

2022 ANNUAL ACTION PLAN DRAFT



DELAWARE STATE HOUSING AUTHORITY

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Contents

Executive Summary.....	2
AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)	2
PR-05 Lead & Responsible Agencies - 91.300(b)	5
AP-10 Consultation - 91.110, 91.300(b); 91.315(l)	6
AP-12 Participation - 91.115, 91.300(c)	12
Expected Resources	14
AP-15 Expected Resources – 91.320(c)(1,2)	14
Annual Goals and Objectives	25
AP-25 Allocation Priorities – 91.320(d).....	29
AP-30 Methods of Distribution – 91.320(d)&(k).....	31
AP-35 Projects – (Optional).....	47
AP-38 Project Summary	48
AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)	49
AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)	50
AP-50 Geographic Distribution – 91.320(f).....	51
Affordable Housing	53
AP-55 Affordable Housing – 24 CFR 91.320(g).....	53
AP-60 Public Housing - 24 CFR 91.320(j).....	54
AP-65 Homeless and Other Special Needs Activities – 91.320(h)	56
AP-70 HOPWA Goals – 91.320(k)(4)	60
AP-75 Barriers to affordable housing – 91.320(i)	61
AP-85 Other Actions – 91.320(j)	63
Program Specific Requirements.....	69

Executive Summary

AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

1. Introduction

The Annual Action Plan, prepared and implemented by the Delaware State Housing Authority (DSHA), is a planning document required by the U.S. Department of Housing and Urban Development (HUD). Using the goals and strategies set forth in the Five-Year Consolidated Plan for Housing and Community Development 2020-2024 (Consolidated Plan 2020 - 2024), this Action Plan is designed to explain how DSHA plans to distribute funding for FY2022 (July 1, 2022 to June 30, 2023).

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

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

DSHA anticipates receiving approximately \$9,297,057 in formula funding for the five community planning and development programs administered by HUD for FY2022. The five formula programs governed by this Action Plan are:

- Community Development Block Grant (CDBG): \$2,642,996
- Emergency Solutions Grants (ESG): \$246,911
- HOME Investment Partnerships Program (HOME): \$3,000,039
- Housing Opportunities for Persons with AIDS (HOPWA): \$358,476
- Housing Trust Fund (HTF): \$2,982,433

The Annual Action Plan primarily focuses on the State's non-entitlement jurisdictions. The non-entitlement jurisdictions are areas, primarily rural, which do not receive any direct allocations from HUD for the five formula programs mentioned above. Rather, the State administers these funds on their behalf.

In Delaware, one other participating jurisdiction, the City of Wilmington, receives HUD funding for CDBG, HOME, ESG and HOPWA. Also, New Castle County receives HUD funding for three programs, CDBG, HOME and ESG. Finally, the City of Dover receives HUD funding for CDBG only. Therefore, the funds allocated to these participating jurisdictions are not covered by this Plan. It should be noted, however, that because DSHA's own housing and community development programs are operated on a statewide basis, and some federal programs such as the HTF and Low-Income Housing Tax Credits (LIHTC) are also funded on a statewide basis, there may be some discussion regarding these jurisdictions within the Annual Action Plan.

2. Summarize the objectives and outcomes identified in the Plan

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

The State sets forth corresponding priorities, as outlined below, to address priority housing needs:

- Preserve and expand Delaware's stock of affordable rental housing;
- Help Delaware families achieve and sustain homeownership by providing homebuyer assistance and rehabilitation assistance for existing homeowners;
- Reduce the family and community impact of foreclosure via prevention and recovery programs;
- Provide resources for local communities to address community development needs; and
- Assist in ending homelessness and ensure that those at risk of homelessness have access to affordable, integrated, supportive housing options, including permanent supportive housing.

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

3. Evaluation of past performance

Specific details about past performance by DSHA are available through the DSHA's Consolidated Annual Performance Evaluation Report (CAPER) that is submitted annually to HUD. The FY2020 CAPER was submitted to HUD in December 2021. DSHA's most recent CAPER performance table is included as Appendix I, showing performance for Year 1 of the State's current five-year Consolidated Plan. The full FY2020 CAPER is available on DSHA's website at:

<http://destatehousing.com/FormsAndInformation/capers.php>

4. Summary of Citizen Participation Process and consultation process

Citizen participation in the Consolidated Planning process helps DSHA set forth issues that need to be addressed to improve conditions for individuals, families, and the communities in which they live. DSHA is continually looking for methods to broaden the citizen participation process. DSHA encourages and maintains an open relationship with a number of agencies, and provides them the opportunity to submit data, ideas and comments throughout the planning process. This process of intergovernmental cooperation and coordination is on-going. DSHA has been an active participant in or host of numerous groups on a variety of housing issues and needs, all of which informed the development of this Annual Action Plan.

DSHA interacts with representatives from Delaware governments, social service agencies, nonprofits, for-profit developers, and other stakeholders. DSHA specifically consults with the Housing Alliance Delaware (HAD), the coordinating entity for Delaware's Continuum of Care (CoC), regarding the use of ESG funds, performance standards for ESG supported programs, and CMIS (Community Management Information System) needs.

In June 2022, a notification of a 30-day public comment period and the availability of the draft FY2022 Annual Action Plan was advertised in newspapers throughout the state and through DSHA's email newsletter, *Highlights*. The draft Plan was also made available on DSHA's website at www.destatehousing.com and in county and State offices throughout the state. Public hearings were held on June 23, 2022, at 1:00PM and 6:00PM. Public comments and responses are included in Appendix A.

5. Summary of public comments

[Insert comments received regarding the FY2022 draft plan.]

6. Summary of comments or views not accepted and the reasons for not accepting them

All comments were accepted.

7. Summary

Utilizing federal, state and other funding, the DSHA will pursue goals, strategies and policy priorities for a wide range of issues and challenges identified in this Annual Action Plan. These include: preservation and expansion of Delaware's stock of affordable rental housing; helping Delaware families achieve and sustain homeownership; reducing the family and community impact of foreclosure; providing access to affordable, integrated, supportive housing options, including permanent supportive housing to those at risk of homelessness; addressing barriers to affordable housing development; addressing lead-based paint hazards; promoting fair housing; revitalizing neighborhoods and many more.

PR-05 Lead & Responsible Agencies - 91.300(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	DELAWARE	Delaware State Housing Authority
HOPWA Administrator	DELAWARE	Delaware State Housing Authority
HOME Administrator	DELAWARE	Delaware State Housing Authority
ESG Administrator	DELAWARE	Delaware State Housing Authority
HTF Administrator	DELAWARE	Delaware State Housing Authority

Table 1 – Responsible Agencies

Narrative

All HUD Community Development funds described in this Annual Action Plan for the State of Delaware are administered by the Delaware State Housing Authority.

Consolidated Plan Public Contact Information

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AP-10 Consultation - 91.110, 91.300(b); 91.315(l)

1. Introduction

In developing the FY2022 Annual Action Plan, DSHA used its 2020 Citizen Participation Plan and existing practices of consultation and participation in assessing needs and continuously evaluating its administration of federal programs through statewide and county-level meetings, public hearings, conventional notices, and web availability.

Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies

DSHA is an active member of and convener of initiatives to enhance coordination between housing providers and private and governmental health, mental health, and service agencies. DSHA is an active member of:

- Behavioral Health Planning & Advisory Council
- Housing Committee of the State Council for Persons with Disabilities/Governor's Commission
- Continuum of Care Governance Board and Committees
- Delaware Correctional Reentry Commission
- Fair Housing Task Force
- Statewide Community Development Network
- Family Services Cabinet Council
- African American Task Force
- Childhood Lead Poisoning Prevention Advisory Committee
- Sussex Housing Group

Through our partnership programs, DSHA is also in regular contact with partners in the Department of Health and Social Services, Division of Developmental Disabilities Services, Division of Substance Abuse and Mental Health, Division of Services for Aging and Adults with Physical Disabilities, Department of Services for Children, Youth and their Families, and numerous health advocates.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness

As a small state, Delaware is fortunate to have one statewide Continuum of Care. DSHA is an active partner with the State's Continuum of Care.

Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

DSHA consulted with the Continuum of Care as well as the other ESG-funded jurisdictions in Delaware in planning to allocate ESG funds, develop shared performance standards and outcomes, and develop funding for the administration of CMIS. All three ESG jurisdictions in Delaware support CMIS and require grantee participation in CMIS. DSHA staff participate on the Continuum of Care Board and numerous committees, including Centralized Intake, Funders Committee, System Performance Committee, Service Solutions Committee, and Policy/Advocacy Committee.

2. Agencies, groups, organizations, and others who participated in the process and consultations

1	Agency/Group/Organization	DE HUD Entitlement Jurisdictions
	Agency/Group/Organization Type	Housing Other government - County Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHA uses ongoing and periodic consultation with local and county housing and community development agencies to improve coordination and outcomes of our programs and services.
2	Agency/Group/Organization	Private Developers
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHA uses ongoing and periodic consultation with housing developers to improve coordination and outcomes of our programs and services.

3	Agency/Group/Organization	Delaware Continuum of Care
	Agency/Group/Organization Type	Continuum of Care
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	A DSHA staff person participates on the CoC board every other month and multiple staff members participate with the CoC quarterly. In addition, DSHA staff participates in CoC provider meetings and with the system performance committee to increase data integrity and use of data to measure and track the performance of the Delaware CoC.
4	Agency/Group/Organization	Delaware Department of Health and Social Services
	Agency/Group/Organization Type	Services - Housing Services-Elderly Persons Services-Persons with Disabilities Publicly Funded Institution/System of Care Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs

<p>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</p>	<p>DSHA and DHSS staff meets regularly on a number of issues. DSHA staff has been involved with DHSS staff on the Money-Follows-the-Person Grant since the application and have met quarterly to facilitate moving people from institutions into the community. DHSS and DSHA meet with other State agencies to coordinate on offender reentry issues in an effort to reduce recidivism and homelessness. Finally, DSHA runs a state funded Rental Assistance program and has a HUD 811 grant in collaboration with DHSS and meets regularly to discuss issues related to serving populations in these programs.</p>
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Table 2 – Agencies, groups, organizations who participated

Identify any Agency Types not consulted and provide rationale for not consulting

None

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Housing Alliance Delaware	The Annual Action Plan's priority on outcomes, CMIS, services that are targeted to prevent and end homelessness, and permanent supportive housing are all in line with the Continuum of Care's priorities and CoC Action Plan.
Delaware Housing Needs Assessment	DSHA	The Needs Assessment provided extensive information that was considered in the development of this Annual Action Plan.
Strategies for State Policies and Spending	State of Delaware	The Strategies for State Policies and Spending identify areas of the State that will be targeted (and not targeted) for expansion of State infrastructure and services (such as roads, public transportation, etc.). DSHA's programs reflect these goals where appropriate (for example, in programs relating to the construction of new rental housing).
Analysis of Impediments to Fair Housing Choice	All Delaware HUD entitlement jurisdictions	Many of the recommendations from the Analysis of impediments (AI) have been incorporated in past Annual Action Plans as well as this Annual Action Plan, especially the recommendation to incentivize various activities in impacted vs. non- impacted areas or Areas of Opportunity.
Community and Choice report	Housing Subcommittee of the Governor's Commission on Community-based Alternatives	The Community and Choice Report assessed housing needs for people with disabilities in Delaware and made broad recommendations to improve housing options in support of the effort to prioritize community-based care in Delaware.
LIHTC Qualified Allocation Plan (QAP)	DSHA	The QAP, prepared by DSHA, is well aligned with the goals of the strategic plan to encourage the preservation and new creation of affordable rental housing.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
National Housing Trust Fund Allocation Plan (NHTF)	DSHA	The NHTF Allocation Plan, prepared by DSHA, informs the goals of the strategic plan to encourage the preservation and new creation of affordable rental housing for very low-income households and permanent supportive housing.

Table 3 - Other local / regional / federal planning efforts

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AP-12 Participation - 91.115, 91.300(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

The draft Annual Action Plan was made available for public comment from June 6 – July 6, 2022. It was posted, along with related documents, on DSHA’s website and hard copies were made available in at least one location in each county. The public comment period was advertised in two statewide newspapers and extensively publicized via DSHA’s Highlights email list. Two virtual public hearings were held on the draft Annual Action Plan on June 23, 2022 at 1:00 PM and 6:00 PM.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Non-targeted/broad community	Two virtual public hearings were held on the draft Annual Action Plan on June 23, 2022, at 1:00 PM and 6:00 PM.	None	None	
2	Newspaper Ad	Non-targeted/broad community	Notice of availability of draft Annual Action Plan was posted in the Delaware News Journal and Delaware State News on [date]	None	None	
3	Internet Outreach	Non-targeted/broad community	Availability of draft plan and notices of public hearings was advertised in DSHA's Highlights e-newsletter.	None	None	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of Comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Internet Outreach	Non-English Speaking - Specify other language: Spanish	Spanish language notice of draft plan and notices of public hearing were distributed via email to Spanish language media and non-profits who serve Spanish speakers.	None	None	
5	Internet Outreach	Targeted/broad community	Availability of draft plan and notices of public hearings were distributed to an email list (approx. 340 names) of persons/groups/firms who expressed interest or attended past DSHA hearings/meetings	None	None	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources – 91.320(c)(1,2)

Introduction

HUD CDBG, HOME, ESG, HTF and HOPWA funds are leveraged by other federal and state funds. In addition to administering the HUD programs, DSHA is also Delaware's allocating agency for the Low-Income Housing Tax Credit (LIHTC) program, which provides funding for the creation and preservation of affordable rental housing. The state's housing trust fund, the Housing Development Fund (HDF), supported by annual allocations from the Delaware General Assembly, is also administered by DSHA. Finally, DSHA is also the state's housing finance agency and makes available mortgage loans, down payment and settlement assistance, and the Delaware First Time Homebuyer Tax Credit, a mortgage credit certificate, to low- and moderate-income homebuyers.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,642,996	50,000	0	2,692,996	5,285,992	Funds will be used for admin and planning, housing, public improvements, and public services. Remainder available for years 4 and 5 of Con Plan is approximately two times projected annual allocation and anticipated annual program income.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,000,039	100,000	0	3,100,039	6,000,078	Funds will be used for Homebuyer Assistance, Homebuyer rehab, multifamily rental new construction, multifamily rental rehab, acquisition costs related to construction, CHDO operating grants, TBRA and administration. Remainder available for years 4 and 5 of Con Plan is approximately two times projected annual allocation and anticipated annual program income.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	358,476	0	0	358,476	716,952	Assumes annual allocation of \$300,000. Funds will be used for Tenant-based Rental Assistance (TBRA). Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	246,911	0	0	246,911	493,822	Funds will be used for financial assistance, shelter, rapid re-housing, rental assistance, and services. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	2,982,433	0	0	2,982,433	5,964,866	Funds will be used to develop new and preserve existing affordable rental housing for very low-income and extremely low-income households. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.
LIHTC	public - federal	Multifamily rental new construction Multifamily rental rehab	3,200,000	0	0	3,200,000	6,400,000	Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Rental Assistance	1,000,000	0	0	1,000,000	2,000,000	Delaware was a grantee in the Section 811 Project Rental Assistance Demonstration (PRA Demo) program to project-base rental assistance in multifamily developments with other federal, state, or local financing. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.
Other	public - state	Homebuyer assistance	149,000,000	0	0	149,000,000	298,000,000	Down payment and Settlement Assistance through Preferred plus; First Time Homebuyer Tax Credit; Mortgage Assistance. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership Rapid re-housing (rental assistance) Other	10,000,000	0	0	10,000,000	20,000,000	The Housing Development Fund, a state-funded housing trust fund, supports the development and rehabilitation of affordable rental housing, homeowner rehabilitation, development of affordable homeownership units, and homelessness prevention and rapid rehousing. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Other	1,750,000	0	0	1,750,000	3,500,000	Note: program is temporarily paused to work with HAF allocation. The Delaware Emergency Mortgage Assistance Program is supported by a mix of state, local and private funds. It offers loans and financial assistance to homeowners at risk of default who have the ability to resume payments. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.
Other	public - state	Rental Assistance	7,000,000	0	0	7,000,000	1,000,000	The State Rental Assistance Program (SRAP) provides rental assistance to special populations in need of subsidy and supportive services to live independently in the community. Remainder available for years 4 and 5 of Con Plan is approximately two times the projected annual allocation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	Public – federal	Other	\$1,684,967	0	0	\$1,684,967	0	To prevent, prepare for, and respond to Coronavirus. Includes remaining balance of CDBG-CV funding.

Table 5 - Expected Resources – Priority Table

Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

Community Development Block Grant

HUD requires a one-for-one match on CDBG funds used for State administration in excess of \$100,000. DSHA will spend the maximum allowable funds in State administration for FY2022 and will match the funds in excess of \$100,000 with DSHA funds. We do not anticipate using any program income for administration; therefore, it will not require a match.

The FY2022 Delaware CDBG Program Guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties will match their administration allocations, with at least those amounts in local funds.

Delaware CDBG Program Guidelines also require subgrantees to match their CDBG infrastructure project funds with minimum matching 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.

No infrastructure projects have been applied for or recommended for funding for FY2022.

HOME Program

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

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

Emergency Solutions Grants and Housing Opportunities for Persons with Aids Programs

The State of Delaware anticipates receiving approximately \$246,911 in ESG funds and in FY2022 subgrantees will be required to match funds awarded. Further, matching funds are not required under HOPWA regulations, either for administration or recipients.

If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not applicable.

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Annual Goals and Objectives

AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homebuyer Assistance	2020	2024	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Homebuyer Assistance	Emergency Mortgage: \$3,000,000 HDF: \$1,500,000 Homebuyer assistance: \$350,000,000	Homeowner Housing Added: 75 Household Housing Unit Direct Financial Assistance to Homebuyers: 1000 Households Assisted
2	Affordable rental housing	2020	2024	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Affordable Rental Housing	HOME: \$3,000,039 HTF: \$2,982,433 LIHTC: \$3,200,000 HDF: \$7,500,000	Rental units constructed: 112 Household Housing Unit Rental units rehabilitated: 118 Household Housing Unit
3	Homeowner Rehabilitation	2020	2024	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Homeowner Rehabilitation	CDBG: \$2,378,696 HOME: \$830,012 HDF: \$500,000	Homeowner Housing Rehabilitated: 195 Household Housing Units

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Homeless Assistance	2020	2024	Homeless	Delaware Non-Entitlement Areas Delaware State	Homelessness	ESG: \$246,911 HDF: \$500,000	Tenant-based rental assistance / Rapid Rehousing: 106 Households Assisted Homeless Person Overnight Shelter: 975 Persons Assisted Homelessness Prevention: 79 Persons Assisted
5	Permanent Supportive Housing	2020	2024	Affordable Housing Non-Homeless Special Needs	Delaware Non-Entitlement Areas Delaware State	Supportive Housing	HOPWA: \$358,476 HTF: \$596,487 Rental assistance: \$6,000,000	Tenant-based rental assistance / Rapid Rehousing: 250 Households Assisted
6	Foreclosure Prevention and Recovery	2020	2024	Affordable Housing	Delaware Non-Entitlement Areas	Foreclosure Prevention & Recovery	Emergency Mortgage: \$1,125,000	Other: 500 Other
7	Non-housing Community development	2020	2024	Non-Housing Community Development	Delaware Non-Entitlement Areas	Non-housing Community Development	CDBG: \$20,000	Buildings Demolished: 0 Buildings Housing Code Enforcement/Foreclosed Property Care: 0 Household Housing Unit Other: 10 Other

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	COVID-19 response	2020	2024	To Prevent, prepare for and respond to the Coronavirus	Delaware Non-Entitlement Areas Delaware State	COVID-19 Pandemic Response and Prevention	CDBG-CV: \$1,684,967	Public Services activities for Low/Moderate Income Housing Benefit: 910

Table 6 – Goals Summary

Goal Descriptions

1	Goal Name	Homebuyer Assistance
	Goal Description	Assist low and moderate-income homebuyers in Delaware to achieve homeownership.
2	Goal Name	Affordable rental housing
	Goal Description	Create and preserve affordable rental housing through new creation (construction, adaptive re-use or conversion of unrestricted properties) or rehabilitation
3	Goal Name	Homeowner Rehabilitation
	Goal Description	Assist homeowners with substantial and emergency repairs.
4	Goal Name	Homeless Assistance
	Goal Description	Provide support to the state's homeless assistance system, including CMIS and administration, support for emergency shelters, homelessness prevention and rapid rehousing

5	Goal Name	Permanent Supportive Housing
	Goal Description	Via HOPWA, Section 811, and State Rental Assistance Program (SRAP), provide project- and tenant-based permanent supportive housing
6	Goal Name	Foreclosure Prevention and Recovery
	Goal Description	Assist homeowners at risk of foreclosure with prevention counseling, financial assistance, and post-resolution counseling.
7	Goal Name	Non-housing Community development
	Goal Description	Make CDBG resources available to eligible units of local government in Delaware's non-entitlement areas to engage in other community development activities, including infrastructure, code enforcement, water and sewer hookups, and demolition. Funds allocated and outcomes will depend on the applications submitted by the eligible applicants.
8	Goal Name	COVID-19 response
	Goal Description	COVID-19 Pandemic Response and Prevention

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Allocation priorities are reflective of the needs identified in the most recent Needs Assessment, the availability and range of funding sources, and the parameters of each specific funding source.

Funding Allocation Priorities

	Homebuyer Assistance (%)	Affordable rental housing (%)	Homeowner Rehabilitation (%)	Homeless Assistance (%)	Permanent Supportive Housing (%)	Foreclosure Prevention and Recovery (%)	Non-housing Community development (%)	COVID-19 response (%)	Total (%)
CDBG	0	0	90	0	0	0	10	0	100
HOME	0	70	30	0	0	0	0	0	100
HOPWA	0	0	0	0	100	0	0	0	100
ESG	0	0	0	100	0	0	0	0	100
HTF	0	80	0	0	20	0	0	0	100
LIHTC	0	100	0	0	0	0	0	0	100
Other Emergency Mortgage	0	0	0	0	0	100	0	0	100
Other HDF	100	0	0	0	0	0	0	0	100
Other Homebuyer assistance	100	0	0	0	0	0	0	0	100
Other Rental assistance	0	70	15	15	0	0	0	0	100
Other SRAP	0	0	0	0	100	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

Not applicable.

How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?

HUD funds are being targeted to priority housing needs, including homeowner rehabilitation, affordable rental housing, and homelessness and rapid rehousing. These funds will be leveraged by other state and federal funds. Additionally, other state and federal funds will address foreclosure prevention, homebuyer assistance, and permanent supportive housing needs.

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AP-30 Methods of Distribution – 91.320(d)&(k)

Introduction:

Distribution Methods

1	State Program Name:	CDBG
	Funding Sources:	CDBG
	Describe the state program addressed by the Method of Distribution.	DSHA's Community Development Block Grant (CDBG) program distributes CDBG and some HOME funds to eligible units of local government for community development activities including homeowner rehabilitation, demolition, infrastructure, sewer and water hookups, and other activities. HOME funds are limited to homeowner rehabilitation. DSHA has prepared a CDBG-CV Grant mini-application form for COVID-19 related public service activities.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	DSHA provides the Application Review Panel, which is composed of persons with appropriate background and experience, the applications to evaluate. The Review Panel uses a point system with a maximum total of 100 points that may be received by an application, and with maximum total points achievable in the following categories: low- and moderate- income benefit (provided by DSHA staff) – 20 points; management capacity (provided by DSHA staff) – 5 points; targeting areas of minority concentration – 5 points; severity of need – 20 points; holistic impact of activity – 15 points; cost reasonableness – 15 points; leveraging of other resources – 15 points; and suitability/feasibility of work plan – 5 points. The Review Panel visits the project sites and then the applicants meet with the Review Panel to present their proposed projects. The Review Panel then scores the applications and makes funding recommendations to DSHA's Director for final approval. DSHA has prepared a CDBG-CV Grant mini-application form for COVID-19 related public service activities.

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Potential applicants can access the Delaware CDBG Program Guidelines and Application Package on the DSHA website at: http://destatehousing.com/Landlords/dv_cdbg.php</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State has priorities and set-asides for CDBG funding. The three priority funding categories are: Maintenance of Existing Housing, Infrastructure, and Emergency Activities. In the spring of 2020, the State amended its FY2019 and FY 2020 CDBG Program Guidelines to add COVID-19 Relief Related Public Service Activities for Low/Mod Income and Limited Clientele Persons as a priority through amendment requests for those years, and for the various FY2020 CDBG-CV grant programs.</p> <p>The Maintenance of Existing Housing priority has a set-aside of 60-90% of CDBG funds available for allocation to project activities that include: rehabilitation of substandard residential properties; housing code enforcement, demolition of substandard structures; construction or rehabilitation of emergency/transitional/permanent supportive housing; relocation assistance as required under the Uniform Relocation Act, Delaware Code, and 24 CFR 570; substantial reconstruction of housing; and provision of housing-related services in conjunction with activities noted above.</p> <p>The Infrastructure priority has a set-aside of 10-40% of CDBG funds available for allocation to project activities that include: infrastructure such as the installation or improvement of water systems, sewer systems, streets, storm drainage systems, sidewalks, and all related activities; architectural/engineering studies for infrastructure; preparation of grant applications to other grantor agencies; acquisition of land for new housing development; clearance and site preparation for new housing development; installation or improvement of infrastructure benefiting service areas of at least 51 percent low- and moderate-income persons; and planning studies.</p> <p>The Emergency Activities (water, sewer, housing rehabilitation and demolition), which have a particular urgency has a set-aside of 0-7% of CDBG funds available for allocation to activities, excluding administrative costs.</p>
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	<p>The COVID-19 Relief Related Public Services, to prepare, prevent, and respond to COVID-19 has a set-aside of 0-50% of amended FY2019 and FY2020 CDBG funds available for allocation to emergency public service activities, excluding administrative costs. The COVID-19 Relief Related Public Services, to prepare, prevent, and respond to COVID-19 has a set-aside of 100% of the various CDBG-CV funds available for allocation to emergency public service activities, excluding administrative costs.</p> <p>The State may supplement the CDBG scattered sites housing rehabilitation allocations with HOME housing rehabilitation funding. This is done by funding part of applicants' scattered sites housing rehabilitation activity funding requests with HOME program funds. This allows the State to use CDBG funds that would have gone towards scattered sites rehab but were replaced by HOME funds, to fund other CDBG-eligible activities, such as infrastructure.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Within a single application or fiscal year, an applicant may seek funding for activities which address more than one community development need, as long as the total does not exceed the maximum allocation. The CDBG funds requested, either by themselves or in combination with other funds, must be sufficient to complete the proposed activities. An allocation to one community exceeding \$500,000 would have to be extremely competitive.</p> <p>The maximum allocation for all administrative and program delivery costs for any single applicant shall not exceed \$165,000 in any program year.</p> <p>Housing rehabilitation target areas must have at least four eligible units per target area</p>

	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Homeowner rehab funds will allow low-income homeowners to maintain and remain in their homes. Across all the eligible activities considered by this method of distribution, outcome measures will be:</p> <ul style="list-style-type: none"> • Number of People Assisted • Number of Housing Units Assisted <p>Number of Units Demolished: 0</p>
2	<p>State Program Name:</p>	<p>Delaware Emergency Solutions Grants (ESG) Program</p>
	<p>Funding Sources:</p>	<p>ESG</p>
	<p>Describe the state program addressed by the Method of Distribution.</p>	<p>ESG Funds will be utilized to provide funding for activities that comprehensively address the needs of people who are homeless. The statewide centralized intake system works to ensure that people who are homeless are able to access emergency shelters and rapid rehousing services in Delaware. Shelters and rapid rehousing providers are encouraged to develop a plan for each individual and/or family that helps households stabilize and become more self-sufficient.</p>
	<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>ESG funds are distributed on a competitive basis and proposals are rated based on a weighted score of 100 points with the following criteria:</p> <p>Project Description and Services Plan (25 points); Description and Demonstrated Need (15 points); Community Commitment and Coordination (10 points); Organizational Capacity and Delivery (20 points); Program Outcomes (15 points); Cost Effectiveness (15 points).</p> <p>Using these criteria, applications are reviewed and rated by a review panel comprised of professionals with knowledge and experience in homeless issues and grant management.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>Applicants may be local governmental entities, nonprofit agencies, or faith-based organizations that provide direct services to homeless persons or persons at risk of becoming homeless. The funds are made available each year through a “Notice of Funding Availability”, which is mailed to interested parties and published in prominent newspapers statewide as well as posted to our website and e-mailed through our Highlights newsletter. Eligible applicants are units of general local government and private nonprofit organizations located or serving in Kent and Sussex Counties. Assistance may also be provided to religious organizations if the religious organizations agree to provide all eligible activities under this program in a manner that is free from religious influences in accordance to 24 CFR Part 576.23.</p> <p>The review panel will evaluate and rate all proposals based on the criteria listed above. The panel forwards its recommendations and comments to the DSHA Director. Past contractual performance may also be considered for respondents that have previously received funding. Final funding decisions are made by the DSHA Director.</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>

	<p>Describe how resources will be allocated among funding categories.</p>	<p>Delaware expects to receive approximately \$246,911 in ESG funding in FY2022. Funds for the estimated allocation may be used for the following activities: Emergency Shelter Activities and Rapid Re-Housing Activities. Taking into consideration the quality and number of applications received, priority in awarding ESG funds shall be given first to applications requesting funding assistance for the reimbursement of operating costs to emergency shelters. Second priority shall be given to quality proposals requesting funding assistance for eligible rapid re-housing activities.</p>
	<p>Describe threshold factors and grant size limits.</p>	<p>Applications will be reviewed to ensure that DSHA’s thresholds are met. These factors include a Non-Discrimination Policy, Environmental Review Requirements, Drug and Alcohol Free Facilities, Homeless Representation and Participation on the Board, Relocation and Displacement Policy, Conflict of Interest Policy, Lead-Based Paint Requirement, and Confidentiality Requirement. Grant size limits do not apply.</p>
	<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The expected outcome measures that will be achieved from FY22 DSHA’s method of distribution will assist qualified homeless providers to accommodate the homeless needs of Kent and Sussex counties and provide funding for rapid re-housing activities for permanent supportive housing. All recipients must report unduplicated counts of the number of homeless individuals and families assisted in the Community Homeless Management Information System (CMIS). This will continue to be required as part of the application process.</p>
<p>3</p>	<p>State Program Name:</p>	<p>HOME Program</p>
	<p>Funding Sources:</p>	<p>HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>The distribution of annually allocated HOME Program funds will be directly administered by DSHA through the application, approval, draw, construction, and monitoring processes in place for the state's Housing Development Fund (HDF) and Low-Income Housing Tax Credit (LIHTC) programs. DSHA may also utilize HOME Program funding to provide direct down payment assistance to eligible low-income homebuyers.</p> <p>When sufficient HOME funds are available, subgrants may be made to Kent and Sussex Counties to allow HOME funds to be utilized for single- family homeowner rehabilitation through the state's CDBG application and approval process. The counties may, via contract, administer homeowner rehabilitation projects. Any in-house application not previously approved for funding and all other applications received for the HDF and LIHTC programs may be reviewed for funding under the HOME Program. HOME funds will also be made available to eligible non- profits that are designated as Community Housing Development Organizations (CHDOs) under the Delaware HOME Program.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Applications for HOME Program funds for multi-family developments shall be made through a competitive process including both threshold criteria as well as scoring categories following the application and approval process in place for the HDF (Housing Development Fund) and/or LIHTC (Low-Income Housing Tax Credit) programs. The priority of the HOME funds is: to provide persons at or below 60% of Area Median Income for affordable rental housing; to provide gap financing for affordable rental housing; to construct building that provide accessibility following Universal Design, Fair Housing, ADA and Section 504 requirements; and to develop projects that emphasizes high energy efficiency and sustainability as well as the long-term feasibility of the proposed rental project.</p>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>All materials are on DSHA's website at www.destatehousing.com</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>N/A</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Funding categories for the HOME program will follow DSHA's QAP and/or the HDF application process. This includes funding for New Construction, Acquisition/Rehabilitation, Rental and Homeownership. Upon application submission and if projects pass the required thresholds, they will be scored and ranked. In FY2022, it is anticipated that \$3,000,009 will be allocated to the State of Delaware, of which fifteen percent is reserved for use by CHDOs for furthering affordable housing. CHDO operating expenses up to the maximum allowable under the HUD regulations may also be considered for funding under the HOME program. Ten percent of Delaware's HOME allocation, including program income may be used for administrative costs.</p>

<p>Describe threshold factors and grant size limits.</p>	<p>N/A</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>HOME funding, combined with the LIHTC Program or the HDF Program, will create additional rental housing units throughout the state. HOME funds, when used in conjunction with the HDF or LIHTC programs, will serve low-income households at or below 60% of the Area Median Income and the resulting units will remain affordable to low-income persons for at least 20 years.</p>
<p>4 State Program Name:</p>	<p>HOPWA</p>
<p>Funding Sources:</p>	<p>HOPWA</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Through DSHA, HOPWA funds will be utilized to provide rental assistance to low-income people living with HIV/AIDS and their families in Kent and Sussex Counties, through a rental assistance voucher program in accordance with 24 CFR 574.300(a) & (b). The goal of this program is to address the extensive HIV/AIDS housing gap by providing long-term housing opportunities, while using those supportive services already funded by the Ryan White CARE Act, Part B which include but are not limited to: medical case management, medical care and medications, dental and eye care, transportation, food services, and counseling.</p>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Delaware HIV Consortium Inc., as the project sponsor, will receive referrals to the program by community-based HIV/AIDS case managers.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>N/A</p>
<p>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</p>	<p>N/A</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>DSHA has elected to select Delaware HIV Consortium (DHC) as the project sponsor without undertaking a competitive bid process in accordance with Title 24 CFR 574.3. DSHA will therefore, award its funding under the HOPWA grant to the Delaware HIV Consortium, the only statewide nonprofit agency that provides a tenant-based rental assistance program in Kent and Sussex Counties.</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State of Delaware anticipates receiving \$358,476 in HOPWA formula funds. Delaware HIV Consortium (DHC), as the project sponsor, will receive referrals to the program by community-based HIV/AIDS case managers. Categories available for funding include Tenant-Based Rental Assistance, Permanent Housing Placement, Short-Term Housing Assistance, Emergency Housing, Supportive Services and Project Sponsor Administration Costs. DSHA allocates a majority of funding towards the Tenant-Based Rental Assistance category</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Delaware HIV Consortium Inc., as the project sponsor, will provide a written application to DSHA to ensure that DSHA's HOPWA thresholds are met. These factors include a Non-Discrimination Policy, Drug and Alcohol Free Facilities, Conflict of Interest Policy, Lead-Based Paint Requirements, and Confidentiality requirement. Grant size limits do not apply.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Delaware HIV Consortium Inc. operates Delaware's largest HOPWA- funded program and is currently operating a tenant-based rental assistance program in Kent and Sussex Counties. DHC provides rental assistance to low-income people and their families through a rental assistance voucher program in accordance with 24 CFR 574.300(a) & (b). The goal of this program is to address the extensive HIV/AIDS housing gap by providing long-term housing opportunities, while utilizing those supportive services already funded by the Ryan White CARE Act, Part B which include but are not limited to, medical case management, medical care and medications, dental and eye care, transportation, food services, and counseling. DHC anticipates assisting 38 families with Tenant-Based Rental Assistance in FY2022.</p>
<p>5 State Program Name:</p>	<p>National Housing Trust Fund</p>
<p>Funding Sources:</p>	<p>HTF</p>

Describe the state program addressed by the Method of Distribution.	Funds will be awarded to locally-driven projects that address the criteria outlined in the allocation plan, as well as the priority housing needs as identified in Delaware’s Consolidated Plan. Distribution will be made consistent with DSHA’s other affordable housing programs, including Community Development Block Grant (CDBG) program, State Housing Development Fund (HDF), HOME Investment Partnership Program (HOME), and the Low Income Housing Tax Credit (LIHTC) program. The distribution of annually allocated NHTF funds will be directly administered by DSHA through the application, approval, draw, construction, and monitoring processes in place for the State’s HDF and LIHTC programs, as specified in the NHTF Allocation Plan in Appendix K.
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<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Eligibility to apply for NHTF will be no more restrictive than required by NHTF regulations. Eligible applicants/recipients of NHTF funds may include nonprofit and for-profit developers and public housing agencies.</p> <p>Recipients will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:</p> <ul style="list-style-type: none"> • Recipients must make acceptable assurances to DSHA that they will comply with the requirements of the NHTF program during the entire period that begins upon selection of the recipient to receive NHTF funds and ends upon the conclusion of all NHTF-funded activities. • Recipients must demonstrate their ability and financial capacity to undertake, comply with, and manage the eligible activity. • Recipients must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs. • Recipients must demonstrate their experience and capacity to conduct an eligible NHTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development. <p>Priorities</p> <p>Any proposed use of NHTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware’s Consolidated Plan.</p> <p>As noted in the Consolidated Plan for 2020-2024, section SP-25 Priority Needs, affordable rental housing is Delaware’s first priority need. The Delaware Housing Needs Assessment and HUD data identify a critical need to develop new affordable rental</p>
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	housing, preserve existing affordable rental housing, and extend affordability restrictions. The Delaware Housing Needs Assessment identified affordable rental housing as a critical need for Extremely Low and Low Income populations throughout the state. Section SP-25 Priority Needs of the Consolidated Plan also cites Permanent Supportive Housing as a high priority need in Delaware. Additional Supportive Housing is needed for persons with Disabilities, Persons with Alcohol or Other Addictions, and Persons with HIV/AIDS and their families.
If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)	n/a
Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)	n/a
Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)	n/a

<p>Describe how resources will be allocated among funding categories.</p>	<ol style="list-style-type: none"> 1. DSHA will reserve a minimum of 20% of Delaware’s 2022 NHTF allocation of \$2,982,463 for permanent supportive housing projects for chronically homeless persons with disabilities. Funding will be awarded through a request for proposal (RFP) process. 2. DSHA will allocate the remainder of its 2022 NHTF funds to affordable rental, multi-family projects in coordination with the HDF and LIHTC programs. HDF and NHTF may be awarded to permanent housing for special populations.
<p>Describe threshold factors and grant size limits.</p>	<p>The maximum per-unit subsidy limits for NHTF will be set at the Section 234 Basic Mortgage Limits established by HUD and also utilized under the HOME Program.</p> <p>Effective 06/24/2020, the following limits apply:</p> <ul style="list-style-type: none"> 0 Bedroom - \$153,314 1 Bedroom - \$175,752 2 Bedroom - \$213,718 3 Bedroom - \$276,482 4 Bedroom - \$303,490
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>This method of distribution will support Delaware’s Consolidated Plan goals to create additional affordable housing units. It is estimated that NHTF funds will assist approximately 1-2 supportive housing projects (approximately 10 units); approximately 1-2 LIHTC or HDF multifamily projects (approximately 20 units); and 1-2 group homes or housing for special populations (approximately 5 units).</p>

Table 8 - Distribution Methods by State Program

AP-35 Projects – (Optional)

Introduction:

#	Project Name

Table 9 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

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AP-38 Project Summary
Project Summary Information

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AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)

Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?

No

Available Grant Amounts

The state does not intend to apply for Section 108 loan funds.

Acceptance process of applications

Not applicable.

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AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

Will the state allow units of general local government to carry out community revitalization strategies?

No

State’s Process and Criteria for approving local government revitalization strategies

The State does not intend to allow units of general local government to carry out community revitalization strategies using guaranteed loan funds as described in 24 CFR part 570, subpart L.

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AP-50 Geographic Distribution – 91.320(f)

Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

In 2016, DSHA updated their Balanced Housing Opportunity maps using Market Valuation Analysis data from the *Delaware Housing Needs Assessment 2015 – 2020*, and new data from HUD identifying Racially/Ethnically Concentrated Areas of Poverty (R/ECAPS) and indicators of strong school proficiency. DSHA used these interactive maps to better understand the neighborhoods in Delaware and identify appropriate strategies to ensure equitable development.

- **Areas of Opportunity** are strong, high value markets, and offer economic opportunity, high performing schools, and supportive infrastructure. However, these same areas contain little or no affordable housing. New construction and preservation of affordable housing are prioritized and encouraged in these areas.
- **Stable Areas** are middle market areas where a balance of market-rate and subsidized housing is supported.
- **Distressed Areas** are highly distressed neighborhoods suffering from blight and concentrated poverty where strategies focus on stabilizing neighborhoods through increased homeownership, investment in existing homes and commercial areas, and people-based intervention strategies.

The current map is found on DSHA's website at:

<http://www.destatehousing.com/FormsAndInformation/datastats.php>.

Working with other jurisdictions, DSHA contracted with Reinvestment Fund to update the Market Valuation Analysis and updated the Balanced Housing Opportunity maps.

Geographic Distribution

Target Area	Percentage of Funds
Delaware Non-Entitlement Areas	100
Delaware State	100

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

100% of CDBG, ESG, and HOPWA will be used in non-entitlement areas. 100% of HOME funds will be used state-wide but primarily in non-entitlement areas. 100% of our federal and state reserves described in this plan will be used state-wide. 100% of HTF will be used state-wide.

Low Income Housing Tax Credit strongly incentivizes applications creating or preserving affordable

rental housing in Areas of Opportunity with up to 15 points awarded in the 2022 QAP.

HOME funds are used to fund gaps in LIHTC projects and thereby allocated to support the geographic objectives of LIHTC program.

State Housing Development Fund (HDF) – While it supports projects and activities state-wide, the HDF does allocate funds geographically as follows:

- Like HOME, HDF is used to fund gaps in LIHTC projects when necessary and thereby allocated to support the geographic objectives of the LIHTC program.
- HDF Homeownership Production Program prioritizes homeownership in Distressed Areas. Also, the amount of funding available per unit located in Distressed Areas is increased from \$35,000 to \$50,000.
- HDF Loans (non-LIHTC) ranks applications according to criteria. Rental applications located in Areas of Opportunity receive priority consideration.

Voucher Payment Standards have been increased in ZIP codes across Delaware that contain mostly Areas of Opportunity to help families with vouchers find housing in areas where there is less rental housing, but often higher rents. This applies to DSHA's Housing Choice Voucher program (HCV), Family Unification (FU) program, and State Rental Assistance Program (SRAP).

Affordable Housing

AP-55 Affordable Housing – 24 CFR 91.320(g)

Introduction:

One Year Goals for the Number of Households to be Supported
Homeless
Non-Homeless
Special-Needs
Total

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through
Rental Assistance
The Production of New Units
Rehab of Existing Units
Acquisition of Existing Units
Total

Table 12 - One Year Goals for Affordable Housing by Support Type

AP-60 Public Housing - 24 CFR 91.320(j)

Introduction:

As the public housing authority for Kent and Sussex Counties (excluding the City of Dover), DSHA owns and manages 500 units of public housing and/or Rental Assistance Demonstration (RAD) LIHTC units at ten sites. A five-year physical needs assessment of the public housing sites and plans for capital expenditures are included in DSHA's annual Moving to Work (MTW) Action Plan. Due to the conversion of some DSHA public housing sites to RAD, the total existing capital needs for DSHA's remaining public housing sites are estimated at \$2,039,500. Improvements and major maintenance are planned on a five-year basis, developed by considering the physical needs assessment, high-priority needs, and need for efficiency and cost-effectiveness, as well as input from residents and the public.

Cutbacks in public housing operating funds continue to be a major challenge for PHAs in Delaware, including DSHA. MTW status has allowed DSHA to use funds from Housing Choice Voucher Program Reserves to invest in capital improvement projects at its public housing sites such as replacement of heating and addition of air-conditioning systems. Both the MTW Annual Plan and Annual Reports are available on DSHA's website.

Actions planned during the next year to address the needs to public housing

Public housing continues to be eligible for the Delaware LIHTC program, and the LIHTC and Housing Development Fund have provided financing for the redevelopment of several public housing sites in recent years in Wilmington and Newark.

DSHA Rental Assistance Demonstration (RAD) Project

DSHA is in the process of converting all the authority's Public Housing developments to the Rental Assistance Demonstration (RAD) Program over the next five (5) years. Liberty Court was the first property converted to RAD in 2017 and was demolished and rebuilt. The construction activities ending in December 2018 and is now leased using project-based vouchers. DSHA also converted McLane Gardens, Peach Circle and Holly Square to RAD in August 2020, and renovation work is anticipated to be completed in approximately 18 months. Additional conversions to the RAD program in the next four years includes: Mifflin Meadows (2021-22), Clarks Corner & Laverty Lane (2022-23), Burton Village (2023-24) and Hickory Tree (2024-25).

Actions to encourage public housing residents to become more involved in management and participate in homeownership

As a Moving to Work (MTW) agency, DSHA conducts an annual planning and reporting process on the program and its outcomes. This process includes citizen participation, including public hearings, which are held at DSHA public housing sites, and release of draft plans and reports for public comment. DSHA

actively seeks out resident participation in these processes, in day-to-day issues at its sites, and in the planning and delivery of community programs.

Case management to assist households to move to unassisted housing is a central part of DSHA's MTW program. This includes assessment of homeownership opportunities and referral to homeownership counseling when appropriate and when the household has identified homeownership as a goal.

Additionally, DSHA establishes escrow accounts for MTW households who are increasing their income by increased employment or education. As a household's tenant rent contribution increases, the difference is put into an escrow account and the household can access these savings when they exit the program. Since its inception in 1999, three hundred and fourteen (314) Delaware MTW households have purchased homes and 718 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. DSHA has awarded 160 educational scholarships to MTW participants.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

Not applicable.

AP-65 Homeless and Other Special Needs Activities – 91.320(h)

Introduction

Annually, DSHA assists in funding the Housing Alliance Delaware (HAD), formerly the Homeless Planning Council of Delaware for its support of the CoC, HUD required CoC activities, and Delaware Community Management Information System (DE-CMIS – Delaware’s HMIS) administration. The Homeless Planning Council (HPC) has coordinated HUD applications for homeless funding for several years and in 2017 merged with another local housing agency to form Housing Alliance Delaware (HAD). This newly formed agency continues to be the lead applicant for the DE Continuum of Care (CoC), and lead agency for the CoC’s HMIS and coordinated entry systems.

In 2015, the Delaware CoC was established, encompassing stakeholders from throughout Delaware. This group, which is required by HUD for communities that receive HUD Continuum of Care funding, has a memorandum of agreement with Housing Alliance Delaware to:

- Manage the Homeless Management Information System,
- Manage the statewide coordinated entry system, and
- Coordinate the Delaware application for Continuum of Care Funding, including providing leadership on various activities required by HUD such as mandated policies and the Point-in-Time Count.

Delaware’s ESG jurisdictions have worked together and with the HAD to identify common goals, to:

- Reduce the length of time that persons are homeless Baseline: Average Length of time in emergency shelters or transitional housing for people **Benchmark:** 50 days or less
- Reduce the returns to homelessness after permanently housed Baseline after 1 year of being permanently housed: Singles in Shelter – 11%; Singles in Transitional Housing – 44%; Families in Shelter – 19%; Families in Transitional Housing – 0% **Benchmark:** No more than 10% return to homelessness within 2 years after permanently housed with rapid re-housing assistance
- Decrease the number of persons homeless Baseline: 128 families in FY2012 **Benchmarks** for Families: 100 homeless families in FY2022.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Continuum of Care and other homeless service providers work closely with community agencies that encounter unsheltered homeless persons. Most service providers coordinate with our Coordinated Assessment managed by HAD. People who are homeless can call HAD, visit a state service center or call

211 to be connected to Coordinated Assessment where their shelter needs will be assessed, and they will be referred to a site that has available space and best meets their needs. Through coordinated assessment people are referred to shelter beds, rapid rehousing, and permanent supportive housing.

Additionally, Delaware's network of Code Purple shelters has grown substantially in the past few years and awareness of Code Purple has grown significantly. Code Purple shelters often encounter persons who would otherwise be unsheltered. These shelters are purposefully low-barrier/low-demand and providers seek to build relationships with those seeking shelter in order to make referrals and connections to other services. Several street outreach programs and day centers also operate in Delaware, specifically targeting unsheltered persons.

Addressing the emergency shelter and transitional housing needs of homeless persons

Delaware's network of emergency shelters and transitional housing almost universally participates in the state's Community Management Information system (CMIS). The state's CoC also launched a coordinated assessment system in 2014 and makes ongoing improvements to this system to optimize efficiency, outcomes, and quality of care for consumers.

Delaware's homeless system, providers and funders have focused on building a greater inventory of permanent housing resources – permanent supportive housing and rapid rehousing. In an effort to use shelter beds more effectively, Delaware has developed scattered-site permanent supportive housing, tenant-based rental assistance for special populations, and prevention and rapid re-housing activities. Needs analysis suggest that Delaware has a sufficient stock of emergency shelter and transitional housing beds if people are able to move through shelters and into permanent housing in a short period of time. However, the lack of affordable housing and housing subsidies makes moving quickly through the shelter system impossible for many households. Until beds and subsidy can be expanded additional shelter beds are being created in Kent and Sussex Counties by those involved with Code Purple and other grass roots organizations. DSHA plans to continue to fund rapid rehousing programs using ESG and has expanded its state funding for rapid rehousing. DSHA is also working to create more affordable housing for extremely low-income households with high barriers to housing, using National Housing Trust Fund money along with HOME and our state Housing Development Fund (HDF). The HDF also is available to Emergency Shelter non-profits interested in building new shelters, acquiring and renovating properties to serve the homeless, or rehabilitating existing emergency shelters.

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

At the start of the COVID-19 pandemic, Delaware invested in expanded street outreach and significant expansion of non-congregate shelter for homeless households in hotels and motels. DSHA, along with the other HUD-funded jurisdictions in Delaware, was able to support this with CDBG-CV funding. In late

2020, New Castle County purchased and reopened as a shelter a large hotel in the county, now serving hundreds of individuals.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

DSHA staff participate on the CoC, the CoC board, and chair the Systems Performance committee that monitors performance and sets performance targets. DSHA plans to work with the CoC and other providers and funders in the upcoming year to foster systems improvements that will allow Delaware to see a reduction in the period of time that individuals and families experience homelessness; create access to affordable housing units; and stabilize people so that they do not become homeless again.

In 2018, Delaware launched the new Home4Good funding program making available \$1.2 million in funding for homelessness activities and services. This is funded by a three-year commitment from the FHLBank Pittsburgh and leveraged by state Housing Development Fund (HDF) funding. Home4Good funding is targeted to homelessness prevention, rapid rehousing, diversion, and innovative new projects to build capacity. DSHA and the FHLBank worked together and with the CoC to structure these funding priorities around the priority activities in the Delaware CoC Action Plan to End Homelessness. During the pandemic, Home4Good funding was directed to emergency rental assistance before federal resources for this were announced, and existing grant agreements extended. Home4Good continues and while the funding amount has been reduced (it was originally a 3-year commitment), it will continue to support programs addressing homelessness.

In addition to our involvement in the Continuum of Care and financial support of the CoC lead agency to carry out CoC support and planning, DSHA funding will specifically be available for or directly support through DSHA-operated programs:

- Rapid rehousing (ESG and Home4Good)
- Homelessness prevention and diversion (Home4Good)
- Capacity-building and new programs in the CoC (for example, legal services and associated prevention funding) (Home4Good)
- Tenant-based rental assistance for special populations, including people experiencing chronic homelessness, people with disabilities, youth exiting foster care, and family reunification (State Rental Assistance Program, VASH, Family Unification Program, Section 811 Mainstream Vouchers, Section 811 PRA Demo and LIHTC Set-Aside Units)
- Development and rehabilitation of emergency shelters, permanent supportive housing and

- transitional housing facilities (Housing Development Fund, Housing Trust Fund - PSH only)
- Emergency Rental Assistance (ERA) funding for households experiencing homelessness, with supportive services provided by the rapid rehousing agencies.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

The Delaware State Rental Assistance Program (SRAP) is designed to serve low-income households who are eligible to receive continuing supportive services and who require affordable housing to live independently in the community. SRAP was first launched in 2011, and features rental subsidies administered by the Delaware State Housing Authority (DSHA) for populations referred by other agencies through agreements with DSHA. Once a household is housed through SRAP, case managers from DHSS, DSCYF, or an approved service provider continue to ensure that households have access to supportive services, as needed. For more on the SRAP program, please see AP-85 Other Actions.

DSHA is closely involved with the Delaware Correctional Reentry Commission, and co-chairs its Housing Subcommittee. With this subcommittee, DSHA and other agencies (Department of Corrections, Department of Health and Social Services, Housing Alliance Delaware, the Delaware Public Housing Authorities, and others) are working to improve policies and expand housing assistance capacity to improve housing outcomes for reentrants.

DSHA is also administering federal Emergency Rental Assistance (ERA) funding in Delaware and has invested in significant expansion of legal services for eviction prevention as well as Housing Stability Services targeted to help the most vulnerable households and those with other barriers to access ERA assistance. Through a network of 15 community partners throughout the state, households can get assistance submitting applications and with housing navigation and other needs. Delaware's ERA program has disbursed over \$70 million in emergency rental and utility assistance which has had a dramatic impact on reducing evictions in the state.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	45
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	45

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AP-75 Barriers to affordable housing – 91.320(i)

Introduction:

Strategy to Remove or Ameliorate the Barriers to Affordable Housing (*Barriers to affordable housing*. The consolidated plan must describe the state's strategy to remove or ameliorate negative effects of its policies that serve as barriers to affordable housing, as identified in accordance with § 91.310.)

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The 2020 *Statewide Analysis of Impediments to Fair Housing Choice* (AI) includes following strategies for DSHA, Consortium partners, sub-grantees, and the Fair Housing Task Force. Over the next year, DSHA will focus on addressing impediments identified specifically for DSHA and actively participate in the Fair Housing Task Force.

DSHA

- Develop project-based rental assistance to create new permanent supporting housing through LIHTC and other programs.
- Adopt preferences for persons with disabilities, at risk of institutionalization or recently left institutions, in Administrative Plans for housing authorities with no such preferences.
- Continue to increase supply of accessible units by incentivizing the inclusion of additional accessible units in LIHTC developments.

DSHA, Consortium partners and/or Subgrantees - **Strategies with “*” extend to DSHA-subgrantees.**

- Prioritize CDBG and HOME funding and LIHTC tax credits for family developments in high-opportunity areas; further incentivize LIHTC family development in high-opportunity areas; Regularly review and report on performance.
- Develop inclusionary zoning (IZ) and/or housing trust funds programs in Kent County and cities of Wilmington, Newark, and Dover. Improve existing IZ and/or housing trust funds in New Castle and Sussex Counties to increase affordable family units in high-opportunity areas. *
- Continue to extend affordability restrictions for properties with expiring subsidies through loan extensions, workouts, and buy-downs.
- Pilot “Right to Counsel” program for tenants facing eviction. This program can expand on eviction defense and appeals efforts recently launched through DSHA’s and FHLBank Pittsburgh’s Home4Good program.
- For municipalities with crime-free housing and nuisance ordinances, advocate for removal. *
- Require all rental and homeownership applications be available in Spanish and that paper copies

are available for those without computer access. *

- Ensure housing authorities have culturally competent translators available to their customers.
- Cap rental application fees and eliminate fees for voucher holders in accordance with best practices.
- Encourage landlords to follow HUD's guidance on using criminal backgrounds to screen tenants.
- Encourage inclusive credit screening practices that do not rely on FICO scores.
- Study and make recommendations to improve Sussex County's public transportation so members of protected classes can access jobs. Review public transportation in New Castle and Kent Counties to ensure access to job centers. *
- Address racial disparities in water and sewer hookups, water quality, and utility costs in Sussex County by targeting CDBG funding for infrastructure to unincorporated communities of color where possible and with community support. *
- Enact policies for periodic reviews of residency and other preferences for fair housing impacts.
- Explore selective use of payment standards based on Small Area Fair Market Rents, to expand housing choice specifically in zip codes of opportunity.
- Ensure written and oral briefing content for voucher holders address moves to opportunity.
- Explore creation of mobility counseling program to support moves to opportunity.
- Regularly encourage landlord/developers participate in voucher programs; use landlord listing service, DEHS.org, to increase units – particularly in high-opportunity areas.
- Develop model Affirmative Fair Housing Marketing Plan and expand affirmative marketing, including to Hispanic communities.

Fair Housing Task Force (FHTF) ***DSHA is an active member of FHTF.***

- Advocate for repeal of SB 400, requiring DSHA to notify state senators and representatives of tax credit, loan, or grant awards for affordable housing in their district.
- Improve protections for manufactured homeowners in leased land communities, including support to facilitate conversion of parks to cooperative or nonprofit ownership.
- Advocate change to Delaware Code to permit tenants to appeal decisions from Justice of the Peace Court to Superior Court.
- Establish minimum non-payment of rent threshold for evictions of \$100 and adopt a rule allowing tenant to cure by paying full amount owed up to and including date of trial.
- Revise state housing code and encourage jurisdictions to change definition of family to not have a numerical limit on number of unrelated persons who can live together in a unit.
- Expand Delaware Fair Housing Act's Source of Income protections to include voucher holders.
- Advocate for legislation banning crime-free housing and nuisance ordinances.

Convene FHTF quarterly to address regional barriers.

AP-85 Other Actions – 91.320(j)

Introduction:

DSHA continues focusing on addressing obstacles to meet underserved needs, including lingering impacts of Covid-19 and housing affordability challenges.

Actions planned to address obstacles to meeting underserved needs

DSHA administers the rental assistance portion of the program by utilizing its expertise associated with the Housing Choice Voucher program. Case managers from DHSS, DSCYF, and approved community service providers leverage existing funds (such as Medicaid) to provide medical, behavioral health, personal care, or case management services to participants during their tenancy, as desired.

Additionally, the Division of Substance Abuse and Mental Health (DSAMH) has recognized SRAP as a cost-effective and efficient means of meeting its obligations to create additional units of supportive but independent housing in the community as part of its Settlement Agreement with the U.S. Department of Justice. DSAMH has directed additional funds to the SRAP program specifically to serve DSAMH clients, increasing the total number of households that can be served through the program.

Delaware Section 811 PRA Demonstration Program Award

In the summer of 2012, DSHA and the Delaware Department of Health and Social Services (DHSS) partnered to propose a Section 811 PRA Demo program in Delaware to create project-based rental assistance for people with disabilities in integrated settings with supportive services. Delaware's Section 811 PRA Demo program has further developed this established partnership by expanding the supportive housing system created with SRAP to include a stock of project-based units.

In 2013, Delaware was awarded a Section 811 PRA Demo grant of \$5.1 million, estimated to create and support 150 – 170 units of project-based rental assistance over 5 years. There are now over 100 units with Rental Assistance Contracts (RACs) with DSHA and over 50 units leased by eligible tenants. When units become available, property managers notify DSHA through an online system. Prospective eligible tenants are then referred and apply directly to the site.

Other Special Vouchers

DSHA applied for and was awarded 50 new Delaware Section 811 Mainstream vouchers. DSHA is working with state and local partners to get the vouchers awarded to at-risk ELI homeless persons with disabilities. Through the American Rescue Plan, DSHA was awarded 40 Emergency Housing Vouchers (EHVs) and is working with the Continuum of Care and other PHAs to

implement these new vouchers in Delaware.

Homeownership Rehab and Emergency Repair

As described in other areas of the plan and reflected in the Resource Allocation tables, DSHA also allocates both state and federal (CDBG and HOME) resources to rehabilitation assistance for homeowners. This encompasses both major repairs through CDBG and HOME and emergency repairs funded through state resources. All of these programs allow accessibility modifications as an eligible use and indeed this is a high need and frequent use. Major accessibility modifications are more often through the major repair program, while emergency repair programs often manage smaller accessibility modifications, especially those needed urgently.

Actions planned to foster and maintain affordable housing

As described in other areas of the plan and reflected in the Resource Allocation tables, DSHA allocates both state and federal resources to maintaining affordable housing. Activities to maintain affordable owner-occupied housing include:

- Funding through the Housing Development Fund (HDF) for acquisition and rehabilitation of homes, providing emergency and larger repairs for existing homeowners;
- Grants for major rehabilitation via CDBG and HOME for existing homeowners in targeted areas;
- Assistance with emergency repairs for existing homeowners via HDF state funds;
- All of these programs allow accessibility modifications as an eligible use. Major accessibility modifications are more often accomplished through the major repair program, while emergency repair programs often manage smaller accessibility modifications, especially those needed urgently; and
- Support for foreclosure prevention counseling and foreclosure prevention loans to homeowners in default.

Activities and programs to maintain affordable rental housing include:

- Set-aside in the LIHTC Qualified Allocation Plan (QAP) for rehabilitation and preservation of existing affordable rental housing, as well as the opportunity for existing unassisted housing to be converted to LIHTC-assisted housing in the new construction set aside;
- Loans available via HOME, NHTF and the HDF for rehabilitation and preservation of existing affordable housing;
- Loans and grants available through the HDF to make energy efficiency and accessibility improvements in nonprofit-owned affordable rental housing or emergency shelters, transitional housing, or permanent supportive housing facilities; and

NHTF - as outlined in the attached NHTF FY2022 Allocation Plan, DSHA will utilize its Housing Trust Fund

allocation to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

Actions planned to reduce lead-based paint hazards

The Delaware Division of Public Health's (DPH) Lead Poisoning Prevention Program does not currently manage a HUD Lead Hazard Control Grant. The last HUD grant expired in December 2017 and resulted in 172 homes in Kent and Sussex Counties being repaired of lead paint hazards. There are no plans for the Delaware Division of Public Health to apply for another HUD Grant due to ongoing, severe staffing shortages in the Lead Poisoning Prevention Program.

These HUD Lead Hazard Control Grants are best managed by municipalities rather than the Lead Poisoning Prevention Program.

DPH will continue to reach out to municipalities in Delaware to encourage a municipality to apply for HUD Lead Hazard Control Grant funding.

The State of Delaware Community Development Block Grant program subgrantees use most of their CDBG funds each year for housing rehabilitation, and the Delaware State Housing Authority supplements those funds by allocating CDBG subgrantees HOME funds for additional housing rehabilitations. These two sources of rehab funding, combined, are used to rehabilitate approximately 150 units of substandard housing each year. These HUD-funded housing rehabilitations must follow State, HUD, and EPA regulations for using lead-safe work practices, and for reducing lead-based hazards. County rehab specialists, and rehab contractors, must be trained and certified in how to reduce lead-based hazards.

Actions planned to reduce the number of poverty-level families

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

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

DSHA has been an active participant with The Continuum of Care and Housing Alliance Delaware (HAD) and has supported its facilitation, research and advancement of Delaware's homelessness systems. HAD coordinates the DE Continuum of Care applications, manages the DE-HMIS and works to coordinate

services and programs throughout the state to better meet the needs of homeless people and families, and improve the performance of the state's homeless assistance system.

DSHA's Housing Development Fund (HDF) regularly provides grants to anti-poverty activities, including security deposit loan programs to assist prospective renters to secure an apartment and build their credit, thereby preventing homelessness. DSHA's Qualified Allocation Plan (QAP) includes incentives for applicants that include appropriate social services for residents in their project plans. These services often include programs such as financial literacy, budgeting, childcare, GED and other educational opportunities, and homeownership counseling.

Actions planned to develop institutional structure

DSHA will continue to foster collaboration between public and assisted housing providers, local communities, and private and governmental health, mental health, and service agencies to coordinate resources and develop consistent policies to achieve mutually beneficial goals and objectives.

- DSHA will continue to work with a strong network of partners to promote the real-time housing locator DelawareHousingSearch.org. The collective support of this service has significantly expanded its capacity to assist persons with limited English proficiency and persons with special needs access housing most appropriate for their needs. Because of the state-wide support, this service will also be a critical disaster recovery resource for Delaware, further increasing its value as a collective resource.
- DSHA will continue to improve the coordination of efforts across agencies and communities to support strategic neighborhood revitalization, community, and downtown development initiatives such as the Downtown Development Districts and Strong Neighborhoods Housing Fund programs.
- DSHA will continue to maximize the use of the state's growth management framework to encourage local communities to include affordable housing strategies in their planning initiatives and provide technical assistance with these activities.
- Delaware will continue to improve the availability of local and DSHA information online, including housing needs and demographic data, geographic targeting for DSHA programs, and the Delaware affordable rental housing preservation inventory. The availability of consistent data supports improved coordination and planning to address affordable housing needs.

Actions planned to enhance coordination between public and private housing and social service agencies

Over the next year, DSHA will continue its work with a wide array of other state agencies, private and faith-based housing and service providers, and housing advocates to further the priorities and goals of is

Action Plan. These will include, but are not limited to, the following:

- City of Wilmington;
- City of Dover;
- Council of State Community Development Agencies (COSFDA);
- Delaware Commission of Veterans Affairs;
- Delaware Continuum of Care;
- Delaware Department of Health and Social Services;
- Delaware Department of Justice (DOJ);
- Department of Services for Children, Youth and Their Families;
- Delaware Department of Education and School Districts;
- Delaware Division of Human Relations;
- Delaware Division of Public Health (DPH);
- Delaware Division of Small Business Office;
- Department of Labor;
- Department of Natural Resources and Environmental Control;
- Department of Transportation;
- Fair Housing Task Force Committee;
- First State Community Action Agency;
- Health Behavioral Health Planning and Advisory Council;
- Habitat for Humanity;
- Housing Alliance Delaware;
- HUD-approved housing counseling agencies;
- Kent, Sussex and New Castle counties;
- Delaware chapter of National Association of Housing and Redevelopment Officials (NAHRO);
- National Council of State Housing Agencies (NCSHA);
- Nonprofit housing development corporations;
- Office of State Planning Coordination;
- Other public housing authorities in Delaware;
- State Historic Preservation Office;
- Strong Communities;
- Work Force Investment Board; and
- University of Delaware.

DSHA's partnerships with the Departments of Health and Social Services (DHSS) and Services for Children, Youth and their Families (DSCYF) on the State Rental Assistance Program and Section 811 PRA Demo program and with the Delaware Department of Justice on foreclosure prevention and recovery via collaborative use of Delaware's National Mortgage Settlement funds are representative of our cooperative approach to addressing challenging problems. All of these programs and this approach will

continue in FY2022.

Discussion:

Other actions Continued in Appendices M

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Program Specific Requirements

AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

Introduction:

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	0

Other CDBG Requirements

1. The amount of urgent need activities	0
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**HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.320(k)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Not applicable. No other forms of investment beyond those identified in Section 92.205 are planned

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The prorated amount of HOME Program funds in the form of second mortgage loans (or other loan positions as approved by DSHA) used for down payments and closing costs are subject to recapture when the initially-assisted homebuyer sells, rents or refinances the HOME-assisted property within the recapture period set forth as shown below:

Amount of HOME Funds Recapture Period

Less than \$15,000 - 5 years

\$15,000 to \$40,000 - 10 years

Over \$40,000 - 15 years

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

Where the net proceeds (the sales price of the assisted property less loan repayment of DSHA approved superior debt and closing costs) is greater than the prorated balance due under the HOME mortgage loan, the balance of the HOME prorated mortgage loan shall be repaid to DSHA. However, where the net proceeds are less than the HOME mortgage loan, the amount of the net proceeds shall be repaid to DSHA. All repaid HOME mortgage funds shall be used to support other HOME-eligible activities. These recapture provisions shall be included in the note and mortgage evidencing and securing the HOME-funded mortgage loan.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

Not applicable. DSHA does not provide for acquisition of units with HOME funds.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable. DSHA does not plan to use HOME funds to refinance existing debt.

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**Emergency Solutions Grant (ESG)
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)
 1. Using the Centralized Intake System to evaluate individuals and families applying for or receiving rapid re-housing assistance.
 2. Conducting the initial evaluation required, including verifying income to determine eligibility for individuals applying for rapid re-housing assistance.
 3. Developing individualized housing and services plan to obtain or maintain permanent housing.
 4. Developing and coordinating services for individuals and families.
 5. Providing information and referrals to other providers that assists individuals and families to overcome barriers and obtain or maintain permanent housing
 6. Monitoring and evaluating program participant progress.
 7. Conducting re-evaluations of households to assist with achieving and maintaining independent living.
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Delaware's statewide Centralized Intake began taking calls on January 6, 2015. People who are homeless can access the intake by calling 211, going to a State Service Center, or going to a

shelter. The staff at 211, the shelters, and State Service Centers sends referrals to the intake staff at the Delaware Homeless Planning Council (HPC). Intake staff then contact those who are homeless to identify the best solution for their homelessness. The Delaware system was overwhelmed early in the implementation by the number of people and lack of permanent housing options. In November of 2014, the Delaware Interagency Council on Homelessness convened a meeting of centralized intake stakeholders to discuss system improvements.

The Delaware HPC has since extended the hours during which centralized intake staff is available. They are streamlining placement of those who are homeless into available beds and no longer have a waitlist for emergency shelter. The CoC continues to work to improve the intake workers ability to identify optimum housing options, to insure those options are available by right sizing our CoC, and to train provider staff to use HMIS modules that will allow for real-time availability of shelter and transitional beds. Although implementation of centralized intake has begun, it will take many years to optimize the system given the lack of affordable housing opportunities available to extremely low-income households who may have barriers such as criminal backgrounds, lack of good employment opportunities, poor landlord references, and/or poor credit histories.

3. Identify the process for making sub-awards and describe how the ESG allocation available to

private nonprofit organizations (including community and faith-based organizations).

ESG funds are distributed on a competitive basis and proposals are rated based on a weighted score of 100 points with the following criteria;

Project Description and Services Plan (25 points), Organizational Capacity and Past Performance (15 points), Matching Contributions (15 points), Participation in Continuum of Care (10 points), Participation in CMIS (10 points), Cost Effectiveness (15 points), and Community Commitment (10 points).

Using these criteria, applications are reviewed and rated by a Review Panel comprised of professionals with knowledge and experience in homeless issues and grant

management. Applicants may be local governmental entities, nonprofit agencies and faith based organizations that provide direct services to homeless persons or persons at risk of becoming homeless.

The funds are made available each year through a Notice of Funding Availability, which is mailed to interested parties and published in prominent newspapers statewide. Eligible applicants are units of general local government and private nonprofit organizations located in Kent and Sussex

Counties. Assistance may also be provided to religious organizations if the religious organizations agree to provide all eligible activities under this program in a manner that is free from religious influences in accordance to 24 CFR Part 576.23.

The review panel evaluates and rates all proposals based on the criteria listed above. The panel forwards its recommendations and comments to DSHAs Director. Final funding decisions are made by DSHA Director and at that time DSHA and the sub-recipient enter into a grant agreement.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

DSHA will contractually require ESG sub-recipients to document all consultations with homeless or formerly homeless individuals or families when making policies and decisions regarding any ESG funded activity. DSHA also requires that each non-profit include a homeless or previously homeless person on their Board of Directors.

5. Describe performance standards for evaluating ESG.

Other non-identifying information about program participants. For Domestic Violence Shelters, the

sub-recipients coordinate their household data directly with DSHA.

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Housing Trust Fund (HTF)
Reference 24 CFR 91.320(k)(5)

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DSHA HTF Allocation Plan includes the eligibility and regulatory changes required under the revised rule. Eligibility requirements including:

- Application Process
- Allocation Process
- Eligible Costs
- Operating Costs Assistance and Reserves
- Subsidy Limits
- Periods of Affordability
- Income Targeting
- Additional Requirements including
- HUD Regulations, Subsidy Layering Review, Underwriting, Site and Neighborhood Standards, Uniform Physical Conditions Standards, Environmental Review, Uniform Relocation Act, Lead Based Paint, Section 3, Minority, Women and Veteran Business Enterprises Outreach, and Affirmative Marketing and Fair Housing
- Rehab and Property Standards
- Commitment and Expenditure requirements
- Written policies, procedures, systems and DSHA reporting requirements

Financial Oversight, Asset Management and Compliance

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DSHA has two set-asides within our HTF Allocation Plan. One is for Permanent Supportive Housing of which we have a separate annual Notice of Funding Availability Application Process.

The second Application for HTF is for multi-family projects shall be made through the application and approval process in place for the HDF and/or LIHTC programs. All applications must contain a description of the eligible activities to be conducted with HTF funds as required in 93.200. All applications must also contain certification that housing assisted with HTF funds will comply with HTF requirements.

Upon application review by DSHA staff, a panel consisting of members of DSHA Housing Development Section, Policy and Planning Section, and any other DSHA employees with applicable experience will convene. Members of the Council on Housing will also be invited to participate. The panel will discuss each application received and its preliminary ranking. A consensus of all members present will determine the final ranking of the applications, along with funding level recommendations. Applications recommended for funding will be presented to the Director of DSHA for final approval.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligibility to apply for HTF will be no more restrictive than required by HTF regulations. Eligible applicants/recipients of HTF funds may include nonprofit and for-profit developers and public housing agencies.

Applicants must meet the HTF Tax Allocation Plan, DSHA, and all requirements set forth in 24 CFR 93.2 to be eligible for funding under the Action Plan. Developments must also meet the property standards set forth in the Tax Credit Allocation Plan and in 24 CFR 93.301.

Applications will be assessed with priority given to the applicants who prove highest proficiency in the following prioritized areas:

A. Applicant Capacity (Priority Factor: Most Important)

Applicants will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:

- Applicants must make acceptable assurances to DSHA that they will comply with the requirements of the HTF program during the entire period that begins upon selection of the applicant to receive HTF funds, and ending upon the conclusion of all HTF-funded

activities.

- Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.
- Applicants must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.
- Applicants must demonstrate their experience and capacity to conduct an eligible HTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development.
- Applicants must demonstrate their ability to enter into a commitment for HTF funds and undertake eligible activities in a timely manner.

B. Priority Housing Needs of the State (Priority Factor: Most Important)

Applicants will be assessed on the merits of the application meeting the priority housing needs established by the State.

Any proposed use of HTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware Consolidated Plan.

As noted in the Consolidated Plan for 2020-2024, section SP-25 Priority Needs, affordable rental housing is Delaware first priority need. The Delaware Housing Needs Assessment and HUD data identify a critical need to develop new affordable rental housing, preserve existing affordable rental housing, and extend affordability restrictions. The Housing Needs Assessment identified affordable rental housing as a critical need for Extremely Low and Low Income populations throughout the state.

Section SP-25 Priority Needs of the Consolidated Plan also cites Permanent Supportive Housing as a high priority need in Delaware. Additional Supportive Housing is needed for persons with Mental, Physical, and Developmental Disabilities, Persons with Alcohol or Other Addictions, and Persons with HIV/AIDS and their families.

As described under III. Geographic Distribution and Diversity, DSHA has identified geographic areas for targeting different types of housing investments. As the HTF will be used for rental housing, these maps as they apply to rental housing will apply to the HTF. The new construction and rehabilitation of affordable rental housing is incentivized in Areas of Opportunity, neutral in Stable areas, and further concentration of subsidized rental housing is not encouraged in distressed areas.

C. Leveraging (Priority Factor: Somewhat Important)

Applications will be evaluated on the total sources of permanent financing, percentage of total project costs funded by HTF and DSHA sources, and the use of any other non-state or federal funding sources.

D. Geographic Diversity (Priority Factor: Somewhat Important)

HTF funds will be available to projects statewide; however, applications will be evaluated for consistency with the State certification to affirmatively further fair housing, all applicable Analysis of Impediments and compliance with the State Strategies for Policies and Spending (see Section III. Geographic Distribution and Diversity for details).

E. Project-Based Rental Assistance (Priority Factor: Least Important)

Applications will be reviewed for the extent to which the project has federal, state, or local project based rental assistance so that rents are affordable to extremely low-income families. HTF funds will be distributed consistently with DSHA other affordable housing programs and administered with the existing LIHTC and HDF programs.

F. Duration of Affordability Period (Priority Factor: Least Important)

In accordance with 24 CFR 93.302(d), all rental housing units receiving HTF funds must have an affordability period of not less than thirty (30) years. Applications may receive additional credit for showing financial feasibility of the project to extend beyond the 30-year period.

G. Additional Evaluation Criteria (Priority Factor: Somewhat-Least Important)

The following items will be taken into consideration by DSHA staff when determining the merits of an application for HTF funds:

1. Demonstrated need for the project.
2. Suitability of the project location.
3. Cost efficiency of the project.
4. Amount of loan per unit serving extremely low and very low-/low-income persons: Applications serving extremely low income families will be given priority to the extent possible to comply with statutory requirements. Please note, for 2019, only applications serving extremely low income families will be considered. Applications serving very low income families will be considered only if allowed by statutory requirements. Such determination will be announced prior to any announcement of funding opportunity.
5. Length of payback period.
6. Position of loan and how it is secured/length of repayment.
7. Source(s) of permanent financing (if appropriate).
8. Cash and non-cash equity participation of developer.

9. Evidence that alternate sources of financing have been utilized and/or exhausted.
10. Evidence that housing will be provided in neighborhoods where there is little very low-income housing available.
11. Extent to which the proposal will assist in revitalization of deteriorating neighborhood.
12. Extent to which any current DSHA loans to the applicant or affiliated parties are in good standing.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HTF funds will be available to projects statewide; however, applications will be evaluated for consistency with the State certification to affirmatively further fair housing, all applicable Analysis of Impediments and compliance with the State Strategies for Policies and Spending DSHA has identified geographic areas for targeting different types of housing investments. As the HTF will be used for rental housing, these maps as they apply to rental housing will apply to the HTF. The new construction and rehabilitation of affordable rental housing is incentivized in Areas of Opportunity, neutral in Stable areas, and further concentration of subsidized rental housing is not encouraged in distressed areas.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:

- Applicants must make acceptable assurances to DSHA that they will comply with the requirements of the HTF program during the entire period that begins upon selection of the applicant to receive HTF funds, and ending upon the conclusion of all HTF-funded activities.
- Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.
- Applicants must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.
- Applicants must demonstrate their experience and capacity to conduct an eligible HTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development.
- Applicants must demonstrate their ability to enter into a commitment for HTF funds and

undertake eligible activities in a timely manner.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications will be reviewed for the extent to which the project has federal, state, or local project based rental assistance so that rents are affordable to extremely low-income families. HTF funds will be distributed consistently with DSHA other affordable housing programs and administered with the existing LIHTC and HDF programs.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In accordance with 24 CFR 93.302(d), all rental housing units receiving HTF funds must have an affordability period of not less than thirty (30) years. Applications may receive additional credit for showing financial feasibility of the project to extend beyond the 30-year period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants will be assessed on the merits of the application meeting the priority housing needs established by the State.

Any proposed use of HTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware Consolidated Plan.

As noted in the Consolidated Plan for 2020-2024, section SP-25 Priority Needs, affordable rental housing is Delaware first priority need. The Delaware Housing Needs Assessment and HUD data identify a critical need to develop new affordable rental housing, preserve existing affordable rental housing, and extend affordability restrictions. The Housing Needs Assessment identified affordable rental housing as a critical need for Extremely Low and Low Income populations throughout the state.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications will be evaluated on the total sources of permanent financing, percentage of total project costs funded by HTF and DSHA sources, and the use of any other non-state or federal funding sources.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

6. Performance Goals and Benchmarks. The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds. Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The maximum per-unit subsidy limits for HTF will be set at the Section 234 Basic Mortgage Limits established by HUD and also utilized under the HOME Program.

Effective 06/04/2020, the following limits apply:

DSHA imposes these limits based on previous analysis and experience with LIHTC and HDF programs, including an extensive review of construction costs.

Analysis has shown that construction costs are not noticeably different between markets nor do they vary greatly between Delaware three counties.

8. Rehabilitation Standards. The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee's description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

First, all buildings and projects that are newly constructed or are rehabilitated with HTF must first be built to the International Building Code adopted by the local municipality and County.

The International Building Codes enforced by each municipality and County include and address disaster mitigation.

The following building codes have been adopted by Delaware three counties:

Second, for HTF projects that will be rehabilitated, at a minimum the HUD Rehabilitation Standards - 24 CFR 91.320(k)(5)(iv) and 24 CFR 93.301(b) will apply.

Third, all HTF projects must also meet DSHA minimum construction/ rehabilitation standards and all state and federal applicable codes. However, where DSHA minimum constructions/rehabilitation standards exceed the HUD standards, the most stringent standard will apply. (See Attachments A-D).

All applicants are responsible for complying with all building codes, rules, ordinances, and laws of all legal entities and authorities having jurisdiction over the project.

DSHA minimum construction/rehabilitation standards include additional details on what work is required, how that work should be performed (methods), and what materials should be used. DSHA minimum construction and rehabilitation standards include the following categories: health and safety; major systems; lead-based paint; accessibility; disaster mitigation; state and local codes, ordinances, and zoning requirements; and inspectable areas and observable deficiencies from HUD Uniform Physical Condition Standards (UPCS) as identified by HUD as applicable to HTF-assisted housing.

See Attachments for full rehab standard requirements

9. Resale or Recapture Guidelines. Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

N/A

10. HTF Affordable Homeownership Limits. If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95 percent of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter "N/A".

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

12. Refinancing of Existing Debt. Enter or attach the grantee's refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee's refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter "N/A."

N/A