

Delaware 2006

State of Delaware

FY2006
Consolidated Annual
Performance Evaluation Report

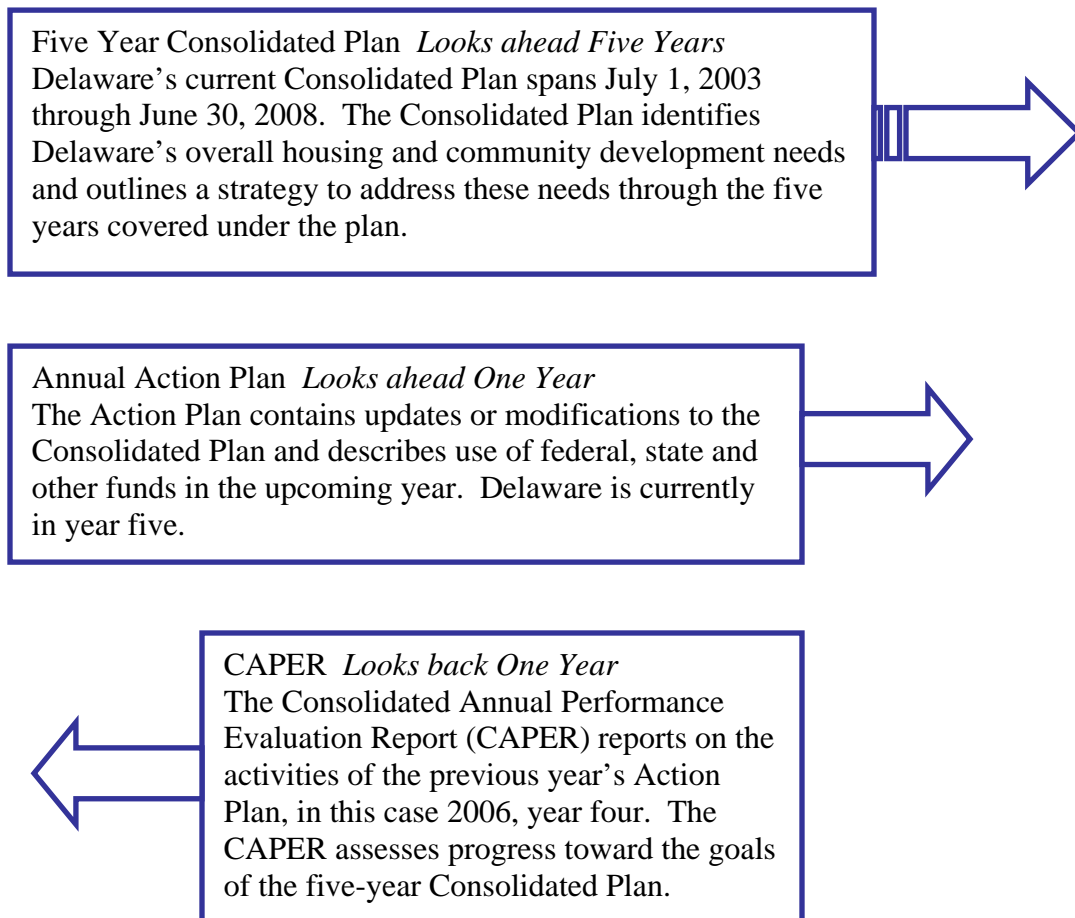
July 1, 2006 – June 30, 2007

A supplement to the
Five Year Consolidated Plan

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OVERVIEW

Funding for housing, community and economic development is provided by the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant (CDBG) Program, HOME Investment Partnerships (HOME) Program, Emergency Shelter Grants (ESG) Program and the Housing Opportunities for Persons with Aids (HOPWA) Program. HUD requires the State of Delaware to supply three separate documents relative to this funding.



The FY2006 CAPER was prepared pursuant to the Consolidated Plan Regulation 24 CFR 91.520(a), which requires that each jurisdiction that has an approved Consolidated Plan shall annually review and report, in a form prescribed by HUD, on the progress it has made in carrying out its Strategic Plan and its Action Plan. Within 90 days of the close of the state fiscal year, the state is required to report to the public and to the federal government about the progress made under the one-year Annual Action Plan. The FY2006 CAPER reports on the work done between the following programs and entities:

- HUD which funds:
 - HOME Program
 - CDBG Program
 - ESG Program
 - HOPWA Program
- The State of Delaware, via Delaware State Housing Authority (DSHA), which uses the CDBG, ESG and HOPWA Programs to work with a variety of public and nonprofit agencies in Kent and Sussex Counties, Delaware. Moreover, the HOME Program is utilized throughout the state.

The CAPER also recaps the number and characteristics of low-income Delawareans benefiting from these resources.

The public was able to comment on this FY2006 CAPER, from September 13, 2007 through September 29, 2007. Notice of availability of the CAPER was advertised in the Delaware State News and the News Journal. Notification was also sent to Delaware's Consolidated Plan mailing list. The CAPER is available for download from DSHA's website at www.destatehousing.com.

Section I:

2006 CAPER					
Performance Relating to 2003-2008 Consolidated Plan Strategies					
<i>STRATEGY 1:</i> To meet current first-time homebuyer demand and assist an additional 2,769 Delaware families per year to purchase their first home.					
Strategy Development and Implementation	2003 Results	2004 Results	2005 Results	2006 Results	Cumulative
Finance the purchase of 450 homes by first-time homebuyers through the issuance of Single Family Mortgage Revenue Bonds (SFMRB).	233	275	587	With the greatest FY issuance of bonds to date, DSHA assisted 1611 families purchase a home through the SFMRB Program.	2,706
Finance a portion of the downpayment and closing costs of 650 homes by first-time homebuyers through the Second Mortgage Assistance Loan (SMAL) Program.	140	88	402	DSHA assisted 388 first-time homebuyers through the SMAL Program. In addition, 18 homebuyers were assisted through the ADDI Program.	1,036
Finance a portion of the downpayment and closing costs for 120 newly-constructed homes through the Delaware Housing Partnership (DHP).	72	60	49	During FY2006, DSHA assisted 319 families through the DHP.	500
Provide outreach to under-served markets to increase homeownership opportunities.	27	31	56	Finanzas, a bilingual and financial literacy program targeted to poultry workers was continued throughout FY2006. 31 individuals graduated from this program with 2 moving into homeownership.	145
Utilize the Housing Development Fund (HDF) to assist 33 affordable homeownership units.	56	72	114	The HDF was utilized to assist 12 units through Cornerstone West, 10 units through Hilltop and New Knollwood and 20 units of new construction through Sussex County Habitat for Humanity. Additionally, 378 individuals benefited from homeownership counselling.	642

2006 CAPER					
Performance Relating to 2003-2008 Consolidated Plan Strategies					
<i>STRATEGY 2: To assist 50% of the demand for affordable new rental housing or 200 units per year.</i>					
Strategy Development and Implementation	2003 Results	2004 Results	2005 Results	2006 Results	Cumulative
Explore/expand the use of Low Income Housing Tax Credits (LIHTC) to construct affordable rental units without HDF assistance and develop a production model to be used on a consistent basis.				The 2007 LITHC Qualified Allocation Plan (QAP) continues to offer an incentive of up to 15 points to developers for leveraging non-DSHA resources.	
Utilize the HDF, LIHTC and the HOME Investment Partnerships (HOME) Program to assist or construct 200 affordable rental units per year.	121	132	78	241 affordable rental units were assisted in FY2006. Availability of funding at the state level to write down the rental expenses low enough to meet the needs continues to be an obstacle. HOME funds were obligated in FY2005 to assist 11 of the 78 rental units.	572
Utilize the HDF to assist 300 households per year with security deposits or other forms of rental assistance.	175	200	218	148 households were assisted with security deposits or other forms of rental assistance. Again, availability of funding at the state level limits the amount of resources that may be provided to implement this strategy.	741

2006 CAPER					
Performance Relating to the 2003-2008 Consolidated Plan Strategies					
<i>STRATEGY 3: Begin to address 19% of the rehabilitation needs or approximately 500 units per year.</i>					
Strategy Development and Implementation	2003 Results	2004 Results	2005 Results	2006 Results	Cumulative
Utilize the Neighborhood Revitalization Fund (NRF) Program to assist 100 homeowners to repair or improve their homes.	44	48	0	The NRF Program is currently being restructured, therefore there were no households assisted.	92
Utilize the CDBG Program, HOME Program and the Housing Rehabilitation Program (HRLP) to assist 155 homeowners with repair or improve their homes.	131	199	283	The CDBG Program assisted 185 owner-occupied households with renovations. The HRLP Program benefited 21 low- to moderate-income households. The HOME Program assisted 13 households with rehabilitation needs.	832
Rehabilitate 200 rental units through the HDF and LIHTC Program.	291	274	306	198 rental units were assisted through the HDF and the LIHTC Program.	1,069

2006 CAPER					
Performance Relating to the 2003-2008 Consolidated Plan Strategies					
<i>STRATEGY 4: Assist 100 families per year, living in DSHA managed sites, move from assisted to unassisted housing.</i>					
Strategy Development and Implementation	2003 Results	2004 Results	2005 Results	2006 Results	Cumulative
Assist 100 families purchase their own home.	28	35	81	Over 450 families, since inception, moved from assisted to unassisted housing.	450

2006 CAPER					
Performance Relating to 2003-2008 Consolidated Plan Strategies					
<i>STRATEGY 5: Lead the effort to improve the effectiveness of the affordable housing delivery system in Delaware.</i>					
Strategy Development and Implementation	2003 Results	2004 Results	2005 Results	2006 Results	Cumulative
Utilize the Housing Capacity Building Program (HCBP) to provide grants and technical assistance to nonprofit agencies, as well as provide necessary ongoing maintenance support.				The HCBP is currently being restructured, therefore no grants or technical assistance was provided in FY2006.	
Coordinate data sharing with all the Consolidated Plan entities in the State of Delaware.				DSHA actively coordinates the assessment of housing needs, data sharing and more recently the development of performance measurements.	
Explore means to address the aging affordable rental stock in Delaware.				DSHA continues to utilize a preservation set aside for the LIHTC Program for units in need of rehabilitation and in danger of losing their subsidy within two years.	

SECTION II: Assessment of Progress Toward FY2006 Action Plan *Year Four of the Five-Year Consolidated Plan*

Priority 1: Homebuyers and Homeowners

DSHA will assist 1,253 Delaware families purchase their first home.

In FY2006, DSHA assisted 2,756 Delaware families achieve the *American Dream* of homeownership through a variety of programs and assistance.

The SFMRB Program aided 1611 first-time homebuyers in purchasing a home. The SFMRB is a statewide program that provides first mortgage financing at below-market interest rates to low- and moderate-income Delaware homebuyers, who have not owned a home in the past three years. "Assisted Loan" mortgage money is available throughout the state. The "assistance" comes in the form of a grant equaling 3% of the mortgage amount, which is available to assist with downpayment and closing costs.

During FY2006, DSHA assisted an additional 707 families achieve homeownership through the SMAL Program and the DHP, which provide downpayment and closing cost assistance. Eighteen additional families were aided through the Live Near Your Work (LNYW) Program.

LNYW, a partnership between state, local communities and local employers to encourage homeownership near an employee's place of employment, continued to expand statewide. In this program, downpayment and closing cost assistance is provided to families in the form of a grant and are matched by participating employers and local communities. Currently, DSHA has 18 employers and 4 jurisdictions participating in this homeownership program.

The HDF assisted an additional 420 families realize the dream of homeownership. Twelve grants were given for a comprehensive revitalization effort in Wilmington in which the rehabilitated homes were then sold to low- and moderate-income households. Further, ten units were assisted in Hilltop and New Knollwood. The HDP also provided gap financing and predevelopment expenses assisting 20 units of new construction for the Sussex County Habitat for Humanity. Additionally, 378 individuals benefited from homeownership counselling.

Priority 2: *DSHA will assist in the provision of 600 affordable rental units including new construction, rehabilitation and rental assistance for families, the elderly, people with special needs and the homeless.*

DSHA continued to provide and administer grant and tax credit programs targeted for construction or rehabilitation to quality rental housing for the very low-, low- and moderate-income households. The HDF and LIHTC Programs assisted with rehabilitating 231 households. The revitalization of 16 of these units was assisted through the HRLP Program. The HRLP provides 3% interest housing repair loans to landlords for up to 15 years to moderately rehabilitate existing properties or to make a property accessible to persons with disabilities. Moreover, 148 families were provided the opportunity for rental assistance through a grant given to the West End Neighborhood House from the HDF. Additionally, 230 households received emergency rehabilitation assistance with a grant provided by the HDF to First State Resource Conservation and Development Council (RC&D).

During FY2006, Delaware received a HOPWA grant in the amount of \$166,000. This grant was awarded in its entirety to the Delaware HIV Consortium, which provided rental assistance to low-income persons living with HIV/AIDS and their families in Kent and Sussex Counties, Delaware through a rental assistance voucher program. This grant assisted 40 households consisting of 43 persons living with HIV/AIDS and 26 other persons, for a total of 69 persons assisted.

Additionally, DSHA is also the contract administrator for 4,480 development-based Section 8 Housing units. In FY2006, DSHA successfully preserved 83 affordable rental units for additional years through renewal of multiple HAP contracts. Further, DSHA awarded over \$500,000 in interest-free loans to four affordable housing sites with capital and physical needs. Asset Management training is an ongoing priority for DSHA. Two employees have completed all of the required courses for the Certification of Housing Asset Managers (CHAM) and one employee received her certification in December 2006.

Priority 3: *Assistance for the homeless*

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

Governor Minner's Executive Order 65 in 2005 established Delaware's Interagency Council on Homelessness (DICH). This Interagency Council worked closely with the HPC to develop collaborative strategies to more efficiently and effectively address the needs of the homeless people in Delaware and to end chronic homelessness for the state. During FY2006, *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness* was completed and the goal for the State is to take that Plan and determine what steps are necessary to identify funding and implement the Plan.

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

HOPWA – The HOPWA Program is designed to provide eligible applicants with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with AIDS or related diseases and their families. Delaware HIV Consortium utilized the program funds for payment of project- or tenant-based rental assistance, including shared housing, rent, mortgage, and/or utility payments to prevent homelessness of the tenant or mortgagor. HOPWA funds assisted 40 households with decent affordable housing in FY2006. *(please see HOPWA program narrative)*

Priority 4: *Resident Services – Management Division*

DSHA will assist 110 families move from assisted to unassisted housing.

DSHA is the Public Housing Authority for Kent and Sussex Counties, Delaware with the exception of the City of Dover. DSHA owns and operates 518 units of Public Housing located throughout both Counties and administers 902 Housing Choice Vouchers subsidizing rent in private-sector housing. In addition to the Public Housing and Housing Choice Vouchers, DSHA owns 209 units of Section 8 New Construction project-based housing.

Lack of jobs at wages that can sustain independent living, among other issues, presents a challenge to residents. The National Low Income Housing Coalition states that the amount a full-time worker (at 40 hours per week) must earn per hour in order to afford a two-bedroom unit at the Fair Market Rent in Delaware is \$16.31 and there is a shortage of jobs at this wage level. Certainly, the lack of affordable housing is also a key factor in moving residents to unassisted housing. In spite of the barriers, DSHA has successfully provided assistance to over 450 families who chose to move from assisted to unassisted housing since the inception of the MTW Program.

Moving to Work

DSHA's Public Housing and Housing Choice Voucher Programs participate in the block-granted MTW demonstration program. DSHA's MTW Demonstration Agreement received a three-year extension and will now expire June 30, 2009. This time-limited, innovative and successful program continues to:

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

Under the administration of the MTW Program, DSHA instituted a rent cap that allows MTW participants to save all amounts over their rent cap up to 35% of their income. Since MTW began, more than 1,240 savings accounts have been established by working residents. The MTW savings and the extensive resident services provided help make this program a success. Resident services seek to improve housing options for our residents by offering or coordinating resources such as:

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

Additional resident services include:

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

To specifically address resident youth:

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

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

Priority 5: *Continue to improve the effectiveness of the affordable housing delivery system in Delaware.*

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

The FY2006 Action Plan was developed in accordance with “Livable Delaware”, Delaware’s proactive strategy to curb sprawl and redirect growth to areas of the state that can best support it through investments in infrastructure and planning. The provision of quality, safe, affordable housing is essential to the success of the strategy.

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

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

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

Through the Preliminary Land Use Service (PLUS) review, DSHA encourages communities to proactively plan for affordable housing in their comprehensive land use plans. This includes creating new affordable housing opportunities, as well as maintaining and enhancing the existing housing stock. The PLUS review, as 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. This includes the development of comprehensive land use plans by local jurisdictions. Through this process, DSHA actively advocates for increased housing opportunities by encouraging communities to include a variety of housing densities in their plan. If a comprehensive plan is still submitted for PLUS review that promotes only single-family detached housing, DSHA will recommend against PLUS 'certification'. As a result, local jurisdictions are beginning to increase the overall housing density in their plans, thereby allowing more affordable single-family attached (typically affordable to first-time homebuyers) and multifamily housing opportunities to occur. DSHA is also using PLUS to encourage developers to consider using energy efficient practices when building housing to lower monthly utility bills, and to participate in local initiatives to increase affordable housing, such as Sussex County’s Moderately Priced Housing Unit Program and the Diamond State Community Land Trust.

SECTION III: Fair Housing

Actions taken to affirmatively further Fair Housing

There are a number of organizations taking actions to further Fair Housing practices that include providing education, outreach and enforcement in Delaware. They include, but are not limited to, DSHA, Delaware Division of Human Relations (DHR), Housing Opportunities of Northern Delaware (HOND), Delaware Community Reinvestment Action Council (DCRAC), Community Legal Aid Society, Inc. (CLASI), Delaware Housing Coalition (DHC) and HUD. These organizations are supplemented by housing authorities, nonprofit organizations, Community Action agencies, Legal Aid providers and service providers that work in their local communities, as well as statewide to promote Fair Housing awareness. Although there are a variety of organizations involved in Fair Housing issues, the Delaware Analysis of Impediments to Fair Housing Choice study released in July 2003 indicates that there is a lack of education and outreach in Delaware. The Fair Housing Task Force Committee, comprised of an array of Delaware organizations committed to Fair Housing issues, acts as a formal statewide advocacy network, in addition to implementing the State of Delaware Fair Housing Plan. As an ongoing priority, DSHA is continually implementing and supporting affirmative actions to further Fair Housing in the State of Delaware.

Identification of Impediments and Actions to Overcome Impediments

Delaware State Housing Authority contracted the University of Delaware to conduct the Delaware Analysis of Impediments to Fair Housing Choice (AI) study released in July 2003. This study examined the availability of affordable housing for low- and moderate-income individuals and families, the accessibility of housing for persons with disabilities, fair lending practices, zoning regulations and decisions, and the adverse response of communities to low-income housing, commonly referred to as NIMBYism (Not in My Backyard). The AI recognized Fair Housing impediments and the actions taken to overcome impediments in Delaware are as follows:

- ***Lack of Education and Outreach*** – During FY2006, The Fair Housing Task Force contracted with TNT Productions to produce a fair housing media campaign that included radio, television, web casts and an interactive CD. The media campaign resulted in Fair Housing TV commercials airing in 205,200 households and 30-second radio spots broadcasted to a population of 556,300. Further, multiple media events, including a joint proclamation signing, were held during April in celebration of Fair Housing month. In addition, well over two hundred outreach and education events were conducted statewide throughout the year with thousands of attendees. DCRAC held three statewide Fair Housing events and partnered with other agencies to conduct an additional 12 events. In addition to their website and newsletters, DCRAC outreach activities also include a monthly TV show and a weekly radio show. HOND held 12 public seminars with over 100 attendees. They also conducted one Fair Housing Forum and sponsored 2 Fair Housing Law 101 seminars for New Castle County employees. Forty employees participated in the law seminars and received certificates of completion. In addition, HOND sponsored a Fair Housing Luncheon with theme "Fair and Affordable Housing: A Right For All People" during the month of April. Furthermore, HOND distributes Fair Housing Law informational

press releases to all forms of media and are also made accessible on their website. CLASI met with and provided information regarding fair housing rights to 75 groups totaling 5,879 individuals. These groups included persons with disabilities, families with children, first-time homebuyers, and tenants. Further, DHR hosted 128 Fair Housing events with approximately 2,168 attendees. DHR continually offers training sessions throughout the year regarding public accommodations, Fair Housing Law, and diversity training.

- ***Insufficient Rental and Sales Complaint Data*** – To address this impediment, HOND, CLASI and the DHR all secured funding to sponsor coordinated statewide scientifically controlled matched-paired testing to measure the scope of housing discrimination. CLASI conducted controlled matched-paired tests consisting of 31 rental tests, 20 sales tests and 17 additional accessibility tests which consisted of both rental and sales tests. A majority of those tests show evidence of differences in treatment, mostly with regard to the disabled. Further, CLASI filed six new housing discrimination complaints with DHR. Fourteen previously filed complaints were resolved and an additional two complaints were charged. DCRAC resolved and filed two complaints with an additional eight complaints pending to be resolved. A statewide report for Fair Housing complaints and resolutions for quarterly and annual distribution is distributed to interested parties and is also available for public review.
- ***Insufficient Penalty Enforcement of Fair Housing Laws*** – CLASI continued to implement a strategy to recruit lawyers to litigate Fair Housing discrimination claims without cost to the complainants. Current law firms in and around Delaware have agreed to perform such services with referrals from CLASI. HOND held 6 mini Fair Housing Law seminars at monthly First-Time Homebuyer Education classes, and partnered with DCRAC to provide 2 Fair Housing Law seminars to 50 housing professionals. These seminars educate and empower housing professionals, matched-pair testers and the general public, on their rights under the Fair Housing Law.
- ***Lending Discrimination*** – To address lending discrimination, CLASI performed two controlled matched-paired lending tests, one of which showed a difference in treatment. DCRAC continued to offer statewide free seminars on “Money Matters”, which educates consumers regarding resources they need to help them manage their finances more efficiently. In partnership with Interfaith Housing, DCRAC teaches at their Financial Fitness Course where they present a session on predatory lending and exotic loans that have flooded the market. To date, DRCAC has served 106 people through their partnership with Interfaith Housing and has served an additional 14 people through their partnership with Neighborhood House. Furthermore, DCRAC strives to deepen the commitment to equal access to credit and asset building opportunities for all Delawareans. HOND received 10 possible lending discrimination cases throughout the year. In addition, HOND staff conducted five matched-pair testing for New Castle County. Three paired rental testing was provided. One pair test was a result of a discriminatory complaint under investigation. One pair of testing created to support as evidence for the complaint. DSHA monitors its loan portfolio, which helps the Finance Department understand who it is serving so that housing opportunities are available to all.

- ***Discrimination Against Persons with Disabilities*** – In February 2003, DSHA released the Delaware Statewide Housing Needs Assessment, which gave an accurate count of the availability of accessible and affordable housing units in Delaware. To address the needs of this special population, Governor Ruth Ann Minner established the Commission on Community Based Alternatives for Persons with Disabilities and subsequently, a housing subcommittee was formed to investigate housing opportunities. DSHA is currently in the process of conducting a new 5-year Delaware Statewide Housing Needs Assessment to be released early fall 2007. This will include expanded information on persons with disabilities. DSHA continues to be an active member of this housing subcommittee to increase housing opportunities for people with disabilities. In addition, DSHA completed a multifamily database of affordable and accessible rental opportunities for persons with disabilities which will be available on our website late fall 2007. CLASI reported that of the six new complaints filed by CLASI, four were filed on behalf of persons with disabilities. CLASI's accessibility tests confirmed instances of inaccessibility in new multifamily housing, both rental and sales.

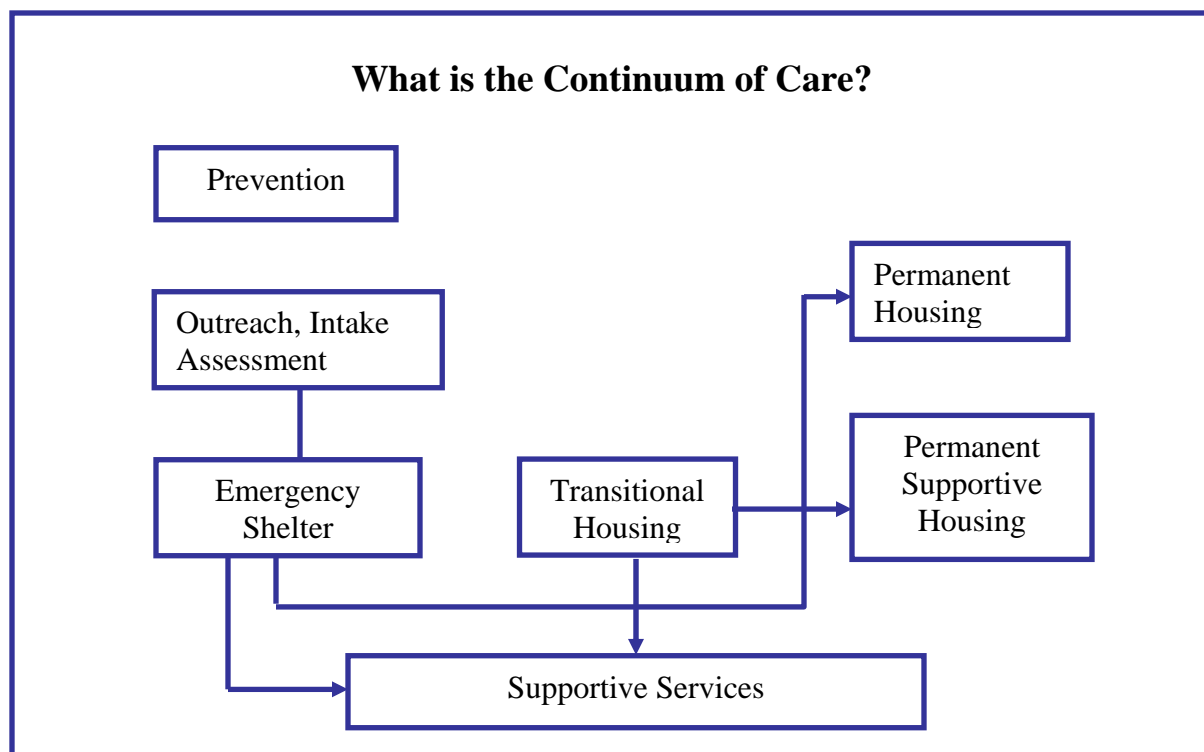
- ***Centralization and Clustering of African Americans and Hispanics in Public and Assisted Housing Developments and by Geography*** – As mentioned previously, DSHA developed eHousing, a web based Waiting List for Public Housing and Housing Choice Vouchers. This centralized system will improve customer service, establish an efficient application process, eliminate duplication and enable authorities to stretch housing subsidies and administrative fees to better serve a larger population of Delawareans in need. DSHA is always recruiting new landlords for the Housing Choice Voucher Program. Further, residents of public and assisted housing throughout the state, especially in under-served communities are notified and encouraged to attend all education and outreach events offered throughout the state. Moreover, as the allocating agency for Delaware's LIHTC Program, preference is given to developments whose site is not located in a close proximity to other low-income housing and is economically diverse.

- ***Insufficient Number of Available Single and Multifamily Housing Units*** – DSHA actively participates in the Preliminary Land Use Service (PLUS) review, as outlined in Chapter 92 of Title 29 of the Delaware Code, which provides for state agency review of major land use change proposals prior to submission to local governments. This includes the development of comprehensive land use plans by local jurisdictions. Through this process, DSHA actively advocates for increased housing opportunities by encouraging communities to include a variety of housing densities in their plan. If a comprehensive plan is still submitted for PLUS review that promotes only single-family detached housing, DSHA will recommend against PLUS 'certification'. As a result, local jurisdictions continuing to increase the overall housing density in their plans, thereby allowing more affordable attached single-family homes (typically affordable to first-time homebuyers) and multifamily housing opportunities to occur. DSHA is in the process of developing a housing element guide for municipalities to help assist in writing their housing element plan to include a variety of mix housing types and mix income communities. DSHA is creating a land use toolbox for municipalities and communities to educate the municipalities and communities on ways to implement and preserve good design affordable housing without state and federal funding. Additionally, DSHA in partnership with

- University of Delaware and Office of State Planning will be putting on an annual workshop for local officials and town planners on balancing communities housing needs. Furthermore, DSHA has developed an Affordable Housing Resource Center Website that provides land use tools; links to other housing resources; relevant housing publications; local contacts and initiatives; sources of housing definitions; and update on housing workshops. This website will be launched at the housing workshop held November 2007 at the University of Delaware.
- ***Voluntary Compliance within the Real Estate Industry*** – The Delaware Association of Realtors (DAR) actively promotes equal and affordable housing opportunities for Delawareans. DAR continues to offer a Fair Housing training course at their annual conference for continuing education credits. This course offers tools to Delaware realtors to effectively reach out to all racial and ethnic groups in their communities. A representative from DAR is a participating member of the Fair Housing Task Force Committee.
 - ***Insurance Issues*** – DSHA will work with the Delaware Office of Insurance Commissioner and the DHR to see if it can determine if predominantly minority communities are being offered and sold products comparable to their suburban counterparts. Additionally, CLASI also conducted 38 insurance tests on the basis of race during this fiscal year. Of those 38, 19 showed differences in treatment. Tests conducted in the prior year showed significant differences in treatment in over 25% of the tests. DCRAC has commented to the State Legislature on the use of credit scoring in insurance and its impact on low-income Delawareans.
 - ***NIMBYism*** – DSHA encourages developers and local jurisdictions to build mixed-income housing communities, which would include low-income, as well as market rate units. DSHA, HOND, DCRAC, CLASI and the DHR all promote public education and awareness programs for Fair Housing. DSHA also promotes mixed-income communities, via a variety of housing types and densities, through the PLUS review process mentioned above. DSHA will be holding a workshop; *Housing for Delaware: Balancing Community Needs* to educate communities on land use techniques. The attendees will learn about the current socio-economic housing market, Governor Minner's Livable Delaware Agenda, DSHA's Housing Element Guide and our Affordable Housing Resource Center Website. Attendees will have the option to sign up at this workshop for additional technical assistance meetings with DSHA and Office of State Planning for help with implementing local land use tools in planning for affordable housing. DSHA in partnership with the University of Delaware and Office of State Planning will be holding an Affordable Housing workshop on an annual basis and we are planning to grow our Affordable Housing Resource Center website with more tools for our communities. While NIMBYism still occurs, by encouraging communities to plan up front for affordable housing in their comprehensive plan and corresponding zoning ordinance and educating the town's residents on good design affordable housing, some of the negative effects of NIMBYism are mitigated.

SECTION IV: Continuum of Care

Throughout FY2006, DSHA continually supported the activities of the Homeless Planning Council (HPC) in its capacity as the statewide Continuum of Care coordinating entity.



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

- Outreach, Intake and Assessment to identify the individual's or family's needs and to link them to appropriate housing and/or service resources;
- Emergency Shelter for a decent and safe alternative to the streets;
- Transitional Housing with supportive services to help people develop the necessary skills to live in permanent housing;
- Affordable Permanent Housing which may require tenant-based rental assistance, which would be linked to case management;
- Homeless Prevention to help people maintain their housing and prevent homelessness; and
- Supportive Services may be provided in conjunction with housing to address the specific needs of each individual for both the immediate and long term. These may include education, employment assistance, health care, substance abuse treatment and mental health care, childcare, transportation and other services.

The Homeless Planning Council, Inc. (HPC) is the lead organization in the State of Delaware's CoC planning process. The HPC has coordinated the CoC grant since 1998, bringing over \$40

million in federal homeless funding to Delaware. These federal funds are awarded through an intensely competitive process and Delaware has continually exceeded the pro rata amounts that would normally be awarded based on demographic information. The HPC was incorporated as a nonprofit in 2000, and has since expanded its responsibilities to include planning and development of the statewide CoC application, the administration of Delaware's Homeless Management Information System (DE-HMIS), and the administration of Delaware's Point-in-Time Study process. Further, the HPC, in cooperation with the Delaware Governor's Office and DSHA, worked on the establishment of an Interagency Council on Homelessness which was officially established by Executive Order in March 2005. DSHA Director, Saundra R. Johnson, was appointed Chairperson and, Catherine McKay, President of the HPC, was appointed Co-Chairperson.

In February 2007, the Delaware Interagency Council on Homelessness (DICH) presented *Breaking the Cycle: Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness* to Governor Minner. Implementation of the Plan has begun and the DICH will monitor and revise the Plan based on data provided by the HPC. The DICH will use this data to assess the impact of the Plan on the incidence and prevalence of homelessness in Delaware among the target populations. The Plan is available on DSHA's website at www.destatehousing.com.

DSHA continues to support the activities and work closely with the HPC in their mission to identify gaps to ensure that every Delawarean has the support necessary to secure safe shelter. DSHA provided the HPC a \$75,000 grant from the HDF to support the CoC planning and DE-HMIS activities.

2006 CoC Grants

HUD announced the Homeless Assistance awards under the FY2006 CoC Competition. Under the Delaware HPC the following awards were made:

➤ West End Neighborhood House, Inc./Lifelines	\$249,833.00
➤ Connections CSP, Inc./Next Step	\$167,076.00
➤ Connections CSP, Inc./Delthine House	\$152,421.00
➤ Ministry of Caring, Inc./House of Joseph II	\$212,357.00
➤ Ministry of Caring, Inc./House of Joseph II Exp.	\$290,067.00
➤ Connections CSP, Inc./Enterprise	\$246,576.00
➤ Ministry of Caring, Inc./Bethany House	\$ 45,612.00
➤ Ministry of Caring, Inc./House of Joseph	\$374,174.00
➤ Ministry of Caring, Inc./Nazareth	\$129,874.00
➤ Ministry of Caring, Inc./Mary Mother of Hope	\$ 66,467.00
➤ SBM Housing, Inc./Gateway House	\$ 67,334.00
➤ Ministry of Caring, Inc./St. Francis	\$200,408.00
➤ Ministry of Caring, Inc./Samaritan	\$647,703.00
➤ YWCA/Homelife Management Center II	\$323,967.00
➤ Delaware Health & Social Services	\$ 26,596.00
Division of Substance Abuse/5 beds	
➤ Delaware Health & Social Services	\$1,264,230.00
Division of Substance Abuse/30 beds	

SECTION V: Other Housing and Community Development Actions

Actions taken to meet underserved needs

DSHA recognized in its Consolidated Plan the need to identify those groups who are underserved and pursue strategies that would serve their needs. During FY2006, the LIHTC QAP awarded points to developers that provide permanent housing for persons with special needs. Special needs populations are identified as:

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

Sandra R. Johnson, DSHA's Director, was appointed by Governor Ruth Ann Minner to serve on the Commission on Community-Based Alternatives for Persons with Disabilities. DSHA staff provided technical assistance to the Commission's Housing Subcommittee. The subcommittee has been tasked with conducting a comprehensive analysis of the housing needs that exist in the state for people with disabilities to determine objectives. As part of DSHA's upcoming Housing Needs Assessment, DSHA has been coordinating with the Housing Subcommittee to gather extensive information to identify this population's characteristics and housing needs.

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

Additionally, DSHA continues to support Finanzas, an employer-based bilingual literacy and financial literacy program for Latino immigrants working in the poultry industry. To date, 103 participants have completed the program and eight individuals have purchased a home.

In August 2000, Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency", was issued and published. Under this order, recipients of federal financial assistance have an obligation to reduce language barriers that can preclude meaningful access by Limited English Proficient (LEP) persons to important governmental programs, services and activities. During FY2006, DSHA continued to provide meaningful access for Hispanic clients who have difficulty communicating. This was done through the use of bilingual staff and the translation of written documents and publications, also offering interpretative services on phone calls requesting information. After assessing the need, DSHA determined that Spanish translation is the most frequently requested by LEP persons, however DSHA is currently working on developing an agency plan that will expand to all LEP clients.

In FY2006, work began on DSHA's Five-Year Statewide Housing Needs Assessment, a comprehensive review of Delaware's housing market conditions, economic and demographic

trends and land use policy. The Needs Assessment uses population and household growth projections to project homeownership and rental housing demand and needs for 2008-2012. The Assessment also includes an in-depth review of the housing needs of special populations. The final study is expected to be complete in the fall of 2007 and will form DSHA's internal strategic plan, as well as the upcoming regulatory mandated State of Delaware Five-Year Strategic Plan.

Actions taken to foster and maintain affordable housing

Diamond State Community Land Trust (DSCLT) – DSHA provided initial research and technical assistance in the creation of the DSCLT and continues to support its work as the organization grows and develops. DSCLT has many partners among nonprofit organizations, private entities, funders and other government agencies. The DSCLT is structured along the lines of a “classic” Community Land Trust (CLT), but serving a geographic area much larger than the typical CLT. This organization was legally created during FY2005 and will be entrusted with the responsibility for ensuring that owner-occupied housing in Kent and Sussex Counties is made affordable today by DSHA subsidies, concessions offered by private developers, or resources donated by banks, foundations, or individuals will remain affordable. This Regional CLT will especially benefit areas that are experiencing rapid price increases such as the coastal resort area of Sussex County and will increase the affordable housing stock throughout the two counties. Projects currently in development include:

- Partnerships with Nonprofit Developers
 - Colony South: DSCLT is working with Interfaith Community Housing to develop 36 single-family homes in a mixed-income community in Milford.
 - Dunleith Homeownership: Three of five homes being rehabilitated by Interfaith Community Housing, as part of neighborhood revitalization efforts in the Dunleith community in New Castle, will enter the DSCLT.
 - Dover Homeownership Initiative: Through a partnership with the Dover Homeownership Initiative, two homes being rehabilitated in Dover will enter the DSCLT for increased affordability and preservation.

- New Horizons: In this demonstration project, the New Horizons Cooperative is working with DSCLT to develop a new community of 15-30 manufactured homes in Sussex County. A cooperative composed of the homeowners, many of whom work in the poultry industry and have very-low incomes, will have a master ground lease with DSCLT.

Prospective Activities include the following:

- Partnerships with Municipalities: DSCLT plans to work with and within cities and towns to reclaim vacant and abandoned properties within targeted neighborhoods for affordable homeownership development.

- Mixed Income Communities: DSCLT is exploring opportunities to partner with towns, cities and counties statewide that have developed, or are considering implementing inclusionary housing programs.

- Buyer-Initiated Program: In this program, pre-qualified prospective homebuyers identify the home of their choice on the open real estate market, within guidelines. DSCLT will provide a subsidy to the homebuyer to purchase the home, and the land is placed in the CLT.

DSHA was instrumental in taking steps to comply with the federal Manufactured Housing Improvement Act of 2000, which requires manufactured home installation programs, installation standards and dispute resolution programs in all states. In June of 2005, the Delaware General Assembly adopted DSHA draft legislation and later enacted the Manufactured Home Installation Act in 2006. This Act provides for minimum installation standards, establishes a Manufactured Home Installation Board (the Board), and directs the Division of Professional Regulation (DPR) to establish a training and licensing program for manufactured home installers, and directs the counties or other local government agencies to inspect installations. The Board and DPR are working together on developing the installation program and adopting regulations for the licensing and installation program. DSHA staff is working on collecting data on manufactured housing, as well as drafting recommendations and legislation for DSHA to address the issues concerning the long-term stability of manufactured housing as an affordable housing option.

During FY2006, DSHA continued to encourage manufacturers of manufactured housing to produce energy-efficient and aesthetically pleasing homes to blend into Delaware's landscape. This initiative may prompt local jurisdictions to allow manufactured homes into town limits providing an affordable alternative for low-income households to live near existing services.

DSHA was actively involved during FY2006 with Sussex County to assist in the implementation of its new Moderately Priced Housing Program (MPHP) to combat the growing housing affordability crisis in the area. Sussex County has experienced rapid population and household growth in recent years, and population projections indicate that it will continue to be Delaware's fastest growing county. "Young elderly", migrating from outside the state, represents the majority of this growth. Because this group tends to be financially well off, housing prices are continually increasing as demand exceeds supply. The goals of the MPHP include the following:

- Facilitate construction of moderately priced housing to meet Sussex County's existing and future employment needs;
- Provide incentives for developers to construct moderately priced housing voluntarily; and
- Promote an efficient and consistent regulatory environment.

Sussex County Council adopted this program in January 2006 as a 2-year pilot. Key elements of the ordinance are that it be voluntary, not mandatory, so the developer has incentives to include moderately priced housing in their development plans. Also, to qualify for incentives, the units must be for sale, the proposed development must be in an area with adequate infrastructure and targeted for development and consist of more than 35 units. Developer incentives would include expedited review and a density bonus. Three projects projected to create over 400 moderately-priced homes were approved in an initial Request for Proposal (RFP) round held in spring 2006, and another RFP is planned for winter 2007. DSHA participates in the Working Group assisting the County in program implementation. FY2006 activities included research, development of draft legal documents, drafting of program policies and procedures and development of a program administration and staffing plan.

Dover Community Partnership (DCP) – DSHA participates on the Advisory Board of the DCP, which was created to administer the Senator Carper’s/City of Dover Homeownership Initiative, a collaboration of government, private sector and nonprofit partners. The mission of the initiative is to transform Dover’s downtown target area into a vibrant neighborhood where affordable homeownership opportunities and benefits prevail.

Bell Point – DSHA is working with Stout and Teague, who is developing an 88-acre parcel adjacent to DSHA’s 19.5-acre parcel along Beaver Dam Road near Five Points in Lewes, to develop the two parcels jointly in order to provide a total of 526 units on 108 acres. Twenty percent of the total units will be energy efficient, affordable homeownership opportunities for families who live and work in Sussex County. This collaboration is occurring simultaneously and in coordination with the activities of the DSCLT and the Sussex MPHU Program.

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

Actions taken to eliminate barriers to affordable housing

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

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

- ***Affordable Housing Resource Center*** – DSHA is creating an online resource center for local government officials and public viewers to learn about their community’s housing needs. This center will include information on affordable housing initiatives happening in Delaware and throughout the Country. Specifically it will provide: extensive research on land use tools used throughout the Country to encourage affordable housing, which has been compiled into a “ToolBox” that highlights best practices and model ordinances. It will also include Housing News, Housing Workshops, Housing Data, Housing Element Guidelines for Comprehensive Planning, and a Housing Element Guidebook.
- ***Affordable Housing Workshop*** – DSHA partnered with the University of Delaware and the Office of State Planning Coordination to develop a course titled ‘Housing for Delaware: Balancing Community Needs’. The course will be held in November 2007 and will explore the housing challenges Delawareans face and resources and tools available to address these challenges. This will be the second annual housing workshop for local officials planning for housing.
- ***Revised Housing Element Guidelines for Comprehensive Planning*** – Through DSHA’s review of recently prepared Comprehensive Plans, it appears that many communities are struggling to develop meaningful housing plans. As a result, DSHA has expanded the Housing Element Guidelines for Comprehensive Planning for communities over 2,000

planning for housing to encourage more innovation in the development of the Housing Element.

- **Housing Element Guidebook** – DSHA has developed a guidebook to help Delaware communities develop the Housing Element of their local Comprehensive Plans. This guidebook offers a step-by-step process for developing the Housing Element. It discusses data needed to document the current housing supply and demand, and forecast future housing needs. It also provides a list of strategies communities might use to implement some common housing goals.

Actions taken to overcome gaps in institutional structure and enhance coordination

Affordable & Accessible Online Housing Locator – A database of multifamily housing for the state of Delaware was created. This database presents the detailed demographics for all housing sites, including, but not limited to: disability features, rent amounts, management company information, onsite manager information, and the amounts and sizes of units at each facility. The locator will be available online for Delaware residents to search for housing by their particular needs. The locator is also used to create maps to demonstrate the need or the clusters of affordable housing in Delaware. Additionally, it is utilized to outline the programs and funding sources that each site receives. During the winter of 2007, the locator will be published along with a searchable database, to the agency’s website with detailed maps for the public to access in order to search for affordable housing.

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

- **ToolBox** – DSHA has completed extensive research on land use tools used throughout the country to encourage affordable housing. This research has been compiled into a “ToolBox” that highlights best practices and model ordinances. This research will continue and the ToolBox will expand as a result. The ToolBox will be made available through DSHA’s website at www.destatehousing.com.
- An Affordable Housing Workshop was held on June 16, 2006 for local officials to present an overview of housing challenges facing the state, recent initiatives from a panel of practitioners and the ToolBox. DSHA plans to hold this workshop annually.
- DSHA is using the ToolBox to work directly with local governments to help develop initiatives that respond to their specific housing challenges.

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

- To identify and mitigate potential impacts of development, which may affect areas beyond local boundaries;
- To fully integrate state and local land use plans; and,

- To bring state agency staff together with developers and local officials, early in the process.

DSHA is also using PLUS to encourage developers to: consider using energy efficient practices when building housing to lower monthly utility bills; and, to participate in local initiatives to increase affordable housing, such as Sussex County’s Moderately Priced Housing Unit Program and the Diamond State Community Land Trust.

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

- Quarterly Real Estate Data - *E-neighborhood* software is used to show recent home sales at the state, county, major cities, and small town levels throughout Delaware.
- Housing Production Report - Monthly report to track new housing starts.
- Geographical Information System – Data is analyzed and presented through ArcView Geographical Information System (GIS).
- U.S. Census Data - Using U.S. Census Data to respond to internal and external Census-related questions.

Livable Delaware

Increasing sprawl, the decline of the cities and towns, and the loss of agricultural land and environmental areas has made land use a major public policy issue in Delaware. In response, Governor Ruth Ann Minner’s Livable Delaware strategy 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. It builds on the foundation laid by the *Strategies for State Policies and Spending*, which were adopted in 1999 and outlined strategies that will guide state decisions about growth. The philosophy behind the strategies is based on the following two important points:

- State funding should promote quality and efficiency, not sprawl; and,
- State policies should foster order and resource protection, not degradation.

Strategies for State Policies and Spending identify four broadly-defined land use categories in Delaware: Investment Level 1, Investment Level 2, Investment Level 3, and Investment Level 4. Because the types of development are so different, spending and policies for each type also differ. The following provides a review of the housing strategies described by *Strategies for State Policies and Spending* for each area.

Investment Level 1 Areas - The state will promote a mixture of housing types and prices, and protection and enhancement of existing housing stock and choice. Investments in housing, community revitalization and critical public services will be used to restore and improve existing neighborhoods, promote viable downtowns and reuse of older residential, industrial and commercial zones, and to improve access to health, safety, education and other services.

Investment Level 2 Areas - State investments in housing, community redevelopment, health, and other services will enhance smaller communities, and support moderate levels of primarily

residential growth supplemented with essential neighborhood services. The state will encourage a broader mix of housing types and rehabilitation efforts to ensure safe and habitable housing in developing areas.

Investment Level 3 Areas - These areas are those portions of county designated growth zones or development districts that are not included in Developing Areas on the state's Strategy Map. They represent areas that each county believes will eventually develop. As a result, these areas are seen by the state as areas for long-term planning and do not represent areas for immediate investment.

Investment Level 4 Areas - The state will manage its resources to limit continued development in rural areas, to enhance agriculture, agribusiness, and similar economic activities that are land- or water-dependent, to protect present and future water supplies, to preserve critical habitat to support a diversity of species, to preserve the existing housing stock, to maintain existing educational facilities and services where economically feasible, to maintain effective public safety and emergency services, and to maintain the functionality and efficiency of transportation and other infrastructure.

DSHA is actively involved in Livable Delaware through the following activities:

Executive Order 14 - By issuing this Order, Governor Minner required state agencies to review their policies, budgets, and programs in order to revise them to be consistent with Livable Delaware. A review of DSHA programs resulted in the following changes:

- *Low Income Housing Tax Credit Program (LIHTC)* – Continued threshold requirement mandates all development proposals to be located within Investment Level 1, Investment Level 2 and Investment Level 3 Areas. Also, additional points are awarded to developments where a percentage of tax credit units are affordable and available to individuals and families in poverty.
- *Housing Development Fund (HDF)* – Supports the LIHTC Program. The HDF is DSHA's primary funding mechanism for creating or rehabilitating affordable housing, or providing housing opportunities for special populations.
- *HOME Investment Partnerships Program (HOME)* – Supports the LIHTC Program. Funding also supports providing housing opportunities for special populations.
- *Community Development Block Grant Program (CDBG)* – This program preserves the existing housing stock throughout Kent and Sussex Counties, however, the majority goes to incorporated municipalities.

Actions taken to improve public housing and resident initiatives

DSHA celebrated its 18th year as a nationally recognized "high performer" housing authority by the U.S. Department of Housing and Urban Development.

Please refer to Priority 4 narrative, Resident Services/Management Division.

Actions taken to evaluate and reduce lead-based paint hazards

In 2004, the State of Delaware adopted a Strategic Plan to Eliminate Childhood Lead Poisoning by 2010, which was prepared under contract with the National Center for Healthy Housing of

Columbia, Maryland, which subcontracted with its wholly owned subsidiary, Healthy Housing Solutions, Inc. The overarching goal of this Strategic Plan is to reduce the incidence of lead poisoning to less than one percent of all children under the age of six. The Plan establishes a series of activities to be carried out between 2004 and 2009, which collectively will result in achieving this goal. These activities include education and outreach, medical surveillance and screening, case management, establishing and maintaining partnerships with public and private organizations, compliance and enforcement of property owners and seeking out and making the maximum use of multiple funding sources. There are two primary lines of attack on this serious health hazard. The first is called primary prevention, which is to take actions to prevent children from becoming poisoned. The second is to aggressively treat those who have become poisoned and to eliminate the source of lead poisoning. The Strategic Plan outlines steps to be taken principally by the Office of Lead Poisoning Prevention. This office provides the following four core services:

- Promote the testing of all children at 12-months-of-age, and repeat testing of those at high-risk until six years of age;
- Case management and inspection, for lead hazards, in homes of children with increased blood-lead levels;
- Health education programs and materials on the cause and affects of lead poisoning among young children, and how to identify and reduce lead hazards; and
- Analysis of all results of children tested for lead poisoning to determine which children are at increased risk, and to target prevention programs.

Nevertheless, preventing childhood lead poisoning is the responsibility of all health and housing agencies at the state and local level, and all citizens who are responsible for maintaining the housing in which they live or rent to others. This Plan may be read in its entirety at www.dhss.delaware.gov/dhss/dph/hsp/files/lppstrategicplan061404final.pdf.

DSHA completed its lead-based paint “Transition Implementation Plan” to build capacity for compliance with HUD’s lead-based paint regulations (24 CFR 35) in 2001. Grantees and housing rehabilitation contractors have been trained in lead-safe work practices and HUD’s regulations. The CDBG Program Guidelines now reference HUD’s lead-based paint regulations and all applicants must demonstrate how the rehabilitation work will be conducted in accordance with these regulations. DSHA also requires any activity funded by the HDF or HOME Program, especially acquisition/rehab activities; conduct an Environmental Site Assessment Phase 1. If lead-based paint is present then it must be remediated as part of the construction process in accordance with local, state and federal regulations. DSHA continually cooperates with the Division of Public Health to facilitate lead-safe work practices training to contractors. Any individual performing lead-based paint activities in the State of Delaware must be certified by the Division of Public Health (DPH). After completing an approved training course, a person wishing to be certified must submit an Application for Certification to DPH. The applicant must then pass the state certification (3rd party) exam. A certification fee is required and the certification is valid for two years. Grantees are monitored for compliance with lead-based paint regulations, and have shown that they are in compliance.

Actions taken to ensure compliance with program and comprehensive planning requirements

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

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

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

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

Please refer to Priority 4 narrative, Resident Services/Management Division.

SECTION VI: Leveraging Resources

Community Development Block Grant

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

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

The uses of CDBG funds for owner-occupied rehabilitation may leverage additional rehabilitation funding from nonprofit, private and public sources; however, this is usually not the case.

HUD requires a one-for-one match on CDBG funds used for state administration in excess of \$100,000. DSHA spent the maximum allowable in state administration for FY2006, and matched the funds in excess of \$100,000 in DSHA funds. We did not use any program income for administration; therefore it did not require a match.

The FY2006 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 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% cash match or a 15% in-kind match;
- \$100,000+ to \$200,000 requires a 15% cash match or a 20% in-kind match; and
- \$200,000+ requires a 20% cash match or a 25% in-kind match.

HOME Investment Partnerships

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

The permanent financing breakdown of the HOME financed multi-family rental developments indicates HOME funds provided 15% of the financing, while 85% of total development costs were provided by other sources including: Low Income Housing Tax Credits – 52%; permanent financing from private banks – 27%; permanent financing from State sources – 4% and permanent financing from other federal sources – 2%. While each development has different financing needs and sources, DSHA leveraged each HOME dollar spent for multi-family rental developments three to one with other funding sources.

DSHA also provides assistance to homebuyers for downpayment and closing costs from the HOME Program and American Dream Downpayment Initiative (ADDI) funds. The average financing for loans closed shows ADDI funds were 5% of the total funding with private banks accounting for 87% of the costs, federal mortgage loans were 6% of the assistance, other state programs provided 2% of the funding and 1% of the funding came from owner funds. Based on prior loans and current assistance limitations, DSHA leverages each HOME or ADDI dollar used for downpayment or closing costs five to one with other financing.

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

SECTION VII: Citizen Participation and Public Notice

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

Notice of availability of the FY2006 Consolidated Annual Performance Evaluation Report (CAPER) was advertised in the Delaware State News and the News Journal. Notification was also sent to DSHA's Consolidated Plan mailing list, which includes affected constituents and interested citizens throughout Delaware. Public comments on the FY2006 CAPER were accepted beginning on September 13, 2007 through September 29, 2007. The CAPER was also available for access at libraries located in each county and at each of the three county offices. The CAPER is available for download from DSHA's website at www.destatehousing.com. Hard copies are available upon request.

DSHA received no verbal or written comments regarding the FY2006 CAPER.

SECTION VIII: Self Evaluation

Impacts on identified needs

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

During FY2006, the CDBG Program continued to address the needs of communities in a more holistic manner. Where pockets of substandard housing exist in communities that can be assisted through the CDBG Program, it was the intent of the state to increase the number of units in each targeted area, so as to maximize the impact in that area. Also the number of infrastructure projects was limited so that those activities with the greatest neighborhood impact were awarded funding. These changes strongly benefited Delaware's low- and moderate-income households.

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

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

Throughout FY2006, DSHA continually researched and developed innovative programs to address the affordable housing need in Delaware. Great strides have been taken to tackle the lack of affordable housing through the Regional CLT, Bell Point and the Sussex County MPHP. Further, continued efforts to increase compliance with EPA's Energy Star Program will accomplish the long-term goal of reducing energy expenses thereby making homeownership more affordable.

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

Disbursements timely and in concert with expenditures

For FY2006, HOME Performance Snapshots ranked Delaware 7th overall of 51 statewide participating jurisdictions for percentage of funds committed, and 25th overall in percentage of funds disbursed. With regard to disbursements, DSHA commits the majority of HOME funds to leverage the LIHTC Program, which gives explanation to the lower ranking in funds disbursed. In addition, the CDBG Program ranks consistently in the top 10% of entitlements for drawdown

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

Status of progress towards major goals

In 2006, Delaware ranked 3rd nationwide in homeownership at 76.8%. Innovative financing alternatives have enabled many low- and moderate-income households to become homeowners. As mentioned previously, new initiatives that will increase the supply of affordable housing, have been researched and developed in FY2006. Many of the 2006 annual goals were met or surpassed with continued focus on affordable rental units and community development actions.

Possible program adjustments

In FY2006, DSHA again qualified for the single-family ownership funds through the new HOME funded “American Dream Downpayment Initiative” (ADDI). The funds provide downpayment and closing cost assistance to eligible low-income first-time homebuyers in the non-entitlement regions of the state, as well as any other portions of the state per HUD guidelines. DSHA has dispersed 80% of the ADDI funds received to date throughout Kent and Sussex Counties. DSHA amended the FY2006 Action Plan to allow these funds to be utilized in New Castle County, however given the demand in the non-entitlement regions; DSHA is continuing to concentrate in Kent and Sussex Counties.

During FY2006, DSHA did not have a formal performance measurement system in place. Performance measurement is simply an organized process for gathering information to determine how well programs and projects are meeting needs, and then using that information to improve performance and better target resources. The two critical components of performance measurement are productivity and program impact. Productivity reflects the level of efficiency (quantity, quality and pace) with which a grantee undertakes its activities. On the other hand, program impact reflects the extent to which those activities yield the desired outcomes in the community or in the lives of persons assisted. In the FY2007 Action Plan, DSHA adopted the following objectives and outcomes to implement the CDBG, HOME, ESG and HOPWA Programs.

➤ Objectives

- *Creating suitable living environments* relates to activities that are designed to benefit communities, families or individuals by addressing issues in their living environment.
- *Providing decent affordable housing* covers the wide range of housing activities that are generally undertaken with HOME, CDBG or HOPWA funds. This objective focuses on housing activities whose purpose is to meet individual or community needs.
- *Creating economic opportunities* applies to activities related to economic development, commercial revitalization or job creation.

➤ Outcomes

- *Availability/Accessibility* 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* 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 or day care.
- *Sustainability* 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 or by removing or eliminating slums or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

SECTION IX: 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 Strategic Plan and to ensure long-term compliance with requirements for CDBG, ESG, HOPWA and HOME Programs.

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

Community Development Block Grant Program

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

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

DSHA applies the following outcome standards:

- At least 70% of the funds must be spent on projects that benefit low- and moderate-income persons;
- 100% of the funds must be spent on eligible activities;
- 100% of the program funds must be obligated to local governments within 15 months of the 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 is indicated, the grantee will present documentation to address the concern, resolve the deficiency or present a corrective action plan.

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

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

HOME Investment Partnerships Program

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

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

- All projects will meet all of the HOME statutory requirements, and will satisfy all HOME regulations in conformity with the DSHA Program Guidelines.
- Not less than 90% of all HOME-assisted units in rental housing projects will rent to a tenant whose income does not exceed 60% of AMI at or below the maximum HOME rent limits (65% of AMI). In addition, no less than 20% of those units will rent to tenants at or below the low HOME rent limits (50% of AMI).
- Not less than 100% of all HOME-assisted units in homeownership projects (both owner-occupied rehabilitation and down-payment closing cost assistance) will loan or grant funds to homeowners at or below 80% of AMI.
- 100% of the funds allocated for the previous two (2) program years will be committed to projects by the end of the second year.
- 100% of the funds allocated for the previous five (5) program years will be expended by the end of the fifth year.
- 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 understand the program requirements applicable to their activity. These requirements include, but are not limited to, fair housing,

financial management and accountability, environmental impacts, labor standards, procurement, lead-based paint, affirmative marketing and acquisition and relocation activities.

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

In service

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

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

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

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% of the services provided will be services that are eligible by ESG statutes and HUD regulations; and
- Not less than 100% 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% of the services provided will be services that are eligible by HOPWA statutes and HUD regulations; and
- 100% of the funds allocated for any grant period will be expended by the end of said grant period.

SECTION X: Community Development Block Grant

The overall mission of the State of Delaware Community Development Block Grant (CDBG) Program is to enhance the quality of life for low- and moderate-income residents in Kent and Sussex Counties, Delaware.

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

The goals of the program are to ensure that the State's CDBG funds will be used to give maximum feasible priority to activities which will benefit low- and moderate-income families; to aid in the prevention of slums and/or blight; and to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community where other financial resources are not available to meet such needs; *except that* the aggregate use of Title 1 funds received by the State during the period of FY2004, 2005 and 2006 shall principally benefit persons of low- and moderate-income in a manner that ensures that not less than 70 percent of such funds are used for activities that benefit low- and moderate-income persons. In order to comply with the 70 percent principal benefit requirement, it is further agreed that not less than 70 percent of the FY2006 CDBG Grant shall be utilized for activities that benefit low- and moderate-income persons as defined in the FY2006 CDBG Program Guidelines.

During FY2006, all of the CDBG grants funded have supported at least one of the above objectives. Particularly, because of the program's strong emphasis on housing rehabilitation, which provides 100 percent benefit to low- and moderate-income persons, the total benefit to low- to moderate-income persons well exceeds the program requirements. One hundred eighty five households were assisted with housing rehabilitation throughout Kent and Sussex Counties and 46 households were assisted with utility hookups. In addition, three demolition projects completed in FY2006 aided in the prevention of slum and/or blight.

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

As mentioned above, CDBG funds assisted 185 households with housing rehabilitation. Of these units, 128 households utilized FY2006 program funds and 57 households utilized FY2005 program funds. These numbers are above the goals set forth in the FY2006 Action Plan. Of these households, 15 were disabled and 75 were female head of household.

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

For FY2006, all of the CDBG funds, with the exception of allowable administration costs, were obligated to activities benefiting low- and moderate-income persons. The following activities were completed in FY2006 utilizing CDBG funds: 185 single-family households utilized funds for rehabilitation; water/sewer hookups assisted 46 families; and three demolitions assisted with slum and/or blight.

Of these households, 32% of the units assisted were under 30% of median income, 42% of the units assisted were between 31-50% of median income and 26% of the units assisted were between 51-80% of median income.

Changes in Program Objectives

Through our Consolidated Planning process, our constituents have confirmed our efforts to maintain and improve the quality of life for low- and moderate-income residents. Comments received from citizens have been supportive of the CDBG Program's housing emphasis, and recognize the need to reduce substandard housing for low- and moderate-income persons as a priority. As a result of our experience, the following programmatic changes were incorporated into the FY2007 Program Guidelines.

- a) Increased the limits of the CDBG funds that may be spent on manufactured homes rehabilitated on rental and owner-occupied lots to \$12,500 and \$18,000, respectively. This is due to an increase in rehabilitation costs.
- b) Incorporated a new section allowing those subgrantees receiving HOME scattered site rehabilitation funds to use HOME funds to replace, on a case-by-case basis, severely deteriorated manufactured housing units with newer units that are up to code. The HOME Program allows for manufactured home replacement, whereas the CDBG Program does not.
- c) The construction or rehabilitation of permanent supportive housing serving at least 51% low-income and moderate-income clientele has been added to the guidelines. This housing is intended for chronically homeless persons.
- d) A cap of \$150,000 has been set aside for the amount of administrative funds that may be requested by a subgrantee. Requests for administrative funds have been increasing dramatically, and this cap is necessary to help meet the 20% administrative expense cap imposed by HUD.

Neighborhood Revitalization

Statewide housing code enforcement and targeted CDBG assistance has made considerable progress in revitalizing long-neglected minority communities characterized by substandard housing. Current examples of this include the coordinated effort by the state, Sussex County, First State Community Action Agency (FSCAA) and others to revitalize the West Rehoboth, Ellendale, and Coverdale Crossroads communities. A Community Land Trust has been established in West Rehoboth to help prevent this low-income minority community from being redeveloped as high priced beach housing. A working group of members from DSHA, Delaware State University (DSU), local financial institutions, Sussex County and FSCAA have completed a study on the needs of the Coverdale Crossroads community. DSU has followed-up on this study and applied to HUD for Historically Black Colleges and Universities (HBCU) funding for Coverdale Crossroads. DSU received the grant and HBCU dollars will be combined with additional sources of revenue, including Self-Help Housing Opportunities Program (SHOP) funding administered by the nonprofit Milford Housing Development Corporation, to build low-to moderate-income housing in Coverdale Crossroads. DSHA has also been working with the Historic Georgetown Association (HGA) to revitalize the Kimmeytown section of the Town of

Georgetown. Kimmeytown is an older community built at the time when the railroad came to Georgetown. Currently, the majority of occupants in Kimmeytown are immigrants from Guatemala and Mexico who work at the adjacent chicken processing plant. This low-income minority population has been renting the older housing in Kimmeytown, which has been deteriorating due to a lack of maintenance by landlords. Further, CDBG funds were used for code enforcement in Kimmeytown in prior years. HGA and Interfaith Housing of Sussex County now plan to build low- to moderate-income housing on two acres in Kimmeytown. This housing development is just the first of many planned steps in improving the housing of Kimmeytown. While much work remains to be done, considerable progress has been made in addressing the problems of concentrated minority poverty areas.

In FY2006, the CDBG Program rehabilitated 185 households to assist low- to moderate-income persons for the purpose of providing decent affordable housing. Moreover, the Program assisted 46 households with accessibility to water/sewer hookups for the purpose of providing decent affordable housing.

SECTION XI: HOME Investment Partnerships Program (HOME)

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

The State of Delaware's Consolidated Plan identifies five major areas of housing needs as follows:

1. Need for affordable rental housing;
2. Need for affordable homeownership;
3. Need for housing rehabilitation of rental and homeownership units;
4. Need for homeless shelters; and
5. Need for special populations housing including senior citizens, the mentally ill, migrant workers and persons with AIDS.

During the reporting period, the State committed HOME funds totaling \$2,900,000 for 19 units of housing located in two rental developments, \$200,000 for 13 units of homeowner rehabilitation and an additional \$194,978 for 22 units of homeowner downpayment assistance (DPA). The 19 units in the two rental developments addressed both the need for affordable rental housing and the need for housing rehabilitation of rental units and the 13 units addressed the need for rehabilitation of homeownership units. The 22 units of DPA addressed the need for affordable homeownership. HOME funds are committed based on the quality of and timing in which applications are received and no fundable applications for housing for special populations were received during the reporting period. Homeless shelters are not an eligible activity under the HOME Program and may be funded by other sources.

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

HOME Program activities completed in IDIS during the reporting period included:

- Rehabilitation of 25 units of owner-occupied housing totaling \$467,234 to assist in the availability of decent affordable housing;
- DPA to 25 first-time homebuyers promoting affordable homeownership through ADDI/HOME loans totaling \$224,252; and
- One elderly acquisition/rehabilitation rental development containing five HOME units totaling \$587,650 that addressed the needs of rehabilitation of affordable rental housing for special populations.

The completed HOME financed activities indicated above assisted a total of 18 elderly households including 12 elderly homeowner rehabs, five elderly rental units and one elderly DPA/acquisition.

Extent to which HOME funds were used for activities that benefited extremely low-income, low-income and moderate-income persons.

Income ranges of the households benefiting from the HOME assistance included 12 extremely low-income, 10 low-income and 33 moderate-income families.

HOME Reports.

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

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

During the reporting period, DSHA performed on-site inspections of 29 HOME assisted developments consisting of 1,310 total units and 352 HOME-funded units. Physical inspections of the majority of units were conducted and all units, with the exception of one development, met or exceeded minimum housing quality standards as required by the HOME Program with only normal maintenance repairs or housekeeping being needed. One development containing five HOME units was found to have not completed its annual inspection of the rechargeable fire extinguishers in the units. The owner completed the required inspections within ten days of the DSHA inspection.

DSHA reviewed management files in the 29 developments and at least 20% of the tenant files along with a sampling of tenant move out files. DSHA found seven developments in noncompliance with HOME Program and or/LIHTC requirements. The non-compliance issues included failure to complete or correctly document tenant income at recertification, missing income verifications and income and assets incorrectly calculated. Five properties have corrected the noncompliance issues and the other two are currently working on the necessary corrections. DSHA will continue to monitor the developments annually to assure that HOME Program requirements are met.

Inspections by DSHA revealed four properties had higher than normal unit turnover rates that increased vacancy rates and reduced cash flows. DSHA recommendations to on-site management personnel included revising and updating waiting lists, subcontracting unit repairs after tenant move outs and more aggressive marketing. DSHA also noted one owner not providing social services to the tenants as represented in his application. The owner made the necessary contacts and is now providing the services as required by DSHA.

Assessment of Affirmative Marketing actions.

DSHA requires that all owners of HOME-assisted housing containing five or more assisted units adopt and follow an approved Affirmative Marketing Plan. During the reporting period, one elderly development was completed which required Affirmative Marketing actions. An assessment of the household heads in the five HOME-assisted units of the development indicates a racial and ethnic mix of 20% minority and 100% not Hispanic or Latino. This distribution is acceptable for the type/location of the development and in compliance with the approved Affirmative Marketing Plan. In addition, DSHA conducted compliance monitoring reviews of 29 previously completed HOME developments and reviewed affirmative marketing efforts and plans. The review disclosed that Affirmative Marketing and outreach efforts were conducted appropriately and in compliance with HOME Program requirements.

Assessment of outreach to minority- and women-owned businesses (MBE/WBE).

As part of its MBE/WBE Outreach Program, DSHA has solicited from and compiled a listing of MBE/WBE contractors wishing to participate in DSHA-sponsored projects. The list of potential MBE/WBE contractors is provided to grantees, developers and general contractors involved in HOME-financed developments and is used by DSHA to solicit bids for its own projects. DSHA updates the listing as additional MBE/WBE contractors are identified and currently has various professional and construction trades on the list.

DSHA encourages grantees and developers to make contracts awarded under HOME financed activities available to minority- and women-owned businesses. The majority of the State HOME Program funding is utilized in conjunction with the LIHTC Program and no such multi-family developments were completed during the reporting period. DSHA did however; complete one small non-LIHTC development and 25 homeowner rehabilitation projects that involved contracting during the period. The information on the MBE/WBE participation is reported on form HUD-40107, Part III in Appendix C. As indicated on the form, there were seven MBE contractors that secured 20% of the total contracts and two WBE contractors receiving 6% of the total contracts. This was a slight decrease in MBE contracts over the prior year while the WBE contracts stayed the same. There were no MBE/WBE subcontracts reported on the completed projects. This can be attributed to only one small multi-family development being completed during the reporting period as the larger developments generate more subcontracts and opportunities for MBE/WBE participation. DSHA anticipates that four or more larger developments will be completed in the coming year which should increase the number of MBE/WBE subcontracts.

DSHA will continue to investigate additional ways to increase MBE/WBE participation in its affordable housing programs and will monitor the results to determine the effectiveness of its programs.

SECTION XII: Housing Opportunities for Persons With AIDS (HOPWA)

Executive Summary

Grantee and Community Overview

Since 1997, DSHA has awarded HOPWA funding to the Delaware HIV Consortium (DHIVC), a nonprofit agency that is the primary administrator of Ryan White CARE Act dollars used for HIV supportive services in the State of Delaware. The Consortium's mission is "to eliminate the spread of HIV/AIDS and to create a seamless continuum of care for all people infected and affected in Delaware." In keeping with this mission, the Consortium operates Delaware's largest HOPWA funded program, providing Tenant Based Rental Assistance (TBRA) for persons living with HIV/AIDS, addressing the complex housing needs of this population. DHIVC's rental assistance program is operated by one full-time and two part-time staff positions. Clients in Kent and Sussex Counties are referred to the TBRA program by community based HIV/AIDS case managers funded by the Ryan White CARE Act and the Medicaid AIDS Waiver program. These case managers refer persons living with HIV/AIDS to needed medical care and supportive services including housing assistance, 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. A Housing Advisory Review Panel, consisting of DHIVC housing staff, HIV/AIDS case managers, and HOPWA grantors, acts as a steering committee to review and assess TBRA program effectiveness.

Annual Performance Under the Action Plan

a. Actions Taken to Provide Affordable Housing for Persons with HIV/AIDS

Eligible clients (low-income persons with HIV/AIDS in need of affordable housing) apply to the TBRA program with the assistance of HIV/AIDS case managers from the Delaware Divisions of Public Health and other community based organizations from around the state. DHIVC housing staff members screen applications and place eligible clients on the program's waiting lists. Unfortunately, the waiting period for rental assistance exceeds three years. Clients are strongly encouraged to apply for other subsidized housing in order to promote transition to mainstream programs and allow new households to be assisted. During their participation in the TBRA program, clients are required to meet regularly with their case managers ensuring access to Ryan White funded supportive services needed for wellness and stability. The program's detailed Provider Manual contains program policies, guidelines, and forms and is updated regularly with federal income guidelines and Fair Market Rents. In FY2006, 12% of assisted households were homeless before receiving HOPWA funded TBRA, 60% of them chronically homeless; 23% were in "doubled up" living arrangements with family or friends; and 65% were living in other rental housing. All households assisted in FY2006 were low-income according to HUD Income Limits for Rental Subsidies, with 73% in the extremely low-income category. By year's end 90% of assisted households had maintained stable housing.

b. Progress Toward Objectives

During FY2006, HOPWA funding from DSHA provided rental assistance for 40 households consisting of 43 persons living with HIV/AIDS and 26 other persons, for a total of 69 persons assisted. This output is consistent with the FY2006 HOPWA contract's level of accomplishment of 40 households. Eighteen (18) assisted households (45%) were families, while the remaining 55% were single person households. In FY2006, DHIVC housing staff screened applications and maintained waiting lists for prospective clients. As of July 1, 2006, the waiting lists in Kent and Sussex Counties totaled 88 persons. By the end of the fiscal year, the lists contained 126 persons. In FY2006, vouchers were awarded once, in September. Time spent on the waiting lists exceeds three years. This is due to reduced federal funding available to operate the program. The funding shortfall became more critical when Ryan White dollars available for affordable housing also decreased significantly. These funds provide valuable leverage for our limited HOPWA dollars, as they provide rental assistance for households until HOPWA funds become available.

c. Assessment of Client Outcomes

As noted above, 40 households were assisted in FY2006. Of these, 35 households (90%) remained in stable housing: twenty (20) in HOPWA-funded TBRA, ten (10) in non-HOPWA funded TBRA, four (4) in private housing, and one (1) in supportive housing. Four (4) households (10%) exited the program due to compliance issues and one (1) client passed away. All TBRA clients had access to medical care and support services funded by Ryan White through their enrollment in HIV/AIDS case management. Four (4) clients were not compliant with their service plans in FY2006. DHIVC regularly evaluates the TBRA program to measure progress toward overall HOPWA goals of reducing homelessness, improving access to care, and achieving housing stability. The program evaluation tool is a Consumer Survey that is administered biannually to current TBRA households. DHIVC designed the survey to include client outcomes in reference to HOPWA goals. The most recent survey was completed in 2005 (DHIVC is currently conducting the 2007 Consumer Survey). In 2005, the majority of TBRA clients reported that they had access to medical care (95% of respondents) and support services (100% of respondents). Over 80% reported that their rental voucher keeps their housing affordable. Nearly two-thirds reported that they had been homeless before receiving rental assistance and one-third reported that they would be at risk of homelessness without rental assistance.

d. Leveraging of Other Resources

In an effort to address the increasing need for affordable housing and to decrease the waiting time for receiving rental assistance, DHIVC utilizes Ryan White funds to provide short-term rental assistance for clients on their housing program waiting lists. Ryan White dollars provide rental assistance for a period of up to 18 months or until HOPWA funded rental assistance becomes available. During FY2006, Ryan White funds provided \$67,914 in rental assistance payments for downstate TBRA households. Ryan White also funded supportive services for these households, 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. The estimated value of these supportive services was \$188,520. In addition, client rent payments totaling \$68,734 provided further leverage of HOPWA dollars in FY2006. In all, \$325,168 in Ryan White and private funds for

rent payments and supportive services leveraged the \$161,020 HOPWA grant for DHIVC's TBRA program in FY2006.

e. Other HOPWA Accomplishments

The Delaware HIV Consortium has worked diligently to increase the availability of housing for Delawareans living with HIV/AIDS. Since 1999, the Consortium has teamed with Connections CSP, Inc., a nonprofit agency with extensive experience providing housing and supportive services for people recovering from a range of conditions. The result of this collaboration was the successful application for HOPWA funding to support two facilities that provide affordable housing with intensive supportive services for persons living with HIV/AIDS. Since 2001, Enterprise Permanent Housing has provided six apartments for 12 homeless adults living with HIV/AIDS and behavioral health issues. Since 2002, WomanSpace Permanent Housing has provided 10 apartments for homeless HIV+ women in need of stable, affordable housing and onsite supportive services. DHIVC is the HUD Grantee for WomanSpace, while Connections CSP, Inc., the Project Sponsor, is responsible for program operations. In FY2006, DHIVC submitted a request for renewed HOPWA funding to continue WomanSpace operations through 2010. Also in FY2006, one (1) WomanSpace resident moved out on her own when she received a HOPWA funded TBRA voucher from DHIVC. Connections recently expanded their residential programs for persons living with HIV/AIDS into downstate Delaware. In 2006, Connections to Permanent Housing, a transitional program providing affordable housing and supportive services, opened in Dover. All residents are required to apply for other subsidized housing in order to ensure continued stable housing. All Connections to Permanent Housing residents have applied to DHIVC's TBRA program and were placed on the program's waiting list.

f. Distribution of HOPWA funds

During FY2006, to further promote the creation of affordable rental units, DHIVC distributed the HOPWA funds throughout Kent and Sussex Counties, Delaware.

Barriers or Trends Overview

1. Insufficient Housing Resources for People with HIV/AIDS

Access to affordable housing is a perennial struggle for people living 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. The 2006-2008 Statewide Coordinated Statement of Need, which identifies current and future needs of Delawareans living with HIV/AIDS, included a priority recommendation to "increase the availability of affordable housing for people living with HIV/AIDS and increase consumer and service provider knowledge about existing housing services and facilitate linkages between appropriate housing related programs." Results from the 2006 Consumer Survey conducted by the Delaware HIV Planning Council indicate that persons living with HIV/AIDS ranked affordable housing in the top five supportive services outside of medical care.

2. Lack of Available, Suitable Units

When TBRA clients receive a rental assistance voucher, they have 60 days to find decent, affordable housing in the private rental market. Clients in Kent and Sussex Counties have a difficult time locating appropriate rental housing. Rental properties in the Dover area are in high demand due to the proximity of the Dover Air Force Base. In the resort areas in Sussex County, it is nearly impossible to find an affordable unit that meets HUD Fair Market Rent guidelines. Much of the housing in the outlying areas of downstate Delaware is substandard or is not on a public transportation route. In addition, case managers and clients state that it is very difficult to secure one-bedroom units, which rent up quickly. Some clients have relinquished their rental assistance vouchers after lengthy, unproductive housing searches. Additionally, some landlords are unwilling to get involved with subsidized housing programs for a variety of reasons. The Consortium has created a TBRA program information sheet for a potential landlord that is informative, while protecting client confidentiality. DHIVC housing staff does not disclose that their rental assistance program is for people with HIV/AIDS. They have developed and continue to update a list of landlords and housing complexes that work with the program. This list is useful when clients initially receive a rental assistance voucher or when they are moving to another rental unit. Downstate case managers often assist clients in their housing search. In an effort to expand their clients' housing options, DHIVC housing staff collaborates with DSHA Housing Choice Voucher administrators, as well as the Dover Housing Authority for available rental listings.

3. Limited Funding for Affordable Housing Programs Targeted for HIV/AIDS Population

During FY2006, DHIVC continued to expand their base of financial support, recognizing that additional funds were needed to sustain the rental assistance program's level of service. During the reporting period, DHIVC utilized \$67,914 in Ryan White funds for rental assistance vouchers in Kent and Sussex Counties. In order to raise additional funds, DHIVC teamed with AIDS Delaware on the statewide AIDS Walk in the fall of 2006 for a very successful event. DHIVC sponsored two other fundraising events, including a Thanksgiving pie sale and a gala event in the spring that honored local leaders in the field of HIV/AIDS services. DHIVC also submitted grant requests to potential funders that support affordable housing for special needs populations.

Expected trends facing the community in meeting the needs of persons with HIV/AIDS

DSHA expects the aforementioned barriers to continue in the future. With the challenges of reduced levels of HOPWA funding coupled with long waiting lists, DHIVC housing staff continues to recommend that their clients explore mainstream affordable housing programs such as Housing Choice Vouchers. According to the 2005 Consumer Survey, 39% of respondents had applied to other affordable housing programs, although 61% reported that they had not done so for various reasons including: ineligibility, long waiting lists, and no knowledge of such programs. In FY2006, DHIVC housing staff continued to impress upon their clients that they must explore other housing options. Downstate case managers routinely place clients on both Housing Choice Voucher and DHIVC TBRA waiting lists as part of the initial client intake process. It is anticipated that some of DHIVC clients will transition to DSHA Housing Choice Vouchers over the next year.

Program Evaluation and Quality Assurance and AIDS Housing Needs Assessment Process

DSHA conducts desk audits of the rental assistance program through the monthly activity reports furnished by DHIVC. DSHA also conducts an annual onsite program and financial monitoring visit. This review includes an evaluation of the annual independent audit submitted by DHIVC. The DHIVC continues to conduct an annual statewide needs assessment in reference to treatment services issues, which includes a housing component. DHIVC assumes a leadership role in HIV/AIDS housing by evaluating housing needs and determining housing gaps for individuals living with HIV/AIDS. The Director of Housing Programs serves on DHIVC's Planning Council data collection work group, which assesses treatment and prevention services for persons living with HIV/AIDS. In FY2006, this group distributed a consumer survey to persons living with HIV/AIDS and HIV/AIDS service providers. DHIVC housing program staff has participated in outcome based evaluation trainings in the past and most recently attended additional HOPWA trainings in FY2005 and FY2006. In order to increase proficiency in program administration and reporting, DHIVC housing staff attended a HOPWA conference in February 2007 that focused on the CAPER reporting requirements. As mentioned in "Assessment of Client Outcomes", the DHIVC regularly evaluates the rental assistance program's effectiveness in meeting its overall goal of helping persons living with HIV/AIDS maintain overall health and stability by living in decent, affordable housing. DHIVC's program evaluation tool is a Consumer Survey that has been distributed biannually to active rental assistance households since 1999. An updated version of the survey provided information on client outcomes beginning in 2005. Based on the latest survey responses, HOPWA funded TBRA is a critical support that helps clients avoid homelessness, access medical care and supportive services, and remain in stable housing. DHIVC is currently conducting the 2007 Consumer Survey. The report will be completed in October 2007 and will be available upon request by contacting the DHIVC.

In conclusion, the FY2006 HOPWA Program assisted 69 individuals in 40 households access rental assistance for the purpose of making these units affordable to these families.

SECTION XIII: Emergency Shelter Grants Program

Through the federal McKinney Emergency Shelter Grants Program (ESG), the State of Delaware received \$96,447 in FY2006. The ESG funds are administered by DSHA and provide funding to eligible nonprofit organizations to renovate, rehabilitate, maintain, operate and staff emergency shelter facilities for the homeless and to provide essential services to the homeless throughout Kent and Sussex Counties, Delaware.

Assessment of Relationship of ESG Funds to Goals and Objectives

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

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

During FY2006, ESG funds assisted emergency shelters and transitional housing serving homeless individuals and/or families, veterans and homeless youth. DSHA allocated \$94,518 for shelter operations, homeless prevention and transitional housing and retained \$1,929 for administrative expenses.

The following table provides a list of FY2006 expenditures by subgrantees under each category of eligible activities.

Subgrantee	Renovation/ Rehab	Essential Services	Operations	Homeless Prevention	Admin	Total Expenditures
Home of the Brave			\$10,300		\$500	\$10,800
The Shepherd Place			\$10,000			\$10,000
Whatcoat Social Services			\$2,000	\$8,000		\$10,000
Sussex Community Crisis			\$12,000			\$12,000
Aid In Dover, Inc.			\$14,000			\$14,000
Casa San Francisco			\$6,825	\$12,675		\$19,500
Seaford Mission			\$12,218			\$12,218
PPHC Shelter Home		\$450	\$5,550			\$6,000
DSHA Admin					\$1,929	\$1,929
Total		\$450	\$72,893	\$20,675	\$2,429	\$96,447
% of Total Expenses	0%	.46%	75.58%	21.44%	2.52%	100%

ESG funds provided homeless persons, including those living on the street, with access to safe, decent and sanitary shelter, as well as to supportive services and mainstream assistance needed to move them toward permanent housing options. During FY2006, DSHA, in conjunction with the

DICH and HPC, continued to foster a coordinated approach to address the physical, economic and social needs of the homeless population as identified in Delaware's Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness.

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

Because of the limited amount of ESG funding and the statutory requirements, DSHA was only able to fund shelters currently operating and serving homeless persons. Moreover, the trend in Delaware has been a shift away from emergency shelter in favor of more transitional and permanent supportive housing. However, during FY2006 the ESG funds assisted over xxx people in the HUD-funded emergency shelters and transitional housing and xxx families through homeless prevention efforts.

Matching Requirement

According to 42 USC 11375(a)(1) there is no match requirement for the FY2006 ESGP funds.

Method of Distribution

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

ESG Program funds are distributed on a competitive basis as described in the Policy Manual and Application, which may be accessed at www.destatehousing.com. During FY2006, Delaware received \$96,447 in ESG funding to support emergency and transitional shelter services throughout Kent and Sussex Counties.

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

ESG Program funds may be used for the following activities:

- Provision of new or increased essential services to the homeless (such as those concerned with employment, physical and mental health, education and food);
- Development and implementation of homeless prevention activities;
- Maintenance, operation, insurance, utilities and furnishings;
- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelters and/or;
- The development and implementation of DE-HMIS.

Priority in awarding ESG funds was given first to applicants requesting funds for HMIS. Second priority was given to quality proposals requesting funding assistance to develop joint ventures with other providers to carry out homeless prevention activities and for the provision of

maintenance, operating costs and renovations. Requests for funding for major rehabilitation and conversion activities were considered last. DSHA also considered factors such as capacity of the service providers and shelters to provide the services, the type of activities provided, number of homeless or at-risk individuals to be served, coordination with other providers, cost effectiveness and administrative capacity.

Applications are 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).

Homeless Discharge Coordination

People are vulnerable to homelessness when they face major life changes. Careful planning for the transition between children's system of care and the adult system for discharge from long-term hospitalization, institutionalization or incarceration helps prevent chronic homelessness in years to come. Accomplishing this objective requires collaboration and cooperation among Delaware's governmental entities and service providers. During FY2006, the DICH began working to strengthen and improve discharge and transition planning. A workgroup, which includes leadership from State agencies such as Department of Corrections (DOC), Delaware Health and Social Services (DHSS), DSHA, Department of Services for Children, Youth and Their Families (DSCYF), as well as community providers, was formed to review and enhance discharge and aftercare planning strategies. The charge of this workgroup is to ensure that the appropriate linkages with housing and community-based services are in place before people are discharged.

DHSA does not specifically allocate homeless prevention funds for the purpose of discharge planning. However, during FY2006, DSHA developed a state-funded Voucher Program to address discharge planning for the subpopulations identified in Delaware's Ten-Year Plan to End Chronic Homelessness. These subpopulations include persons with mental health and/or substance abuse conditions, youth with qualifying conditions transitioning to adulthood and reentering offenders with mental health and/or substance abuse conditions. These rental subsidies will 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, to obtain rental housing despite their resources.

The State will distribute these funds to assist with the following:

- improving the quality of existing shelters;
- to fund participation in the Delaware Homeless Management Information System (DE-HMIS);

- to help meet the cost of operating emergency shelters and of providing certain essential social services to homeless individuals; and
- restrict the increase of homelessness through the funding of preventative programs and activities.

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 non-profit 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 Strategic 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 HMIS participation, operating expenses and homeless prevention activities.

Monitoring

DSHA conducts an annual on-site monitoring of all subgrantees and selected service providers to ensure that they are in compliance with ESG program rules and regulations. During FY2006 we required subgrantees to submit semi-annual provider reports to show the accomplishments and the number and type of clients served. DSHA also requires an annual summary report that conforms with the ESG Beneficiary Report developed for IDIS to be submitted within 60 days of the end of the contract period.

Appendix A

HOPWA



Housing Opportunities for Persons With AIDS (HOPWA) Program

Consolidated Annual Performance and Evaluation Report (CAPER)

Measuring Performance Outcomes

OMB Number 2506-0133 Expiration Date 07/31/2007

This report is for use by HOPWA formula grantees to provide for annual information on the accomplishments of the projects in providing housing assistance for low-income persons living with HIV/AIDS and their families. This information is also covered under the Consolidated Plan Management Process (CPMP) report, which includes Narrative Responses and Performance Charts on information that grantees must provide under the Consolidated Planning Regulations. The public reporting burden for the collection of information is estimated to average 36 hours per manual response, or less if an automated data collection and retrieval system is in use, along with 72 hours for record keeping, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Grantees are required to report on the activities undertaken only, thus there may be components of these reporting requirements that may not be applicable. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number

HOPWA Formula Grantee Annual Reporting – Measuring Performance Outcomes in the CAPER Narrative and Charts

(OMB Number 2506-0133 Expiration Date 07/31/2007)

Overview

In this Consolidated Annual Performance and Evaluation Report (CAPER) edition, the U.S. Department of Housing and Urban Development is emphasizing grantee performance and the use of client outcome measures in demonstrating program effectiveness. Toward this end, the HOPWA CAPER elements for formula grant recipients have been revised to incorporate new performance measure reporting requirements. These are designed to help grantees and project sponsors aggregate results from the use of HOPWA resources: (1) to provide housing assistance as the new annual output measure; and (2) to collect client information demonstrating the outcome for improved housing stability for this special needs population.

HOPWA grantees must submit a CAPER on the activities undertaken during the program year in coordination with the use of the other Consolidated Plan resources. In addition to the integration of this information in the standard report, HOPWA specific information is discussed in this form, along with the HOPWA summary data charts. HOPWA grantees are required to use the Integrated Disbursement Information System (IDIS) to provide complete annual performance information on the use of program and other funds. HUD uses the CAPER and IDIS data to obtain essential information on grant activities, project sponsors, housing sites and related number of units of housing, along with information on HOPWA beneficiaries (which must include racial and ethnic data on program participants). Such information is used for program monitoring and evaluation purposes and for reporting on accomplishments. CAPER data must reflect a summary of the performance data that is entered into IDIS for that same program year, for example, on the HOPWA activities reported under the program's series 31 matrix codes.

Instructions: Within 90 days after the end of each program year, the information in this package must be submitted to the CPD director in the grantee's State or Area HUD Office, with one copy submitted to the HOPWA Program Office, Office of HIV/AIDS Housing, U.S. Department of Housing and Urban Development, 451 Seventh Street, SW Washington, D.C. 20410.

To report progress under these general and HOPWA specific requirements, the grantee may integrate the HOPWA elements in their standard CAPER report or establish a HOPWA-specific narrative by completing the following information. These elements are also found in the optional Consolidated Plan Management Process tool (CPMP), which is available for use in planning and reporting on Consolidated Plan activities:

Part 1: HOPWA Executive Summary. Provide an executive summary (1-3 pages) and a specific objectives narrative which address the following:

A. Grantee and Community Overview (Web summary).

A brief description of the grant organization, the area of service, the name of program contact(s), and a broad overview of the range/type of housing activities, along with information on each sponsor by name, main project site by zip code and related organization information.

B. Annual Performance under the Action Plan.

1. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
2. Evaluate the progress in meeting the project's objectives for providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the

other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.

3. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
4. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan. Report the number of stewardship units of housing which have been created through acquisition, rehabilitation or new construction with any HOPWA funds.
5. Describe any other accomplishments recognized in the community due to the use of HOPWA funds, including any projects in developmental stages that are not operational.

6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.

C. Barriers or Trends Overview.

1. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
2. Describe any expected trends facing the community in meeting the needs of persons living with HIV/AIDS, and provide any other information important in providing services to persons with HIV/AIDS.
3. Note any evaluation, studies, or other assessments of the HOPWA program available to the public.

Part 2: Accomplishment Data – (Web summary information).

1. Complete and submit CAPER Performance Chart 1 Planned Goals and Chart 2 Actual Performance;
2. Complete and submit CAPER Performance Chart 3 Housing Stability Outcomes.

Note: in connection with this CAPER, similar information must be entered and submitted in IDIS. Use the IDIS MA04 screen actual accomplishment data to compare results with proposed accomplishment data for (1) all active HOPWA activities and (2) activities completed in the most recent program year; and enter and submit into the related HOPWA accomplishment IDIS screens accomplishment data for (1) each active HOPWA activity and (2) activities completed in the most recent program year.

CAPER Explanation: *The attached charts are to be used in connection with the grantee narrative and performance assessment portion of the CAPER. Under that annual report, grantees address their actions and report on performance with the use of federal and other funds during the operating year. Grantees of HOPWA funding are required in the CAPER's narrative to explain how the HOPWA-related activities address strategic plan objectives and to evaluate progress in providing affordable housing and addressing the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing, including persons living with HIV/AIDS and their families. Grantees must complete and submit the attached charts as required under the Part 2: Accomplishment Data section.*

Performance Charts 1 Planned Goals and 2 Actual Performance are integrated and will help illustrate progress in leveraging resources by providing a means to report on the grantee's progress in obtaining "other" public and private resources that address needs identified in the plan. The HOPWA section of the CAPER also requires that grantees provide a narrative with information on what other resources were used in conjunction with HOPWA-funded activities. These charts provide a method to illustrate this use of other resources in addressing the housing needs of persons living with HIV/AIDS and their families and the supportive services provided.

Performance Chart 3 uses client outcome measures to demonstrate program effectiveness. The HOPWA program's overall outcome is that assisted households have been enabled to better maintain a stable living environment in housing that is safe, decent, and sanitary, and to reduce the risks of homelessness, and improve access to HIV treatment and other health care increases through the use of annual resources with the goal that this reaches 80 percent by 2008.

Goal is the planned scope of the HOPWA activity and related program budget measuring the number of households to be assisted or units of housing in facilities, along with its funding.

Actual is the performance accomplished during the grantee operating year, including activities undertaken by all project sponsors using HOPWA funds under this program.

Non-Facility based Housing Assistance: All HOPWA Housing expenditures for the current operating year to support tenant-based rental assistance or short-term, rent, mortgage, and utility assistance.

Tenant-based Rental Assistance (TBRA) means a form of on-going rental housing subsidy for the individual or household, such as tenant-based rental assistance payments or other units that may be leased by the client, in which the amount is determined based in part on household incomes and rent costs. Project-based costs should be counted in the operation costs category.

Short-term Rent, Mortgage and Utility payments (STRMU) means a limited subsidy or payments subject to the limited time period to prevent the homelessness of a household (e.g., HOPWA short-term rent, mortgage and utility payments within a 21 week period).

Facility-based Housing Assistance: All HOPWA Housing expenditures for the current operating year to support facilities including community residences, SRO dwellings, short-term or transitional facilities, project-based units, master leased units, and other housing facilities approved by HUD, and supportive services only facilities.

Units in facilities supported with operating costs means the facility units and costs for leasing, maintaining or operating the housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling; transitional housing, project-based rental assistance and leasing costs should be counted in this category as well as costs for minor repairs or other maintenance costs, costs for security, operations, insurance, utilities, furnishings, equipment, supplies, other incidental costs in providing housing to clients in these units. Supportive service costs associated with counseling programs, skills development, etc. should **not** be counted as housing costs. (These costs are captured under supportive service costs.)

Units in facilities developed with capital costs and placed in service during the program year means units and costs for the development or renovation of a housing facility, such as a community residence, SRO dwelling or other multi-unit dwelling, in which costs for acquisition of the unit, new construction or conversion, substantial or non-substantial rehabilitation of the unit were expended during the period and the number of units reported were used by clients for some part of this period.

Units in facilities being developed with capital costs but not yet opened means units and costs for the development or renovation of a housing facility were expended during the period BUT the units were still in development and not yet used by clients during the period. Please do not report "planned" units for which no capital costs or related pre-development costs were incurred.

Stewardship Units means those units developed with HOPWA but no longer have current operation or other housing costs. Report information as the units remain subject to the three- or ten-year use agreements.

Housing Assistance Total means the non-duplicated number of households receiving housing subsidies and the units of housing in facilities that were dedicated to persons living with HIV/AIDS and their families that were supported with HOPWA or other funds during this operating year.

Amount of Non-HOPWA Funds means the amount of funds that were expended during the reporting period from non-HOPWA sources that are under the control of the Grantee or sponsors in dedicating assistance to this client population. Please only count other leveraged funds or other assistance that is directly connected to the HOPWA or community HIV/AIDS housing program in providing housing assistance or other support or services, to the degree that this practicable.

TOTAL by type of housing assistance/services means the non-duplicated number of units of housing (by type of housing) that were dedicated to persons living with HIV/AIDS and their families or services provided and that were supported with HOPWA and other funds, during this operating year.

Output Assessed: The number of units of housing or households that receive HOPWA housing assistance during the operating year.

Outcome Assessed: The HOPWA-assisted households who have been enabled to establish or better maintain a stable living environment in housing that is safe, decent, and sanitary, and to reduce the risks of homelessness, and improve access to HIV treatment and other health care increases through the use of annual resources with the goal that this is achieved for at least 80 percent of clients by 2008.

Grassroots organization: The term grassroots organization means the organization is headquartered in the local community where it provides services; it has a social services budget of \$300,000 or less annually; and it has six or fewer full-time equivalent employees. Local affiliates of national or larger organizations are not considered "grassroots."

Permanent Housing Placement: A supportive housing service that helps establish the household in the housing unit, including reasonable costs for security deposits not to exceed two months of rent costs.

Housing Opportunities for Persons with AIDS (HOPWA) Consolidated Annual Performance and Evaluation Report – Measuring Project Performance

Grantee Name	Delaware State Housing Authority
Grant Reporting Period	7/1/06 to 6/30/07

PART 1-A. Executive Summary.

Please provide a 1-3 page narrative that includes major initiatives and highlights that were proposed and executed throughout the first year. Also list the project sponsors, and their primary HOPWA project location by zip code. Check other information below if applicable.

Program Year 1 CAPER Executive Summary:

See Attached Executive Summary

General Project Sponsor Information (for each project sponsor):

Project Sponsor Agency Name	Delaware HIV Consortium		
Name & Title of Contact at Project Sponsor Agency	Dianne W. Casey, Director of Housing Programs		
Email Address	dcasey@delawarehiv.org		
Business Address	100 W. 10 th Street, Suite 415		
City, State, Zip	Wilmington	DE	19801
Phone (include area code)	(302) 654-5471	Fax Number (include area code)	(302) 654-5472
Website	www.delawarehiv.org		
Total HOPWA Subcontract Amount for this organization	\$161,020		
Primary Service or Site Information: Project Zip Code(s)	Kent and Sussex Counties		
Is the sponsor a nonprofit organization?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please check if yes and a faith-based organization. <input type="checkbox"/> Please check if yes and a grassroots organization. <input type="checkbox"/>		

1-B. Program Year 1 CAPER Specific HOPWA Objectives -- Annual Performance under the Action Plan:

See Attached Executive Summary

1-C. Program Year 1 CAPER Specific HOPWA Objectives -- Barriers or Trends Overview:

See Attached Executive Summary

PART 2: Accomplishments Data - CAPER Chart 1 (planned goal) and Chart 2 (actual)

Instructions: Please enter the performance information for all activities during the operating year in the following chart. Generally, the grantee's operating year and Consolidated Plan year are the same. Output performance is measured by the number of households and units of housing that were supported with HOPWA or other federal, state, local and private funds for the purposes of providing housing assistance or residential support to persons living with HIV/AIDS and their families. Note that the number of households reported, receiving support from HOPWA funds must be the same as reported in the annual year-end IDIS data.

	HOPWA Performance Charts 1 (planned goal) and 2 (actual)				Funding		
	HOPWA Assistance		Non-HOPWA		e.	f.	g.
	a.	b.	c.	d.			
	Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual	Leveraged Non-HOPWA
Housing Subsidy Assistance							
1. Tenant-based Rental Assistance	40	40	20	21	149749	149749	136648*
2. Facility-based units that receive operating subsidy: <u>Number of households supported</u>							
3. Facility-based units developed with capital funds and placed in service during the operating year: <u>Number of households supported</u>							
4. Short-term Rent, Mortgage and Utility payments							
Adjustment to eliminate duplication				-19			
Housing Development (Construction and Stewardship of facility based housing)							
Output Units							
5. Units in facilities being developed with capital funding but not yet opened (show units of housing planned)							
6. Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3- or 10- year use agreements							
Total unduplicated number of units of housing assisted	40	40	20	2	149749	149749	136648*
Supportive Services							
Output Households							
8. i) Supportive Services in conjunction with <u>HOPWA</u> housing activities ¹	40	40					188520
ii) Supportive Services <u>NOT</u> in conjunction with <u>HOPWA</u> housing activities ²							
9. Adjustment to eliminate duplication							
Total Supportive Services	40	40					188520
Housing Placement Assistance³							
10. Housing Information Services							
11. Permanent Housing Placement Services							
Adjustment to eliminate duplication							
Total Housing Placement Assistance							
Administration and Management Services							
12. Resource Identification to establish, coordinate and develop housing assistance resources							
13. Grantee Administration (maximum 3% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)							
14. Project Sponsor Administration (maximum 7% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					11271	11271	
Total costs for program year					161020	161020	325168

1. Supportive Services in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4-a).
2. Supportive Services NOT in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4 -c).
3. Housing Placement Activities: if money is spent on housing placement activities in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-a); if not in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-c).

* Includes non-HOPWA TBRA (\$67,914) plus client portion of rent (\$68,734).

3. Instructions on HOPWA CAPER Chart 3 on Measuring Housing Stability Outcomes:

Please enter in column 1 the total number of eligible households that received the types of housing assistance specified. In column 2, enter the number of eligible households continuing to participate in each specified type of assistance (which might involve a temporary absence of not more than 90 days for treatment purposes, with an intent to return). In column 3, enter the number of households within each specified type of housing assistance who left the program during the program year by destination. If a household fractured during the program year, report only on the destination of the individual that made the household HOPWA eligible. Please refer to the destination codes that appear below this table for reviewing the stability housing outcomes.

Type of Housing Assistance	[1] Total Number of Households Receiving HOPWA Assistance	[2] Number of Households Continuing	[3] Number of Exited Households Component and Destination
Tenant-based Rental Assistance	40	20	1 (Emergency Shelter) = 0
			2 (Temporary Housing) = 2
			3 (Private Housing) = 4
			4 (Other HOPWA) = 0
			5 (Other Subsidy) * = 10 (see below)
			6 (Institution) = 1
			7 (Jail/Prison) = 0
			8 (Disconnected) = 2
			9 (Death) = 1
Facility-based Housing Assistance			1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing) =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
Short-term Housing Assistance	Total Number of Households Receiving HOPWA Assistance	Of the Total number Households Receiving STRMU Assistance this operating year	Status of STRMU Assisted Households at the End of Operating Year
Short-term Rent, Mortgage, and Utility Assistance		What number of those households received STRMU Assistance in the prior operating year: <input type="text"/>	1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing)* =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
		What number of those households received STRMU Assistance in the two (2) prior operating years (ago): <input type="text"/>	

* Ten (10) households remained in TBRA program supported by non-HOPWA funding in FY2006.

4. HOPWA Outcomes on Access to Care and Support.

a. Support in conjunction with HOPWA-funded Housing Assistance. Please report on the access to care and support for all households receiving HOPWA housing assistance. Report on the household status at program entry (or beginning of operating year for households continuing from previous year) and program exit (or end of operating year for households continuing services in the following operating year), if eligible individual living with HIV/AIDS accessed services.

Category of Services Accessed	Number of Households receiving HOPWA Housing Assistance		Number of jobs that included health benefits
	At Entry or Continuing from prior year	At Exit or Continuing to next year	
i. Has a housing plan for maintaining or establishing stable on-going residency	40	36	
ii. Had contact with a case manager/benefit counselor at least once in the last three months (or consistent with the schedule specified in their individualized service plan)	40	36	
iii. Had contact with a primary health care provider at least once in the last three months (or consistent with the schedule specified in their individualized service plan)	40	36	
iv. Had medical insurance coverage or medical assistance	40	40	
v. Obtained an income-producing job created by this project sponsor during the year		0	0
vi. Obtained an income-producing job outside this agency during the year		15	9

b. Income. Report the household monthly income of households receiving case management, employment training, and/or housing placement assistance (ONLY) that is in conjunction with HOPWA-funded housing assistance (See Chart 2, box 9 i).

	A. Monthly Household Income at Entry or Residents continuing from prior Year End	Number of Households
i.	No income	0
ii.	\$1-150	0
iii.	\$151 - \$250	1
iv.	\$251 - \$500	5
v.	\$501 - \$1,000	26
vi.	\$1001- \$1500	5
vii.	\$1501- \$2000	3
viii.	\$2001 +	0

	B. Monthly Household Income at Exit/End of Year	Number of Households
i.	No income	0
ii.	\$1-150	0
iii.	\$151 - \$250	0
iv.	\$251 - \$500	3
v.	\$501 - \$1,000	27
vi.	\$1001- \$1500	4
vii.	\$1501- \$2000	6
viii.	\$2001 +	0

C. Support NOT in conjunction with HOPWA-funded Housing Assistance. Please report on the access to care and support only for households receiving case management, employment training, and/or housing placement assistance (ONLY) that is not in conjunction with HOPWA-funded housing assistance (See Part 2, item 8-ii, 10 and 11). Report on the household status at program entry (or beginning of operating year for households continuing from previous year) and program exit (or end of operating year for households continuing services in the following operating year), if eligible individual living with HIV/AIDS accessed services. **NOT APPLICABLE**

Category of Services Accessed	Number of Households receiving HOPWA-funded Supportive Services		Number of jobs that included health benefits
	At Entry or Continuing from prior year	At Exit or Continuing to next year	
i. Has a housing plan for maintaining or establishing stable on-going residency			
ii. Had contact with a case manager/benefit counselor at least once in the last three months (or consistent with the schedule specified in their individualized service plan)			
iii. Had contact with a primary health care provider at least once in the last three months (or consistent with the schedule specified in their individualized service plan)			
iv. Had medical insurance coverage or medical assistance			
v. Obtained an income-producing job created by this project sponsor during the year			
vi. Obtained an income-producing job outside this agency during the year			

5. Appendix

Worksheet on Determining HOPWA Housing Stability Outcomes.

This chart is designed to help you access program results based on the information reported above.

Type of Housing Assistance	Number in stable housing	Number in unstable situations	Percent Stable/total
Tenant-based Rental Assistance (TBRA)	20 remaining in program plus 15 = 35	4	90%
Facility-based Housing Assistance	(# remaining in program plus 3+4+5+6=#)	(1+2+7+8=#)	
Short-term Rent, Mortgage, and Utility Assistance (STRMU)	(3+4+5+6=#)	(1+2+7+8=#)	
Total HOPWA Housing Assistance	35	4	90%
Prior Year Results	40	1	97.5%

Background on HOPWA Housing Stability Codes

Short-term Housing

1 = Emergency shelter or no housing destination such as places not meant for habitation (e.g., a vehicle, an abandoned building, bus/train/subway station, or anywhere outside).

2 = Temporary housing - moved in with family/friends or other short-term arrangement, such as Ryan White subsidy, transitional housing for homeless, and temporary placement in institution (e.g., hospital, psychiatric hospital or other psychiatric facility, substance abuse treatment facility or detox center). * *STRMU assistance is considered short-term housing assistance. Refer to outcome indicators below to correctly categorize households. STRMU is considered unstable, if there is a reasonable expectation that additional support is needed.*

Stable Permanent Housing/Ongoing Participation

3 = Private Housing in the private rental or home ownership market (without known subsidy, including permanent placement with families or other self sufficient arrangements) with reasonable expectation that additional support is not needed.

4 = Other HOPWA-funded housing assistance (not STRMU), e.g. TBRA or Facility-based Assistance.

5 = Other subsidized house or apartment (non-HOPWA sources, e.g., Section 8, HOME, public housing).

6 = Institutional setting with greater support and continued residence expected (e.g., residential or long-term care facility, hospital).

Life Events

7 = Jail /prison.

8 = Disconnected or disappeared from project support, unknown destination or no assessments of housing needs were undertaken.

9 = Death, i.e., remained in housing until death. This characteristic is not factored into the housing stability equation.

STRMU assistance: **Stable Housing** is the sum of the number of households that accessed assistance for some portion of the permitted 21-week period and there is reasonable expectation that additional support is not needed in order to maintain private housing arrangements (as this is a time-limited form of housing support) as shown as items: 3, 4, 5, and 6. **Unstable Situations** is the sum of the number of households that accessed assistance for some portion of the permitted 21-week period and there is reasonable expectation additional support will be needed to maintain housing arrangements in the next year. Report under items 1, 2, 7, and 8.

Tenant-based Rental Assistance: **Stable Housing** is the sum of the number of clients who (i) remain in the housing and (ii) those who left the assistance as shown as items: 3, 4, 5, and 6. **Unstable Situations** is the sum of numbers reported under items 1, 2, 7, and 8.

Facility-based forms of housing assistance: **Stable Housing** is the sum of the number of clients who (i) remain in the housing and (ii) those who left the assistance as shown as items: 3, 4, 5, and 6. **Unstable Situations** is the sum of numbers reported under items 1, 2, 7, and 8.

Prior Year Results. As a baseline for assessment purposes, please indicate information of this nature collected in the prior performance year (if available) and compare these numbers and percentages to the current year assessment.

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Appendix B

CDBG

Part II State Performance/Evaluation Report Narrative Requirements:

A.

1. Use of FY04 CDBG funds supports State objectives contained in Policy Statement and State Consolidated Plan of maintaining existing housing and funding infrastructure improvements in support of new housing development for low/moderate income persons.
2. One major substantive change has been made to the program's objectives for the period FY04. The State modified the program by spreading funding into more target areas in one program year. This was accomplished by decreasing the minimum number of units required for a target area from seven units in Kent County and fifteen units in Sussex County to five units for both counties. This change increased both the number of applications and the number of applications funded for FY04. Further, this change allowed the State to spread funding to more areas needing assistance.
3. The State believes that its program is a vital component in its effort to address the critical need for affordable housing in Kent and Sussex Counties. As a result of its' experience with its' FY04 program, a major programmatic change expected for FY05 is to begin allowing the waiver of demolition liens if and when a property is used for the construction of housing for low- to moderate-income persons.
4. Comments received from citizens have been supportive of the program's housing emphasis, as the need to reduce substandard housing and create new affordable housing for low/moderate income persons is not at issue.
5. Because of the program's strong emphasis on housing rehabilitation, which provides a 100 percent benefit to low/moderate income persons, the total benefit to low/moderate income persons in each program year has been over 90 percent.

- B. No Technical Assistance activities were funded under FY04 allocation.

CODE

N - New Activity
M - Modified Amount
PF - Public Facilities
H - Housing
PL - Planning
L/M - Low/Moderate Income Benefit

S/B - Elimination of Slum/Blighted Conditions (Accomplished on a spot basis)
* - Administration
AC – Administrative Closeout, audit not complete
C - Complete activity, final audit received
T – Terminated
NR – New Recipient

Part II State Performance/Evaluation Report Narrative Requirements:

A.

1. Use of FY05 CDBG funds supports State objectives contained in Policy Statement and State Consolidated Plan of maintaining existing housing and funding infrastructure improvements in support of new housing development for low/moderate income persons.
2. A major programmatic change to the program for FY05 is to begin allowing the waiver of demolition liens if and when a property is used for the construction of housing for low- to moderate-income persons. This change was made to help encourage the development of housing for low- to moderate-income persons.
3. The State believes that its program is a vital component in its effort to address the critical need for affordable housing in Kent and Sussex Counties. The State plans to modify the program for FY06 by increasing the set aside for funds available for Existing Housing from 40-70 percent to 60-90 percent of program funds; and, decreasing the percent of funds available for Infrastructure activities from 30-60 percent to 10-40 percent of program funds. These changes will make the set asides more accurately reflect the actual historical funding levels of the Delaware CDBG program. The program guidelines will also require energy-efficient rehabilitation where feasible and cost effective. Outcome Performance Measures will be required for each activity.
4. Comments received from citizens have been supportive of the program's housing emphasis, as the need to reduce substandard housing and create new affordable housing for low/moderate income persons is not at issue.
5. Because of the program's strong emphasis on housing rehabilitation, which provides a 100 percent benefit to low/moderate income persons, the total benefit to low/moderate income persons in each program year has been over 90 percent.

- B. No Technical Assistance activities were funded under FY05 allocation.

CODE

N - New Activity

M - Modified Amount

PF - Public Facilities

H - Housing

PL - Planning

L/M - Low/Moderate Income Benefit

S/B - Elimination of Slum/Blighted Conditions (Accomplished on a spot basis)

* - Administration

AC - Administrative Closeout, audit not complete

C - Complete activity, final audit received

T - Terminated

NR - New Recipient

Part II State Performance/Evaluation Report Narrative Requirements:

A.

1. Use of FY06 CDBG funds supports State objectives contained in Policy Statement and State Consolidated Plan of maintaining existing housing and funding infrastructure improvements in support of new housing development for low/moderate income persons.
2. The State modified the program for FY06 by increasing the set aside for funds available for Existing Housing from 40-70 percent to 60-90 percent of program funds; and, decreasing the percent of funds available for Infrastructure activities from 30-60 percent to 10-40 percent of program funds. These changes made the set asides more accurately reflect the actual historical funding levels of the Delaware CDBG program. The program guidelines were also changed to require energy-efficient rehabilitation where feasible and cost effective. Outcome Performance Measures became required for each activity.
3. The State believes that its program is a vital component in its effort to address the critical need for affordable housing in Kent and Sussex Counties. The State plans to modify the program for FY07 by increasing the spending limits on manufactured homes rehabilitated on rental and owner-occupied lots to \$12,500 and \$18,000, respectively. The costs of rehabilitation have increased over the years, and the spending limits needed to be increased to allow older manufactured housing to be brought up to housing code standards. Construction or rehabilitation of permanent supportive housing serving at least 51 percent low- and moderate-income persons were proposed for the guidelines, to serve chronically homeless persons. There is a need for this type of housing in Delaware. Subgrantee administration cost requests will be capped at \$150,000, to help keep administrative costs below the 20 percent administrative cap set by HUD.
4. Comments received from citizens have been supportive of the program's housing emphasis, as the need to reduce substandard housing and create new affordable housing for low/moderate income persons is not at issue.
5. Because of the program's strong emphasis on housing rehabilitation, which provides a 100 percent benefit to low/moderate income persons, the total benefit to low/moderate income persons in each program year has been over 90 percent.

B. No Technical Assistance activities were funded under FY06 allocation.

CODE

N - New Activity

M - Modified Amount

PF - Public Facilities

H - Housing

PL - Planning

L/M - Low/Moderate Income Benefit

S/B - Elimination of Slum/Blighted Conditions (Accomplished on a spot basis)

* - Administration

AC - Administrative Closeout, audit not complete

C - Complete activity, final audit received

2. a. The State requires quarterly status reports from recipients on their civil rights performance. In addition to reviewing these reports, DSHA monitors the recipient on an annual basis for the following:
 - That personnel policies provide for equal employment opportunity (as may be provided in an Affirmative Action Plan);
 - That personnel policies are followed, and action taken documented;
 - That employment data is available based upon race, gender, and disability status;
 - Whether any EEO complaints have been filed against the recipient, and how the complaint was resolved.

In monitoring both direct-benefit and area-benefit activities, ensures that there are no characteristics of the activity that limit the accessibility to or utilization of the activity by residents of the delineated service area.
- b. DSHA has found that there are no deficiencies in providing CDBG activities to protected individuals. There have been no unresolved EEO complaints at the local level.
- c. DSHA has not had to make any findings on the civil rights compliance of local CDBG recipients. No remedial actions have been necessary.
3. The state's goal is to encourage the integration of racial and ethnic minorities through its economic and housing policies. The key element in the state's strategy is to provide greater choices for all Delawareans with respect to employment and housing.

The Delaware Analysis of Impediments to Fair Housing Choice was published in July 2003 by the University of Delaware under contract with DSHA. Please see the CAPER above for a description of the impediments and the actions taken to overcome impediments in Delaware.

In addition, statewide housing code enforcement and targeted Community Development Block Grant (CDBG) assistance have made considerable progress in revitalizing long-neglected minority communities characterized by substandard housing. Current examples of this include the coordinated effort by the State, Sussex County, First State Community Action Agency (FSCAA) and others to revitalize the West Rehoboth, Ellendale, and Coverdale Crossroads communities. A Community Land Trust has continued to develop in West Rehoboth to help prevent this low-income minority community from being

redeveloped as high priced beach housing. CDBG funds helped to fund Ellendale's new sewer system and to hook-up its' low- and moderate-income households. CDBG funds also helped fund a water system feasibility analysis completed in FY04 for Ellendale. A working group of members from DSHA, Delaware State University (DSU), several banks, Sussex County and FSCAA have completed a study on the needs of the Coverdale Crossroads community. DSU followed-up on this study by applying to HUD for Historically Black Colleges and Universities (HBCU) funding for Coverdale Crossroads. This HBCU grant was funded and will be combined with several sources of funding including Self-Help Housing Opportunities Program (SHOP) funding administered by the non-profit Milford Housing Development Corporation, to build new low- to moderate-income housing on lots owned by FSCAA in Coverdale Crossroads. So while much work remains to be done, considerable progress has been made in addressing the problems of concentrated minority poverty areas.

The Section 8 Existing Certificate and Voucher Programs have proved to be particularly effective tools in promoting the integration of minority households in Delaware, allowing minority households the opportunity to effectively choose where they wish to live with federal rent subsidies providing the needed assistance. The Bridgeville office was established with hopes of encouraging the use of the Section 8 Existing Program in Sussex County.

4. Please see attached memorandum dated January 16, 2007 on "DSHA MBE/WBE PROGRAM RESULTS" for a summary of the results of state and recipients actions to use minority and women-owned businesses in carrying out CDBG-funded activities.

Appendix C

HOME

