

Delaware

**FY2011
Action Plan**

**A Supplement to
the Five-Year
Consolidated Plan
2010- 2014
for Housing and
Community
Development**



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FY2011 Action Plan Executive Summary



The Action Plan, prepared and implemented by the Delaware State Housing Authority (DSHA), is an annual planning document required by the U.S. Department of Housing and Urban Development (HUD). Using the goals and strategies set forth in the *Five-Year Consolidated Plan for Housing and Community Development 2010-2014* (*Consolidated Plan 2010 - 2014*), the Action Plan is designed to explain to Delaware citizens how the State plans to distribute funding for federal FY2011 (July 1, 2011 to June 30, 2012).

The overall goal of community planning and development programs is to support the development of viable communities by providing decent housing and a suitable living environment for low- and moderate-income persons. DSHA strives to make these opportunities accessible and affordable to communities and individuals, and to ensure that desired project outcomes are sustainable and measurable. The plan serves four major functions:

- ◆ It is the State of Delaware's application for federal funds available through the four HUD formula grant programs that are administered by DSHA;
- ◆ It is the annual planning document, built through public input and participation, for the four HUD formula programs and other related programs;
- ◆ It lays out the funding resources expected, the method of distribution and the actions the state will follow in administering the HUD programs; and
- ◆ It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

DSHA anticipates receiving approximately \$5,200,000 in formula funding for the four community planning and development programs administered by HUD for FY2011. The four formula programs governed by this Action Plan are:

- ◆ Community Development Block Grant (CDBG);
- ◆ Emergency Shelter Grants (ESG);
- ◆ HOME Investment Partnerships Program (HOME); and
- ◆ Housing Opportunities for Persons with Aids (HOPWA).

Housing and Community Development Goals and Strategies

The following general goals and strategies derived from the strategic planning and public participation process and are regarded as being the most effective for addressing Delaware's most pressing housing and community development needs. These strategies serve DSHA as targets for each year's Action Plan and activities. Not all strategies apply to all areas of the State

as local conditions and residents determine how best to address the housing and community development needs of each community. Each successive Action Plan endeavors to reflect and adhere to these strategies in its resource allocation and program planning.

The State set forth corresponding priorities, as outlined below, to address the identified housing needs of Delaware's population:

- ◆ Preserve and expand Delaware's stock of affordable rental housing;
- ◆ Assist Delaware families to achieve and sustain homeownership;
- ◆ Provide access to high-quality, affordable housing and assist persons and families to become economically self-sufficient;
- ◆ Assist in ending homelessness and ensure that those at risk of homelessness have access to affordable, integrated, supportive housing options; and
- ◆ Assist in creating sustainable communities by connecting housing to jobs, fostering local innovation and helping to build a clean energy economy.

Strategies are provided for a wide range of issues and challenges identified in the Action Plan, including preservation, homeownership, providing permanent supportive housing for those at risk of homelessness, addressing barriers to affordable housing development, addressing lead-based paint hazards, promoting fair housing, revitalizing neighborhoods and many more.

Measuring Performance

Performance measurement is a tool that can help track progress and report on program results in a way that highlights the impact a program has had on the community and the lives of its residents. It is used to compare quantifiable achievements versus what was projected as a goal and is a means to capture program outcomes. HUD instituted the following three goals or objectives to guide performance measurement:

- ◆ ***Create suitable living environments*** – In general, this objective relates to activities that are designed to benefit communities, families, or individuals by addressing issues in their living environment.
- ◆ ***Provide decent affordable housing*** – The activities that would typically be found under this objective are designed to cover a wide range of housing possible under the HOME, CDBG, ESG and HOPWA Programs. This objective focuses on housing programs where the purpose of the program is to meet individual family or community needs and not programs where housing is an element of a larger effort.
- ◆ ***Create economic opportunities*** – This objective applies to activities related to economic development, commercial revitalization or job creation.

The second component of HUD's performance measurement system is outcomes. The program outcome helps further refine the objective and is designed to capture the nature of the change or the expected result. They are as follows:

- ◆ **Availability/Accessibility** – This outcome applies to activities that make services, infrastructure, public services, public facilities, housing or shelter available or accessible to low- and moderate-income people, including persons with disabilities.
- ◆ **Affordability** – This applies to activities that provide affordability in a variety of ways in the lives of low- and moderate-income people. It can include the creation or maintenance of affordable housing, basic infrastructure hook-ups, or services such as transportation and daycare.
- ◆ **Sustainability** – This outcome applies to activities that are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low- and moderate-income. This may be accomplished by removing or eliminating slums or blighted areas and through multiple activities or services that sustain communities or neighborhoods.

Evaluation of Past Performance

In order to facilitate joint planning efforts with the other Delaware Consolidated Plan jurisdictions (New Castle County, the City of Wilmington and the City of Dover), DSHA requested permission from HUD to submit a new Five-Year Consolidated Plan for years 2010 – 2014. This schedule adjustment will allow all Delaware Consolidated Plan jurisdictions to work from the same set of data, for the same time period and facilitate increased planning efforts.

The State is currently operating in the first year of the Five-Year Consolidated Plan 2010 – 2014, which does not conclude until after this Action Plan is required to be submitted to HUD. DSHA was successful in its efforts to address the priority needs identified in the Five-Year Consolidated Plan 2008 – 2012 for year two. Specific details about past performance by the state on priorities are available through the state’s Consolidated Annual Performance Evaluation Report (CAPER) that is submitted to HUD. The 2009 CAPER was submitted to HUD in September 2010 and is available on DSHA’s website at www.destatehousing.com or by contacting DSHA at 302-739-4263. FY2009 performance is attached as Appendix C.

Reaching Out to the Community

Citizen participation in the Action Plan helps assist DSHA to set forth issues that need to be addressed to make the difference for individuals and families and the community they live in. DSHA is continually looking for efforts to broaden the citizen participation process. DSHA encourages and maintains an open relationship with a number of agencies, and provides them the opportunity to submit data, ideas and comments throughout the planning process. This process of intergovernmental cooperation and coordination is seen as on-going. DSHA interacts with representatives from Delaware governments, social service agencies, private nonprofit and for-profit developers and other special interest groups. Representatives from the Department of Health and Social Services (DHSS), the Governor’s Advisory Council for the Division of Substance Abuse and Mental Health, the Division of Family Services for Children, Youth and Their Families (DSCYF), Criminal Justice Council (CJC), the Homeless Planning Council (HPC), Delaware HIV Consortium and the State Council for Persons with Disabilities (SCPD) also provided valuable assistance with respect to social service data on the homeless and special populations.

A notification of a 30-day public comment period and the availability of the Action Plan was advertised in newspapers throughout the state. The Action Plan is also made available on DSHA's website at www.destatehousing.com and in county offices and libraries throughout the state. DSHA did not receive any written or verbal comments on the FY2011 Action Plan.

Summary of Action Plan Amendments for State FY2011

In this second year of DSHA's Five-Year Consolidated Plan 2010 - 2014, DSHA is amending the Five-Year Plan to include, by Census tract, areas of low-to-moderate income and areas of disproportionate need by race and ethnicity. The FY2011 Action Plan also includes this information, as well as details on how we use the formula programs to address areas of disproportionate need and provide housing choice. The updates are including as Appendix B.

In addition, the following amendments have been made with regard to the Community Development Block Grant (CDBG) Program Guidelines and Application Package:

- A cap of \$160,000 has been set for the amount of administrative funds that may be requested by a subgrantee. This cap is necessary to stay under the 20 percent administrative expense cap imposed by HUD. This cap has been increased by \$3,000 per applicant from FY2010.
- We added a section 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.
- The application deadline was extended until March 2, 2011, as a result of a request from Kent County during the public comment period.

Resources and Objectives

The Action Plan establishes the priorities, proposed activities and methods of allocating funds under four federally-funded programs – CDBG, HOME, ESG and HOPWA. Expected housing and community development resources from these four programs total approximately \$5,200,000 in federal formula funding to the State of Delaware.

Housing and community development programs have increasingly stressed the importance of leveraging and combining funding from a variety of sources. DSHA's consolidated planning process reports on a number of state and federal programs involved in housing and community development. Anticipated funding levels for FY2011 (July 1, 2011 to June 30, 2012) reflect the projected amounts authorized by Delaware's Legislature. Figures are based on the best information available at the time of release of this Action Plan.

Combined State and Federal Resource Summary

Activity	Type of Assistance Strategy Addressed	Program	Anticipated Funding State	Anticipated Funding Federal	Proposed Families/ Units Assisted	Proposed Entities Assisted
Homeownership	Mortgage Assistance	Single Family Mortgage Revenue Bond (SFMRB) Program	\$166,000,000		750	
		Second Mortgage Assistance Loan (SMAL) Program	\$3,200,000		400	
		Live Near Your Work (LNYW) Program	\$10,000		10	
		Housing Rehab Loan Program	\$525,000		15	
		DEMAP	\$730,000		70	
Rental	Create, Rehab and Preserve Rental Housing, and Leverage Multifamily Developments	Low Income Housing Tax Credit (LIHTC) Program		\$2,197,920	350	
		HOME		\$2,300,000		
		HOME General Administration		\$300,000		
		HDF	\$8,000,000			
Community Development	Rehab Owner Occupied Homes	HOME		\$400,000	24	
		CDBG		\$1,311,756	134	
	Infrastructure	CDBG		\$77,550	18	1
		CDBG Program Income		\$100,000		
		CDBG General Administration		\$370,000		
		CDBG Rehab Program Delivery		\$114,000		
	Assistance to Homeless Shelters	Emergency Shelter Grants (ESG) Program		\$141,721	1,500	8
	Rental Assistance to HIV/AIDS Persons	Housing Opportunities for Persons With Aids (HOPWA)		\$205,796	30	
Total			\$178,465,000	\$7,518,743	3,301	9

Leveraging

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 – Department of Transportation (DOT), Environmental Protection Agency (EPA), Federal Emergency Management Agency (FEMA) and U. S. Department of Agriculture (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.

HOME Program

The majority of the State of Delaware’s HOME funds are provided to multi-family rental developments. During the previous fiscal year, DSHA committed funding to two HOME multi-family developments.

The projected permanent financing breakdown of the HOME-financed multi-family rental developments indicates HOME funds will provide 25 percent of the financing, while 75 percent of total development costs are to be provided by other sources including: Low Income Housing Tax Credits (LIHTC) at 57 percent and mortgage financing from USDA Rural Development at 18 percent. Based on these two developments and prior experience, DSHA expects on average to leverage each HOME dollar spent for multi-family rental developments three to one with other funding sources.

Leveraging of other funds is not required under the HOPWA and ESG Programs.

Matching Requirements of Federal Funds

Community Development Block Grant

HUD requires a one-for-one match on CDBG funds used for State administration in excess of \$100,000. DSHA will spend the maximum allowable funds in State administration for FY2011, and will match the funds in excess of \$100,000 with DSHA funds. We do not anticipate using any program income for administration; therefore it will not require a match.

The FY2011 Delaware CDBG Program Guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties will match their administration allocations, with at least those amounts 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.

One infrastructure project has been recommended for funding for FY2011.

HOME Program

To the extent that contributions from other resources to a development assisted with HOME funds do not meet matching requirements, DSHA will provide the remainder of the required match from non-federal sources. Contributions that have or will be counted as satisfying a matching requirement of another federal program may not be used to satisfy the matching requirement for the HOME Program.

As required, DSHA will make match contributions to housing that qualifies as affordable housing under the HOME Program. Except where the match requirement has been reduced, DSHA will provide match funds totaling not less than 25 percent of the HOME funds drawn from the State of Delaware's HOME Investment Trust Fund Treasury account for the appropriate period. Funds drawn for administration and Community Housing Development Organization (CHDO) operating expenses are not required to be matched.

Matching contributions required under the HOME Program may be made as a cash contribution from non-federal sources or may be made as the grant equivalent of a below-market interest rate loan from the State of Delaware Housing Development Fund (HDF) to housing that qualifies as affordable under the HOME Program. The present discounted cash value of the difference in the interest rate for the HDF loans, versus the appropriate market rate for that type of development, will be counted as a match. Match contributions made in a federal fiscal year exceeding the match liability for that year will be carried over and applied to future fiscal years' match liability.

Emergency Shelter Grants and Housing Opportunities for Persons with Aids Programs

The State of Delaware anticipates receiving approximately \$141,721 in ESG funds and in FY2011 subgrantees will be required to match funds awarded. Further, matching funds are not required under HOPWA regulations, either for administration or recipients.

Annual Objectives

The following are the annual objectives (priorities) the state expects to achieve in the coming program year based on the priorities set forth in the Consolidated Plan.

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

HDF, LIHTC & HOME Programs – The LIHTC Program provides a direct federal income tax credit to qualified owners and investors, who build, acquire or rehabilitate rental-housing units to rent to working low- to moderate-income Delawareans. DSHA will continue to administer loan and tax credit programs targeted for construction or rehabilitation to quality rental housing for the very low-, low- and moderate-income households. Based on the rental housing needs, DSHA anticipates assisting in the construction and/or rehabilitation of 350 affordable rental units in Delaware. However, the actual breakdown in each category is undetermined, as it depends on the developer's application for DSHA funds.

Preservation

DSHA is also the contract administrator for 4,667 project-based Section 8 Housing units. DSHA will continue the efforts to preserve affordable rental units through renewal of HAP contracts. During FY2011, 541 units of housing face expiring contracts, however DSHA anticipates that all of the affordable units will be renewed.

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

Single Family Mortgage Revenue Bonds (SFMRB) – DSHA anticipates issuing approximately \$166,000,000 in bonds to assist first-time homebuyers in Delaware. This mortgage financing is offered at below-market interest rates to low- and moderate-income families through approved lenders, banks and financial institutions. DSHA has added the Federal Housing Administration (FHA) 203K Acquisition/Rehabilitation Loan to the list of allowable programs under the SFMRB Program. The program will provide up to \$5,000,000 of below-market rate financing which will assist approximately 30 families acquire and make needed repairs to their homes. The SFMRB is offered statewide and DSHA anticipates assisting 750 families.

Second Mortgage Assistance Loan Program (SMAL) – SMAL offers up to \$10,000 in downpayment and closing cost assistance in a deferred 6 percent simple interest rate second mortgage to low- to moderate-income families. This program is funded through bond proceeds and offered statewide. DSHA anticipates assisting approximately 400 families.

Public Housing Home Ownership Program (PHHOP) – Public Housing site residents and families on DSHA's waiting lists are provided the opportunity to purchase their own home. This program was originally funded by the HDF and HUD, and is now totally funded by HUD. Select participants must demonstrate that they have been responsible members of their communities for at least two years and have no serious lease violations. Participants must be gainfully employed, actively seeking employment, or be enrolled in a job training program. This program is offered

in Kent County only. Given that this program is dependent on an adequate supply of affordable housing and mortgage-ready residents, DSHA is unable to forecast assistance for FY2011.

HOME – HOME funds may be used as deferred second mortgage loans to low-income homebuyers for acquisition/downpayments and closing costs. Participants in DSHA’s Scattered Site PHHOP will receive priority for all HOME Program second mortgage loans. Additionally, the HOME Program will fund the rehabilitation of 24 owner-occupied properties in Kent and Sussex Counties.

Live Near Your Work (LNYW) – LNYW is a partnership between state, local jurisdictions and local employers to encourage homeownership near an employee’s place of employment. Downpayment and closing cost assistance is provided to families in the form of a grant that is matched by participating employers and local communities. Currently, DSHA has 19 employers and 3 jurisdictions participating in this homeownership program. DSHA anticipates assisting 10 families.

Resident Homeownership Program (RHP) – This program enables low- to moderate-income families residing in DSHA public housing sites or receiving Housing Choice Voucher assistance to use their monthly Housing Assistance Payment (HAP) to help pay their mortgage. Given that this program is dependent on an adequate supply of affordable housing and mortgage-ready residents, DSHA is unable to forecast assistance for FY2011.

Delaware Emergency Mortgage Assistance Program (DEMAP) – DEMAP is a program designed to assist homeowners, who through no fault of their own, are in danger of losing their home to foreclosure. DEMAP offers homeowners a three percent simple interest loan to reinstate delinquent mortgages. DSHA anticipates assisting 70 homeowners with this program.

Community Development Block Grant Program (CDBG) – Housing rehabilitation under the CDBG Program brings dwelling units up to local housing code standards by focusing on major systems such as roofs, electrical wiring, heating, plumbing, weatherization, insulation, foundations and structural members, wells and septic systems, or water and sewer hookups. In addition, the program repairs or replaces siding, doors and windows and provides for handicapped accessibility when needed. DSHA expects the CDBG rehabilitation activities to upgrade 152 owner-occupied housing units in Kent and Sussex Counties, which includes one infrastructure project.

Housing Rehabilitation Loan Program (HRLP) – The HRLP provides 3 percent interest rate home improvement loans for a fifteen-year term to low- and moderate-income homeowners and landlords who rent to low- and moderate-income tenants. The financial assistance is used to moderately rehabilitate existing properties to comply with the State Housing Code or to make a property handicapped accessible. The program is offered statewide and DSHA anticipates assisting 15 households.

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

During FY2011, DSHA will continue to empower families to move from assisted to unassisted housing. DSHA and HUD signed a ten-year extension agreement to the Moving to Work (MTW) Program in 2008. This will allow us to continue the program through 2018. MTW requires residents to work or be in school to receive a housing subsidy. The MTW goal is to establish positive work and budget habits over time in the program, which will serve the family as they transition to unsubsidized housing. DSHA believes that MTW plays an important role in breaking the cycle of poverty by providing case management services and resources that help families succeed. It is anticipated that 45 families will benefit from this program and move to unassisted housing during FY2011.

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

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. DSHA is anticipating that the Delaware HIV Consortium will use the anticipated funds for payment of project- or tenant-based rental assistance, including shared housing, rent, mortgage, and/or utility payments to prevent homelessness of the tenant or mortgagor. Funds may also be used for supportive services that include, but are not limited to, health, mental health, assessment, nutritional services, intensive care when required and assistance in gaining access to benefits and services. DSHA anticipates assisting 30 households.

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. DSHA anticipates providing approximately eight emergency shelters with operating expenses and homeless prevention funds. Under the prevention category, DSHA may provide funds to grantees to assist individuals and families in retaining their current housing through payment of back rent and utility payments. In addition, first month's rent and security deposits may be paid to aid individuals and families in their transition from homelessness to permanent housing. This program is operated in Kent and Sussex Counties and anticipates assisting 75 families with decent, affordable housing and creating the availability of a suitable living environment for over 1,500 individuals.

DSHA will continue to support the activities of the HPC in its capacity as the statewide Continuum of Care (CoC) coordinating entity. DSHA will work with various agencies throughout the state that provide permanent housing, transitional housing and supportive services to homeless households. The CoC grants will provide funding for one-, two- and three-year periods for activities throughout the State of Delaware.

Delaware Interagency Council on Homelessness (DICH) completed *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness*

in 2007. The DICH is currently working on updating the Ten-Year Plan to incorporate goals, objectives and strategies from the *Federal Strategic Plan to Prevent and End Homelessness*. The DICH will also be creating plans for other homeless populations, including family homelessness, unaccompanied youth, youth aging out of foster care, veterans and re-entering offenders. The Plan is available on DSHA's website at www.destatehousing.com.

During FY2011, DSHA will continue to provide a \$250,000 set-aside in the LIHTC Qualified Allocation Plan (QAP) to be used for developing supportive housing units for the chronically homeless. The households served by this set-aside have very, very low income with high needs for supervision and on-site services. The accomplishments will be dependent upon developers' applications and funding levels.

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

DSHA will continue 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.

Strategies for State Policies and Spending

This Action Plan is developed in accordance with the *Strategies for State Policies and Spending*. This document, updated in 2010 and currently pending final State approval, is to coordinate land use decision-making with the provision of infrastructure and services in a manner that makes the best use of Delaware's natural and fiscal resources. The 2010 update builds on the groundwork previously establishing in prior versions of the document by the Cabinet Committee on State Planning Issues. The provision of quality, safe, affordable housing is essential to the success of the strategy.

Levels 1 and 2 identify areas that are most suitable for growth and where the State can make the most cost-effective infrastructure investments in terms of schools, roads, and public safety. Level 3 areas are those locations where growth is anticipated by local, County, and/or State plans in the longer term, or areas that may have environmental or other constraints to development. Level 4 areas are more rural in character and include areas where the State will make investments that will help to preserve the existing rural character by promoting open space and agricultural uses. In addition, out of play areas include areas that generally cannot be developed.

Strategies for State Policies and Spending outlines goals for the aforementioned investment areas in the following categories: agriculture, economic development, education, housing, natural resources and the environment, State facilities and investments, and transportation. Levels 1 through 3 are areas in which state policies will support growth activities, with Levels 1 and 2 being the primary focus. Within DSHA's policies, tax credit projects that involve new housing construction are permitted in investment area Levels 1, 2, and 3. Moreover, State policies will support agriculture and open space activities in Level 4 areas, including the promotion of the agriculture industry support activities.

Overall, the Strategies for State Policies and Spending helps create a unified vision toward a balance of growth and preservation priorities that all levels of government in Delaware can utilize to allocate resources. The strategies outlined provide a framework for infrastructure, service, housing, and development investments by various State agencies. Furthermore, the strategies also provide guidance on regional planning issues for County and local jurisdictions and promote regional collaboration.

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.

Activities

The activities section of the Action Plan describes Delaware's method of distributing funds to local governments and nonprofit organizations to carry out activities using funds that are expected to be received under formula allocations. This includes related program income and other HUD assistance during FY2011. It also describes the reasons for the allocation priorities, how the proposed distribution of funds will address the priority needs and specific objectives identified in the Five-Year Consolidated Plan 2010 - 2014 and any obstacles to addressing underserved needs.

Community Development Block Grant

The State distributes funds through a competitive application process to units of general local government throughout Kent and Sussex Counties, Delaware. The competitive application process is described under the heading "Program-Specific Requirements" page 46. Each unit of local government and each county government may make only one application for funds in each program year, with the exception of applications for emergency activities and infrastructure for new housing development. An application from the Kent and Sussex County governments may include unincorporated portions of the county, as well as those incorporated areas whose governing bodies have specifically requested to be included in the county's application. The program is competitive in nature and usually the demand for funds far exceeds the total amount available to the State. Therefore, eligible applicants selected for funding are those communities and counties whose applications best address locally determined needs of low- and moderate-income families as contained in Delaware's Five-Year Consolidated Plan 2010 – 2014. They must also be consistent with the 51 percent principal benefit requirement or otherwise meet one of the three National Objectives, and meet one or more of the State's priorities. The State's priorities for CDBG funding are:

- ◆ Maintenance of existing housing including:
 - rehabilitation of substandard residential properties occupied by 100 percent low- and moderate-income households;
 - housing code enforcement in areas of slum and blight or which benefit an area of at least 51 percent low- and moderate-income persons;
 - demolition of substandard structures in areas of slum and blight or which benefit 51 percent low- and moderate-income persons on an area or spot basis;
 - construction or rehabilitation of emergency/transitional/permanent supportive housing serving of at least 51 percent low- and moderate-income limited clientele;
 - relocation assistance under the Uniform Relocation Act; and
 - substantial reconstruction of housing occupied by 100 percent low- and moderate-income households.
- ◆ Infrastructure benefiting at least 51 percent low- and moderate-income persons;
- ◆ Emergency activities, which have a particular urgency because existing conditions pose a serious and immediate threat to the health and welfare of the community and other financial resources are not available to meet such needs; and
- ◆ Administration.

Given the applications received, the State projects that it will implement the following activities with CDBG funding during FY2011:

- ◆ \$1,311,756 to assist 134 households with rehabilitation;
- ◆ \$77,550 to assist 18 households with an infrastructure project;
- ◆ \$114,000 to assist Kent and Sussex Counties with program delivery;
- ◆ \$218,000 to assist Kent and Sussex Counties with administration (*approximate*); and
- ◆ \$156,000 to assist DSHA with administration (*approximate*).

Additionally, DSHA anticipates \$100,000 will be generated in program income. This will be retained by the unit of local government and be added to funds committed to the activity and used to further the same activity as the income is derived. Program income may not be used for administrative costs and must be expended before additional funds are drawn down from DSHA for the same activity.

Moreover, DSHA may recapture funds and/or redistribute remaining funds from prior year contracts during FY2011. Recaptured funds are those CDBG funds which remain unobligated after a CDBG contract has either been closed out or terminated; or after it has been determined that the total amount of CDBG funds originally allocated in a given contract are not required to complete the proposed activity for which they are allocated. Remaining funds are funds for which a method of distribution was contained in a prior year's Program Guidelines, but which have not been, and are no longer intended to be so distributed. Remaining funds may also be an amount left over after the State has awarded all of its contracts, but the left over amount is too small to fund an application.

At the time this Action Plan was written, DSHA is unable to predict the amount of recaptured/remaining funds that may be reallocated during FY2011. However, any recaptured/remaining funds that are received from previous contracts before June 15, 2011 shall be included as part of the FY2011 allocations in accordance with all applicable requirements of the Program Guidelines.

Any funds received after June 15, 2011 shall be set aside for the following purposes:

- ◆ To provide additional funding for any activity already under contract so long as the total amount of funds allocated does not exceed the \$1,100,000 maximum allocation for any single applicant; in those cases where an unforeseen situation may have arisen after the original contract budget had been approved; or when the activity has not been funded in the total amount originally requested;
- ◆ To fund emergency activities and infrastructure for housing development that were not previously submitted as part of the FY2011 CDBG Program and the need for which may have arisen after the deadline for applications has passed. The \$1,100,000 maximum allocation of CDBG funds for any single applicant in any program year shall apply;
- ◆ At the discretion of the Director of DSHA, eligible applications not originally recommended for funding because of limited resources may be reconsidered for funding after approved activities mentioned above have been funded; and

- ◆ The priorities for distributing funds under this part shall be in accordance with the State's Method of Distribution.

Inadequate funding continues to be an obstacle in addressing the underserved needs. At the federal level, recent and projected cuts in domestic programs are reducing the investment in communities at a time of increasing need for affordable housing, homeowner rehabilitation and community development. The cost of affordable housing, both rental and homeownership, is greater than the rate of increase in annual household income, thus widening the gap in access to affordable housing options. DSHA will continue to coordinate and partner with other funding agencies to try to solve the greatest need with limited funding.

As new federal standards, initiatives and regulations, such as performance measurements, 504 compliance, Davis-Bacon compliance and Environmental Assessments are implemented; the demands on small local communities and organizations are amplified. These new requirements typically demand additional administrative capacity at the local level. If not accompanied by adequate administrative resources, they can siphon the limited resources from actual service delivery or other program areas. In addition to the practical limits of administrative staff, these mandates typically meet with strong local resistance, which limits program effectiveness and efficiency. DSHA will continue to provide technical assistance to subgrantees to address some of these mandates and will work with regulatory agencies and communities to address solutions to this obstacle.

HOME Program

The distribution of annually-allocated HOME Program funds will be directly administered by DSHA through the application and approval process in place for the State's HDF and LIHTC Programs. HOME funds (and related program income, which is required to be returned to DSHA, exclusive of allowable administrative charges and subject to HOME requirements) will be used primarily in conjunction with the LIHTC Program for the acquisition, new construction, rehabilitation or conversion of multi-family rental housing. DSHA may also utilize HOME funding to provide downpayment assistance to low-income homebuyers. When sufficient HOME funds are available, subgrants may be made to Kent and Sussex Counties to allow HOME funds to be utilized for single-family homeowner rehabilitation through the State's CDBG application and approval process. The Counties, via contract, may administer homeowner rehabilitation projects. Any in-house application not previously approved for funding and all other applications received for the HDF and LIHTC Programs may be reviewed for funding under the HOME Program.

DSHA will reserve at least 15 percent of its annual HOME Program allocation for use by nonprofit CHDOs. In competition for HOME Program funds set aside for CHDO developments, DSHA will give a preference to CHDOs who are applying for USDA Rural Development Section 515 financing and/or Rental Assistance. DSHA may also allow CHDOs to apply for operating expense grants up to the maximum available under HUD regulations of a federal fiscal year allocation of HOME funds provided all other HUD regulations and DSHA requirements are met.

HOME funds, as allocated, will maximize the benefit of program funds through leveraging of other scarce resources and preservation of programs critical to development of affordable housing in Delaware, such as the LIHTC Program. Additionally, the distribution of HOME Program funds is based on the Five-Year Consolidated Plan priorities and will address the two specific needs of: preservation and expansion of Delaware's stock of affordable rental housing; and assisting Delaware families in achieving and sustaining homeownership.

DSHA expects requests for HOME Program and other State funds for the LIHTC applications alone to far exceed allocated financing, which will limit the availability of HOME funds to address other housing needs. Again, limited funding, at both the federal and state level, continues to be an obstacle to addressing the underserved needs.

Application and Loan Approval

Application for HOME Program funds for multi-family developments shall be made through the application and approval process in place for the HDF and/or LIHTC Programs. The following specific items will be taken into consideration when determining the merits of an application for HOME funds:

- ◆ Organization's past performance;
- ◆ Community comments;
- ◆ Demonstrated need for the development;
- ◆ Suitability of the development location;
- ◆ Cost efficiency of the development;
- ◆ Amount of loan per unit serving very low-/low-income persons:
 - Rental units: 80 percent of HOME funds may benefit persons with incomes ≤ 60 percent of the median income and the remaining 20 percent of HOME funds must benefit persons with incomes ≤ 50 percent of the median income;
 - Owner-occupied units: 100 percent of HOME funds must benefit persons with incomes ≤ 80 percent of the median income;
- ◆ Length of payback period;
- ◆ Position of loan and how it is secured/length of repayment;
- ◆ Source of permanent financing (*if appropriate*);
- ◆ Percentage of total development cost funded by HOME/DSHA;
- ◆ Cash and non-cash equity participation of developer;
- ◆ Evidence that alternate sources of financing have been utilized/exhausted;
- ◆ Evidence that housing will be provided in neighborhoods where there is little very low- or low-income housing available;
- ◆ Extent to which proposal will assist in revitalization of deteriorating neighborhood; and
- ◆ Extent to which current DSHA loans to the applicant or affiliated parties are in good standing.

Forms of Assistance

DSHA may provide HOME Program funds to developers or sponsors in the forms below:

- ◆ Equity investments;
- ◆ Interest-bearing loans or advances;
- ◆ Non-interest-bearing loans or advances;
- ◆ Interest subsidies;
- ◆ Deferred payment loans or grants; and
- ◆ Other forms of assistance approved by HUD.

Grants may be made only to nonprofits and only when a project demonstrates unusually strong very low-income orientation and is cost effective and not financially viable without a grant. The income mix of the persons to be served, as well as the financial viability of the project will influence interest rates and repayment schedules of loans.

Emergency Shelter Grants

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. During FY2011, Delaware estimates receiving approximately \$141,721 in ESG funding to support emergency and transitional shelter services throughout Kent and Sussex Counties. ESG will provide homeless persons 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. The State will distribute these funds to assist with the following:

- ◆ Payment of maintenance, operations (excluding rent and staffing costs), insurance, utilities and furnishings;
- ◆ The provision of new or increased essential services to the homeless;
- ◆ Renovation, major rehabilitation or conversion of buildings for use as emergency and/or transitional shelters for the homeless;
- ◆ Short-term homeless prevention assistance for persons at imminent risk of losing their own housing; and
- ◆ Administrative costs, specifically for the expense of computer hardware or software related to the Homeless Management Information System (HMIS) expense.

Over the past years, Delaware has developed a strong community-based response to homelessness, with a broad continuum of housing and services offered by both nonprofit and state agencies, and an extensive planning and data collection system spearheaded by the HPC. Unfortunately, the existing homeless service-delivery system is insufficient to end homelessness, particularly for those whom homelessness has become a chronic condition. Limited funding continues to be an obstacle in addressing this priority identified in the Five-Year Consolidated Plan.

DSHA will continue to utilize a Review Panel to recommend allocation of ESG funds and priority will be given to those applications which request funding for the provision of operating expenses and homeless prevention activities.

Housing Opportunities for Persons with AIDS

HUD makes available HOPWA funds nationally both on a formula and competitive basis. HOPWA distributes program funds using a statutory formula that relies on AIDS statistics. The State of Delaware anticipates receiving approximately \$205,796 in HOPWA formula funds. The State elects to select Delaware HIV Consortium (DHC) as the project sponsor without undertaking a competitive bid process. DHC operates Delaware's largest HOPWA-funded program and has operated a tenant-based rental assistance program in Kent and Sussex Counties, Delaware utilizing this formula funding since 1999. Clients are referred to the program by community-based HIV/AIDS case managers, who connect clients with Ryan White-funded supportive services including case management, food and nutrition programs, transportation, mental wellness and substance abuse counseling, dental and eye care, pharmacy assistance and HIV primary medical care at statewide wellness clinics. Clients are required to meet regularly with their case managers during their participation in the tenant-based rental assistance program. Utilizing this HOPWA funding, Delaware HIV Consortium anticipates assisting 30 families with tenant-based rental assistance.

As with the other Community Planning and Development formula programs, limited funding continues to be an obstacle to addressing this population. As of March 2011, Kent County has a waiting list of 19 clients and Sussex County has a waiting list of 42 clients. Time spent on the waiting lists average approximately four years. Additionally, access to affordable housing is a perennial struggle for people with HIV/AIDS, many of whom are permanently disabled and live on very-low fixed incomes. Lack of decent, affordable housing can prevent HIV persons from obtaining proper medical management and other needed supports. In fact, the Treatment Needs Assessment identified housing as one of the top priorities, surpassed only by medical care/medication and early intervention services.

Further, clients have a difficult time locating appropriate rental housing in Kent and Sussex Counties. It is nearly impossible to find an affordable unit that meets HUD Fair Market Rent guidelines in the resort areas. Much of the housing in the outlying areas of Kent and Sussex Counties is substandard or is not easily accessed by public transportation. DSHA will continue to assist DHC with a list of landlords, who accept Housing Choice Vouchers to ensure they are provided the most current information on available units.

Outcome Measures

The following table summarizes the anticipated outcomes DSHA expects for FY2011. The table below displays those anticipated results for the four formula programs, using HUD Performance Measurement framework including the three general objectives and general outcomes.

Suitable Living Environment Objective

Outcome	Indicator	Projected 2011 Total
Availability/Accessibility	Persons Assisted	1,500
Affordability	Housing Units Assisted	0
Sustainability	Housing Units Assisted	0

Decent Housing Objective

Outcome	Indicator	Projected 2011 Total
Availability/Accessibility		0
Affordability	Housing Units Assisted	500*
Sustainability		0

*Approximate

Economic Opportunity Objective

Outcome	Indicator	Projected 2011 Total
Availability/Accessibility		0
Affordability		0
Sustainability		0

Delaware's annual goals for assisting households/persons with affordable housing are detailed in the chart on page 6.

Geographic Distribution

DSHA administers the CDBG and ESG Programs throughout Kent and Sussex Counties, Delaware on a competitive basis.

CDBG

The CDBG Program is awarded competitively with a maximum allocation of \$1,100,000 per County, to ensure a somewhat even geographic distribution between the Counties. CDBG program guidelines provide for targeting based on concentrations of substandard housing with income eligible homeowners. This allows the program to have a bigger positive impact on neighborhoods with the greatest housing needs. An equal distribution of funding between the two Counties is anticipated.

ESGP

The ESGP is awarded competitively to homeless service providers based on a request for proposals generally available in May. The actual commitment of ESG funds will be dependent upon an evaluation of the quality of the applications that are received. It is anticipated that funds will be equally distributed between Kent and Sussex Counties. However, the actual disbursement of ESG funds will be based upon an evaluation of the quality of the applications.

HOPWA

HOPWA funding is awarded to Delaware HIV Consortium annually for a tenant-based rental assistance program operated in both Kent and Sussex Counties. Distribution of funds is determined by need using the waiting lists for each County; however it normally is distributed 60 percent in Sussex County and 40 percent in Kent County.

HOME Program

DSHA anticipates an equal distribution of HOME Program funds between the three Counties in Delaware. The actual commitment of HOME funds will be dependent upon an evaluation of the quality and timing in which applications are received. It is anticipated that funds reserved for the use of CHDOs will be equally distributed between Kent and Sussex Counties. However, the actual disbursement of CHDO funds will be based upon an evaluation of the quality of the applications and the timing in which requests for funds are received.

Minority Concentration

As mentioned in the above statements, DSHA administers the formula programs in Kent and Sussex Counties, Delaware, with the exception of the HOME Program, which is administered Statewide. DSHA establishes target areas for our CDBG and HOME homeowner rehabilitation programs by identifying those communities with five or more substandard homes with qualifying homeowners as target areas. This effectively targets funds to areas with high housing needs and often to areas of minority concentrations. There are 11 census tracts in Kent County and six census tracts in Sussex County that have racial or ethnic concentrations. For FY2011, DSHA's CDBG Program has 12 target areas in Kent County, of which two are in census tracts identified as having minority concentrations. Further, the Program has 15 target areas in Sussex County, of which two are in census tracts identified as areas with minority concentrations. DSHA will continue to review data relative to program activity in areas of racial and ethnic concentrations and use this data to identify new target areas and/or new thresholds for target areas.

DSHA uses much of our HOME funding in combination with the Low-income Housing Tax Credit (LIHTC) Program to preserve and develop affordable housing for people with incomes at 60 percent of AMI or less. Therefore, in the 2011 QAP, DSHA added language to encourage all LIHTC applicants to promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income residents or in areas containing a high proportion of affordable rental units and build communities of opportunities for newly created (conversion or new construction) projects. DSHA also

encourages LIHTC applicants to consider building in communities with minimal affordable rental units relative to their housing needs for newly created affordable housing projects.

The following tables present population by race and ethnicity by census tract in Kent and Sussex Counties. HUD defines areas of racial or ethnic concentration as geographical areas where percentage of a specific minority or ethnic group is ten percentage points higher than the county overall.

In Kent County, in 2010, Black or African American residents comprised 17.1 percent of the population. Therefore, an area of racial concentration includes census tracts where the percentage of Black or African American residents is 27.1 percent or higher. There are 11 census tracts that meet the criteria for racial concentration. Nine of these tracts are partially contained within the City of Dover. Furthermore, an area of ethnic concentration includes census tracts where the percentage of Hispanic residents is 13.2 percent or higher. There are no census tracts that meet this criterion for Hispanic residents.

In Sussex County, in 2010, Black or African American residents comprised 12.5 percent of the population. Therefore, an area of racial concentration includes census tracts where the percentage of Black or African American residents is 22.5 percent or higher. There are four census tracts that meet the criteria for racial concentration.

Hispanics comprised 6.4 percent of the County's population in 2010. Therefore, an area of ethnic concentration includes census tracts where the percentage of Hispanic residents is 16.4 percent or higher. There are two census tracts that meet this criterion for Hispanic residents. The census tracts of racial and ethnic concentration for Kent and Sussex Counties, Delaware are highlighted in the following tables (*Delaware State Analysis of Impediments to Fair Housing Choice*).

Census Tract Population by Race and Hispanic Origin, 2010

Census Tract	Total Population	Minority Residents			
		White	Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
Delaware Total	890,137	71.6%	21.0%	3.1%	6.7%
Balance of State	318,762	78.3%	14.3%	1.3%	5.3%
Kent County **	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
		%	%	%	%
Sussex County	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

Low Moderate Income Areas

The CDBG Program includes a statutory requirement that 70 percent of the funds invested benefit low- and moderate-income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements. In Kent County (excluding Dover) HUD data on the percent of LMI persons reveal that in 10 of the County's 59 census block groups more than 51 percent of the residents meet the criteria for LMI status. Three of these block groups were located in an area that was also identified as an area of minority concentration. Areas of LMI concentration in Kent County are located in and around Harrington, Milford, Dover, and Smyrna.

In Sussex County, HUD data on the percent of LMI persons reveal that in 11 of the County's 86 census block groups more than 51 percent of the residents meet the criteria for LMI status. Four of these block groups (BGs 1 & 2 in CT 505.02, BG2 in CT 514, and BG1 in CT 518.02) were located in an area that was also identified as an area of minority concentration. Areas of LMI concentration in Sussex County are located around Farmington, Seaford, Laurel, Georgetown, and Selbyville.

Areas of LMI concentration are highlighted in the following chart.

Low and Moderate Income Persons, 2010

Census Tract	Block Group	Low and Moderate Income Persons			Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI			Universe	# LMI	% LMI
401.00	1	1,842	530	28.77%	418.02	1	1,181	656	55.55%
401.00	2	1,679	742	44.19%	418.02	2	1,158	278	24.01%
401.00	3	1,800	625	34.72%	419.00	1	2,816	1,243	44.14%
402.01	1	1,613	562	34.84%	419.00	2	2,021	745	36.86%
402.01	2	1,864	838	44.96%	420.00	1	1,273	641	50.35%
402.02	1	4,857	1,591	32.76%	420.00	2	1,722	733	42.57%
402.03	1	1,124	324	28.83%	421.00	1	1,533	630	41.10%
402.03	2	1,936	1,148	59.30%	421.00	2	1,683	450	26.74%
404.00	1	1,172	438	37.37%	422.01	1	2,794	1,237	44.27%
405.00	1	1,324	432	32.63%	422.01	2	1,560	670	42.95%
405.00	2	1,024	237	23.14%	422.01	3	1,725	1,010	58.55%
405.00	3	155	54	34.84%	422.02	1	1,869	585	31.30%
406.00	1	34	0	0.00%	422.02	2	2,313	1,039	44.92%
407.00	1	0	0	--	422.02	3	1,795	307	17.10%
408.00	1	0	0	--	424.00	1	632	345	54.59%
408.00	2	0	0	--	424.00	2	946	323	34.14%
410.00	1	126	26	20.63%	424.00	3	1,024	332	32.42%
410.00	2	369	116	31.44%	425.00	1	1,165	523	44.89%
411.00	9	3,469	1,899	54.74%	425.00	2	1,731	1,291	74.58%
412.00	1	2,856	1,264	44.26%	426.00	1	2,066	717	34.70%
413.00	1	10	0	0.00%	427.00	1	1,134	453	39.95%
414.00	1	0	0	--	428.00	1	1,758	558	31.74%
415.00	1	328	218	66.46%	428.00	2	2,276	1,040	45.69%
415.00	2	1,259	373	29.63%	428.00	3	1,476	415	28.12%
416.00	1	2,256	642	28.46%	429.00	1	1,673	697	41.66%
417.01	1	1,915	428	22.35%	429.00	2	1,761	491	27.88%
417.01	2	1,934	804	41.57%	430.00	1	1,473	847	57.50%
417.02	1	1,862	293	15.74%	430.00	2	1,766	874	49.49%
417.02	2	1,490	353	23.69%	430.00	3	1,251	655	52.36%
418.01	1	2,400	1,248	52.00%	431.00	1	875	353	40.34%
418.01	2	2,411	632	26.21%	431.00	2	1,553	450	28.98%
418.01	3	673	88	13.08%					

Source: HUD LMI Estimates 2010

Low and Moderate Income Persons, 2010 (Continued)

Census Tract	Block Group	Low and Moderate Income Persons			Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI			Universe	# LMI	% LMI
431.00	2	1,553	450	28.98%	508.02	1	1,415	628	44.38%
501.01	1	1,723	371	21.53%	508.02	2	1,912	765	40.01%
501.01	2	1,403	534	38.06%	508.03	1	1,108	491	44.31%
501.02	1	1,055	197	18.67%	508.03	2	1,219	168	13.78%
501.02	2	2,782	971	34.90%	508.03	3	1,283	566	44.12%
501.02	3	995	430	43.22%	508.03	4	1,037	254	24.49%
501.02	4	1,576	514	32.61%	509.00	1	1,331	332	24.94%
501.02	5	1,626	724	44.53%	59.00	2	813	204	25.09%
501.03	1	2,311	786	34.01%	509.00	3	1,260	304	24.13%
502.00	1	788	356	45.18%	509.00	4	1,436	513	35.72%
502.00	2	2,014	922	45.78%	510.01	1	2,708	721	26.62%
503.01	1	1,509	1,068	70.78%	510.01	2	2,528	870	34.41%
503.01	2	2,429	882	36.31%	510.02	1	2,033	676	33.25%
503.01	3	1,689	912	54.00%	510.02	2	1,948	721	37.01%
503.02	1	2,306	801	34.74%	510.02	3	1,192	134	11.24%
503.02	2	21,495	798	53.38%	510.03	2	2,209	869	39.34%
504.01	1	1,995	911	45.66%	510.03	3	937	502	53.58%
504.01	2	1,292	468	36.22%	511.00	1	980	219	22.35%
504.02	1	1,854	554	29.88%	511.00	2	1,817	443	24.38%
504.02	2	2,059	1,150	55.85%	512.00	1	4,167	933	22.39%
504.02	3	2,488	646	25.96%	513.01	1	2,609	761	29.17%
504.02	4	1,142	818	71.63%	513.01	2	1,276	386	30.25%
504.03	1	2,967	1,377	46.41%	513.02	1	1,297	559	43.10%
504.04	1	3,623	1,758	48.52%	513.02	2	1,1155	353	30.56%
504.04	2	1,145	446	38.95%	513.03	1	2,786	915	32.84%
504.04	3	3,385	1,653	48.83%	513.04	1	1,183	599	50.63%
505.01	1	1,984	763	38.46%	513.04	2	2,642	898	33.99%
505.01	2	1,018	315	30.94%	514.00	1	1,615	796	49.29%
505.02	1	2,744	1,482	54.01%	514.00	2	1,337	688	51.46%
505.02	2	1,216	656	53.95%	515.00	1	943	388	41.15%
505.02	3	1,629	758	46.53%	515.00	2	1,835	865	47.14%
505.02	4	1,435	265	18.47%	515.00	3	720	320	44.44%
506.01	1	1,807	488	27.01%	515.00	4	680	273	40.15%
506.01	2	1,637	596	36.41%	517.01	1	3,434	1,200	34.94%
506.02	1	2,449	1,416	57.82%	517.02	1	1,368	499	36.48%
506.02	2	1,253	444	35.43%	517.02	2	1,709	520	30.43%
507.01	1	1,832	678	37.01%	517.02	3	1,753	522	29.78%
507.01	2	981	475	48.42%	518.01	1	1,666	482	28.93%
507.02	1	1,899	988	52.03%	518.01	2	2,485	1,253	50.42%
507.02	2	3,229	1,470	45.52%	518.02	1	2,065	1,125	54.48%
507.02	3	4,076	1,397	34.27%	518.02	2	1,926	689	35.77%
508.01	1	1,330	525	39.47%	519.00	1	1,622	581	35.82%
508.01	2	1,282	576	44.93%	519.00	2	2,278	1,051	46.14%

Source: HUD LMI Estimates 2010

Affordable Housing Goals

Based on the priorities set forth in the Consolidated Plan, one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units or acquisition of existing units using program funds are set forth in the Action Plan. Also provided are the one-year goals for the number of homeless, non-homeless and special-needs households to be provided affordable housing.

DSHA has provided its anticipated outcomes or goals in providing affordable housing for FY2011 in charts and narrative under the resources and activities sections of the Action Plan. In summary, DSHA anticipates providing funding for the following:

- ◆ 350 units of new construction and/or rehabilitation of affordable rental housing (*dependant on LIHTC applications received*);
- ◆ 134 units of homeowner rehabilitation;
- ◆ 18 households for an infrastructure project; and
- ◆ 30 units of rental assistance;

Homeless and Other Special Needs Activities

The Action Plan must also speak to the needs of the homeless and other special needs populations. It sets for the activities the state plans to undertake during the program year to address emergency shelter and transitional housing needs of the homeless. It also addresses activities to help homeless persons make the transition into permanent housing and independent living. Specific action steps are outlined to end chronic homelessness and address the special needs of non-homeless persons

Annually, DSHA assists in funding the HPC, the coordinating entity for the statewide CoC, for general operating expenses and the Delaware Homeless Management Information System (DE-HMIS) expansion. Since the HPC began coordinating the CoC, Delaware has been awarded over \$50 million through the HUD Supportive Housing Program (SHP) application.

Emergency Shelter Needs and Transitional Housing

DSHA is the organization selected to distribute the ESG funds throughout Kent and Sussex Counties. As the lead agency in this process, DSHA has the opportunity to work closely with the 11 shelters and eight transitional housing programs in these Counties. During the program year, DSHA anticipates distributing \$141,721 for shelter operations, homeless prevention and transitional housing. Based on information currently available, DSHA anticipates serving over 1,500 people in the HUD-funded emergency shelters and transitional housing and 75 families through homeless prevention efforts.

Because of the limited amount of ESG funding and the statutory requirements, DSHA is only able to fund shelters currently operating and serving homeless persons. There are no plans or provisions in the regulations that would allow DSHA to build or purchase any new emergency

shelters. Moreover, the trend in Delaware has been a shift away from emergency shelter in favor of more transitional and permanent supportive housing.

In addition to shelter-based programs, there are a significant number of non-shelter service providers that target their services to homeless persons or families. These non-shelter services include: day centers, substance abuse counseling, mental health counseling, HIV/AIDS testing and treatment, food and clothing, case management, job training and placement and medical care.

Statewide Voucher Program

During FY2007, DSHA developed a state-funded Voucher Program to address the subpopulations identified in *Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long Term Homelessness*. A total of 105 vouchers have since been awarded to nonprofit organizations throughout the State from this pilot program. These vouchers serve emancipated youth exiting the foster care system that are at risk of homelessness and have services in place to assist them with the transition and individuals with disabling conditions that have access to community services, but cannot access those services due to a lack of affordable housing and are therefore homeless or institutionalized. (Disabling conditions may be physical disabilities, chronic health conditions, mental health conditions or substance abuse). The rental subsidies provide the financial resources needed by persons with extremely low and no incomes, who have demonstrated the ability to live independently, while using mainstream resources or obtain rental housing despite their resources.

For FY2011, DSHA requested funding from the Governor and General Assembly to fund a permanent Delaware State Rental Assistance Program (SRAP). As with the pilot program, the SRAP will assist low-income households who have access to continuing supportive services, but require affordable housing to live safely in the community. The Program goals are as follows:

- ◆ Provide rental subsidies to program participants who have access to continuing home- and community-based services;
- ◆ Establish partnerships with State agencies and community service providers;
- ◆ Move individuals out of State-run long-term care facilities and into home- and community-based care programs; and
- ◆ Transition program participants to financial self-sufficiency or to other affordable housing resources.

The populations to be served by SRAP include:

- ◆ Clients exiting State-supported and privately-run long-term care facilities;
- ◆ Clients exiting the Delaware Psychiatric Center (DPC);
- ◆ Youth aging out of foster care;
- ◆ Families for whom the lack of affordable housing is a barrier to reunification;
- ◆ The current pilot program participants least likely to transition to independent living without SRAP assistance; and
- ◆ Individuals at-risk of requiring services from a State-supported institution.

SRAP participant eligibility criteria include:

- ◆ Household income of 30 percent State Median Income or less;
- ◆ Supportive services history;
- ◆ Access to necessary supportive services through an approved provider;
- ◆ Case manager referral;
- ◆ Be currently on the waiting list for Housing Choice Vouchers or other form of housing assistance, or be willing to enlist if selected for SRAP;
- ◆ Have some form of income; and
- ◆ Be in good standing with existing Federal and State housing assistance programs.

Transitional to Permanent Housing

Continuum of Care

The Delaware Continuum of Care (CoC) Plan is a Statewide strategy to organize and deliver services to meet the needs of people who are homeless, or near homeless, as they move into stable housing and maximum self-sufficiency. Since 1994, HUD has been encouraging communities to address the problems of homelessness in a coordinated, comprehensive and strategic fashion. This approach is designed to help communities develop the capacity to envision, organize and plan comprehensive and long-term solutions to address the problem of homelessness in their respective locales. The CoC contains several critical components including homeless prevention services, emergency shelter, transitional housing and permanent affordable housing, some of which remains linked to supportive services.

This Action Plan continues to acknowledge the importance of local homeless planning, linked to the State's overall homeless strategy. The HPC is the lead agency for the Delaware CoC application. The HPC manages, oversees and coordinates a year-round planning process. The HPC has received recognition as an effective, independent organization that conducts a variety of collaborative endeavors to address homelessness throughout Delaware. The HPC Board, which meets at least six times a year, oversees the work of its on-going and ad hoc committees as follows:

- ◆ HMIS Recommendations Council – Responsible for the implementing and expanding the HPC's HMIS project and developing policies and procedures to structure and guide the statewide implementation of the HMIS. This Council oversees HMIS staff to ensure data integrity and works with those needing data for planning and decision making to make certain that HMIS data entry protocols will meet their needs;
- ◆ CoC Application Committee – Responsible for creating CoC application materials that strategically align with HUD's CoC planning process;
- ◆ CoC Evaluation Committee – Responsible for evaluating applications based upon the scoring criteria created by the Applications Committee;
- ◆ Point-in-Time Committee – Responsible for implementing the annual Point-in-Time count in Delaware. This Committee creates policies and procedures to structure and guide the count, analyze data, and make recommendations in the final count report; and

- ◆ Comprehensive Planning Work Group – This work group ensures a comprehensive planning process, which is responsive to both the needs of the community and the HUD CoC Program requirements, as described in the notification of funding availability.

The CoC planning process includes representatives of a broad cross-section of people interested in reducing homelessness. This includes service providers, government agencies, developers, corporate entities, financial institutions and citizens, including homeless and formerly homeless individuals.

In keeping with the commitment to end chronic homelessness in ten years, the HPC has worked during the past year to realign their prioritization process for the HUD-Targeted Housing and Homeless Assistance Projects. The HPC has adopted several policies that make applications for funding consistent with nationally-recognized evidence-based best practices and HUD's priorities, as well as the needs identified through the Point-in-Time study and information provided by people working with the homeless throughout the State. First, priorities emphasize permanent supportive housing and programs that serve predominantly chronically homeless persons, homeless disabled veterans, and homeless persons in Sussex County (Delaware's HUD-designated rural jurisdiction) by rating applications that meet these criteria higher than applications for other services or target populations. Second, the HPC developed CoC strategies to ensure that persons served in HUD-funded projects are systematically linked to mainstream resources and supportive services. Finally, they are continuing efforts to ensure that eligible housing activities are the primary activities funded through the CoC application process.

Chronic Homelessness

To end chronic homelessness and reduce long-term homelessness in Delaware, the DICH recommends five broad strategies in *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness*:

1. Develop New Housing for Persons Who Are Chronically Homeless or At-Risk for Chronic Homelessness;
2. Remove Barriers to Accessing Existing Affordable Housing;
3. Improve Discharge and Transition Planning;
4. Improve Supportive Services for Persons who are Homeless; and
5. Enhance Data Collection and Use of Technology.

The Plan identifies that 2,000 beds will be needed to end chronic homelessness and reduce long-term homelessness in Delaware; but it is not just about creating housing units. It also calls for implementing a range of prevention and service-delivery strategies that have a basis in evidence and have been demonstrated to be effective. It requires a willingness to examine the assumptions under which issues have been approached in the past, to assess activities and initiatives, and ultimately, to do business differently through changing systems, redirecting existing resources and securing commitments for additional funding. The significant focus of the Plan is on investing resources in a manner that better serves the homeless population.

The DICH is currently working on updating the Ten-Year Plan to incorporate goals, objectives and strategies from the *Federal Strategic Plan to Prevent and End Homelessness*. The DICH will also be creating plans for other homeless populations, including: family homelessness; unaccompanied youth; youth aging out of foster care; veterans; and reentering offenders.

Finding the resources to implement the Plan will be challenging; however, implementation of similar measures in other areas have proven that reductions in the use of high cost services almost totally offset the increased investment in housing. DSHA will continue to work with the DICH to implement Delaware's Ten-Year Plan.

LIHTC Set-Aside

In order to encourage the development of permanent supportive housing units for the chronically homeless, \$250,000 of the LIHTC credit ceiling for FY2011 has been set-aside for housing serving the chronically homeless. The households served by this set-aside have very low-incomes with high needs for supervision and on-site services. Application proposals must include contracts and/or commitment letters for project-based housing assistance payments and/or rental assistance (either from Federal, State or sponsor-funded resources) for the duration of the affordability period. In addition, on-site services must also be documented through contracts and/or commitment letters for the affordability period.

Non-Homeless Needs

Discharge Planning

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. In 2008, a joint work group of the DICH and the State Council for Persons with Disabilities was formed to review and enhance discharge and aftercare planning strategies to ensure that appropriate linkages with housing and community-based care are in place before people are discharged. The work group created a protocol for discharge planning that is based on the United States Department of Health and Social Services Exemplary Practices in Discharge Planning. That protocol is being used by State agencies and community providers in creating internal discharge planning policies and procedures.

Delaware Department of Health and Social Services (DHSS) developed a Transitions Planning Committee, of which DSHA is a member. This committee has provided oversight as DHSS determines how to turn the exemplary practices identified in the discharge planning document into regulations, protocols and contract language. DHSS is developing protocols, regulations and contract language for each of their divisions that incorporate the best practices outlined in the discharge planning document and the Transitions Planning Committee will review and provide comment.

DSHA has also been active as a member of the offender reentry efforts initiated by Governor Markell's Executive Order Number 7, reducing recidivism and creating the Individual Assessment, Discharge and Planning Team (I-ADAPT). I-ADAPT, 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.

Addressing Barriers to Affordable Housing

Barriers to affordable housing development are diverse. These include land costs, limited resources at both the federal and state level in comparison to needs, NIMBYism and community opposition to higher density housing. In addition, many low- and moderate-income persons and households, especially the very low-income households, the homeless, the physically and mentally disabled, and the frail elderly, have problems finding and obtaining affordable housing. Only through a combination of approaches can the supply of housing affordability to working families and low-income families be expanded.

Affordable Housing Resource Center (AHRC)

To address these barriers, DSHA created the AHRC website as a resource for local government officials and public viewers to learn about their community's housing needs. This center includes information on affordable housing initiatives happening in Delaware and throughout the country. This resource center was created in response to the housing boom and resulting escalation in housing prices in the early 2000s. Due to rising home prices, many working individuals and families have been left behind as their incomes barely keep pace with inflation. Over 3.7 million working families in the United States are confronted with critical housing problems. Even in the recent downturn in the housing market, affordability remains a challenge for countless households, especially as incomes are affected by the broader economic downturn and unemployment.

Comparatively few new homes have been developed that are affordable to Delaware's "workforce households". "Workforce households" are households with incomes below 100 percent of the median income, which is \$70,800, based on HUD 2009 measures. This occurred at a time when Federal resources for housing have been scaled back. As a result, it is increasingly important that state, county, and local municipalities have meaningful strategies to encourage and preserve affordable housing.

DSHA developed a "Toolbox for Affordable Housing" as part of the AHRC. The toolbox is a resource for local communities to plan for affordable housing. It is a compilation of policies and planning tools local governments can use to preserve and promote affordable housing in their respective communities. The toolbox includes best practices, as well as specific information and resources about how local governments can apply planning and land use to encourage the preservation and development of affordable housing. The toolbox demonstrates how these best practices are structured and applied locally and throughout the country. This toolbox is available on DSHA's website at www.destatehousing.com. The toolbox initiative is a much-needed

resource for elected officials, county and local staff and others concerned about housing. Two common threads throughout the toolbox initiative are:

- ◆ To reframe the affordable housing discussion to a larger group of stakeholders, in a way they can identify with, so they may be more supportive of housing initiatives; and
- ◆ Coordinate with other partners and complement other programs and resources throughout the State so that affordable housing opportunities are more readily achieved.

Housing Element Guide

DSHA's Housing Element Guide was designed to help promote the creation of government strategies that encourage affordable housing. The guide provides basic information for a municipality to perform a housing analysis and create a housing plan. This guide describes the data needed to examine housing supply and demand, as well as the affordability of the housing units for the town's residents. After data has been analyzed, a housing plan can be created to set measurable affordable housing goals for the community.

Strategies for State Policies and Spending

The purpose of the *Strategies for State Policy and Spending* is to coordinate land use decision-making with the provision of infrastructure and services in a manner that make best use of Delaware's natural and fiscal resources. Governor's Initiative for Growth Management was designed to enhance efforts to implement this strategy. It is a positive, proactive strategy that seeks to curb sprawl and direct growth to areas where the state, counties and local governments are most prepared for it in terms of infrastructure investment and thoughtful planning.

The State of Delaware makes significant investments influenced by where and how growth occurs. Delaware provides most services and infrastructure throughout the state. This would include, but is not limited to, social services, roads and transit, school funding and police. By providing these services and infrastructure efficiently, not haphazardly, Delaware is able to strengthen land use planning efforts at the state and local levels.

The *Strategies for State Policies and Spending* promotes compact development, which in addition to decreasing infrastructure costs; it produces a more diverse range of transportation options and a more economical extension of services and utilities. Further, the location near existing developed areas and higher densities enable natural qualities and agriculture areas to be preserved and protected.

Preliminary Land Use Service

PLUS, outlined in Chapter 92 of Title 29 of the Delaware Code, provides for state agency review of major land use change proposals prior to submission to local governments. The review is completed 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. DSHA participates in this process and as a result, has been able to provide technical assistance to local communities. This includes completing comprehensive plans and developers seeking to develop mixed-income communities.

DSHA continually offers technical assistance, including presentations to local governments on various housing challenges and issues facing their communities. DSHA also periodically sponsors innovative planning conferences to address local municipalities' challenges in providing affordable housing. Additionally, DSHA has partnered with the University of Delaware to offer a "Professional Development and Training Opportunities for Local Governments" course, Planning 107, through their Institute of Public Administration.

DSHA also developed a *Good Design in Delaware* publication for municipalities and elected officials, which is accompanied by a brochure that highlights best practices in Delaware. Its purpose is to raise awareness about issues surrounding density and well-planned communities. DSHA will offers presentations to local municipalities, as well as provides periodic tours of the good design neighborhoods to local officials.

Fair Housing

In an effort to eliminate barriers, DSHA will continue to participate in the Fair Housing Task Force Committee to focus on fair housing education, with the DHR carrying out enforcement actions. In 2010, DSHA entered into a collaborative agreement with the City of Dover, the City of Wilmington and New Castle County to procure an Analysis of Impediments (AI) to Fair Housing in accordance with HUD's Fair Housing Planning Guide.

The analysis will include an overview of the State of Delaware, along with specific analysis for each of the parties in the agreement. The analysis, when completed, shall specifically recommend actions to affirmatively further Fair Housing and overcome impediments to Fair Housing choice.

The AI will be prepared in accordance with HUD's Fair Housing Planning Guide, Volume 1, which can be found at www.hud.gov/offices/fheo/images/fhpg.pdf. The elements to be included in the AI are as follows:

- ◆ Jurisdiction Background Data – This includes demographic and income data, employment and housing data, the Geographic distribution of Housing Choice Vouchers, and subsidized and tax credit rental sites by Census tract, and maps, when appropriate, to illustrate background data;
- ◆ Evaluation of Jurisdictions Current Fair Housing Legal Status – This includes findings resulting from Fair Housing complaints and lawsuits, reasons for trends or patterns, and discussion of other Fair Housing concerns or problems;
- ◆ Jurisdiction Identification of Impediments to Fair Housing Choice as follows:
 - Public Sector – Public policies and actions affecting approval of sites and other building requirements used in the approval process for the construction of housing, administrative policies that may affect the location of affordable housing opportunities outside areas of minority concentration, barriers to full access to housing services in Delaware, and public housing and other assisted/insured housing provider tenant selection procedures;
 - Private Sector – Sale or rental of housing practices, provision of housing brokerage services, and provision of financing assistance for housing, including second mortgage/refinancing lending; and

- Other areas of inquiry – Discriminatory actions based on language/cultural barriers or physical/mental disability and special needs of these populations, compliance with accessibility requirements in construction of multi-family units, effects of perceived geographic divisions, and employment-housing-transportation linkage.
- ◆ Identification and Assessment of all Public and Private Fair Housing Activities – This includes identification of the entities and their roles and responsibilities in Fair Housing enforcement and Fair Housing education.

Each of the elements will be summarized with findings and recommendations. The conclusions and recommendations will be compared with the current AI developed in 2003. Based on these comparisons, short-term and long-term strategies for each jurisdiction will be developed. The AI is expected to be completed in late April 2011.

DSHA will continue to award points for LIHTC developments, whose sites are not located in a close proximity to other low-income housing and are economically diverse. DSHA will continue to encourage developers and local jurisdictions to build mixed-income housing communities. DSHA will continue to promote mixed-income communities, via a variety of housing types and densities, through the PLUS review process.

Lead-Based Paint

All Program Guidelines will continue to reference HUD's lead-based paint regulations and require all applicants to demonstrate how the rehabilitation work will be conducted in accordance with these regulations. DSHA will also require any activity funded by the HDF or HOME Program, especially acquisition/rehab activities, to conduct an Environmental Site Assessment Phase I.

A DSHA staff person sits on the Lead Advisory Committee (LAC). The mission of the LAC is to ensure healthy environments for children by eradicating lead poisoning throughout the state of Delaware through education, awareness, outreach, and early intervention and advise the Delaware Division of Public Health (DPH) on the transition of lead poisoning prevention to a comprehensive healthy homes initiative, of which lead poisoning prevention is a part. The committee makes recommendations relating to lead education and outreach, medical surveillance and screening, case management, partnership development, compliance and enforcement, and resources and funding.

DSHA will continue to cooperate with DPH to facilitate lead-safe work practice training to contractors. Any new rehabilitation contractors will be directed to the DPH, for training in lead-safe work practices. Any individual performing lead-based paint activities in the State of Delaware must be certified by DPH. After completing an approved training course, a person wishing to be certified must submit an Application for Certification to DPH and pass the State certification (3rd party) exam. A certification fee is required and the certification is valid for two years.

Moreover, DSHA entered into an agreement with DPH's Office of Healthy Environments to collaborate on efforts to improve environmental health and safety for the residents of Delaware. Healthy Environments is an emerging trend in Public Health in the United States, as many health departments transition from a Lead Poisoning Prevention Program to a more versatile Healthy Homes Program. Increased awareness of potential hazards in the home has led to the development of programs that treat the home environment as a whole, rather than focusing on singular hazards. The link between housing and health has created a need for partnership between health and housing agencies in order to better address the needs of Delaware residents, particularly those in low- and moderate-income housing. With this in mind, DSHA and the Office of Healthy Environments will partner to support Delaware residents in improving their home environments.

Specifically, the Office of Healthy Environments and the DSHA seek to closely coordinate in the interests of meeting the needs of low- and moderate-income citizens. Through this partnership, DSHA will have a resource for training, information and educational materials for staff and residents receiving support from DSHA.

DSHA will also commit to work with the CDBG Program subgrantees and the Office of Healthy Environments to create a database of Lead Safe Homes identified through participation in the State CDBG Program.

Further, all covered projects and activities under ESG, HOPWA, CDBG, HOME, Public Housing and Housing Choice Voucher Programs will be administered to the applicable lead-based paint regulations. All programs will be monitored for compliance with current regulations. DSHA will monitor training and technical assistance needs relating to lead-based paint and work in conjunction with DPH to address those needs.

Other Actions

Delaware also identifies actions to address obstacles to meeting underserved needs, foster and maintain affordable housing, address lead-based paint hazards, reduce the number of poverty level families, develop institutional structure, enhance coordination between housing and social service agencies and foster public housing resident initiatives. The actions identified for FY2011 are outlined in this section.

Address Obstacles to Meeting Underserved Needs

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.

DSHA recognizes the need to identify groups who are underserved and pursue strategies that would serve their needs. The Low Income Housing Tax Credit QAP application continues to award points to developers that provide permanent housing for persons with special needs. Special needs populations are identified as:

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

The Director of DSHA sits on the Governor's Commission on Community-Based Alternatives for Individuals with Disabilities. The Commission is comprised of several subcommittees including housing. DSHA serves on the Housing Subcommittee providing planning and technical assistance to support the subcommittee's objectives. DSHA has developed a multi-family database of subsidized rental units that list accessibility features germane to people with disabilities. Furthermore, DSHA is coordinating with other members of the subcommittee to identify successful homeownership programs for people with disabilities that could be tailored to Delaware's disabled population.

Housing has emerged as one of the most critical issues for those leaving Delaware prisons. DSHA staff actively participates in a re-entry workgroup that focuses on linking offenders to the appropriate services and housing, creating a support system and minimizing recidivism. This workgroup continually seeks available federal dollars to assist their goals.

DSHA will continue its mission to promote and provide affordable housing opportunities and support infrastructure that reduces the net cost of housing development and rehabilitation.

DSHA developed, and continually updates, a statewide multi-family "housing" locator, which provides information about units that are made affordable through public assistance. The locator is available on the internet at www.destatehousing.com/services/ht_housinglocator.shtml, to assist citizens needing affordable rental housing to easily identify and contact housing developments, which have units that meet their needs.

Maintain Affordable Housing

DSHA is designated as the administrator of the LIHTC Program with responsibility of allocating Delaware's annual credit ceiling in accordance with an approved QAP. DSHA utilizes a majority of its HOME funding, in combination with the LIHTC Program and other resources, to create or rehabilitate affordable rental housing throughout Delaware. Delaware's QAP establishes a process, whereby tax-credits are awarded to developers to address low-income housing priorities. Applications for HOME, HDF funds and Tax Credits are made available

during the program year and are specifically designed so that housing developers can utilize one application if requesting a variety of resources. Program coordination is enhanced by the location, where all staff for these programs are in one location.

DSHA will continue to further foster and maintain affordable housing through participation in the following innovative tools:

Community Land Trusts

Community Land Trusts (CLT) are grassroots democratically-controlled nonprofit organizations that own real estate in order to make land and housing available to residents who cannot otherwise afford them. Through the CLT's unique ownership structure and resale restrictions placed on homes in a CLT's inventory, the frequently large subsidies that go into making home affordable are preserved to help future homebuyers while still expanding homeownership opportunities. CLTs are a viable tool wherever land is high in demand, but low in supply, and wherever fewer and fewer working people can afford to live in the communities where they work. The Diamond State CLT's mission is to strengthen communities by creating and stewarding perpetually affordable housing and promoting sustainable use of the land. DSHA will continue to support this viable tool for affordable housing.

Manufactured Housing

Manufactured homes are a popular and affordable source of housing in Delaware, particularly in Kent and Sussex Counties. Statewide, manufactured homes comprise approximately 11 percent of the total housing stock. In Kent County, manufactured homes comprise 17.7 percent of the housing stock and house 17.6 percent of the population. In Sussex County, manufactured homes comprise 24.5 percent of the total housing stock and house 20 percent of the county's population. There, manufactured housing communities are popular for second and vacation homes.

The Delaware State Code does not prohibit manufactured housing, nor does it afford municipalities the right to do so. Municipalities, however, do exclude manufactured housing in their comprehensive plans or create bureaucratic policies that dissuade a land owner from locating manufactured housing in their municipalities. Most manufactured housing in Delaware is located outside of cities and towns.

Only a small percentage of manufactured homes are moved after they are installed. The process is expensive, and it is difficult to find a new location for existing homes. Many communities are either full or will only accept new homes, and few new manufactured housing communities are being created in Delaware. Therefore, Delaware is making progress in helping residents of manufactured housing communities form cooperatives to become joint owners of their land-lease communities. In 2008, legislation creating a "right of first offer" for homeowners to have the opportunity to cooperatively purchase their community if it is being offered for sale was passed, a vital first step in improving conditions for the conversation of manufactured housing communities to cooperative ownership. Technical assistance from the national affordable housing network, ROC-USATM, via its Certified Technical Assistance Provider (CTAP) Real Estate Advisory & Development Services (READS), is also now available in Delaware. With national support, READS provides guidance and in-depth technical assistance to assist manufactured homeowners to pursue cooperative ownership of their communities.

Anti-Poverty Strategy



Affordable housing represents an effective wage subsidy for local employers and an immediate salary increase for wage earners, thus creating income that can be applied to other living expenses. DSHA will continue to provide a variety of affordable housing options for Delawareans in order to help them stretch their household budgets.

DSHA's MTW Program requires residents to work or be in school in order to receive a housing subsidy. The goal is to establish positive work and budget habits over the time in the program, which will serve the family as they transition to unsubsidized housing. We believe that MTW plays an important role in breaking the cycle of poverty by providing case management services and resources that help families succeed.

DSHA has been an active participant on the HPC and has provided an operations grant for the past six years. The HPC coordinates the Delaware CoC applications, manages the DE-HMIS and works to coordinate services and programs throughout the state to better meet the needs of homeless people and families.

Develop Institutional Structure

Each year, housing and community development programs occur through DSHA, as well as through its partnerships with various state agencies, housing authorities, nonprofits and community development corporations. DSHA will continue efforts to foster collaboration between public and assisted housing providers and private and governmental health, mental health and service agencies.

DSHA will make its planning and community development staff available to provide on-site technical assistance at communities' requests. DSHA is providing a larger amount of information on our website to further statewide accessibility. Online versions of policies and procedures, as well as administrative plans will be continually updated to reflect current regulations and/or changes.

DSHA will continue to participate in various stakeholder forums during the program year. Further, DSHA will continue to sponsor the Governor's Conference on Housing, which brings stakeholders together from for-profit, nonprofit, state and local governments and housing advocates to concentrate on solutions to the barriers of providing affordable housing.

eHousing

DSHA currently has 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 from any computer with internet access. The online application is user-friendly, and allows applicants to easily update their information as it changes.

Enhance Coordination Between Public and Private Housing and Social Service Agencies



Over the next year, DSHA will continue its work with a wide array of other state agencies, private and faith-based housing and service providers and advocates to further the priorities and goals of this Action Plan. These will include, but are not limited to, the following:

- ◆ Delaware Interagency Council on Homelessness;
- ◆ Homeless Planning Council;
- ◆ Fair Housing Task Force Committee;
- ◆ Mental Health and Substance Abuse Council;
- ◆ Department of Natural Resources and Environmental Control;
- ◆ Council of State Community Development Agencies (COSFDA);
- ◆ National Association of Housing and Redevelopment Officials (NAHRO);
- ◆ National Council of State Housing Agencies (NCSHA);
- ◆ Department of Health and Social Services;
- ◆ Department of Services for Children, Youth and Their Families;
- ◆ Delaware Economic Development Office;
- ◆ Department of Labor;
- ◆ Department of Transportation;
- ◆ Delaware Commission of Veterans Affairs;
- ◆ Habitat for Humanity;
- ◆ Strong Communities;
- ◆ State Historic Preservation Office;
- ◆ Office of State Planning Coordination;
- ◆ Division of Human Relations;
- ◆ Housing Opportunities of Northern Delaware;
- ◆ Delaware Community Reinvestment Action Council;
- ◆ Delaware Manufactured Home Owners Association;
- ◆ Milford Housing Development Corporation;
- ◆ First State Manufactured Housing Association;
- ◆ Delaware State University;
- ◆ Work Force Investment Board;
- ◆ City of Dover;
- ◆ Kent, Sussex and New Castle Counties;
- ◆ First State Community Action Agency, Inc.; and
- ◆ University of Delaware.

Foster Public Housing Resident Initiatives

As stated earlier, DSHA is the public housing authority for the State of Delaware and operates in Kent and Sussex Counties, Delaware. DSHA owns 508 units of public housing and 65 Section 8 New Construction units. 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, DSHA administers 50 Family Unification Program (FUP) vouchers. 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.

The Asset Management Division of DSHA also provides contract administration oversight for 4,667 project-based Section 8 units throughout the State. These units are located in privately-owned developments that receive a HUD subsidy. DSHA's role is limited to contract compliance and payments.

Moving to Work

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. For FY2011, DSHA is proposing several changes to the MTW Program. These are as follows:

- ◆ ***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.

Since MTW implementation in August 1999, 607 families have successfully completed the MTW Program. One hundred eighty-seven have purchased homes and 420 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. 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.

Program Specific Requirements

Community Development Block Grant Program



As stated earlier in this report, CDBG funds are awarded through a competitive application process in accordance with the Method of Distribution. The complete CDBG Program Guidelines and Application Package may be accessed on DSHA's website at www.destatehousing.com. The Program Guidelines and Application Package are updated annually and made available at an application workshop.

Application Review Process

The following is a summary of the CDBG application process. Upon receipt of the applications, DSHA staff will:

- ◆ Review the applications for eligibility and completeness. If an application does not meet the threshold criteria, it is considered unresponsive and will not continue through the review process;
- ◆ Review that the amount of CDBG funds requested in each application is reflected in a budget that is both reasonable and realistic, and which conforms to all the requirements for such budgets; and
- ◆ DSHA staff will then provide the Review Panel with a report that each application will at a minimum contain the following:
 - Certification that the application has met the threshold requirements, including evaluation of low- and moderate-income benefit;
 - Certification that the proposed budget represents a realistic and reasonable budget, which conforms to all application instructions and policies;
 - The conformance of the proposed activities to the goals and objectives of Delaware's Consolidated Plan; and
 - An evaluation of the applicant's capacity and past performance under the CDBG Program.

DSHA will then provide the Review Panel, which is composed of persons with appropriate background and experience, the applications to evaluate. The Review Panel uses a point system with maximum total points achievable in the following categories: *(A maximum total of 100 points may be received by an application.)*

- ◆ Low- and moderate-income benefit *(provided by DSHA staff)* – 25 points;
- ◆ Management capacity *(provided by DSHA staff)* – 5 points;
- ◆ Cost/benefit of activity – 70 points – as follows:
 - Severity of need – 20 points;
 - Holistic impact of activity – 15 points;
 - Cost reasonableness – 15 points;

- Leveraging of other resources – 15 points; and
- Suitability/feasibility of work plan – 5 points.

DSHA staff then prepares a summary evaluation of all of the applications, which will include the scores for each proposed activity and a descriptive summary of the Review Panel’s comments and recommended priorities for funding. The Director of DSHA will make the final decisions on allocating the CDBG funds based on the recommendations from the Review Panel.

Allocations to specific activities will be based on approved contract budgets. The maximum allocation for any single applicant shall not exceed \$1,100,000 in any program year.

HOME Investment Partnerships Program



HUD allocates the HOME Program funds to eligible states and local governments to provide affordable housing. The HOME Program for the State of Delaware is administered by DSHA. HOME funds will be used to further affordable housing for very low- and low-income persons and families and special population groups by the provision of affordable rental and homeownership housing through the acquisition, rehabilitation and new construction of housing.

In FY2011, \$3,000,000 will be allocated to the State of Delaware, of which at least 15 percent is reserved for use by CHDOs for furthering affordable housing. CHDO operating expenses up to the maximum allowable under HUD regulations may also be considered for funding under the HOME Program. All activities undertaken with HOME funds (including CHDO reservations) must be project specific and must be consistent with the objectives of the State’s Five-Year Consolidated Plan 2010 - 2014. Ten percent of Delaware’s HOME allocation, including program income, will be reserved to administer the HOME Program. Delaware does not utilize HOME funds to refinance existing debt secured by multi-family housing that is being rehabilitated with HOME funds.

DSHA may also consider HOME loans to non-first time homebuyers and are subject to the following conditions:

- ◆ Mortgage loans may be used for downpayment and closing costs associated with the acquisition and may be deferred second (or other loan position as approved by DSHA) mortgage loans at 0 percent interest. Payments on the loan are not required except in the event of sale, rental or refinancing of the property. The loans shall be forgiven at the end of the period of affordability provided all HOME Program and DSHA requirements have been met;
- ◆ The HOME acquired property must remain the principal residence of the assisted family throughout the recapture period and may not be rented. The assisted property shall meet the Property Standards of 24 CFR Part 92, § 92.251 and all applicable State and local housing quality standards and codes;

- ◆ The purchase price and appraised value of the assisted property may not exceed the Federal Housing Administration’s single-family mortgage limits under Section 203(b) of the National Housing Act for the type of assisted housing;
- ◆ In order to be eligible for a loan, an applicant must have satisfactorily completed a DSHA-approved homeownership counseling program or must be enrolled in such a program and be making satisfactory progress as determined by DSHA in its sole discretion;
- ◆ Participants in DSHA's Scattered Site PHHOP shall receive priority for HOME Program mortgage loans. If there are no potential PHHOP applicants who may utilize the funds, DSHA may allow non-PHHOP participants to apply. Other applicants seeking HOME Program mortgages that are not in the PHHOP may be required to apply for all other available State second mortgage assistance such as the SMAL Program if funds are available. Applicants qualifying for a USDA/Rural Development mortgage may be required to apply for USDA/Rural Development assistance; and
- ◆ Loans shall be approved by the Director of DSHA and may not exceed \$20,000 in HOME Program funding or such other reasonable amounts approved by the Director. DSHA may limit the number of loans issued in any fiscal year.

Recapture Provisions for Homebuyers

The prorated amount of HOME Program funds in the form of second mortgage loans used for downpayments and closing costs are subject to recapture when the initially-assisted homebuyer sells, rents or refinances the HOME-assisted property within the recapture period set forth in the following chart:

Amount of HOME Funds	Recapture Period
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

HOME mortgage loans shall be forgiven after expiration of the loan recapture period and/or period of affordability. If the HOME-assisted property is sold, rented or refinanced during the recapture period, the amount of the repayment required shall be prorated by the number of full years the original HOME-assisted owner occupied the property. For example, a HOME-deferred second mortgage in the amount of \$20,000 would have a recapture period of 10 years. If the property was sold 3 years and six months after the recapture period started, then 30 percent (3 full years/10 year recapture period) of the original \$20,000 HOME loan would be forgiven making the repayment amount due \$14,000.

Where the net proceeds (the sales price of the assisted property less loan repayment of DSHA approved superior debt and closing costs) is greater than the prorated balance due under the HOME mortgage loan, the balance of the HOME prorated mortgage loan shall be repaid to

DSHA. However, where the net proceeds are less than the HOME mortgage loan, the amount of the net proceeds shall be repaid to DSHA. All repaid HOME mortgage funds shall be used to support other HOME-eligible activities.

These recapture provisions shall be included in the note and mortgage evidencing and securing the HOME-funded second mortgage loan. When HOME funds are used for acquisition, construction and/or rehabilitation of a project prior to the sale to homebuyers of the homes in the project, the full amount of the HOME loan investment shall be repaid to DSHA on a pro-rata basis as the units are sold. Upon payment of the agreed amount of the HOME-funded loan, each property shall be released from the lien of the mortgage securing the HOME-funded loan. All repaid proceeds shall be used to support other HOME-eligible activities.

Emergency Shelter Grants Program



DSHA has been designated to administer the ESG Program, which is authorized under Title IV (Subtitle B) of the Stewart B. McKinney Homeless Assistance Act, as amended. The funds are distributed on a competitive basis to eligible applicants in Kent and Sussex Counties, Delaware. Eligible applicants are units of general local government or private nonprofit organizations, including faith-based organizations.

The State of Delaware anticipates receiving \$100,000 in ESG funds for FY2011. 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. 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, it is anticipated that the funds will be allocated to nonprofit organizations, which can effectively comply with federal regulations, provide the necessary matching funds and obligate grant funds.

The ESG Program is designed to help improve the quality of existing emergency shelters for the homeless, to make available additional emergency shelters, to help meet the costs of operating emergency shelters and to provide certain essential social services to homeless individuals, so that these persons have access not only to safe and sanitary shelter, but also to the supportive services and other kinds of assistance they need to improve their situations. The program is also intended to restrict the increase of homelessness through the funding of preventative programs and activities.

An emergency shelter is defined as any facility whose primary purpose is to provide temporary or transitional shelter for the homeless in general or for specific populations of the homeless. Homeless is defined as an individual or family which lacks a fixed regular, and adequate nighttime residence, or as an individual or family which has a primary residence that is supervised as a publicly- or a privately-operated shelter designed to provide temporary living accommodations. The length of stay in such a facility may not exceed 24 months.

Assistance may be provided under this part to a religious organization if the religious organization agrees to provide all eligible activities under this program in a manner that is free from religious influences and in accordance with the following principles:

- ◆ It will not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons on the basis of religion;
- ◆ It will not discriminate against any person applying for shelter or any of the eligible activities under this part on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion; and
- ◆ It will provide no religious instruction or counseling; conduct no religious worship or services; engage in no religious proselytizing; and exert no other religious influence in the provision of shelter and other eligible activities under this part. Applicants that are primarily religious organizations are encouraged to contact DSHA for specifics or refer to 24 CFR Part 576.23.

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 development and implementation of DE-HMIS.

Equal priority shall be given to applications requesting funding assistance for homeless prevention activities and for the provision of maintenance, operating costs and renovations. Requests for funding for major rehabilitation or conversion activities will be considered last.

A maximum 30 percent of the state's allocation may be used for the provision of essential services. A separate maximum 30 percent of the state's allocation may be used for the provision of prevention activities. Further, a maximum of five percent of the state's allocation may be used for administrative costs.

With ESG funding, homeless persons are expected to be provided with access to safe and sanitary shelter, as well as to supportive services and mainstream assistance needed to move them toward transitional or permanent housing options. The ESG Program requires shelters to use homeless persons in their work program, thereby creating employment opportunities for homeless people to the maximum extent practical. It also requires that the termination of assistance to any individual or family in a shelter subsidized with federal funds be in accordance with a formal process established by the recipient, which must be incorporated in the shelter's operating procedures.

Subgrantees are required to provide proposed outcome/objective statements for each activity. The objectives/outcomes for the proposed activities of emergency and transitional shelters should be stated as accessibility for the purpose of creating a suitable living environment.

Applications will be rated by a 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).

Housing Opportunities for Persons with Aids Program



DSHA anticipates receiving approximately \$200,000 in HOPWA Program funds. The funding will be available on July 1, 2011 for use in Kent and Sussex Counties only. The state may select a project sponsor without undertaking a competitive bid process. The state will therefore, award its funding under the HOPWA grant to the Delaware HIV Consortium, the only statewide nonprofit agency that provides a tenant-based rental assistance program in Kent and Sussex Counties.

The \$200,000 that DSHA anticipates receiving will be allocated by the state under the FY2011 HOPWA grant and it will be used for payment of project- or tenant-based rental assistance, including shared housing, rent, mortgage, and/or utility payments to prevent homelessness of the tenant or mortgagor. Funds may also be used for supportive services that include, but are not limited to, health, mental health, assessment, nutritional services, intensive care when required and assistance in gaining access to benefits and services.

Funds may be used for administrative expenses; however, the state may not use more than three percent (3 percent) of its current funding as administrative costs related to administering this grant. The project sponsor may not use more than seven percent (7 percent) of its grant amount as administrative costs charged to this grant. Delaware HIV Consortium is expecting to assist 30 families with decent affordable housing from the HOPWA grant through a tenant-based rental assistance program.

Monitoring



DSHA has the responsibility of monitoring all housing activities covered by this 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 compliance and performance compliance. Monitoring of regulatory compliance includes review of accountability and financial management, environmental impact, labor standards, civil rights, fair housing, acquisition/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 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;
- ◆ Visit 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, 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) has been 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 HOME 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 MFI 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 MFI);
- ◆ Not less than 100 percent of all HOME-assisted units in homeownership projects (both owner-occupied rehabilitation and downpayment/closing cost assistance) will be occupied by homeowners at or below 80 percent of MFI;
- ◆ 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 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 regulations.

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

Record Keeping

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.

A written finding 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 ESG, the overall program standards that will be addressed and verified include the following:

- ◆ All grantees complete an Annual 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.

A written finding 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:

- ◆ All grantees complete 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.

Appendix A

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		Pre-application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	2. DATE SUBMITTED May 15, 2011	Applicant Identifier	
			3. DATE RECEIVED BY STATE	State Application Identifier	
			4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name: Delaware State Housing Authority			Organizational Unit: Department: Community Development		
Organizational DUNS: 61-118-6909			Division:		
Address: Street: 18 The Green			Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Dover			Prefix:	First Name: Paula	
County: Kent			Middle Name		
State: DE			Last Name Voshell		
Zip Code 19901			Suffix:		
Country: USA			Email: paula@destatehousing.com		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 51-0116853			Phone Number (give area code) 302-739-4263		Fax Number (give area code) 302-739-2416
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)			7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Community Development Block Grant 14-228			9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Kent and Sussex Counties, Delaware			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Provides funding for housing rehabilitation and infrastructure projects for low- to moderate-income Delawareans residing in Kent and Sussex Counties.		
13. PROPOSED PROJECT Start Date: 7/1/11			14. CONGRESSIONAL DISTRICTS OF: a. Applicant Delaware at Large		
Ending Date: 6/30/12			b. Project		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$	2,000,000 ⁰⁰	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$	⁰⁰	DATE: TBD		
c. State	\$	⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$	⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$	⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$	⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$	2,000,000 ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix		First Name Anas		Middle Name	
Last Name Ben Addi				Suffix	
b. Title Director		c. Telephone Number (give area code) 302-739-4263		e. Date Signed 4/12/11	
d. Signature of Authorized Representative 					

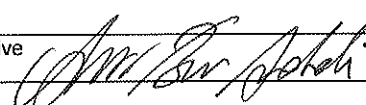
**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	2. DATE SUBMITTED May 15, 2011	Applicant Identifier
		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION Legal Name: Delaware State Housing Authority		Organizational Unit: Department: Community Development	
Organizational DUNS: 61-118-6909		Division:	
Address: Street: 18 The Green		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Dover		Prefix:	First Name: Paula
County: Kent		Middle Name	
State: DE	Zip Code: 19901	Last Name: Voshell	
Country: USA		Suffix:	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 51-0116653		Phone Number (give area code) 302-739-4263	Fax Number (give area code) 302-739-2416
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)		7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-239		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): State of Delaware		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Provides funding to further affordable housing to very low-, low- and moderate-income Delawareans through new construction and rehabilitation activities, mortgage assistance, and downpayment assistance.	
13. PROPOSED PROJECT TITLE (Name of Program): HOME Investment Partnerships		14. CONGRESSIONAL DISTRICTS OF: a. Applicant Delaware at Large	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 2,700,000.00	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: TBD	
b. Applicant	\$.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
e. Other	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$.00	18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.	
g. TOTAL	\$ 2,700,000.00	a. Authorized Representative	

Prefix	First Name Anas	Middle Name
Last Name Ben Addi	Suffix	
b. Title Director	c. Telephone Number (give area code) 302-739-4263	
d. Signature of Authorized Representative 	e. Date Signed 4/12/11	

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		Pre-application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	2. DATE SUBMITTED May 15, 2011	Applicant Identifier	
			3. DATE RECEIVED BY STATE	State Application Identifier	
			4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
5. APPLICANT INFORMATION					
Legal Name: Delaware State Housing Authority			Organizational Unit: Department: Community Development		
Organizational DUNS: 61-118-6909			Division:		
Address: Street: 18 The Green			Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Dover			Prefix:	First Name: Paula	
County: Kent			Middle Name		
State: DE			Last Name Voshell		
Zip Code 19901			Suffix:		
Country: USA			Email: paula@destatehousing.com		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 51-0116653			Phone Number (give area code) 302-739-4263		Fax Number (give area code) 302-739-2416
8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>			7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Emergency Shelter Grants 14-231			9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Kent and Sussex Counties, Delaware			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Provides funding to nonprofit emergency and transitional shelters in Kent and Sussex Counties, Delaware. Funds may be used for rehabilitation and/or conversion activities, maintenance and operating costs, provision of essential services and homeless prevention.		
13. PROPOSED PROJECT Start Date: 7/1/11			14. CONGRESSIONAL DISTRICTS OF: a. Applicant Delaware at Large		
Ending Date: 6/30/12			b. Project		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$	100,000 ⁰⁰	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON		
b. Applicant	\$	⁰⁰	DATE: TBD		
c. State	\$	⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
d. Local	\$	⁰⁰	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
e. Other	\$	⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
f. Program Income	\$	⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
g. TOTAL	\$	100,000 ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix		First Name Anas		Middle Name	
Last Name Ben Addi				Suffix	
b. Title Director				c. Telephone Number (give area code) 302-739-4263	
d. Signature of Authorized Representative 				e. Date Signed 4/12/11	

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application <input checked="" type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	2. DATE SUBMITTED May 15, 2011	Applicant Identifier
		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: Delaware State Housing Authority	Organizational Unit: Department: Community Development
Organizational DUNS: 61-118-6909	Division:
Address: Street: 18 The Green	Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: First Name: Paula
City: Dover	Middle Name
County: Kent	Last Name Voshell
State: DE	Zip Code 19901
Country: USA	Email: paula@destatehousing.com

6. EMPLOYER IDENTIFICATION NUMBER (EIN):

51-0116653

Phone Number (give area code) 302-739-4263	Fax Number (give area code) 302-739-2416
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8. TYPE OF APPLICATION: <input type="checkbox"/> New <input checked="" type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)	7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)
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9. NAME OF FEDERAL AGENCY:
 U.S. Department of Housing and Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 14-241	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Provides tenant based rental assistance to persons with HIV/AIDS and their families in Kent and Sussex Counties, Delaware.
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12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):
 Kent and Sussex Counties, Delaware

13. PROPOSED PROJECT Start Date: 7/1/11 Ending Date: 6/30/12	14. CONGRESSIONAL DISTRICTS OF: a. Applicant Delaware at Large b. Project
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15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$ 200,000.00 b. Applicant \$.00 c. State \$.00 d. Local \$.00 e. Other \$.00 f. Program Income \$.00 g. TOTAL \$ 200,000.00	a. Yes. <input checked="" type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: TBD b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW

17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
 Yes If "Yes" attach an explanation. No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative

Prefix	First Name Anas	Middle Name
Last Name Ben Addi	Suffix	
b. Title Director	c. Telephone Number (give area code) 302-739-4263	
d. Signature of Authorized Representative	e. Date Signed 4/12/11	

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - (a) The dangers of drug abuse in the workplace;
 - (b) The grantee's policy of maintaining a drug-free workplace;
 - (c) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (d) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - (a) Abide by the terms of the statement; and
 - (b) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant

officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - (a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - (b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

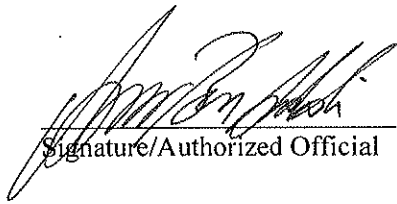
Anti-Lobbying -- To the best of the State's knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official

4/12/11
Date

Director
Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed 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 other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2000, 11, and 12. (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;

3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

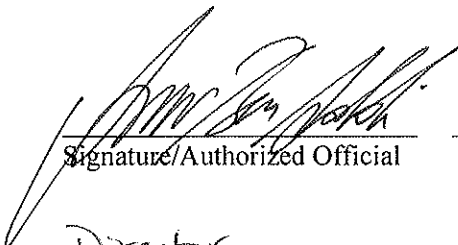
It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.



Signature/Authorized Official

4/12/11

Date

Director

Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.



Signature/Authorized Official

4/12/11

Date

Director

Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services and Operating Costs -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR 576.51 and 42 USC 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

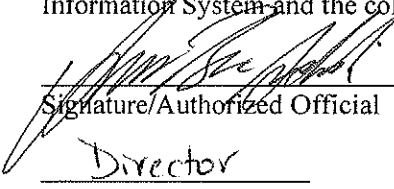
Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy -- -- It has established a policy for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

HMIS -- It will comply with HUD's standards for participation in a local Homeless Management Information System and the collection and reporting of client-level information.


Signature/Authorized Official

4/12/11
Date

Director
Title


HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.



Signature/Authorized Official

4/12/11

Date

Director

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).
8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

18 The Green, Dover DE 19901

Check ___ if there are workplaces on file that are not identified here; The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Appendix B

Geographic Distribution

DSHA administers the CDBG and ESG Programs throughout Kent and Sussex Counties, Delaware on a competitive basis.

CDBG

The CDBG Program is awarded competitively with a maximum allocation of \$1,100,000 per County, to ensure a somewhat even geographic distribution between the Counties. CDBG program guidelines provide for targeting based on concentrations of substandard housing with income eligible homeowners. This allows the program to have a bigger positive impact on neighborhoods with the greatest housing needs. An equal distribution of funding between the two Counties is anticipated.

ESGP

The ESGP is awarded competitively to homeless service providers based on a request for proposals generally available in May. The actual commitment of ESG funds will be dependent upon an evaluation of the quality of the applications that are received. It is anticipated that funds will be equally distributed between Kent and Sussex Counties. However, the actual disbursement of ESG funds will be based upon an evaluation of the quality of the applications.

HOPWA

HOPWA funding is awarded to Delaware HIV Consortium annually for a tenant-based rental assistance program operated in both Kent and Sussex Counties. Distribution of funds is determined by need using the waiting lists for each County; however it normally is distributed 60 percent in Sussex County and 40 percent in Kent County.

HOME Program

DSHA anticipates an equal distribution of HOME Program funds between the three Counties in Delaware. The actual commitment of HOME funds will be dependent upon an evaluation of the quality and timing in which applications are received. It is anticipated that funds reserved for the use of CHDOs will be equally distributed between Kent and Sussex Counties. However, the actual disbursement of CHDO funds will be based upon an evaluation of the quality of the applications and the timing in which requests for funds are received.

Minority Concentration

As mentioned in the above statements, DSHA administers the formula programs in Kent and Sussex Counties, Delaware, with the exception of the HOME Program, which is administered Statewide. DSHA establishes target areas for our CDBG and HOME homeowner rehabilitation programs by identifying those communities with five or more substandard homes with qualifying

homeowners as target areas. This effectively targets funds to areas with high housing needs and often to areas of minority concentrations. There are 11 census tracts in Kent County and six census tracts in Sussex County that have racial or ethnic concentrations. For FY2011, DSHA's CDBG Program has 12 target areas in Kent County, of which two are in census tracts identified as having minority concentrations. Further, the Program has 15 target areas in Sussex County, of which two are in census tracts identified as areas with minority concentrations. DSHA will continue to review data relative to program activity in areas of racial and ethnic concentrations and use this data to identify new target areas and/or new thresholds for target areas.

DSHA uses much of our HOME funding in combination with the Low-income Housing Tax Credit (LIHTC) Program to preserve and develop affordable housing for people with incomes at 60 percent of AMI or less. Therefore, in the 2011 QAP, DSHA added language to encourage all LIHTC applicants to promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income residents or in areas containing a high proportion of affordable rental units and build communities of opportunities for newly created (conversion or new construction) projects. DSHA also encourages LIHTC applicants to consider building in communities with minimal affordable rental units relative to their housing needs for newly created affordable housing projects.

The following tables present population by race and ethnicity by census tract in Kent and Sussex Counties. HUD defines areas of racial or ethnic concentration as geographical areas where percentage of a specific minority or ethnic group is ten percentage points higher than the county overall.

In Kent County, in 2010, Black or African American residents comprised 17.1 percent of the population. Therefore, an area of racial concentration includes census tracts where the percentage of Black or African American residents is 27.1 percent or higher. There are 11 census tracts that meet the criteria for racial concentration. Nine of these tracts are partially contained within the City of Dover. Furthermore, an area of ethnic concentration includes census tracts where the percentage of Hispanic residents is 13.2 percent or higher. There are no census tracts that meet this criterion for Hispanic residents.

In Sussex County, in 2010, Black or African American residents comprised 12.5 percent of the population. Therefore, an area of racial concentration includes census tracts where the percentage of Black or African American residents is 22.5 percent or higher. There are four census tracts that meet the criteria for racial concentration.

Hispanics comprised 6.4 percent of the County's population in 2010. Therefore, an area of ethnic concentration includes census tracts where the percentage of Hispanic residents is 16.4 percent or higher. There are two census tracts that meet this criterion for Hispanic residents. The census tracts of racial and ethnic concentration for Kent and Sussex Counties, Delaware are highlighted in the following tables (*Delaware State Analysis of Impediments to Fair Housing Choice*).

Census Tract Population by Race and Hispanic Origin, 2010

Census Tract	Total Population	Minority Residents			
		White	Black	Asian/Pacific Islander	Hispanic
		%	%	%	%
Delaware Total	890,137	71.6%	21.0%	3.1%	6.7%
Balance of State	318,762	78.3%	14.3%	1.3%	5.3%
Kent County **	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
		%	%	%	%
Sussex County	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

Low Moderate Income Areas

The CDBG Program includes a statutory requirement that 70 percent of the funds invested benefit low- and moderate-income (LMI) persons. As a result, HUD provides the percentage of LMI persons in each census block group for entitlements. In Kent County (excluding Dover) HUD data on the percent of LMI persons reveal that in 10 of the County's 59 census block groups more than 51 percent of the residents meet the criteria for LMI status. Three of these block groups were located in an area that was also identified as an area of minority concentration. Areas of LMI concentration in Kent County are located in and around Harrington, Milford, Dover, and Smyrna.

In Sussex County, HUD data on the percent of LMI persons reveal that in 11 of the County's 86 census block groups more than 51 percent of the residents meet the criteria for LMI status. Four of these block groups (BGs 1 & 2 in CT 505.02, BG2 in CT 514, and BG1 in CT 518.02) were located in an area that was also identified as an area of minority concentration. Areas of LMI concentration in Sussex County are located around Farmington, Seaford, Laurel, Georgetown, and Selbyville.

Areas of LMI concentration are highlighted in the following chart.

Low and Moderate Income Persons, 2010

Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI
401.00	1	1,842	530	28.77%
401.00	2	1,679	742	44.19%
401.00	3	1,800	625	34.72%
402.01	1	1,613	562	34.84%
402.01	2	1,864	838	44.96%
402.02	1	4,857	1,591	32.76%
402.03	1	1,124	324	28.83%
402.03	2	1,936	1,148	59.30%
404.00	1	1,172	438	37.37%
405.00	1	1,324	432	32.63%
405.00	2	1,024	237	23.14%
405.00	3	155	54	34.84%
406.00	1	34	0	0.00%
407.00	1	0	0	--
408.00	1	0	0	--
408.00	2	0	0	--
410.00	1	126	26	20.63%
410.00	2	369	116	31.44%
411.00	9	3,469	1,899	54.74%
412.00	1	2,856	1,264	44.26%
413.00	1	10	0	0.00%
414.00	1	0	0	--
415.00	1	328	218	66.46%
415.00	2	1,259	373	29.63%
416.00	1	2,256	642	28.46%
417.01	1	1,915	428	22.35%
417.01	2	1,934	804	41.57%
417.02	1	1,862	293	15.74%
417.02	2	1,490	353	23.69%
418.01	1	2,400	1,248	52.00%
418.01	2	2,411	632	26.21%
418.01	3	673	88	13.08%

Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI
418.02	1	1,181	656	55.55%
418.02	2	1,158	278	24.01%
419.00	1	2,816	1,243	44.14%
419.00	2	2,021	745	36.86%
420.00	1	1,273	641	50.35%
420.00	2	1,722	733	42.57%
421.00	1	1,533	630	41.10%
421.00	2	1,683	450	26.74%
422.01	1	2,794	1,237	44.27%
422.01	2	1,560	670	42.95%
422.01	3	1,725	1,010	58.55%
422.02	1	1,869	585	31.30%
422.02	2	2,313	1,039	44.92%
422.02	3	1,795	307	17.10%
424.00	1	632	345	54.59%
424.00	2	946	323	34.14%
424.00	3	1,024	332	32.42%
425.00	1	1,165	523	44.89%
425.00	2	1,731	1,291	74.58%
426.00	1	2,066	717	34.70%
427.00	1	1,134	453	39.95%
428.00	1	1,758	558	31.74%
428.00	2	2,276	1,040	45.69%
428.00	3	1,476	415	28.12%
429.00	1	1,673	697	41.66%
429.00	2	1,761	491	27.88%
430.00	1	1,473	847	57.50%
430.00	2	1,766	874	49.49%
430.00	3	1,251	655	52.36%
431.00	1	875	353	40.34%
431.00	2	1,553	450	28.98%

Source: HUD LMI Estimates 2010

Low and Moderate Income Persons, 2010 (Continued)

Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI
431.00	2	1,553	450	28.98%
501.01	1	1,723	371	21.53%
501.01	2	1,403	534	38.06%
501.02	1	1,055	197	18.67%
501.02	2	2,782	971	34.90%
501.02	3	995	430	43.22%
501.02	4	1,576	514	32.61%
501.02	5	1,626	724	44.53%
501.03	1	2,311	786	34.01%
502.00	1	788	356	45.18%
502.00	2	2,014	922	45.78%
503.01	1	1,509	1,068	70.78%
503.01	2	2,429	882	36.31%
503.01	3	1,689	912	54.00%
503.02	1	2,306	801	34.74%
503.02	2	21,495	798	53.38%
504.01	1	1,995	911	45.66%
504.01	2	1,292	468	36.22%
504.02	1	1,854	554	29.88%
504.02	2	2,059	1,150	55.85%
504.02	3	2,488	646	25.96%
504.02	4	1,142	818	71.63%
504.03	1	2,967	1,377	46.41%
504.04	1	3,623	1,758	48.52%
504.04	2	1,145	446	38.95%
504.04	3	3,385	1,653	48.83%
505.01	1	1,984	763	38.46%
505.01	2	1,018	315	30.94%
505.02	1	2,744	1,482	54.01%
505.02	2	1,216	656	53.95%
505.02	3	1,629	758	46.53%
505.02	4	1,435	265	18.47%
506.01	1	1,807	488	27.01%
506.01	2	1,637	596	36.41%
506.02	1	2,449	1,416	57.82%
506.02	2	1,253	444	35.43%
507.01	1	1,832	678	37.01%
507.01	2	981	475	48.42%
507.02	1	1,899	988	52.03%
507.02	2	3,229	1,470	45.52%
507.02	3	4,076	1,397	34.27%
508.01	1	1,330	525	39.47%
508.01	2	1,282	576	44.93%

Census Tract	Block Group	Low and Moderate Income Persons		
		Universe	# LMI	% LMI
508.02	1	1,415	628	44.38%
508.02	2	1,912	765	40.01%
508.03	1	1,108	491	44.31%
508.03	2	1,219	168	13.78%
508.03	3	1,283	566	44.12%
508.03	4	1,037	254	24.49%
509.00	1	1,331	332	24.94%
59.00	2	813	204	25.09%
509.00	3	1,260	304	24.13%
509.00	4	1,436	513	35.72%
510.01	1	2,708	721	26.62%
510.01	2	2,528	870	34.41%
510.02	1	2,033	676	33.25%
510.02	2	1,948	721	37.01%
510.02	3	1,192	134	11.24%
510.03	2	2,209	869	39.34%
510.03	3	937	502	53.58%
511.00	1	980	219	22.35%
511.00	2	1,817	443	24.38%
512.00	1	4,167	933	22.39%
513.01	1	2,609	761	29.17%
513.01	2	1,276	386	30.25%
513.02	1	1,297	559	43.10%
513.02	2	1,1155	353	30.56%
513.03	1	2,786	915	32.84%
513.04	1	1,183	599	50.63%
513.04	2	2,642	898	33.99%
514.00	1	1,615	796	49.29%
514.00	2	1,337	688	51.46%
515.00	1	943	388	41.15%
515.00	2	1,835	865	47.14%
515.00	3	720	320	44.44%
515.00	4	680	273	40.15%
517.01	1	3,434	1,200	34.94%
517.02	1	1,368	499	36.48%
517.02	2	1,709	520	30.43%
517.02	3	1,753	522	29.78%
518.01	1	1,666	482	28.93%
518.01	2	2,485	1,253	50.42%
518.02	1	2,065	1,125	54.48%
518.02	2	1,926	689	35.77%
519.00	1	1,622	581	35.82%
519.00	2	2,278	1,051	46.14%

Source: HUD LMI Estimates 2010

Appendix C

2009 CAPER
Performance Relating to 2008-20012 Consolidated Plan Strategies

<i>STRATEGY I:</i> Preserve and expand Delaware's stock of affordable rental housing.						
Strategy Development and Implementation	2008 Outcomes	2009 Outcomes	2010 Outcomes	2012 Outcomes	2009 Outcomes	Cumulative
Preserve the affordability and physical condition of the existing rental housing stock for low- and very-low income Delawareans	286	200			The HDF, HOME and LIHTC Programs assisted with rehabilitating 200 households during FY2009	486
Expand access to affordable housing by adding to Delaware's assisted rental housing stock	36	31			HOPWA funds assisted 31 households, comprised of 51 persons, with rental assistance.	67
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.	693	393			DSHA successfully preserved 393 affordable rental units through renewal of HAP contracts.	1,086

2009 CAPER

Performance Relating to 2008-2012 Consolidated Plan Strategies

<i>STRATEGY 2: Assist Delaware families to achieve and sustain homeownership.</i>						
Strategy Development and Implementation	2008 Outcomes	2009 Outcomes	2010 Outcomes	2011 Outcomes	2009 Outcomes	Cumulative
Assist Delaware families to achieve homeownership with below-market mortgage financing and NSP funding.	889	505			DSHA assisted 487 first-time homebuyers during FY2009 with the SBMRB Program and 18 homeowners were assisted with Neighborhood Stabilization Program funding.	1,394
Assist Delaware families to achieve homeownership with downpayment and closing cost assistance.	406	483			During FY2009, DSHA assisted 472 families through the SMAL Program and nine families through the LNYW Program. Two families were assisted with downpayment assistance with the HOME Program.	889
Support homeownership counseling and outreach to underserved populations.	380	661			During FY2009, DSHA assisted 661 families with foreclosure counseling with grants from the NFMC.	1,041
Provide funding for affordable homeownership development, including new construction and acquisition rehabilitation.	11	40			Through NSP, 40 families were assisted with acquisition rehabilitation.	51
Participate in the statewide efforts to assist families to maintain homeownership and avoid foreclosure.	54	180			52 families were assisted through DEMAP to avoid foreclosure and 128 families were assisted through HGAP during FY2009.	234

2009 CAPER Performance Relating to 2008-2012 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	2008 Outcomes	2009 Outcomes	2010 Outcomes	2011 Outcomes	2009 Outcomes	Cumulative
Through case management and incentives, assist families to become economically self-sufficient.	35	56			During FY2009, 56 families moved to unassisted housing.	91

2009 CAPER Performance Relating to 2008-2012 Consolidated Plan Strategies						
<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	2008 Outcomes	2009 Outcomes	2010 Outcomes	2011 Outcomes	2009 Outcomes	Cumulative
Assist emergency and transitional shelters in Kent and Sussex Counties.	1,500	1,309			DSHA assisted nine emergency and transitional shelters through ESG funding serving 1,309 people.	2,809
Improve access to existing housing and supportive housing.	99	124			93 families utilized the Step-Up Program for rental assistance which is funded through the HDF. In addition, 31 households were assisted with HOPWA funds.	223
Provide funding for new supportive housing.	0	0			No new supportive housing was completed during FY2009.	0

Appendix D

Table 1 Housing, Homeless and Special Needs (Required)

Housing Needs

Household Type	Elderly Renter	Small Renter	Large Renter	Other Renter	Total Renter	Owner	Total
0 –30% of MFI	4,384	5,820	1,385	5,580	17,169	12,861	30,030
%Any housing problem	55.9	73.8	83.8	76.5	70.9	70.6	70.8
%Cost burden > 30	55.8	70	68.6	75.9	68.2	69.5	68.8
%Cost Burden > 50	34.4	56.2	45.8	64.8	52.6	50.6	51.8
31 - 50% of MFI	3,032	5,580	1,300	4,104	14,016	17,150	31,166
%Any housing problem	60.1	67	74.6	76.9	69.1	49.9	58.5
%Cost burden > 30	58.3	63.6	50	75.8	64.8	48.7	55.9
%Cost Burden > 50	20.7	14.2	7.7	25	18.2	26	22.5
51 - 80% of MFI	2,098	7,964	1,973	7,145	19,180	33,338	52,518
%Any housing problem	39.9	27	39.7	33.6	32.2	38.7	36.3
%Cost burden > 30	39.3	19.6	10.8	32.3	25.6	36.9	32.7
%Cost Burden > 50	9.7	0.4	0.4	2	2	8.7	6.2

Homeless Continuum of Care: Housing Gap Analysis Chart

	Current Inventory	Under Development	Unmet Need/ Gap
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Individuals

	Emergency Shelter			
Beds	Emergency Shelter	446	0	n/a
	Transitional Housing	323	0	n/a
	Permanent Supportive Housing	271	0	n/a
	Total	1040		
Chronically Homeless				

Persons in Families With Children

Beds	Emergency Shelter	194	0	n/a
	Transitional Housing	296	0	n/a
	Permanent Supportive Housing	6	0	n/a
	Total	496		

Continuum of Care: Homeless Population and Subpopulations Chart

Part 1: Homeless Population	Sheltered		Unsheltered	Total
	Emergency	Transitional		
Number of Families with Children (Family Households)	n/a	n/a	n/a	n/a
1. Number of Persons in Families with Children	85	157	17	259
2. Number of Single Individuals and Persons in Households without Children	315	245	20	580
(Add lines Numbered 1 & 2 Total Persons)	400	402	37	839
Part 2: Homeless Subpopulations	Sheltered		Unsheltered	Total
a. Chronically Homeless	224		70	294
b. Seriously Mentally Ill	380			
c. Chronic Substance Abuse	410			
d. Veterans	116			
e. Persons with HIV/AIDS	78			
f. Victims of Domestic Violence	190			
g. Unaccompanied Youth (Under 18)	10			

Table 1 Housing, Homeless and Special Needs

Special Needs (Non-Homeless) Subpopulations	Unmet Need
1. Elderly	
2. Frail Elderly	
3. Severe Mental Illness	
4. Developmentally Disabled	See beginning page 12
5. Physically Disabled	of the Consolidated Plan
6. Persons w/Alcohol/Other Drug Addictions	
7. Persons w/HIV/AIDS	
8. Victims of Domestic Violence	
9. Other	

The Homeless Planning Council, the coordinating entity for the CoC, does not capture some of the information necessary to complete Table 1. However, in an ongoing effort to enhance data collection, they are expanding their focus to integrate a needs assessment and gap analysis in the Point-in-Time studies.

Table 2A (Required)
State Priority Housing/Special Needs/Investment Plan Table

PART 1. PRIORITY HOUSING NEEDS		Priority Level	
		Indicate High, Medium, Low, checkmark, Yes, No	
Renter	Small Related	0-30%	Y
		31-50%	Y
		51-80%	Y
	Large Related	0-30%	Y
		31-50%	Y
		51-80%	Y
	Elderly	0-30%	Y
		31-50%	Y
		51-80%	Y
	All Other	0-30%	Y
		31-50%	Y
		51-80%	Y
Owner	0-30%	Y	
	31-50%	Y	
	51-80%	Y	
PART 2 PRIORITY SPECIAL NEEDS		Priority Level	
		Indicate High, Medium, Low, checkmark, Yes, No	
Elderly		N	
Frail Elderly		Y	
Severe Mental Illness		Y	
Developmentally Disabled		Y	
Physically Disabled		Y	
Persons w/ Alcohol/Other Drug Addictions		Y	
Persons w/HIV/AIDS		Y	
Victims of Domestic Violence		Y	
Other		Y	

Table 2A (Optional)
State Priority Housing Activities/Investment Plan Table

PART 3 PRIORITY HOUSING ACTIVITIES	Priority Level Indicate High, Medium, Low, checkmark, Yes, No
CDBG	
Acquisition of existing rental units	N
Production of new rental units	N
Rehabilitation of existing rental units	N
Rental assistance	N
Acquisition of existing owner units	N
Production of new owner units	N
Rehabilitation of existing owner units	Y
Homeownership assistance	N
HOME	
Acquisition of existing rental units	N
Production of new rental units	Y
Rehabilitation of existing rental units	Y
Rental assistance	N
Acquisition of existing owner units	N
Production of new owner units	N
Rehabilitation of existing owner units	N
Homeownership assistance	Y
HOPWA	
Rental assistance	Y
Short term rent/mortgage utility payments	N
Facility based housing development	N
Facility based housing operations	N
Supportive services	N
Other	