

COUNCIL ON HOUSING  
Public Session  
Dover Sheraton Hotel & Conference Center  
Dover, Delaware  
September 14, 2005

**ACTION ITEMS**

**First State RC&D FY06  
Homeless Planning Council  
Colony South  
West Center Place  
Joint Sunset Committee Follow-up**

On September 14, 2005, Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 2:05 p.m. A motion was made by Ruth Sokolowski to adjust agenda by not having an Executive Session. Seconded by Mr. Walker, the motion carried unanimously. In addition to Ms. Harkins, the following Council members were present:

Fernando Guajardo  
Connie Louder  
Joe McDonough  
Ruth Sokolowski  
John Walker  
Norma Zumsteg

The following Council member was absent:

Constance McCarthy

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP  
Saundra Johnson, Director, DSHA  
Lynda Blythe, Administrative Specialist II, DSHA  
Kimberly Brockenbrough, Director, Planning & Comm. Develop, DSHA  
Tonya Burbage, Administrative Specialist III, DSHA  
Jerry Jones, Housing Finance/Development Administrator, DSHA  
James Loescher, Housing Project/Loan Manager, DSHA  
Holly Malone, Executive Assistant, DSHA  
Corinne Todd-Grieve, Housing Project/Loan Manager, DSHA

Guests present:

Timothy Crawl-Bey, Community Housing, Inc.  
Marlena Gibson, Delaware Housing Coalition  
Christine Stillson, First State RC&D

## APPROVAL OF MINUTES

A motion was made by Ms. Sokolowski to approve the Executive minutes of the August 10, 2005 meeting as presented. Seconded by Mr. Walker, the motion carried unanimously.

A motion was made by Mr. Walker to approve the Public minutes of the August 10, 2005 meeting as presented. Seconded by Ms. Louder, the motion carried unanimously.

## HDF MATTERS

Mr. Jones stated the only HDF statement changes from the August meeting is Country Meadows, which is due to close in the next two weeks.

- First State Resource Conservation and Development Council (RC&D) FY06 - Using the attached handouts, Mr. Jones provided the Council a brief update on RC&D's Emergency Repair Home Program. This is the 14th year RC&D has requested funding to continue the program. Mr. Jones reported that this year, DSHA had to reduce their award because of limited funds.

The FY06 request is a \$275,000 one-year grant. This funding is for health and safety repairs to homes for people at very low income (less than 50% of median) in Kent and Sussex counties.

Mr. Jones stated that there were some discussions at the Loan Review meeting regarding type of work being performed. DSHA has inspected various jobs throughout Kent and Sussex counties and feels workmanship could be improved upon and health and safety repairs should be addressed more. Public health and safety is a priority for DSHA. DSHA and RC&D are going to devise a checklist for items that are priorities for the program and RC&D will have to concentrate more on the Housing Code areas with the funds they receive from DSHA.

Mr. McDonough asked if more money is spent bringing homes up to code means less homes would have access to the funds. Mr. Jones stated yes.

Mr. Jones mentioned that the State's budget is probably not going to grow much next year for the HDF. DNREC is planning to implement a program to address failing septic systems in Kent and Sussex counties. It is possible that RC&D could assist in this activity with HDF funds.

Ms. Sokolowski asked what kind of demand is there for this program. Mr. Jones stated there is always a waiting list. Mr. Jones stated that the CDBG program is in use throughout the state and this year 20 RC&D homes in Kent and Sussex will receive CDBG funds.

Ms. Sokolowski asked if DSHA's funds were going to be used to totally bring houses up to code. Mr. Jones stated that RC&D's mission is not to totally bring houses up to code and that DSHA is not trying to displace anybody but wants to prioritize repairs involving health and safety since funds are limited.

Ms. Zumsteg asked if DNREC had given details about their program. Mr. Jones stated he was just given information about DNREC from Cathy Gregory. Mr. Jones stated that he believes DNREC's program is for about 1600 families but was not sure if they were low income or not.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 332 (copy attached). A motion was made by Mr. McDonough to approve the resolution as presented. Seconded by Mr. Walker, the motion carried unanimously.

- Homeless Planning Council - Using the attached handouts, Mr. Jones provided the Council a brief update on the Homeless Planning Council's (HPC) Program. Mr. Jones stated that the Homeless Planning Council was new to the Council on Housing but not DSHA. The Delaware Homeless Management Information System (DE-HMIS) is a program that provides services to the homeless of Delaware and is operated by the HPC. HPC provides for various workshops and training sessions for homeless agencies throughout the state. This organization applies for Continuum of Care funding through HUD which is the major funding source for homeless agencies and transitional housing providers in Delaware.

Mr. McDonough asked what kind of information will be acquired if a user fee is charged by DE-HMIS. Mr. Jones stated DE-HMIS is a data bank. Ms. Brockenbrough stated that the user fee defrays some of the DE-HMIS operating costs. Mr. McDonough asked if the annual fee was for everyone or a fee based on what you enter. Ms. Brockenbrough stated its an annual fee for each user and not each agency. DE-HMIS provides a wide variety of demographic information on homeless families in Delaware.

Ms. Sokolowski asked why the funding is better suited to come from the HDF than from DSHA since that is where it came from in the past. Mr. Jones stated that the HPC request is a housing related program and the HDF is in place to fund this type of program. Ms. Sokolowski asked how DHSAs budget has changed from FY06 compared to FY05. Mr. Jones stated that he did not have exact information on hand but DSHA's budget is a hybrid situation. DSHA is only in the state's budget for the HDF; all other funds come from fees from HUD, applications, bond issues, etc. Ms. Louder asked where did the HPC money come from before. Mr. Jones stated much of it came from the Housing Capacity Program which DSHA created 12 years ago and funded regularly along with other foundations and contributors. Ms. Sokolowski asked if this program was ever funded directly from DSHA. Mr. Jones stated no it was from the Housing Capacity Program.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 333 (copy attached). A motion was made by Ms. Zumsteg to approve the resolution as presented. Seconded by Mr. McDonough, the motion carried unanimously.

- Colony South - Using the attached handouts, Mr. Jones provided the Council a brief update on Colony South. Mr. Jones stated Interfaith returned their tax credits due to an unforeseen rise in construction costs with the understanding that they would have to reapply for credits in 2005 but there was not a guarantee that the project would get funded. Fortunately, the development ranked for 2005 credits. Ingerman Development Co. is a co-developer with Interfaith. For this development, they are adding a community building, offices, laundry and maintenance facilities on the site, which is required for tax credit developments.

Mr. McDonough asked if the units are handicapped accessible. Mr. Jones stated all first units are handicapped accessible as required by state law and then 5% have to be fully adaptable. Ms. Sokolowski asked if 5% are fully accessible and the rest are adaptable. Mr. Jones stated yes.

The development site is part of a much larger parcel originally funded by Mellon Bank and DSHA.

Mr. Jones mentioned that the Colony South site would be purchased for \$740,000 and Mellon Bank and DSHA both have a mortgage on the property. The townhouses on the original site were supposed to be sold to pay off Mellon Bank and DSHA

would move into first position. Unfortunately, the townhouses were not sold and DSHA is still in second position and the bank is not willing to share the mortgage release fee pro-rata. Mellon Bank, now known as Citizens Bank, is going to give DSHA 10% of the \$740,000.

Mr. Jones stated without HOME funds that Delaware would be struggling with getting developments funded. Since 1992, Delaware has received approximately \$30 million in HOME funds. Mr. Jones stated because of HOME funds, a certain amount of units must be set-aside as such. Ms. Sokolowski asked if they were targeting all the units to be under 60% of median income. Mr. Jones stated they are and that HOME technically goes to 65% of median income but DSHA's requirement is 60% and the unit has to meet the HOME criteria. Ms. Sokolowski asked if there is any other criteria for those who occupy HOME units. Mr. Jones stated it is the funding that dictates reporting and income restrictions and the tenants just have to be less than 60% of median income. Mr. Loescher added that all units at the site are HOME eligible units.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 334 (copy attached). A motion was made by Mr. Walker to approve the resolution as presented. Seconded by Ms. Zumsteg, the motion carried unanimously.

- West Center Place - Using the attached handouts, Mr. Jones provided the Council a brief update on West Center Place. Mr. Jones stated that West Center Place applied for and was awarded credits. A week before closing in June, Community Housing, Inc. was notified that the contractor refused to further participate in the development because of bond capacity. Credits were returned with the understanding that the sponsor has two years to reapply. The sponsor reapplied in August. Mr. Jones stated that the units are scattered sites, are subsidized and qualify for preservation funding. Mr. Jones stated this development was able to receive more tax credits because it is in a Qualified Census Tract (QCT) area.

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Ms. Sokolowski asked what CDT meant. Mr. Jones stated Community Development Trust, which is a private financial institution. Mr. Jones stated another developer has used CDT on another HDF-financed development. Typically, CDT eventually sells its mortgages on the secondary market.

Ms. Sokolowski asked if there was going to be a community building. Mr. Crawl-Bey stated yes and it would be located at 7<sup>th</sup> and Jefferson Streets.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 335 (copy attached). A motion was made by Mr. McDonough to approve the resolution as presented. Seconded by Mr. Walker, the motion carried unanimously.

#### ADMINISTRATIVE MATTERS

- Ms. Johnson gave an update on the Hurricane Katrina Relief in Delaware. DSHA has volunteered to assist some of the evacuees. The State of Delaware currently has approximately 200 individuals that have self-evacuated and are currently staying with family, friends or in hotels funded through Red Cross. DSHA, along with other housing authorities, is matching the families up through Red Cross with housing. HUD has removed some restrictions to assist evacuees. FEMA will pay 12 months of housing for those that are self-evacuated and not affiliated with any other program. Faith-based community housing groups have also been very active in evacuee assistance. Beginning in October, DSHA is looking to assist an additional 100 evacuees in conjunction with Red Cross.

Mr. McDonough asked if the federal government or Red Cross was going to pay for all the various expenses for the evacuees. Ms. Johnson stated no, the federal government was picking up the expenses for transportation, housing and some other services that have not been outlined to-date.

Ms. Sokolowski asked how many families will be coming. Ms. Johnson stated that she was not sure how many were families out of 100 evacuees.

Mr. Walker asked if people had housing that they wanted to use for the Katrina Relief who should be contacted. Ms. Johnson stated that DSHA has a website and e-mail address for this. Mr. Crawl-Bey asked if the HUD waivers apply to project-based developments as well. Ms. Johnson stated yes and also for tax credit sites.

OLD/NEW BUSINESS

● Joint Sunset Committee Follow-up

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Mr. Jones discussed the five questions that Deborah Puzzo from the Joint Sunset Committee had submitted to DSHA. A memo has been drafted with the responses and will be distributed to Ms. Puzzo unless Council has other comments. Council approved the submission to Ms. Puzzo.

- Ms. Harkins introduced Fernando Guajardo as a new Council member. Mr. Guajardo works for Discover Bank as the CRA Administrator. Mr. Guajardo previously worked for DSHA and brings much housing knowledge to the Council.

- Ms. Harkins mentioned that this is the 10<sup>th</sup> consecutive year that DSHA has been honored with the National Accounting and Financial Reporting award, which one of the highest accolades that an agency can receive in government accounting.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, October 12, at 2:00 p.m. in New Castle.

ADJOURNMENT

A motion was made by Mr. Walker to adjourn the Public Session at 4:09 p.m. Seconded by Ms. Louder, the motion carried unanimously.

Respectfully submitted,

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Tonya A. Burbage