

COUNCIL ON HOUSING
Public Session
Buena Vista Conference Center
New Castle, Delaware
May 10, 2006

ACTION ITEMS

- **April 19, 2006 Public Session Minutes**
- **Vera's Haven Presentation**
- **Speakman Place Presentation**

On May 10, 2006, Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 2:14 p.m. In addition to Ms. Harkins, the following Council members were present:

Fernando Guajardo
Connie Louder
Constance McCarty
Joseph McDonough
Ruth Sokolowski
Vincent White
Norma Zumsteg

The following Council member was absent and excused from the meeting:

John Walker

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Saundra Johnson, Director, DSHA
Anas Ben-Addi, Housing Finance Administrator, DSHA
Calvin Bonniwell, Housing Project/Loan Manager, DSHA
Tonya Burbage, Administrative Specialist III, DSHA
Matthew Heckles, Executive Assistant, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA

Guests present:

Cara Armbrister-Robinson, Homeless Planning Council
Paul Calistro, Cornerstone West
Lorraine deMeurisse, Deutsche Bank Delaware
Joan Faust, Cornerstone West
Ruth Pugh, Whatcoat Social Service Agency
Michael Skipper, WSFS Bank
Christopher White, Whatcoat Social Service Agency

APPROVAL OF MINUTES

A motion was made by Ms. Zumsteg to approve the Public Session minutes of the April 2006 meeting as presented. Seconded by Ms. McCarthy, the motion carried unanimously.

HDF SUMMARY

- Mr. Jones stated Colony South in Milford went to closing and construction has started. Victoria Mews in Newark, another Tax Credit development, closed on May 9th. Mr. Jones stated Vera's Haven for transitional housing and Speakman Place for homeownership would be brought before Council today. Mr. Jones stated that six Tax Credit applications were received this year and ranking decisions would be made by June 9th.

Mr. McDonough asked if Hurds Crossing was still having a problem with Levy Court. Mr. Jones responded that he has not seen anything about it and stated that Mr. McDonough may be thinking about another project. Mr. McDonough asked if there was an appeal process if the developer does not like the way their Tax Credit project was ranked. Mr. Jones responded yes and DSHA staff also reviews its ranking decisions with developers. Mr. McDonough asked if developers only appealed to DSHA staff or was there some other body they could appeal to. Mr. Jones stated developers can appeal to Council or write their legislators. DSHA has a self-ranking sheet and the developers are aware of the ranking process. Ms. Johnson added that, for Tax Credit projects, developers could appeal at the federal level.

- Vera's Haven - Using the attached handouts, Mr. Jones provided the Council a brief summary on Vera's Haven. Mr. Jones stated Whatcoat Social Service Agency was formed in 1977 and currently owns and operates a 46-bed homeless shelter. Mr. Jones stated he was not aware where the name Vera's Haven originated. Ms. Pugh stated the property was once owned by the Powell family and Vera Powell had served as a member on the board for Whatcoat. Mr. Jones stated Whatcoat received funding from the Longwood Foundation to purchase the property. Mr. Jones stated Whatcoat would transition low income families from the shelter into this new self-sufficient housing. Mr. Jones stated transitional housing is in shortage in Kent County.

Mr. Vincent White asked what the average duration of stay was for someone entering the shelter. Ms. Pugh responded

the average duration is 30 days but Whatcoat could extend the stay approximately 15 days under special circumstances. Mr. Christopher White stated 45 days is typically the maximum stay and after that time Whatcoat would contact other shelters in the area to house the family.

Mr. Vincent White asked how does one prove they are homeless. Ms. Pugh responded it would be those that have no place to stay overnight such as living out of a car. Ms. Sokolowski added it is a self-certification.

Mr. Vincent White asked if once a person left the shelter after 30 days, are they allowed to return. Ms. Pugh responded that once a person leaves, they are not permitted back for at least one year.

Mr. Vincent White asked if the shelter was handicap accessible. Mr. Christopher White responded there are rooms on the first floor that are handicap accessible.

Mr. Vincent White asked how does Whatcoat market their services. Mr. Christopher White responded by word of mouth and through other social service agencies. Mr. Christopher White added Whatcoat has a very low vacancy rate so marketing is not a problem and most of the people start out by going to a social service agency and that is primarily how people end up at Whatcoat's shelter.

Mr. Vincent White inquired as to the 15-year subsidy term mentioned in the presentation. Mr. Jones responded that 15 years was the limit with the amount of funding available.

Ms. McCarthy asked if the shelter residents were currently paying some rent. Ms. Pugh responded no and the agency likes to give the resident time (at least 30 days) to save some money while residing at the shelter so they may be able to go into a more permanent housing situation.

Mr. Vincent White asked what is the income assumption for paying roughly \$300 to \$390 in rent. Mr. Jones responded the income is about \$15,000 a year. Ms. Pugh added that many times the average was less than that amount.

Mr. McDonough asked if this population is considered homeless and is public assistance their source of income. Mr. Christopher White and Ms. Pugh both responded that most of the individuals work.

Ms. Sokolowski commended DSHA in its approach to fund transitional housing as it needed everywhere but more so in Kent County.

Ms. Sokolowski asked why McKinney money was not being used as Vera's Haven seemed like a project that should qualify for on-going operating costs and construction funding. Mr. Jones responded that in DSHA's funding conditions, Whatcoat has to try to find other funding sources. Ms. Armbrister-Robinson added that most of the McKinney money is used for renewals.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 340 (copy attached). A motion was made by Ms. Sokolowski to approve the resolution as presented. Seconded by Ms. Louder, the motion carried unanimously.

- Speakman Place - Using the attached handouts, Mr. Jones provided the Council a brief summary on Speakman Place. Mr. Jones stated that Cornerstone West has done a great job with revitalizing neighborhoods and have done many projects through funding by DSHA. Likewise, Ingerman Development has been very active in multi-family affordable housing. Mr. Jones stated this development would be for homeownership in northeast Wilmington. The site used to be a manufacturing facility. Mr. Jones stated the architect designed the townhouses based on the area's surroundings. Mr. Jones stated of the 71 units, 36 would be sold to families earning less than 80% of median income. Ms. Johnson added she thought that these townhouses would be more marketable due to the environment, accessibility and openness.

Mr. Guajardo asked who will do the financing for the townhouses and will they use the bond program. Mr. Jones responded the homebuyers could use the bond program and the developer works hard to get special mortgage products from permanent lenders. Mr. Calistro added they are currently discussing mortgage assistance with all the banks in the community and trying for favorable interest rates.

Mr. Jones stated DNREC approved Brownfield funding in the amount of \$1 million and the City of Wilmington has provided a \$25,000 grant for environmental remediation costs. Additionally, the City waived permit, fire marshal, and water/sewer hook-up fees.

Mr. Vincent White asked for the definition of unsold. Mr. Jones responded that unsold means there is no contract on a unit.

Mr. Vincent White asked if the developer has 100% of the risk in the development of the units. Mr. Jones responded that typically is true but lenders also have risks. Ms. Johnson added in order to do this development, public money is needed and this type of financing provides DSHA the opportunity to revolve its construction funding.

Mr. Guajardo asked if the HDF can be used for other projects and not just Tax Credits and asked if DSHA received extra funding this year. Mr. Jones responded he felt it was a misconception that the HDF is only used for Tax Credits. Ms. Johnson added that the HDF is used for rental units primarily due to the greatest need in Delaware being affordable rental housing. Mr. Jones added with funding being limited a few years ago and in order to preserve the credits, most of the money had to be used for Tax Credits; however, DSHA has always funded a variety of housing programs such as NCALL, RC&D, Cornerstone West, etc. The HDF did receive a small increase last year.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 341 (copy attached). A motion was made by Ms. Sokolowski to approve the resolution as presented. Seconded by Ms. Zumsteg, and abstained by Mr. White, the motion passed.

OLD/NEW BUSINESS

- Ms. Harkins stated that due to the time, the Homeless Planning Council and the DSHA Bond Financing presentations will be presented at the next Council meeting in June.
- Ms. Johnson stated that DSHA and the Council members would participate in an overnight retreat August 18th and 19th at the Virden Center in Lewes. Ms. Johnson stated workshops would be presented all day on Friday and half-day on Saturday. Suggestions were made to have Dr. Pamela Leland from the University of Delaware to serve as the facilitator for the retreat. Mr. Heckles will confirm if Dr. Leland is available and will let Council know.
- Council members voted to have 1:00 p.m. start times for the June, July and August meetings. The June and August meetings will be workshops on various DSHA programs.
- Mr. Vincent White proposed Council write a letter to New Castle County in reference to the proposed rescission of transfer tax waivers for low to moderate income families and

suggested the state should do the same. Mr. McGonigle asked if the county proposal had any family income thresholds. Mr. White responded that he was not sure but that may be the county's fallback position. Ms. Harkins stated she was leery of addressing this matter without more information. Ms. Johnson asked the members if DSHA could look into the numbers further before making an decision on sending the letter. The Council members agreed.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, June 14, 2006 at 1:00 p.m. in Dover. Location to be announced.

ADJOURNMENT

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

Respectfully submitted,

Tonya A. Burbage