirmative Marketing Plans: Completed and posted; five year timeframe; evidence of outreach; symbols.</li> <li>◆ General Management Practices: Owner participation; staffing and personnel practices; operating procedures; training; organization and supervision.</li> </ul>	
Total number of projects due for inspection during program year based on number of units in a HOME-assisted project.	39 Properties
Total number of projects inspected on-site during program year for file reviews and physical inspections.	39 Properties
Total number of HOME tenant files reviewed.	460 Files
Total number of files in which errors were discovered.	4 Files
Total number of HOME units physically inspected.	460 Units
Total number of developments which had UPCS findings during the physical inspection.	23 Properties

*Assessment of Affirmative Marketing actions.*

DSHA requires all HOME properties consisting of five or more units to establish a plan to “affirmatively-further” fair housing. The Affirmative Marketing Plan is required to outline the actions the property developer will undertake to provide information and actively promote wider housing opportunities for all persons, while maintaining a nondiscriminatory environment of all aspects of Federally-assisted housing during the HOME affordability period. As part of the application process for the HOME financing, DSHA requires submission of a Plan for each development. DSHA then reviews the Plan to ensure that the Affirmative Marketing Plan is included as part of the overall property’s marketing strategy. Any deficiencies in the Plan must be correct prior to initial closing of the loan.

During the reporting period, one development was completed which required Affirmative Marketing actions. An assessment of the household heads in the one development with 11 HOME-assisted units indicated a racial and ethnic mix of 46% minority and 9% Hispanic or Latino. This development is currently marketing to all groups which are least likely to apply because of the development's location. This outreach is acceptable and in compliance with the approved Affirmative Marketing Plan.

In addition, DSHA conducted compliance monitoring reviews of 39 completed HOME developments and reviewed 39 Affirmative Marketing Plans and efforts. The review disclosed that all properties have their Affirmative Marketing Plan available for review and also kept adequate records of advertising or outreach efforts. DSHA will continue annual monitoring of the requirements.

*Assessment of outreach to Minority- and Women-owned Business Enterprises (MBE/WBE).*

DSHA continued its efforts to promote minority- and women-owned business opportunities as part of its MBE/WBE Outreach Program during the 2010 Program Year. In August 2010, in accordance with the requirements of the Governor's Executive Order No. 14, DSHA adopted a Supplier Diversity Action Plan. The Plan updates and replaces DSHA's previous Minority and Women Business Enterprise Program and will assure that minority and/or women business enterprises are afforded full, equitable and fair opportunities. DSHA will continue to investigate additional ways to increase MBE/WBE participation in its affordable housing programs and will monitor the results to determine the effectiveness of its programs.

DSHA encourages subgrantees and developers to make contracts awarded under HOME-financed activities available to MBE/WBE businesses. The majority of the State HOME Program funding is utilized in conjunction with the LIHTC Program. One multifamily development was completed during the reporting period. DSHA also completed fourteen homeowner rehabilitation projects that involved contracting during the period. The information on MBE/WBE participation is reported on form HUD-40107, Part III and attached hereto. As indicated on the form, there were two Women Business Enterprises contractors or subcontractors who participated during the period totaling \$86,579 collectively. For Minority Business Enterprises, there were seven MBE contracts and nine MBE subcontracts totaling \$4,149,232 collectively. The MBE contracts awarded were 28 percent of the total contracts.

## **SECTION XII: Housing Opportunities for Persons With AIDS**

### **Executive Summary**

#### *Grantee and Community Overview*

Since 1997, DSHA has awarded Housing Opportunities for Persons With AIDS (HOPWA) funds to the Delaware HIV Consortium (The Consortium) to operate a Tenant Based Rental Assistance (TBRA) program for low-income persons living with HIV/AIDS in Kent and Sussex Counties, Delaware. The Consortium is a nonprofit agency that is the primary administrator of Ryan White CARE Act dollars used for HIV supportive services in the state of Delaware. The Consortium's mission is to eliminate the spread of HIV/AIDS and to create a seamless continuum of care for all people infected and affected in Delaware.

Program beneficiaries must be low-income persons living with HIV disease or be AIDS defined. Total household income must fall within low-to-moderate income limits as defined by HUD. Clients must be referred to the TBRA program by HIV/AIDS case managers who ensure that their clients are receiving proper medical care and supportive services. The Consortium's housing staff screen applications and place eligible clients on the TBRA waiting list, which is updated monthly. Currently, the waiting time for rental assistance is approximately four years. Client eligibility determinations are reviewed on a regular basis and those who complete their waiting time and pass the eligibility screening review are interviewed by housing staff. The client is then given a 60-day timeframe to complete the process of becoming TBRA program participants.

Assisted households then rent affordable units that meet HUD Housing Quality Standards (HQS) from private landlords within Kent and Sussex Counties. Affordability is determined using HUD Fair Market Rents. Rental assistance is calculated with the same HUD formula used by Public Housing Authorities (PHAs) to determine rent subsidies. The rent subsidy is based upon household income and housing expenses, including rent and utilities, and covers the portion of housing costs in excess of 30 percent of the household's adjusted income, up to full monthly rent. Program beneficiaries must remain connected to HIV/AIDS case management services with access to appropriate health care and support services funded by the Ryan White program and other mainstream service providers.

TBRA program staff consists of two full-time employees and one part-time assistant. A Housing Advisory Review Panel, consisting of housing program staff, HIV/AIDS case managers, and HOPWA grant administrators acts as a steering committee to review and assess the TBRA program's effectiveness. In FY2010, HOPWA funding from DSHA assisted 34 households throughout Kent and Sussex Counties, with 40 percent living in Kent County and 60 percent living in Sussex County. Before receiving rental assistance, 55 percent of TBRA clients were in unstable housing arrangements, either homeless or doubled up with family or friends. Throughout FY2010, with the exception of one, all of the assisted households maintained stable housing and were connected to medical care and support services.

## *Annual Performance under the Action Plan*

### *Outputs Reported*

HOPWA funding from DSHA provided rental assistance for 34 households, consisting of 34 persons living with HIV/AIDS and 19 other persons for a total of 53 persons assisted. This output exceeds the FY2010 targeted 30 households in the FY2010 Action Plan; however, due to the rising cost of rental assistance, it is below the targeted 35 households in the FY2010 HOPWA contract.

### *Outcomes Assessed*

- ◆ *Housing Stability* – Of the 34 households assisted in FY2010, 33 households (97 percent) remained in stable housing: 25 in HOPWA-funded TBRA, seven in other subsidized housing and one in private housing. One client exited the program to a disconnected/unknown arrangement. The 97 percent housing stability outcome exceeded the 80 percent HOPWA performance goal for this category.
- ◆ *Access to Care and Support* – In order to be connected to medical care and supportive services, all clients were required to be enrolled in HIV/AIDS case management during their participation in the TBRA program. In FY2010, all 34 households (100 percent) had housing plans as part of their case management service plans, and all 34 households (100 percent) had appropriate medical coverage and received a regular source of income. In addition, 97 percent of assisted households had contact with both their case managers and medical providers consistent with their service plans. These outcomes exceeded the 80 percent HOPWA performance goal for this category.

### *Coordination*

In an effort to address the ongoing need for affordable housing for persons living with HIV/AIDS, The Consortium uses non-HOPWA funds from the Ryan White CARE Act to provide rental assistance for clients in the TBRA program. During FY2010, Ryan White funds provided \$22,683 in housing assistance for nearly one-third of all HOPWA-funded TBRA households in Kent and Sussex Counties. Ryan White funds also provided supportive services for 34 TBRA households, including case management, food and nutrition programs, transportation, mental wellness and substance abuse counseling, dental and eye care, pharmacy assistance, HIV primary medical care at statewide wellness clinics, and emergency financial assistance. The estimated value of these supportive services in FY2010 was \$661,640. In addition, client rent payments totaling \$73,764 provided further leverage of the \$196,700 HOPWA allocation. In all, \$758,087 in leveraged (non-HOPWA) funds provided housing assistance and supportive services for 34 TBRA households in FY2010.

### *Technical Assistance*

In order to increase proficiency in program administration and reporting, The Consortium participated in one HOPWA sponsored online CAPER training session during the reporting period. Further, The Consortium would benefit from a HOPWA training module, including best practices, on integrating housing service planning into HIV/AIDS medical case management.

### *Barriers and Trends Overview*

#### *Housing Affordability*

Rising rent and utility costs present a constant challenge for TBRA clients because most clients live on extremely-low fixed incomes of approximately \$700 per month. An additional factor affecting housing affordability is that the quality and cost of rental housing varies greatly throughout downstate Delaware. The area's small cities and towns are attractive to TBRA clients because they are close to medical care and other service providers, as well as employers. These areas are also served by public transportation, which is a necessity for most TBRA clients. However, these areas contain the higher priced rental properties. Rent prices in the rural areas are more affordable, but the housing is located far from essential services and the housing quality can often be poor. In addition to rent costs, TBRA clients are responsible for utility expenses that are not included in the rent. Most TBRA clients living in Kent and Sussex Counties pay several utility providers for electricity, cooking gas, and heating oil, along with water, sewer and trash removal. These costs, when added to the monthly rent, often exceed the area's Fair Market Rents. Consequently, most clients are rent burdened because more than 30 percent of their income goes toward housing expenses. TBRA clients routinely access local energy assistance programs emergency financial assistance providers however, demand has increased for these limited resources during FY2010 as a result of the continued economic downturn.

#### *Housing Availability*

Housing availability is a barrier for new clients entering the TBRA program. Many TBRA clients in Kent and Sussex Counties have a difficult time locating appropriate rental housing when they receive their rental vouchers. Preferred rental housing for TBRA clients is often located in the areas of highest housing demand, as noted in the "Housing Affordability" section. In an effort to expedite the housing search process, TBRA housing staff has a collaborative arrangement with both DSHA and Dover Housing Authority, who share their available housing lists. This arrangement has been extremely beneficial, often leading to a productive housing search.

Current TBRA clients are strongly encouraged to transition to other affordable housing programs so that HOPWA funds can assist additional HOPWA-eligible clients on the waiting list. Currently assisted clients are challenged in this pursuit by the lack of other affordable housing options available in the community. As part of their housing plans, TBRA clients are encouraged to be on waiting lists for other subsidized housing programs, such as Public Housing, Housing Choice Vouchers, and subsidized apartment complexes. For clients wishing to apply for other subsidized housing, the process is complicated by the fact that there are five PHAs in Delaware administering these programs. Each has a separate application process and waiting list. DSHA has taken the lead in streamlining the application and housing search processes, by being the only PHA in Delaware that offers an online housing application. DSHA also has an

online affordable housing locator that provides detailed information on all affordable and subsidized apartment complexes throughout the state. The typical wait time for non-HOPWA subsidized housing in Kent and Sussex Counties is approximately three years. When TBRA clients are offered other (non-HOPWA) subsidized housing, they continue to receive HOPWA rental assistance until they successfully transfer to a mainstream subsidized housing program. The clients continue to receive guidance from TBRA staff during this transition phase. Once a TBRA client has been approved for other subsidized housing and the transition process is underway, housing staff begins the screening and interview process for an additional household from the TBRA waiting list.

#### *Initial Housing Cost, Credit History, Rental History, Criminal Justice History*

Initial housing costs, poor credit reports, poor rental histories, and criminal backgrounds constitute significant barriers to accessing housing for TBRA clients. All TBRA households are extremely-low income or very-low income households according to HUD income standards. Prior to receiving HOPWA TBRA, many clients have been in unstable housing arrangements. Many have poor credit and rental histories and some have criminal backgrounds. Although these barriers do not disqualify clients from the TBRA program, they often interfere with their ability to be placed in rental housing in the community. Furthermore, federal policy governing local subsidized housing programs, such as Housing Choice Vouchers and Public Housing, have strict eligibility requirements for applicants with criminal backgrounds. In addition, for those participants who receive HOPWA TBRA rent subsidies, initial move-in costs can limit housing access. The TBRA program does not pay for security deposits or for apartment application fees and there are limited community resources to cover these expenses. By identifying barriers at the initial screening process, followed by a four-year waiting period for HOPWA assisted housing, the client has a workable timeframe to try and remedy these issues.

#### *Rent Determination and Fair Market Rents*

As mentioned in the “Housing Affordability” section, it is nearly impossible to find an affordable unit that meets HUD Fair Market Rent Standards in the areas where TBRA clients prefer to live. The Fair Market Rents in Sussex County are the lowest in the state; however, this area contains some of the highest priced rentals within its towns and resort areas. The project sponsor uses the highest rent payment standard allowed by HUD, ten percent over the base rate, in order to provide the maximum amount of rental subsidy for downstate TBRA clients.

#### *Increased Need for Affordable Housing and Insufficient Funding to Meet the Need*

As mentioned previously, the DHC’s Annual Report on Housing Affordability in Delaware indicates that a Delaware worker would have to earn \$18.74 per hour to be able to afford a two-bedroom apartment. The typical TBRA client receives a Social Security benefit of less than \$700 per month. DHC’s report also notes “Delaware has an immediate and pressing need for at least 13,422 rental units affordable to extremely low-income renters.” In Delaware, subsidized rental housing is in high demand and short supply. The economic downturn over the last three years has further exacerbated this situation. During the waiting time of four years, 60 percent of the potential TBRA clients have episodes of homelessness and up to 70 percent are unstably housed. For persons living with HIV/AIDS, unstable housing often leads to disconnection from

medical care and support services needed to maintain overall wellness. Important new research shows that stable housing acts as an effective intervention to reduce the spread of HIV. The unfortunate fact is that, although there have been incremental increases in the HOPWA formula grant over the past few years, there is not enough funding to meet the need for affordable housing for persons living with HIV/AIDS in Delaware. The Consortium uses Ryan White CARE Act funds to provide up to two years of rental assistance for TBRA clients before transferring them to the HOPWA program. The Consortium also raises private dollars by applying for grants and sponsoring fundraising events. They teamed with AIDS Delaware for the annual AIDS walk in the fall of 2010 and sponsored two other fundraising events during FY2010.

### *Advocacy to Promote Affordable Housing for Persons Living with HIV/AIDS*

The Consortium recognizes the important correlation between housing status and HIV-related health outcomes. The TBRA program provides a stable living environment in order to facilitate access to consistent medical care and other needed services. One of the principal functions of The Consortium is to advocate for increased housing opportunities for persons living with HIV/AIDS. Housing staff and consumers regularly attend budget hearings and stakeholder meetings throughout the state to attest to the importance of affordable housing and homeless prevention programs for persons living with HIV/AIDS. In addition to serving on the Consortium's Planning and Policy Committee, the Director of Housing is a board member of the Homeless Planning Council and serves on the evaluation committee that reviews grant applications for HUD's CoC funds for homeless assistance programs. The Consortium has a Consumer Advocate on staff, who, for the past three years, has obtained full scholarships to attend national and international conferences focusing on HIV/AIDS issues and affordable housing and homelessness. The Consumer Advocate also serves on the HIV Planning Council and conducts a statewide client advocate training program.

The Delaware HIV Consortium's Policy Committee provides guidance and recommendations to the Consortium, elected officials and the general public; and devises strategies for legislative initiatives when appropriate. In 2010, the Policy Committee completed two White Papers (Position Papers) associated with current issues related to HIV/AIDS prevention and treatment in Delaware. As White Papers are completed, organizations and individual are enlisted to "sign-on" in support. The White Papers then are utilized to educate and initiate discussion with community, faith-based and government stakeholders. These papers may be viewed at [http://www.delawarehiv.org/position\\_papers.cfm](http://www.delawarehiv.org/position_papers.cfm)

### *Program Evaluation, Quality Assurance, and AIDS Housing Needs Assessment Process*

Further, The Consortium regularly evaluates the TBRA program to measure progress toward overall HOPWA goals of reducing homelessness, improving access to care, and achieving housing stability. The program evaluation tool is a biannual consumer survey that is distributed to all TBRA households. The survey questions address the three HOPWA performance goals. Clients self-report, without disclosing their identities, on their prior housing situations, affordability and quality of current TBRA housing, economic challenges, access to medical care and services and overall satisfaction with the housing program. There are several opportunities for clients to provide open-ended responses. Results from the 2009 survey showed that the

majority of TBRA clients reported that they were compliant with medical care (92 percent) and were receiving appropriate supportive services (96 percent). Practically all the respondents (96 percent) indicated that they had regular contact with their case managers and 90 percent reported that affordable housing helps them better manage their health issues. Over 60 percent of the respondents reported that they had been homeless before receiving rental assistance and over 70 percent reported that they would be in unstable housing, either homeless or doubled up with family or friends, if they were not receiving rental assistance. Overall program satisfaction was high with all respondents reporting that they were satisfied with the TBRA program.

A primary function of The Consortium is to conduct a community planning process that determines the needs of people living with or at risk of HIV infection. Part of this process involves a comprehensive needs assessment based on extensive consumer and service provider surveys, along with service utilization reports and gap analyses. The Consortium's Planning Council members, the Division of Public Health, other state agencies, service providers, persons living with HIV/AIDS and community members participated in a collaborative five-year effort to produce the state of Delaware's first integrated prevention and treatment plan: *2010-2014 HIV Comprehensive Prevention Plan and Statewide Coordinated Statement of Need (SCSN 2010 – 2014)*. .

The Comprehensive Plan guides how funding is used in Delaware to provide the most beneficial, comprehensive and cost-effective prevention and treatment services. It examines the epidemic and emerging trends within the state; determines what services are needed, available or lacking; prioritizes populations most at-risk for contracting or spreading HIV/AIDS; determines what prevention interventions work best for each population; and establishes measurable goals and objectives for both treatment and prevention. The SCSN is available on The Consortium's website at [www.delawarehiv.org](http://www.delawarehiv.org).

In conclusion, the FY2010 HOPWA Program assisted 53 individuals in 34 households access rental assistance for the purpose of making these units affordable to these families.

## SECTION XIII: Emergency Shelter Grants Program

Through the federal McKinney Emergency Shelter Grants (ESG) Program, the State of Delaware received \$101,046 in FY2010. The ESG funds are administered by DSHA and provide funding to eligible nonprofit organizations to renovate, rehabilitate, maintain, operate and staff emergency shelter facilities for the homeless and to provide essential services to the homeless throughout Kent and Sussex Counties, Delaware.

### *Assessment of Relationship of ESG Funds to Goals and Objectives*

*a. Identify actions to address emergency shelter and transitional housing needs of homeless individuals and families (including significant subpopulations such as those living on the streets).*

As the lead agency to distribute ESG funds throughout Kent and Sussex Counties, DSHA has the opportunity to work closely with the 11 shelters and eight transitional housing programs in these counties in some capacity. Besides receiving emergency and transitional shelter, homeless clients received a range of supportive services, including, but not limited to, aid in registering for mainstream benefits, obtaining employment and receiving health care for themselves and their children.

During FY2010, ESG funds assisted emergency shelters and transitional housing serving homeless individuals and/or families, veterans and homeless youth. DSHA allocated \$100,348 for shelter operations, homeless prevention, administration and transitional housing to subgrantees and retained \$698 for administrative expenses.

The following table provides a list of FY2010 expenditures by subgrantees under each category of eligible activities.

Subgrantee	Total Amount Awarded	Admin	Renovation/ Rehab/ Conversion	Essential Services	Operations	Homeless Prevention	Bedcount
Abriendo Puertas	\$18,174	\$952			\$17,222		7
Casa San Francisco	\$20,000			\$450	\$14,550	\$5,000	10
Dover Interfaith	\$16,000	\$2,000			\$14,000		28
Sussex Crisis House	\$18,000				\$18,000		20
The Shepherd Place	\$10,000				\$10,000		30
Whatcoat	\$18,174	\$952			\$17,222		46
DSHA Admin	\$698	\$698					
Total	\$101,046	\$4,602	\$0	\$450	\$90,994	\$5,000	141
% of Total Expenses		4.55%	0.00%	.45%	90.05%	4.95%	

ESG funds provided homeless persons, including those living on the street, with access to safe, decent and sanitary shelter, as well as to supportive services and mainstream assistance needed to move them toward permanent housing options. During FY2010, DSHA, in conjunction with the DICH and HPC, continued to foster a coordinated approach to address the physical, economic and social needs of the homeless population as identified in Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness.

*b. Evaluate progress made in using ESG fund to address homeless and homeless prevention needs, goals and specific objectives.*

Because of the limited amount of ESG funding and the statutory requirements, DSHA was only able to fund shelters currently operating and serving homeless persons. During FY2010, ESG funds assisted over 1,700 people in six HUD-funded emergency shelters and transitional housing and 14 households through homeless prevention efforts.

***Matching Requirement***

In FY2010, there was a funding match requirement for DSHA. Per 42 USC 11375, the first \$100,000 of any assistance provided to a State grantee is not required to be matched, but can be, at the State grantee's discretion. The matching requirement was more than met by calculating the value of any donated material or building, the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by HUD.

***Method of Distribution***

*Describe the method of distribution, rating and selection of subrecipients.*

ESG Program funds are distributed on a competitive basis as described in the Policy Manual and Application, which may be accessed at [www.destatehousing.com](http://www.destatehousing.com). During FY2010, Delaware received \$101,046 in ESG funding to support emergency and transitional shelter services throughout Kent and Sussex Counties.

The funds are made available to interested applicants each year through a *Notice of Funding Availability*, which is mailed to interested parties, published in prominent newspapers statewide and available on DSHA's website at [www.destatehousing.com](http://www.destatehousing.com). Instructions on how to apply for these grant monies are provided in the notice. A contact person is listed in the notice for the benefit of interested parties who may have questions about the program. This funding must be awarded and obligated within a short period of time, therefore, the funds are allocated to nonprofit organizations, which can effectively comply with federal regulations, provide the necessary matching funds and obligate grant funds.

ESG Program funds may be used for the following activities:

- ◆ Provision of new or increased essential services to the homeless (such as those concerned with employment, physical and mental health, education and food);

- ◆ Development and implementation of homeless prevention activities;
- ◆ Maintenance, operation, insurance, utilities and furnishings;
- ◆ Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters and/or;
- ◆ The implementation of DE-HMIS.

Priority in awarding ESGP funds was given first to applications requesting funds to increase the level of essential services to the homeless through partnering with other non-profit providers or State services. Second priority was given to quality proposals requesting funding assistance to develop joint ventures with other providers to carry out homeless prevention activities. Strong consideration was given to funding requests for the provision of maintenance and operating costs. Requests for funding for renovation, rehabilitation or conversion activities were considered last.

Applications are rated by an external independent review panel; composed of persons with the appropriate background and experience on the following criteria and maximum possible point scoring (*a maximum total of 100 points may be received by an application*):

- ◆ Provider background (10 points);
- ◆ Description and demonstrated need for proposed program (10 points);
- ◆ Community commitment (10 points);
- ◆ Administration and documentation (15 points);
- ◆ Performance measurements (15 points);
- ◆ Goals and objectives (15 points);
- ◆ Cost effectiveness (15 points); and
- ◆ Coordination with mainstream services (10 points).

### ***Homeless Discharge Coordination***

People are vulnerable to homelessness when they face major life changes. Careful planning for the transition between children's system of care and the adult system and for discharge from long-term hospitalization, institutionalization or incarceration will help to prevent chronic homelessness in years to come. Accomplishing this objective requires collaboration and cooperation among Delaware's governmental entities and service providers.

Delaware's Commission on Community Based Alternatives for Individuals with Disabilities and the DICH, both of which have DSHA participation, created a Discharge Planning Committee in 2008. DSHA initially provided staff support for the effort and encouraged participation from various stakeholders. The Discharge Planning Committee developed and published *Discharge and Transition Planning Standards* in 2008. The document articulates the elements of an effective discharge plan for persons with disabilities (including mental health and substance use conditions) that are leaving institutional settings, such as the Delaware Psychiatric Center, the correctional system, Stockley Center, or a nursing home. The document also addresses the needs of those who are moving from one life phase to another, such as young adults who are leaving foster care, youth exiting services as they enter adulthood, individuals who have been the victims of domestic violence, persons exiting hospital care in need of community supports to prevent

institutionalization or re-admission to hospital care, or persons separating from the military. An important purpose of these discharge planning policies is to prevent homelessness and other poor outcomes by ensuring that housing, income, employment, transportation, personal support and healthcare needs are met as an individual transitions from one level of care or life phase to another.

The *Discharge and Transition Planning Standards* outline the need for effective discharge and transition planning to be done in partnership with public and private agencies, long-term care facilities, hospitals, and those community agencies responsible for re-entry. The standards address a number of issues:

- the importance of a team approach;
- the need to address the full range of individual needs, which may include housing, health care, transportation, income, employment, treatment, and support systems;
- the identification of unmet needs and gaps in services;
- information systems and tracking;
- the need for incentives that emphasize performance and outcomes and encourage collaboration;
- elements of a discharge (transition) plan;
- timing issues; and
- stakeholder responsibilities.

The Delaware Division of Services for Aging and Adults with Physical Disabilities (DSAAPD) within DHSS received a grant to establish a new, statewide Aging and Disability Resource Center (ADRC). The Delaware ADRC will provide a one-stop access point for long-term care services and supports for older persons and adults with physical disabilities in the State. The ADRC will be operated by DSAAPD staff in coordination with partner organizations, including the Division of Medicaid and Medical Assistance (DMMA), the State's Health Insurance Counseling and Assistance Program (SHIP), the State's Centers for Independent Living (CILs), and the Delaware Aging Network (DAN). Functions to be carried out by the ADRC will include information & awareness; options counseling; streamlined access to public programs; person-centered hospital discharge planning; and quality assurance & evaluation. Because Delaware is a single planning and service area for purposes of administering funds under the Older Americans Act, DSAAPD currently serves as a focal point for information and assistance services statewide and performs as an access point for many public programs. The grant will allow DSAAPD to make the infrastructure improvements and systems changes needed for the successful implementation of an ADRC. Infrastructure improvements will include the installation of a state-of-the-art call center; the development of a web portal for real-time referrals; the creation of an ADRC web site with a searchable database; and the development of management information systems needed for client tracking. Other improvements will include expanded training, increased coordination among partner agencies, and formalized support of the hospital discharge planning process.

Housing has emerged as one of the most critical issues for those leaving Delaware prisons. In January 2009, Governor Markell established a cabinet level committee charged with developing a plan to address reentry within 90 days. The committee included the Secretaries of the

Department of Labor (DOL), Department of Correction (DOC), DHSS, Department of Education (DOE), and DSHA. The agencies have engaged in a collaborative process to develop a comprehensive and coordinated continuum of services. The model developed, referred to as I-ADAPT, includes a multidisciplinary team approach, one for each of the three counties and one team for the City of Wilmington, to review all reentry plans six month prior to release and begin working together to address any issues likely to inhibit successful reentry. DSHA staff actively participates in each of the four teams, which focus on linking offenders to the appropriate services and housing, creating a support system and minimizing recidivism.