



Delaware State Housing Authority
ANNUAL REPORT



FY 2019

DSHA DOES MORE

The DSHA Mission

Our mission is to provide, and assist others
to provide, quality affordable housing opportunities
and appropriate supportive services
to low- and moderate-income Delawareans.





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LETTER

from Governor & Lt. Governor



Expanding home ownership, ensuring access to high-quality affordable housing, and strengthening our neighborhoods is a vitally important way to improve the quality of life for all Delawareans, up and down our state.

Housing is absolutely vital to two goals of this administration – supporting our families and strengthening our communities.



A house is more than a roof over our heads and a place to sleep at night. When families step into houses, they make them homes. A home is a place of refuge, a center of companionship, a location of learning, a hub of health, and a place of worship. Home is where we celebrate our accomplishments and draw upon strength and support to face our challenges.

When we put homes together and link them with parks and playgrounds, youth centers, community buildings, local businesses, religious institutions, and schools, then they become neighborhoods -- safe places enriched by diversity where we collectively share in the growth and success of our cities and towns.

That is why Delaware continues to invest in developing affordable rental housing, increasing home ownership, and revitalizing our neighborhoods and downtowns. The Delaware State Housing Authority (DSHA) has taken the lead in many of these areas, working with partners at the local, state and federal levels to leverage our resources into substantial investments with dividends paid well into the future.

We have seen this work with our own eyes and heard the stories from the people they have helped. From The Flats in Wilmington's

Little Italy neighborhood to the Kimmeytown section of Georgetown, DSHA's work to increase access to affordable housing and strengthen communities is visible. We have met parents of young children who have gotten their first apartments, veterans who are getting the services and help they need to get out of homelessness, families who were finally able to buy a home of their own, and people fighting to improve their place in life and get a fresh start. Many of those individuals and families who have benefitted from DSHA's programs tell us they would not be where they are today without the assistance of the housing authority.

Working together, we are stabilizing neighborhoods hit by foreclosures and abandonment. Working together, we are helping more families buy their own homes. Working together, we are supporting small businesses. Working together, we are bringing downtowns back as vibrant, vital, and dynamic places to live, work and play.

These investments are making a tremendous difference in improving the lives of Delawareans. But none of this could be accomplished without the support and dedication of our partners across all levels of government, the private sector, and the nonprofit community. We thank you for all your support, and will continue working together to make Delaware a better place.

Sincerely,

Governor John Carney

Lieutenant Governor Bethany Hall-Long



LETTER

from Anas Ben Addi



We know that access to quality, affordable housing promotes stability, helps Delaware families build wealth and helps build strong neighborhoods. Over the past year, we have continued our efforts to improve access to affordable housing and strengthen neighborhoods across our state.

Homeownership is one of the best economic development tools we have for improving communities. With our low-cost mortgage financing and down payment and settlement assistance programs, we have helped more Delawareans throughout our state purchase their own home.

In the past year, DSHA used more than \$253 million in financing to help make the dream of homeownership a reality for 1,455 Delaware families who purchased their first or second home with DSHA financing, down payment assistance and first-time homebuyer tax credits. In June, we also launched an exciting new program called Homes for Grads which provides a reduced mortgage rate for recent college graduates utilizing our Preferred Plus loans with down payment and settlement assistance. We know many of today's college graduates leave with significant student loan debt and other barriers to homeownership, and DSHA wants to help make the home-buying process easy and affordable for them.

The need for affordable rental housing is also as important as ever, and DSHA has continued its work of preserving, improving or creating new affordable rental units this year with 245 units preserved and improved and 135 affordable units added at two new developments.

Delaware has also made firm commitments to help certain vulnerable populations, including people with disabilities, veterans and families, and DSHA has accomplished a lot in those areas as well. Over the last five years, more than 1,270 people who need supportive services have received special rental vouchers to help them live independently and safely.

Housing also does not happen in a vacuum. Creating livable, vibrant neighborhoods where residents want to buy or rent takes substantial investment and broad-based commitments. That's why DSHA has taken the lead in community development work – transforming blighted neighborhoods through targeted investments and supporting downtown businesses and homeowners undertaking their own improvements, renovations or new construction.

Our Downtown Development Districts (DDD) program continues to make positive changes within our state's cities and towns, and we are proud to have supported 167 projects since the program began in 2015. The DDD program is revitalizing our downtowns and incentivizing private investment. To date, \$31.6 million in state investment has leveraged more than \$597 million in private and other investment.



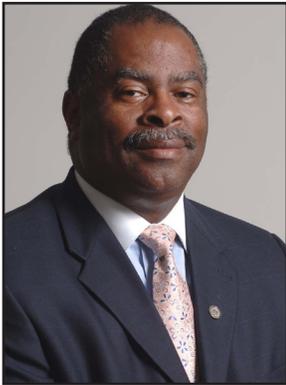
None of this could happen without the strong support and help from the Carney Administration, members of the General Assembly, and our valued partners at all levels. We thank them and you for the continued work on these varied issues and support of DSHA's efforts. We look forward to continuing our progress forward together.

Sincerely,

Anas Ben Addi
Director, Delaware State Housing Authority

LETTER

from Council on Housing



The Delaware Council on Housing is composed of volunteers appointed by the Governor to advise the Delaware State Housing Authority, members of the General Assembly and the Governor on matters pertaining to affordable housing. It is our particular duty to review and recommend approval or disapproval of allocations of loans and grants through the Housing Development Fund.

In Fiscal Year 2019, we've worked hard to ensure that the HDF has been used to effectively address the breadth of homeownership and rental housing needs in Delaware.

This year, the Council recommended approval of \$16.5 million in grants and loans. Through this financial assistance from the HDF, 2,415 units of affordable housing will be created or preserved or households assisted.

In addition to financing construction and rehabilitation activities, the HDF also helped families with homelessness prevention, homeownership counseling, and other critical services. These are investments not only in housing but in Delaware's communities and families.

The Governor and General Assembly have recognized the vital importance of housing and community development. We are very grateful for their willingness to invest state resources to address housing and community needs. And we applaud DSHA for its stewardship of those resources, continuing to effectively operate ongoing housing assistance programs while launching

important new efforts such as the Home4Good funding program to improve response to homelessness.

We look forward to our continued work with Governor Carney, the legislature and DSHA in the coming years as we strive to improve housing opportunities for families in Delaware well into the future.

Sincerely,

Vincent M. White, Chair
Council on Housing

MEMBERS OF THE COUNCIL ON HOUSING

Vincent M. White, Chair

Dianne W. Casey, Vice Chair

Garrett L. Grier, III

Connie H. Harrington

Francis R. Julian

Hugh D. Leahy*

Corinne M. Massey

Donna Mitchell

Douglas A. Motley

Ralph W. Peters*

Norma H. Zumsteg

*Denotes members who resigned in June 2019.





HOMEOWNERSHIP

Helping Delawareans Reach Their Dreams



Stephanie Miller and her fiancé Joey Isom always had dreams of becoming homeowners.

But Joey and Stephanie, who recently graduated from Wilm-

ington University, didn't know where to start on their path to homeownership until they stumbled across DSHA's new Homes for Grads Program.

In June, DSHA announced the launch of a new homeownership program for recent college graduates called Homes for Grads, which offers discounted rates on DSHA's down payment assistance loans for homebuyers who have graduated college with a four-year degree or higher in the last three years.

"It was amazing when I heard about this program," Stephanie said. "Having a degree is going to pay off in more ways than just getting a job somewhere. They're recognizing all the hard work we put in at school by helping us get into our own home."

Homes for Grads will provide a reduced mortgage rate of 50 basis points or one-half of a percentage for recent college graduates when they are accessing one of DSHA's Preferred Plus loans which include down payment and settlement assistance.

With the cost of a college education continuing to rise each year, many graduates will leave school with student debt, including 65 percent of Delawareans. This debt can be a significant barrier to affording monthly payments and saving for a down payment.

"We want to make buying a home a reality for more Delawareans throughout our state. The Homes for Grads program is helping us reach this recent college graduate population who

may be struggling with student debt and facing other barriers to homeownership," said Director Ben Addi. "The program is making the home-buying process easy and affordable for those who have just completed their college education."

DSHA is working with its participating lenders to offer the Homes for Grads program to recent college graduates. Tracy Chongling, vice president of mortgage lending at Guaranteed Rate, a participating DSHA lender, has already closed on several Homes for Grads loans since the June launch.

"I hear every day from Delawareans who do not think they will be able to afford to buy a home, including many college graduates who have not been able to save for a down payment due to student loan debt," she said. "This new program is already helping so many of these individuals and families achieve the American dream of buying their own home, and I am thrilled to be able to offer it to my clients."

Stephanie and Joey were able to take advantage of the program by purchasing a new home, turning their dreams of homeownership into a reality.

"I'm so excited," Stephanie said. "I can't even explain how excited I am to have our own place. "It's our own and we don't have to worry about paying a landlord."

2019 HIGHLIGHTS

- 1,455 Delaware families purchased a home with \$253 million in DSHA financial assistance
- Provided foreclosure assistance to 1,192 families and individuals
- Hosted 9th annual Homebuyer Fair

COMMUNITY DEVELOPMENT

Fighting Blight, Creating Jobs

Across the state, the Downtown Development Districts (DDD) program has been spurring investment in Delaware's downtowns, stimulating job growth and improving the commercial vitality of our towns and cities.

Since the first funding awards in April 2015, the DDD program has been a catalyst for private investment in the eight Delaware downtowns previously designated. Those districts are Dover, Georgetown, Harrington, Laurel, Milford, Seaford, Smyrna, and Wilmington.

This year, Governor John Carney officially designated four new Downtown Development Districts – in Delaware City, Middletown, New Castle, and Clayton, bringing the designations to a total of 12.

Through the program, investors who make qualified improvements to residential, commercial or industrial properties in one of the designated districts may qualify for state and local development incentives, including a rebate from DSHA of up to 20 percent of eligible costs upon completion of the project.

To date, \$31.6 million in rebates through the program has leveraged \$597 million in private investment in those designated downtown districts.

Business owners Enrique and Veronica Nunez, who own and operate two drop off and self-serve laundry facilities in Delaware were able to open a new facility called Splash Laundromat in Georgetown with assistance from DSHA's DDD program.

The Nunezes were awarded a DDD reservation for about \$458,000 in fall 2017 to help with about \$2.6 million in total investments for their newest facility to help provide services for residents living in that community.

"The majority of residents in this area do not own automobiles and walk to work, the grocery store, bank, and of course

2019 HIGHLIGHTS

Used \$31.6 million in rebates to strengthen our downtowns and leverage \$597 million in total investment

Secured \$3 million in additional funding to strengthen local efforts in the fight against blight with the Strong Neighborhoods Housing Fund

Assisted 320 low-income and senior Delaware homeowners with emergency and major home repairs

the laundromat," said Enrique. "For them, Splash Laundromat will be a place in the neighborhood where they can come do their laundry and spend time with their family or friends in a friendly environment."

"We are very happy and thankful for what the DDD program has done for us. It is because of this opportunity that we were able to make our lifelong dream come true."

Investor, Daniel Bond used about \$135,000 in DDD rebates for a complete interior and exterior renovation of a property in downtown Milford that will be used to house two apartments for residential purposes and to be rented to businesses for office or retail use.

"I have been rehabilitating historic buildings and constructing new homes in downtown Milford for the last several years," said Daniel. "The DDD program has helped me immensely. It has made it easier for me to obtain construction financing and has allowed me to take on projects that otherwise would not have been commercially viable."

Investing in Neighborhoods



Building strong, vibrant local communities and instilling pride in neighborhoods across Delaware is a critical part of DSHA's mission. We know that strategic revitalization efforts can leverage private investment in our communities and lead to real economic growth, new jobs, and new places to live and work.

DSHA's Strong Neighborhoods Housing Fund (SNHF) has seen significant progress in addressing vacant, abandoned or foreclosed properties throughout the state of Delaware. This year seven projects statewide received \$3.2 million from the SNHF. This investment will leverage an estimated \$9.4 million in private or other funding sources and lead to more than 60 new or rehabilitated housing units in Wilmington, New Castle County, Dover, Milford and Georgetown.

"These projects will be helping families and individuals who need housing, while strengthening the neighborhoods in which they are located, revitalizing properties that have fallen into disrepair and bringing people back to live in them," said Director Ben Addi.

One of the recipients from this funding was NCALL Research, as they received \$500,000 to continue their efforts to address dilapidated properties within neighborhoods on North Kirkwood, Queen Street and North New Street in Dover. That funding will support the creation of 10 new homes in those areas and will leverage more than \$1.7 million in private and other funding sources.

The target area is made up of 75 blocks within the Downtown Dover area that has a homeownership rate of just 25 percent.

"It's really a key part of our holistic community development approach and collaborative effort that we're doing here in Dover that we call 'Restoring Central Dover,' which is a collaboration of a number of different organizations, the city of Dover and neighborhood residents," said Karen Speakman, executive director of NCALL. The homes are part of a partnership between NCALL and Central Delaware Habitat for Humanity.

"NCALL is the quarterback of this effort and we're entering our fifth year of implementing this plan and we are very proud of the outcomes that we've had to date." Efforts backed by DSHA's Strong Neighborhoods and Downtown Development Districts programs are working in harmony to revitalize downtown areas.

"Organizations like NCALL and Habitat for Humanity are using the Strong Neighborhoods program to bring life back to areas like Kirkwood Street by removing vacant and blighted properties, building new homes on them, and then providing the assistance for individuals and families to realize the dream of homeownership," Director Ben Addi said.



RENTAL HOUSING

A Place to Call Home

For 20 years, DSHA has been helping Delawareans become economically self-sufficient through our Moving To Work (MTW) Program.

In 1999, HUD chose DSHA as one of 24 public housing agencies in the country to participate in MTW. Today, DSHA is one of just 39 public housing agencies, out of more than 3,400 total in the country, to participate in the MTW program.

MTW is a demonstration program that provides public housing agencies with the opportunity to design and test innovative, locally-designed strategies. The program has three distinct goals: reducing costs; providing incentives for families to obtain employment and self-sufficiency; and increasing housing choices for low-income families.

Participants are allowed five years to successfully complete the MTW program. In those five years, participants pay rent totaling 35% of their adjusted monthly income. DSHA creates an escrow account for the resident and invests all rent paid over the 35% limit into that savings account.

The participant is then required to work a certain number of hours each year of the MTW program and must complete a financial literacy course. At the end of the five years, if they have successfully completed all require-



ments, the participant then has access to 100% of the escrow account and can use that money to find housing at fair market rent or to buy a home.

Shantel Emory was able to save about \$7,800 during her five years with MTW and used these savings to purchase a home in Magnolia.

“The MTW program gave me the financial stability I needed to achieve my goals and find secure housing for my family,” Shantel said. “Without this program, it would have taken me several more years to save enough money to buy my first home. I am grateful DSHA offers this program in our state.”

Since 1999, DSHA has disbursed more than \$3.3 million in Moving to Work savings to 995 families who successfully completed the program. Of those families, 698 moved into fair market rental housing and 297 bought a home. MTW often pairs well with DSHA’s homeownership programs, which can provide homebuyers with low-interest mortgages and down payment and closing cost assistance.

This year, DSHA also celebrated the completion of \$18 million in renovations to the Liberty Court apartment complex in Dover, an MTW site.

The Liberty Court property was built in 1974 as a privately-owned and market-rate apartment complex and was





living room and kitchens; installation of hickory kitchen cabinets, black appliances, ceiling fans, vinyl plank flooring and sprinkler systems in all units.

The renovations also comprised of replacing and striping of parking lots, the installation of a new security camera system and sidewalks and dumpster enclosures on the property grounds.

Charles Fisher, a U.S. Army veteran and Liberty Court resident, is ecstatic about the renovations.

“I’ve lived in Liberty Court for almost five years now, not to mention I lived here for 17 years when it was called Carlyle Gardens,” Charles said. “My apartment has improved a lot from the old ones and now I have brand-new appliances, nice floors in the kitchen and cabinets and such. The apartment is much better than it was before. It feels bigger, better and more comfortable to live in.”

In addition to the renovations at Liberty Court, DSHA continued to expand its mission of providing access to high-quality affordable housing through a variety of programs. Through its financing tools, including the Low-Income Housing Tax Credit and the Housing Development Fund, DSHA helped create, preserve or improve more than 260 units last year.

purchased by DSHA in 1989. From 1990 to 1993, DSHA substantially rehabilitated the property and created 108 public housing subsidized units.

In 2015, an internal inspection on one of the buildings at Liberty Court found areas of moisture within stucco on the exterior of the building was causing the interior walls and framing of the building to swell. When other buildings at the property were inspected, similar issues were found. At the time, it was determined that a major rehabilitation of the property was needed to correct the problem.

DSHA decided to pursue the support of HUD’s Rental Assistance Demonstration (RAD) program to finance the renovation project. RAD allows for more funding flexibility including the use of tax credits and other public funds to maintain and improve public housing.

The cost of renovations at Liberty Court totaled nearly \$18 million with financing provided through the federal Low-Income Housing Tax Credit program and DSHA’s Affordable Rental Housing and HOME programs. WSFS Bank also provided bond financing totaling \$10.1 million and the Federal Home Loan Bank of Pittsburgh (FHLBank Pittsburgh) provided \$650,000 through its Affordable Housing Program.

Renovations included: demolition of all residential buildings and construction of new buildings on existing foundations; installation of Energy Star compliant high- efficiency appliances in all units; an open- concept design in the

2019 HIGHLIGHTS

Celebrated 20 years of the Moving To Work program with 995 families total successfully completing the program in that time

Helped improve or construct more than 260 affordable rental units statewide



SUPPORTED BY A STRONG TEAM

Ernest Ackah
Johnathan Adkins-Taswell
Shanna Alicea
Carl Anderson
Rebecca Andino
Denise Arnott
Tahniah Ashrafi
Cheryl Austin
Ernest Baynum
Enid Beltran
Anas Ben Addi
Pebbles Blanchard
James Brakefield III
Daniel Brennan
Aledia Brown
Gail Brown
Julie Brown
Kathy Brown
Michael Buie
Michelle Burgess
Jackie Burton
Na’Kisha Cartwright
Valerie Certain
Richard Clegg
Jeffrey Collins
Patricia Conley
Willis Coverdale
Alice Davis
Elana Davis
Sharon Davis
Cynthia Deakynne
Tameka DeShields
Debra Doughty
Tyesia Dupont-Palmer
Sharon Dutton
Kimberly Edwards
Jessica Eisenbrey
Susan Eliason
Donnie Fannin
Dawn Favors-Jopp
Lonnie Field
Timothy Fitzwater
Cynthia Fletcher

Karen Flowers
Arlene Fordham
Rodney Foxe
Steven Foxe
Lori Fretz
Jatoya Garnett
Steven Gherke
Clifton Gibbs
Marlena Gibson
Estee Gleasner
Michael Gleasner Jr
Carmen Goldsboro-Hudson
Carey Golt
Keith Graham
Stephanie Griffin
Doris Hall
Thomas Hanagan II
Joseph Haney
Eric Hart
Gale Hartley
Lawrence Haug III
Mabel Jean Hayes
Weldon Heyward
Steve Horseman
Karen Horton
Arshon Howard
Shelly Huntington
Gregory Hylton
Maritza Irizarry
Everett Jennings Jr
Nickolson Jn Baptiste
Craig Jones
Cynthia Karnai
Shannon Keenan
Susan Knight
Raymond Kress
Danielle Lambert
Emily Lanter
Michele Leech
Melinda Lewis
Olga Lezcano
Jim Loescher
Angelique Lord

Andrew Lorenz
Stacey Lurry
Eugene Mackey
Devon Manning
Billie Manzo
Dabbah Maximore
Vanessa McCall
Tomacena McCalop
Lisa McNatt
Robert Messineo
Mary Miles
Annette Miller
Renee Mills
Dawn Momot
Susan Moriarty
Kathy Morris
Morris Murchison
Nancy Nicholas
Vantrina Nock
Katrice Obidike
Carol Orzechowski
Rita Paige
Allan Passwaters
Penny Pierson
Chandana Poosala
Scott Powell
Latanya Pratt
Rachael Preston
Javier Ramirez
Olivia Ridgeway
Theodore Robbins
Cynthia Robinson
Tara Rogers
Brian Rossello
Tunisha Royal-Scott

Sherri Russell
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Matthew Shaw
Rita Sheranko
Daniel Shortridge
Joan Smith
Pamela Spencer
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Roxann Stayton
Jack Stucker
Rebecca Tholstrup
Rachelle Thornton
John Tilghman
Patti Truitt
Lydia Vasquez
David Volpe
Vanessa Walker
Megan Washington
Porschia Washington
Richard Waters
Julianne Watkins
Christopher Whaley
Deborah Whidden
Deane Willey
Anthony Williams
Melissa Elaine Williams
Alfonzo Woods
K’Keenya Woods
Beverly Young
Melissa Ziegler



DSHA PARTICIPATING LENDERS

1st Preference Mortgage Corp.

Academy Mortgage Corp.

Acopia Home Loans

AnnieMac Home Mortgage

Apex Home Loans, Inc.

Artisans' Bank

Atlantic Home Loans

Caliber Home Loans

CMG Mortgage

DHI Mortgage Company

Draper and Kramer Mortgage Corp.

Embrace Home Loans

Envoy Mortgage

Evolve Bank & Trust

Fairway Independent Mortgage Corp.

First Home MTG Corp

Fulton Bank NA

GMH Mortgage Services

GSF Mortgage

Guaranteed Rate Affinity

Guaranteed Rate, Inc.

Huntington Valley Bank

Keystone Funding, Inc.

M & T Bank

Meridian Bank

Mortgage America Inc.

Mortgage Network, Inc.

Movement Mortgage LLC

Nations Lending Corp.

New American Funding

Newrez LLC

Northpoint Bank

NVR Mortgage Finance Inc.

Pike Creek Mortgage Services

Primary Residential Mortgage, Inc.

PrimeLending, A PlainsCapital Company

Prosperity Home Mortgage LLC

Residential Mortgage Services, Inc.

Santander Bank

Supreme Lending

The Federal Savings Bank

Tidewater Mortgage Services Inc.

Trident Mortgage

Union Home Mortgage Corp.

Waterstone Mortgage Corporation

Weichert Financial Services

Wells Fargo

WSFS

HUD-APPROVED HOUSING COUNSELING AGENCIES

CLARIFI Inc.

Delaware Community Reinvestment
Action Council

First State Community Action Agency

Housing Opportunities of
Northern Delaware, Inc.

Interfaith Community Housing

NCALL Research

Neighborhood House, Inc.

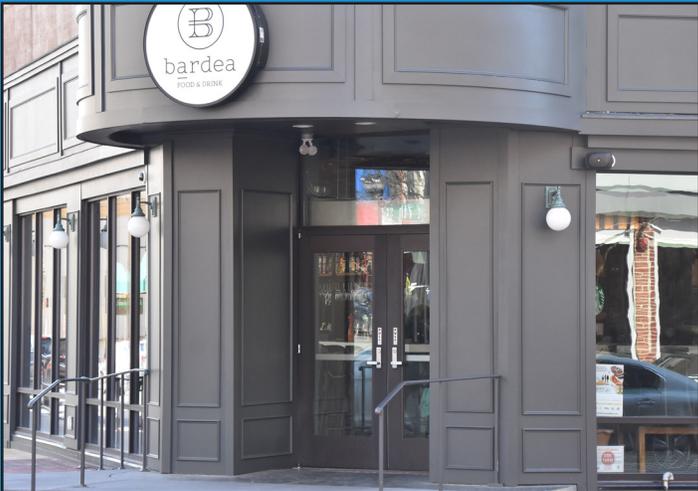
Telamon Corporation

YWCA Centers for
Homeownership Education





Downtown Development Districts





Delaware State Housing Authority

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