

Delaware 2007

State of Delaware

FY2007
Consolidated Annual
Performance Evaluation Report

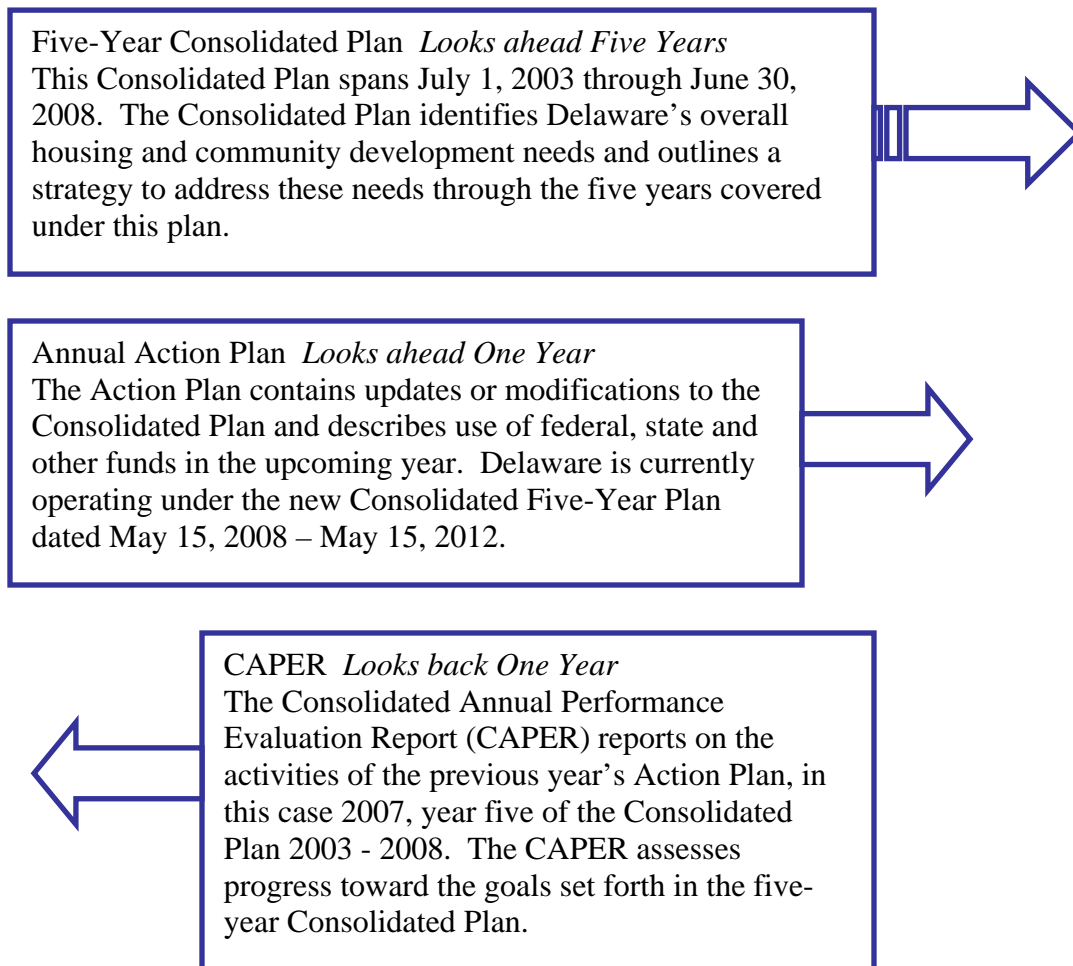
July 1, 2007 – June 30, 2008

A supplement to the
Five Year Consolidated Plan
2003 - 2007

Delaware State Housing Authority
18 The Green
Dover, DE 19901
302-739-4263
www.destatehousing.com

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 FY2007 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 FY2007 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 is able to comment on this FY2007 CAPER, from September 15, 2008 through September 30, 2008. 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.

2007 CAPER
Performance Relating to 2003-2008 Consolidated Plan Strategies

<i>STRATEGY 1: To meet current first-time homebuyer demand and assist an additional</i>						
Strategy Development and Implementation	2003 Outcomes	2004 Outcomes	2005 Outcomes	2006 Outcomes	2007 Outcomes	Cumulative
Finance the purchase of 450 homes by first-time homebuyers through the issuance of Single Family Mortgage Revenue Bonds (SFMRB).	233	275	587	1,611	DSHA assisted 1,275 first time homebuyers during FY2007 with the SFMRB.	3,981
Finance a portion of the downpayment and costing cost of 650 homes through the Second Mortgage Assistance Loan Program (SMAL).	140	88	402	388	During FY2007, the SMAL Program was combined with the DHP Program.	1,036
Finance a portion of the downpayment and closing costs for 120 homes through the Delaware Housing Partnership (DHP).	72	60	49	319	The DHP Program was combined with the SMAL Program and assisted 529 families in FY2007.	1,029
Provide outreach to under-served markets to increase homeownership opportunities	27	31	56	31	Finanzas, a bilingual and financial literacy program targeted to poultry workers was discontinued in FY2007.	145
Utilize the Housing Development Fund (HDF) to assist 33 affordable homeownership units.	56	72	114	420	The HDF was utilized to assist 13 units of new construction homeownership in the City of Wilmington. Additionally, 30 individuals benefited from homeownership counseling.	705

2007 CAPER

Performance Relating to 2003-2008 Consolidated Plan Strategies

STRATEGY 2: To assist 50% of the demand for affordable new rental housing or 200 units per year.

Strategy Development and Implementation	2003 Outcomes	2004 Outcomes	2005 Outcomes	2006 Outcomes	2007 Outcomes	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 2008 LIHTC 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	44 affordable rental units were assisted in FY2007. Availability of funding at the state level to write down the rental expenses low enough to meet the needs continues to be an obstacle.	616
Utilize the HDF to assist 300 households per year with security deposits or other forms of rental assistance.	175	200	218	148	The HDF did not fund any security deposit programs during FY2007. However, the HDF funded the Step-Up Program with 35 TBRA.	776

2007 CAPER Performance Relating to 2003-2008 Consolidated Plan Strategies						
<i>STRATEGY 3: Address 19% of the rehabilitation needs or approximately 500 units per year.</i>						
Strategy Development and Implementation	2003 Outcomes	2004 Outcomes	2005 Outcomes	2006 Outcomes	2007 Outcomes	Cumulative
Utilize the Neighborhood Revitalization Fund (NRF) Program to assist 100 homeowners to repair or improve their homes.	44	48	0	0	The NRF Program was restructured and served 15 families in FY2007	107
Utilize the CDBG Program, HOME Program and the Housing Rehabilitation Program (HRLP) to assist 155 homeowners with repair or improvements to their homes.	131	199	283	219	The CDBG Program assisted 131 households with renovations. The HRLP Program benefited four low-to moderate-income households. The HOME Program assisted 12 households.	979
Rehabilitate 200 rental units through the HDF and LIHTC Program.	291	274	306	198	317 rental units were assisted during FY2007 through the HDF and the LIHTC Program.	1,386

2007 CAPER Performance Relating to 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 Outcomes	2004 Outcomes	2005 Outcomes	2006 Outcomes	2007 Outcomes	Cumulative
Assist 100 families move from assisted to unassisted housing.	58	76	128	188	60 families moved to unassisted housing.	510

SECTION II: Assessment of Progress Toward FY2007 Action Plan *Year Five of the Five-Year Consolidated Plan*

Priority 1: Homebuyers and Homeowners

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

In FY2007, DSHA assisted 1,855 Delaware families achieve the *American Dream* of homeownership through a variety of programs and assistance.

The SFMRB Program aided 1,275 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 FY2007, DSHA assisted an additional 529 families achieve homeownership through the DHP Program, which provides downpayment and closing cost assistance. Two 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 operate 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 43 families realize the dream of homeownership. Thirteen grants were given to low- and moderate-income households to purchase newly constructed townhouses. Additionally, 30 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 323 households. The revitalization of six 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. Also, 240 households received emergency rehabilitation assistance with a grant provided by the HDF to First State Resource Conservation and Development Council (RC&D).

During FY2007, Delaware received a HOPWA grant in the amount of \$167,000. 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 31 households

consisting of 31 persons living with HIV/AIDS and 17 other persons, for a total of 48 persons assisted.

Additionally, DSHA is also the contract administrator for 4,667 development-based Section 8 Housing units. In FY2007, DSHA successfully preserved 274 affordable rental units for additional years through renewal of multiple HAP contracts. Further, DSHA awarded over \$1,300,000 in interest-free loans to 476 affordable housing units to assist with capital and physical needs.

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 activities throughout the State of Delaware.

Governor Minner's Executive Order 65 in 2005 established Delaware's Interagency Council on Homelessness (DICH). During FY2007, the DICH was codified into Delaware Code with Senate Bill 310. This Interagency Council works closely with the HPC to develop collaborative strategies to more efficiently and effectively address the needs of the homeless people in Delaware and to end chronic homelessness for the state. *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.

Step-Up Rental Assistance Program

During FY2007, DSHA developed a state voucher program ("the Step-Up Program") to assist in both removing the barriers to existing affordable housing and to produce new affordable housing opportunities for persons identified in the Ten-Year Plan. This Program provides a sustainable housing rental subsidy for a portion of the homeless population in Delaware.

Through a Request for Proposal process, DSHA provided \$1,000,000 from the HDF for these rental subsidies to three nonprofits organizations that will provide 35 units of housing for homeless individuals for a three-year period. DSHA anticipates requesting funds from the State of Delaware for the Step-Up Program on an annual basis to address the ongoing housing needs of the homeless.

Step-Up Program participants must meet current income guidelines by family size as published periodically by the HUD and approved by DSHA; and maximum amount of rental assistance will be established by the Fair Market Rents or other comparable means as approved by DSHA.

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. HOPWA funds assisted 31 households, consisting of 48 persons, with decent affordable housing in FY2007. (*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 905 Housing Choice Vouchers subsidizing rent in private-sector housing. In addition to the Public Housing and Housing Choice Vouchers, DSHA owns 65 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 \$16.61 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 510 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 ten-year extension and will now expire June 30, 2018. This time-limited, innovative and successful program continues to:

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

Under the administration of the MTW Program, DSHA instituted a rent cap that allows MTW participants to save all amounts over their rent cap up to 35% of their income. Since MTW began, more than 1,350 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; 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 FY2007 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*** – The Fair Housing Task Force Committee conducted a statewide media campaign which included radio, television, web casts and interactive CDs. The campaign was part of an ongoing effort to further the education and outreach to Delaware residents on Fair Housing Laws. Further, multiple media events, including a joint proclamation signing, were held during April in celebration of Fair Housing month, and all events were well attended. In addition, well over two hundred outreach and education events were conducted statewide throughout the year with thousands of attendees. A total of 2,341 people statewide participated in Fair Lending and Fair Housing events held by DCRAC. In addition to their website and newsletters, DCRAC outreach activities also include a monthly TV show and a weekly radio show. DHR and DCRAC, along with the Fair Housing Task Force held a Disabilities Conference at Delaware Technical and Community College in Sussex County. Approximately 90 people attended. DHR held various other Fair Housing events with approximately 1,200 attendees. Also, DHR held training sessions throughout FY2007 regarding public accommodations, Fair Housing Law, and diversity training.

- ***Insufficient Rental and Sales Complaint Data*** – Due to funding limitations, there was no match-paired testing completed in FY2007. Further, CLASI filed housing discrimination complaints with DHR and cases that were determined to violate Fair Housing Laws were reviewed for possible enforcement action. Throughout FY2007, Delaware has been successful in increasing monetary settlements and penalties for Fair Housing discrimination. DHR continues to distribute a statewide report for Fair Housing complaints and resolutions quarterly to interested parties. This document 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 provided a Fair Housing Law seminar to 25 housing professionals. This seminar educates and empowers housing professionals, matched- pair testers and the general public, on their rights under the Fair Housing Law.
- ***Lending Discrimination*** – 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. Furthermore, DCRAC strives to deepen the commitment to equal access to credit and asset building opportunities for all Delawareans. 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 November 2007, 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 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 is available on our website at www.destatehousing.com.
- ***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 improves customer service, establishes an efficient application process, eliminates duplication and enables 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.

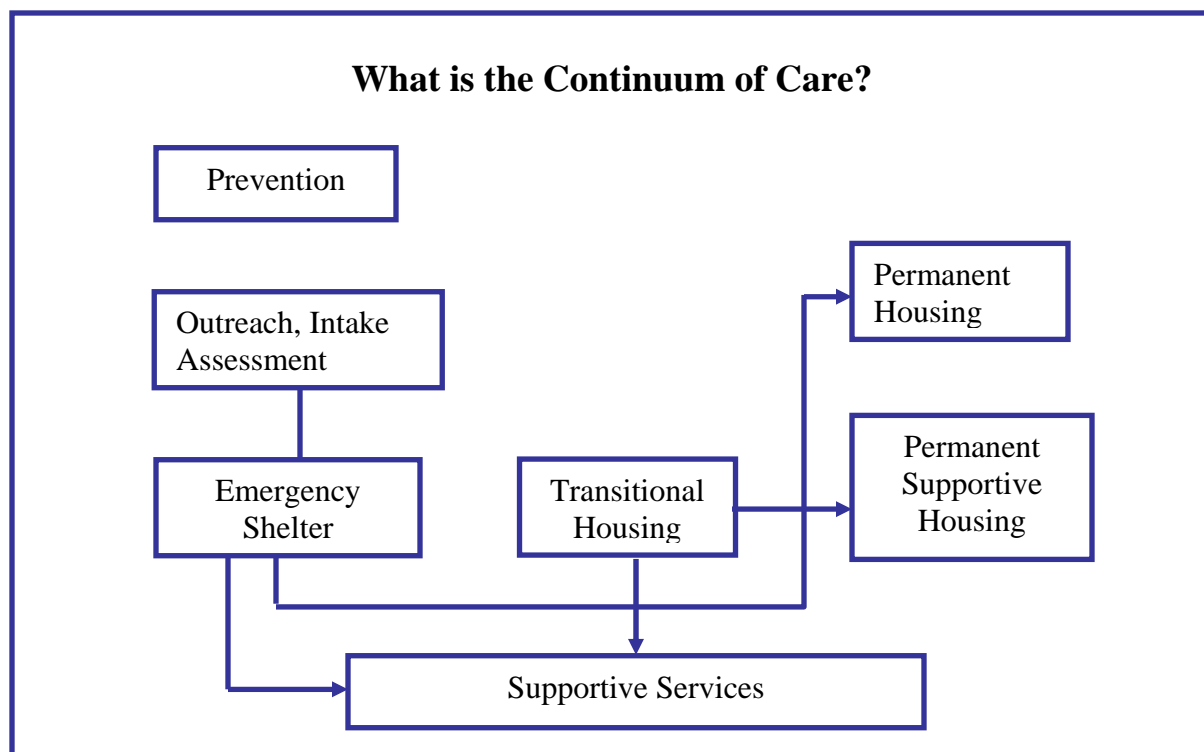
Moreover, as the allocating agency for Delaware's LIHTC Program, preference is given to developments whose site is not located in a close proximity to other low-income housing and is economically diverse.

- ***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 has created a guide, *Delaware Municipal Comprehensive Planning: Guide for Writing Your Housing Element* geared for municipalities and communities to perform a housing analysis and create a housing plan. This guide describes the data needed to examine housing supply and demand, as well as affordability of the housing units for the town's residents. After data has been analyzed, a housing plan can be created to set measurable affordable housing goals for the community. Furthermore, DSHA has created the *DSHA Tools & Strategies Toolkit* to provide the municipalities and communities with the necessary tools to implement a balanced housing stock in their respective jurisdictions.
- ***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.
- ***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 has created the Affordable Housing Resource Center website to provide tools and resources for local government officials and public viewers to learn how to determine their communities' housing needs and develop strategies to address those needs. The intent of this website and the tools accompanied with it is to create a balanced housing stock in communities that

provides various housing options for all income households. DSHA, in partnership with the University of Delaware Institute for Planning and the Delaware Office of State Planning, held an Affordable Housing Workshop and will continue this on an annual basis. This workshop targets planners and local officials and educates them on the importance of having housing options for all Delawareans. 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 FY2007, 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 \$45

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.

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.

2007 CoC Grants

HUD announced the Homeless Assistance awards under the FY2007 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
➤ Connections CSP, Inc./Easy Access	\$249,998.00
➤ Connections CSP, Inc./Easy Access II	\$143,562.00
➤ Connections CSP, Inc./Second Chance	\$ 37,728.00
➤ Ministry of Caring, Inc./House of Joseph II	\$212,357.00
➤ 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	\$647,697.00
➤ YWCA/Homelife Management Center II	\$323,967.00
➤ Delaware Health & Social Services Division of Substance Abuse/5 beds	\$ 26,596.00
➤ Delaware Health & Social Services Division of Substance Abuse/30 beds	\$1,264,230.00
➤ Delaware Health & Social Services Division of Substance Abuse/20 bed	\$143,682.00

- Delaware Health & Social Services \$128,049.00
Division of Substance Abuse/8 bed

State of Delaware Continuum of Care Total \$4,877,641.00

In 2007, Delaware received CoC grants totaling \$4,877,641.00 compared to the funding level of \$4,736,426.00 in FY2006. Most of the funding received is to continue existing programs, but each year the HPC works to capitalize on any new funding offered by HUD. In 2007, the CoC was not able to attract additional HUD funding for new projects. (*also see ESG Program narrative*)

SECTION V: Other Housing and Community Development Actions

Actions taken to meet underserved needs

DSHA recognized in its Consolidated Plan the need to identify those groups who are underserved and pursue strategies that would serve their needs. During FY2007, 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, is a Governor appointed member of the Commission on Community-Based Alternatives for Persons with Disabilities. DSHA staff provides technical assistance to the Commission's Housing Subcommittee. The subcommittee has been developing a five-year plan to address the housing needs of people with disabilities. DSHA has committed to coordinating implementation of a number of the items outlined in the plan including operating and marketing the affordable housing on-line locator, maintaining current stock of vouchers and affordable housing units through advocacy and preservation and assist in establishing a coordinated system across housing organizations to develop, administer, and implement housing programs for individuals with disabilities.

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

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 FY2007, 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 FY2007, DSHA completed the 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 was utilized to form DSHA's internal strategic plan, as well as the recently submitted Five-Year Consolidated Plan 2008 – 2012.

Snapshots from the Often Overlooked: A Photovoice Project – DSHA is partnering with Friendship House of Wilmington, Delaware on a photovoice project. Homeless veterans who stay at Friendship House will be taught how to use a camera and will go out into the community to identify the issues that are most pertinent to them. The two main goals of the project include empowering the participants while also creating policy change to improve their lives. The project will conclude with a DVD and numerous exhibits for community members, policy makers, and nonprofits.

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

Delaware has committed to serve the projected 100 people transitioning under MFP due in part to the significant barriers posed by the affordable housing crisis. A Transition Coordinator well versed in housing resources will assist each person transitioning to the community. DSHA has agreed to provide the Transition Coordinators with training and tools to assist them in accessing affordable housing resources throughout the State. The Coordinator will assess the person's housing needs early in the identification process and will advocate for and intercede on their behalf to obtain the needed housing.

According to affordable housing development site managers and DSHA staff there are more affordable apartments with accessible features than there are applicants who need those features. Five percent of all new units are required to be handicapped accessible and DSHA works with developers to ensure that all first floor units in affordable housing developments assisted by DSHA are easily adaptable. Currently, accessible units are often rented to people who do not require the features. When the units are rented to people without disabilities, those tenants are told that they will need to relocate to the next available unit when a qualified tenant applies who needs the features. DSHA will work with Transition Coordinators to ensure that these units are made available to qualified MFP participants. Please note, this does not mean that there is a sufficient supply of affordable housing available. It just means that handicapped accessible units are often made available to non-handicapped individuals.

DSHA has developed a housing locator that identifies affordable housing developments that have accessible units. This housing locator should be available on the DSHA website by May 2008. People with disabilities and those who assist them will be able to identify where in the State affordable accessible units are located and then call to find out if current residences are in need of the accessible features. DSHA will provide training on the locator to Transition Coordinators in addition to providing them with a paper guide to housing resources.

In July 1999, Delaware's Legislature passed the Neighborhood Assistance Act (NAA), a state charity tax credit, to be administered by Delaware's Department of Economic Development

(DEDO). It stated that companies, within Delaware that contribute to eligible neighborhood organizations and nonprofits in impoverished areas, are eligible to receive state tax credits worth up to fifty percent of their donation.

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

By making these changes, the program became increasingly attractive. In the time period of 07/01/07-06/30/08, DSHA awarded \$185,137 NAA tax credits to eight taxpayers (seven individuals and one business), whose contributions to five different non-profit organizations totaled \$378,276.

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 23 CLT homes in a community of 36 single-family homes in a mixed-income community in Milford. CLT homes are projected to be affordable to households with incomes below 70% of the area median.
- 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 50 manufactured and modular homes in near the town of Laurel in Sussex County. An agricultural cooperative composed of members the New Horizons Cooperative plans to farm nearby land. The community and

DSCLT are working with the University of Delaware Cooperative Extension, Milford Housing Development Corp. and other partners to develop this project.

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 worked together to develop an installation program and adopted regulations for the licensing. DSHA staff is working on collecting data on manufactured housing to address the issues concerning the long-term stability of manufactured housing as an affordable housing option.

During FY2007, 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 FY2007 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 and most development has targeted upper-income markets. 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 were approved in an initial Request for Proposal (RFP) round held in spring 2006, and four more projects projected to create over 150 moderately-priced homes were approved in a second RFP round held in spring 2008. DSHA participates in the Working Group assisting the County in program implementation. FY2007 activities included research, passing a set of amendments to the ordinance, development of draft legal documents, revising the RFP and application process, and implementation of a program administration and staffing plan, including hiring a Program Coordinator.

As part of implementing its recent five-year Comprehensive Plan, the County is now developing a counterpart to the MPHP program to offer incentives for the development of rental housing.

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.

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)*

DSHA has developed an internal working group call the "Local Community Builders" to advance affordable housing through growth management, land use, and local initiatives. The intended goal of the working group is to assist communities with proactive strategies that ensure a balanced housing stock. This will eliminate barriers to their affordable housing issues in their jurisdiction.

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

Launched in November 2007, the web-based AHRC offers workable solutions to the housing affordability problem in a comprehensive, educational format – complete with maps, diagrams, and illustrative photographs. It is a one-stop shop of affordable tools and strategies that can be used to increase affordable housing for residents with low to moderate incomes (80%-115% of the local median income). The site is divided into two separate documents: *DSHA Tools & Strategies Toolkit* and *Delaware Municipal Comprehensive Planning: Guide for Writing Your Housing Element*.

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

Delaware Municipal Comprehensive Planning: Guide for Writing Your Housing Element – DSHA has prepared a guide that provides basic information for a municipality to perform a housing analysis and create a housing plan. This guide describes the data needed to examine housing supply and demand, as well as the affordability of the housing units for the town's residents. After data has been analyzed, a housing plan can be created to set measurable affordable housing goals for the community.

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

The AHRC will address the need for Delaware to increase its stock of affordable housing. From 2000 to 2006, housing prices statewide increased 95% and rental rates increased 17%. Meanwhile, Delaware's workforce population, earning up to 100% of the area median income (nurses, policemen, teachers, construction workers, retail sales persons, and restaurant workers),

was being priced out of the market. Economic trends show an employment sector change to service and manufacturing, where incomes have remained stagnant (from 2000 to 2006, incomes in this sector increased only five percent). This is occurring at the same time federal resources for affordable housing have been scaled back. As a result, it is increasingly important that state and county officials and local municipalities have strategies in place to encourage the development and preservation of safe, decent, and affordable housing. Many of Delaware's small communities, however, cannot afford the high cost of professional housing studies.

Since the website's inception in November 2007, DSHA has presented the website at the annual Housing Workshop provided by the University of Delaware IPA Department, the Governor's Conference on Housing, and to the State of Maryland's Department of Housing and Community Development. The Housing Element Guide has generated responses from several towns, including the town of Elsmere, in New Castle County. DSHA and the University of Delaware IPA have been asked to assist this town in the development of their Housing Chapter. DSHA has also received calls from housing consultants to assist them in creating a balance housing stock through their Comprehensive Plan and to answer technical questions.

DSHA created the AHRC in-house in partnership with the University of Delaware and the Delaware State Planning Office. Other than normal staff time and materials, there were no other costs involved. It is a win-win enterprise, providing benefits to each of the partners as noted below, and to Delaware's local jurisdictions, who now have planning tools available to them at no cost.

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.

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 19th 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 FY2007, 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 FY2007 Delaware CDBG program guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties will matched their administration allocations in local funds.

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

- Up to \$100,000 requires a 10% 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 in conjunction with the LIHTC Program. During the previous fiscal year, DSHA completed four HOME multi-family developments.

The permanent financing breakdown of the HOME financed multi-family rental developments indicates HOME funds provided 11% of the financing while 89% of total development costs were provided by other sources including: Low Income Housing Tax Credits 52%; permanent financing from private banks 24%; permanent financing from State sources 6%; permanent financing from other federal sources 1% and financing from the owners' funds (including deferred fees, transferred reserves and capital contributions) at 6%. While each development has

different financing needs and sources, DSHA leveraged each HOME dollar spent for multi-family rental developments at least eight 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 total financing for downpayment assistance loans closed shows ADDI/HOME funds were 17% of the total funding with private banks accounting for 55% of the costs, federal mortgage loans were 26% of the assistance, other state programs provided 1% 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 at least four 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 FY2007 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 will be accepted regarding the FY2007 CAPER beginning on September 15, 2008 through September 30, 2008. 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.

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 FY2007, 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 FY2007, 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 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 FY2007, HOME Performance Snapshots ranked Delaware as of the 6/30/08 report, 8th overall of 51 statewide participating jurisdictions for percentage of funds committed and 9th overall in percentage of funds disbursed. Delaware ranked above the national average in both categories at 98.89% and 92.50% for commitments and disbursements, respectively. In addition, the CDBG Program ranks consistently in the top 10% of entitlements for drawdown rate.

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

Status of progress towards major goals

In 2007, Delaware ranked 2nd 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 FY2007. Many of the 2007 annual goals were met or surpassed with continued focus on affordable rental units and community development actions. These results are highlighted through various sections throughout this CAPER.

SECTION 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 FY2007, 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 FY2007 CDBG Grant shall be utilized for activities that benefit low- and moderate-income persons as defined in the FY2007 CDBG Program Guidelines.

During FY2007, 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. Ninety Six households were assisted with housing rehabilitation throughout Kent and Sussex Counties and 35 households were assisted with utility hookups. In addition, the three demolition projects completed in FY2007 aided in the prevention of slum and/or blight. CDBG funds were also used to rehabilitate a shelter in Sussex County benefiting 92 persons.

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 96 households with housing rehabilitation. These numbers are above the goals set forth in the FY2007 Action Plan. Of these households, 11 were disabled and 56 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 FY2007, 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 FY2007 utilizing CDBG funds: 96 single-family households utilized funds for rehabilitation; water/sewer hookups assisted 35 families; and three demolitions assisted with slum and/or blight. Also, the shelter rehabilitation benefited 92 extremely low- and low-income persons.

Of these households, 28% of the units assisted were under 30% of median income, 46% 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 FY2008 Program Guidelines.

- ◆ Under Section III.D.3., the maximum allocation for all administrative and program delivery costs for any single applicant shall not exceed \$153,000 in any program year.

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 FY2007, the CDBG Program rehabilitated 96 households to assist low- to moderate-income persons for the purpose of providing decent affordable housing. Moreover, the Program assisted 35 households with accessibility to water/sewer hookups for the purpose of providing decent affordable housing.

SECTION VIII: 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 retarded, the mentally ill, migrant workers and persons with AIDS.

During the reporting period, the State committed HOME funds totaling \$1,671,260 for 11 units of new construction multi-family rental housing, \$200,000 for 13 units of homeowner rehabilitation and an additional \$1,293,211 for 39 units of homeowner downpayment assistance (DPA). The 11 units in the multi-family rental development addressed the need for affordable rental housing and the 13 units of rehabilitation addressed the need for rehabilitation of homeownership units. The 39 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 17 units of owner-occupied housing totaling \$237,617; DPA to 35 first-time and other homebuyers promoting affordable homeownership through ADDI/HOME loans totaling \$1,068,532; one acquisition and new construction rental development of 11 HOME units at \$1,365,000 and three acquisition /rehabilitation rental developments containing 30 HOME units totaling \$3,635,180 that addressed both the need for affordable rental housing and rehabilitation of affordable rental housing.

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

The 93 completed HOME financed units indicated above assisted a total of 11 elderly households by nine homeowner rehabs and two elderly rental units. Income ranges of the households benefiting from the assistance for 17 homeowner rehabilitation units and 35 DPA units included nine extremely low-income, 13 low-income and 30 moderate-income families. The 41 HOME assisted rental units completed included 32 extremely low-income and nine low-income households.

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 17 HOME assisted developments consisting of 881 total units and 218 HOME-funded units. Physical inspections of the majority of units were conducted and all units met or exceeded minimum housing quality standards as required by the HOME Program with one development cited for poorly maintained site areas and many units with housekeeping deficiencies.

DSHA also reviewed management files in the 17 developments and at least 20% of the tenant files along with a sampling of tenant move out files. While no units were in noncompliance with HOME Program and or/LIHTC requirements, DSHA did find several matters needing to be addressed by the owners. The items noted included use of outdated tenant income certification forms, failure to obtain copies of original source documents, insufficient maintenance personnel to carry out repairs and Tenant Participation Plans not signed by the tenants. All of the above items either have been corrected by the owners or will be addressed at tenant income recertification.

In addition, the management review by DSHA revealed two properties with longer than normal unit turnover rates and high tenant accounts receivables both increasing vacancy rates and reducing cash flows in the properties. DSHA recommendations to on site management personnel included revising and updating waiting lists, subcontracting unit repairs after tenant move outs, increasing maintenance personnel, more aggressive marketing and turning delinquent accounts over to collection agencies or taking other legal actions as required. DSHA also noted two owners not providing social services to the tenants as represented in their LIHTC applications. The owners have made the necessary contacts and are either now providing the services or are making arrangements for the services as required by DSHA.

DSHA will continue to monitor the developments annually to assure that HOME Program requirements are met.

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, four developments were completed which required Affirmative Marketing actions. An assessment of the household heads in the four developments with 41 HOME-assisted units indicates a racial and ethnic mix of 71% minority and 17% Hispanic or Latino. This distribution is acceptable for the type/location of the development and in compliance with the approved Affirmative Marketing Plans. In addition, DSHA conducted compliance monitoring reviews of 17 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 and DSHA will continue annual monitoring of the 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 four multi-family developments were completed during the reporting period. DSHA also completed 17 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 six MBE contractors that secured \$6,955,712 in contracts or over 21% of the total contracts available. While the percentage of MBE contracts has remained steady, the dollar amount of the MBE contracts increased over prior years due in large part to participation by a major minority contractor. There was also a significant increase in MBE/WBE subcontracts reported on the completed projects. There were eight MBE and two Hispanic subcontracts totaling \$1,631,065 and seven WBE subcontracts of \$1,040,688. The MBE/WBE and Hispanic subcontracts awarded were collectively 16% of the total 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, the Delaware State Housing Authority has awarded Housing Opportunities for Persons With AIDS (HOPWA) funding to the Delaware HIV Consortium (The Consortium) to operate a Tenant Based Rental Assistance (TBRA) program for persons living with HIV/AIDS in Kent and Sussex Counties, Delaware. The Consortium receives additional HOPWA funding from the City of Wilmington to provide housing assistance throughout the rest of the state. The Delaware HIV Consortium is a nonprofit agency that is the primary administrator of Ryan White CARE Act dollars used for HIV supportive services in the State of Delaware. The Consortium's mission is to eliminate the spread of HIV/AIDS and to create a seamless continuum of care for all people infected and affected in Delaware. Clients 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 that are essential to helping their clients live stable, healthy lives. The Consortium employs two full-time and one part-time staff persons to operate the TBRA program. A Housing Advisory Review Panel, consisting of housing program staff, HIV/AIDS case managers, and HOPWA grant administrators acts as a steering committee to review and assess the TBRA program's effectiveness. In FY2007, HOPWA funding assisted 31 households throughout Kent and Sussex Counties. Before receiving rental assistance, 45% of these clients were in unstable housing arrangements, either homeless or doubled up with family or friends. Throughout FY2007, 90% of assisted households had maintained stable housing, while 100% were medically compliant and 97% maintained regular contact with their case managers.

Annual Performance under the Action Plan

1. Outputs Reported

HOPWA funding from provided rental assistance for 31 households, consisting of 31 persons living with HIV/AIDS and 17 other persons for a total of 48 persons assisted. Although this output is consistent with The Consortium's FY2007 HOPWA contract goal of 32 households, this was nearly one-quarter less than the number of households assisted in FY2006. This reduced level of service was due to the fact that federal funding for housing assistance has been reduced significantly over the past several years, particularly the HOPWA grant that supports TBRA households in New Castle County, which decreased by \$80,000 in FY2007. Because of this, The Consortium used most of their limited non-HOPWA dollars (federal Ryan White dollars and private grant funds that are available for housing assistance) to support New Castle County households, thereby reducing the amount of non-HOPWA dollars available to assist households in Kent and Sussex Counties. With fewer non-HOPWA dollars to leverage HOPWA funds, the level of service in Kent and Sussex Counties decreased by 23% in FY2007.

2. Outcomes Assessed

- ◆ **Housing Stability** – Of the 31 households assisted in FY2007, 28 households (90%) remained in stable housing: 22 in HOPWA-funded TBRA and six (6) in non-HOPWA funded TBRA. Three (3) households (10%) exited the program to unstable arrangements. The 90% housing stability outcome exceeded the 80% HOPWA performance goal for this category.
- ◆ **Access to Care and Support** – All TBRA households were required to be enrolled in HIV/AIDS case management and to be compliant with their service plans. In FY2007, all 31 households (100%) had housing plans as part of their case management service plans and all 31 households (100%) had appropriate medical coverage. In addition, 100% of assisted households were medically compliant, 97% met regularly with their case managers, and 94% had accessed or maintained appropriate financial supports (with 35% of assisted households obtaining or maintaining employment during the reporting period). These outcomes exceeded the 80% HOPWA performance goal for this category.

3. Coordination

In an effort to address the increasing need for affordable housing for persons living with HIV/AIDS and to decrease the waiting time for receiving rental assistance, The Consortium used non-HOPWA funds to provide rental assistance for clients in the TBRA program. Ryan White CARE Act dollars provide rental assistance for a period of up to 24 months. During FY2007, Ryan White funds provided \$26,361 in rental assistance payments for over half (61%) of HOPWA-funded TBRA households. The Consortium also received a \$25,000 grant from the MAC AIDS Fund in FY2007, \$3,581 of which was used to provide housing assistance for TBRA households in Kent and Sussex Counties. Ryan White dollars also funded supportive services for TBRA households, including case management, food and nutrition programs, transportation, mental wellness and substance abuse counseling, dental and eye care, pharmacy assistance, HIV primary medical care at statewide wellness clinics, and emergency financial assistance. The estimated value of these supportive services was \$146,103. In addition, client rent payments totaling \$48,930 provided further leverage of HOPWA dollars in FY2007. In all, \$224,975 in non-HOPWA funds provided housing assistance and supportive services, in addition to the \$161,990 HOPWA grant, for 31 TBRA households in FY2007.

4. Technical Assistance

In order to increase proficiency in program administration and reporting, the project sponsor participated in two recent HOPWA training sessions, one in Washington, DC in February 2007 and the other in Philadelphia in April 2008. Both training sessions focused on updates to the HOPWA CAPER. In addition, housing staff participated in a HOPWA-sponsored training on the Earned Income Disregard in May 2007.

Barriers and Trends Overview

Housing Availability

Access to affordable housing is a perennial struggle for persons living with HIV/AIDS, many of whom are permanently disabled and live on very low fixed incomes. Lack of decent, affordable

housing can prevent persons living with HIV/AIDS from obtaining proper medical care and other needed supportive services. 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. It also recommended an increase in consumer and service provider knowledge about existing housing services and to facilitate linkages between appropriate housing related programs. Results from the 2006 Consumer Survey conducted by the Delaware HIV Planning Council indicated that persons living with HIV/AIDS ranked affordable housing in the top five supportive services needed outside of medical care.

Many TBRA 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 Base. Rental housing in the outlying areas of downstate Delaware is often substandard or not on a public transportation route. In addition, one-bedroom units are frequently in short supply. Some clients have relinquished their rental assistance vouchers after lengthy, unproductive housing searches. In an effort to expand rental housing options for TBRA clients, The Consortium contacted downstate Section 8 administrators from DSHA and Dover Housing Authority and obtained their programs' available rental listings. Several TBRA clients have found rental housing thanks to this collaborative arrangement.

Many TBRA clients are on the waiting lists for other subsidized housing programs, such as Public Housing, Housing Choice Vouchers, and subsidized apartment complexes. For clients seeking to apply to these programs, the process is complicated by the fact that there are five separate agencies throughout Delaware administering these programs, with separate application processes for each agency. Clients interested in housing in Kent and Sussex Counties have two choices, either the Dover Housing Authority or the DSHA. DSHA is the only agency in Delaware that offers a streamlined process, with a multi-purpose application form and a single waiting list for all their subsidized housing programs. DSHA's form can be downloaded, filled out, and mailed or submitted online. Downstate clients have a distinct advantage over clients seeking housing in New Castle County because the two downstate housing providers have open enrollment processes, whereas the three housing providers in New Castle County, where 75% of persons living with HIV/AIDS reside, restrict their application processes to publicly announced timeframes. This policy is in place because of the vast numbers of eligible households already on the program waiting lists. Consequently, the waiting time for housing is significantly reduced in Kent and Sussex Counties (less than two years) while it can be anywhere from 5-8 years in New Castle County. Many low-income persons living with HIV/AIDS spend this waiting period living in unstable housing and disconnected from appropriate health care and supportive services. Affordable housing helps these clients connect with proper medical care and other needed support services.

Housing Affordability

It is nearly impossible to find an affordable unit that meets HUD Fair Market Rent Standards in downstate Delaware, particularly in Dover, Seaford, and Georgetown and the resort areas of Sussex County. Rents are higher in these areas and many TBRA clients prefer to live in the incorporated areas because of nearby medical care, transportation, and employment opportunities. In addition, utility costs have increased enormously throughout the state due to a 59% residential rate increase instituted in 2006 by Delmarva Power, the local utility provider. Many TBRA clients also struggle with other housing costs, particularly the fees associated with

conducting a housing search, whether as a first-time rental assistance recipient or as a long-term participant in the TBRA program trying to move to another place. Application fees along with utility and security deposits pose a significant financial challenge for many TBRA clients, most of who are living on fixed incomes of less than \$700 per month. These clients utilize the state service centers and other community agencies to obtain financial assistance, but these resources are often in short supply.

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

A recent trend has affected our community's ability to meet the housing needs of persons living with HIV/AIDS. Although HOPWA formula grant funds awarded to DSHA have increased slightly in recent years, other funds available for housing assistance have decreased. For the past four years, the HOPWA formula grant that supports housing activities in the Wilmington MSA (New Castle County, Delaware and portions of New Jersey and Maryland) has been reduced by nearly half. FY2007 marked the fourth consecutive year of significant HOPWA funding cutbacks in the Wilmington MSA. This situation was exacerbated by a cutback in Ryan White housing assistance funds during the same timeframe. Recognizing that additional financial support was needed to sustain the TBRA program's level of service throughout the state, The Consortium continued to expand its base of financial support in FY2007. At the same time, housing staff did not remove clients from the TBRA waiting list for 16 months and held off on rental voucher awards to new clients until The Consortium had secured sufficient non-HOPWA funds to support these households. Consequently, far fewer households were assisted in FY2007, with a 23% reduced level of service in Kent and Sussex Counties. In the meantime, clients are now waiting up to four years to receive housing assistance through the TBRA program. In order to raise additional funds, the Consortium teamed up for the third consecutive year with AIDS Delaware for the annual AIDS Walk in the fall of 2007 and sponsored two other fundraising events in FY2007. The Consortium also submitted grant requests to organizations that support affordable housing programs, and successfully obtained a \$25,000 housing grant from the MAC AIDS Fund. The Consortium's fundraising efforts, however, cannot make up for the past four years of federal funding reductions.

Program Evaluation, Quality Assurance and AIDS Housing Needs Assessment Process

DSHA conducts desk audits of the TBRA Program through the monthly activity reports furnished by the Delaware HIV Consortium and also conducts an annual onsite program and financial monitoring visit. This review includes an evaluation of the annual independent audit submitted by the Consortium. In addition to the CAPER, The Consortium regularly evaluates the TBRA program to measure progress toward overall HOPWA goals of reducing homelessness, improving access to care, and achieving housing stability. The program evaluation tool is a biannual Consumer Survey that is distributed to TBRA households. The Consortium designed the survey to include client outcomes on HOPWA performance goals. Results from the 2007 survey showed that the majority of TBRA clients reported that they were compliant with medical care and were receiving appropriate support services. Practically all respondents (98%) indicated that they had regular contact with their case managers and 89% reported that affordable housing helps them better manage their health issues. Over half of the respondents reported that they had been homeless before receiving rental assistance and nearly three-quarters reported that they would be in unstable housing, either on the streets or doubled up with family or friends, if they were not receiving rental assistance. It is clear from the 2007

consumer survey responses, that affordable housing is a critical need for persons living with HIV/AIDS in order for them to maintain wellness and stability.

The Consortium 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 the Board of Delaware's HPC, a nonprofit organization that is instrumental in obtaining HUD funds for Delaware's homeless assistance programs. She also serves on two working committees of the Delaware HIV Consortium: the Integrated Planning Council which assesses treatment and prevention services for persons living with HIV/AIDS, and the Policy Committee which analyzes policy issues regarding the importance of housing in the management of HIV/AIDS. The Planning Council is currently updating the Comprehensive HIV Prevention Plan, the Statewide Coordinated Statement of Need, and the Resource Guide of HIV/AIDS Services in Delaware. In an effort to raise awareness of the importance of housing for persons living with HIV/AIDS, The Consortium's Policy Committee focused on affordable housing issues in FY2007. This committee has made a noticeable impact within a very short time. Highlights from FY2007 included: presentations from two committee members, The Consortium's Director of Housing and a client on the TBRA waiting list, at Delaware's Joint Finance Committee housing budget hearing in February; public commentary from the Consortium's Associate Executive Director at the City of Wilmington's housing budget hearing in April; committee representation at the Democratic Gubernatorial Candidates Housing Forum in May; inclusion of an Op-Ed article in the News Journal on housing issues and HIV in June followed up by letters to the editor; and committee representation at the National Alliance to End Homelessness conference in July including meetings with Delaware's Congressional Delegation to discuss housing issues. The committee also produced a fact sheet on homelessness and HIV that has been widely distributed. Through these efforts, The Consortium hopes to increase affordable housing options in our community, particularly for persons living with HIV/AIDS.

In conclusion, the FY2007 HOPWA Program assisted 48 individuals in 31 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 \$98,107 in FY2007. 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 FY2007, ESG funds assisted emergency shelters and transitional housing serving homeless individuals and/or families, veterans and homeless youth. DSHA allocated \$96,000 for shelter operations, homeless prevention and transitional housing and retained \$2,107 for administrative expenses.

The following table provides a list of FY2007 expenditures by subgrantees under each category of eligible activities.

Subgrantee	Renovation/ Rehab	Essential Services	Operations	Homeless Prevention	Admin	Total Expenditures
Home of the Brave			\$11,500		\$500	\$12,000
The Shepherd Place			\$12,000			\$12,000
Whatcoat Social Services			\$5,000	\$12,000		\$17,000
Sussex Community Crisis			\$12,000			\$12,000
Aid In Dover, Inc.			\$15,000			\$15,000
Casa San Francisco			\$6,550	\$13,000	\$450	\$20,000
PPHC Shelter Home		\$450	\$7,550			\$8,000
DSHA Admin					\$2,107	\$2,107
Total		\$450	\$69,600	\$25,000	\$3,057	\$98,107
% of Total Expenses	0%	.46%	70.94%	25.48%	3.12%	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 FY2007, 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 FY2007 the ESG funds assisted over 1,500 people in the HUD-funded emergency shelters and transitional housing and 75 families through homeless prevention efforts.

Matching Requirement

According to 42 USC 11375(a)(1) there is no match requirement for the FY2007 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 FY2007, Delaware received \$98,107 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 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 FY2007, 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 and the Governor's Council on Community Based Alternatives for Persons with Disabilities, 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 FY2007, 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.

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 FY2007 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.