

COUNCIL ON HOUSING  
Public Session via Conference Call  
February 8, 2023

**Motions**

- December 14, 2022 Minutes
- Resolution NO. 637 OLD LANDING II Subsidy Extension
- Resolution NO. 638 Christiana Village

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:03 pm, Wednesday, February 8, 2023. In addition to Mr. Motley, the following Council members were present:

Dianne Casey	Francia Julian	Vincent White	Barbara Cool
Amy Walls	Connie Harrington		

Dianne Casey, Francis Julian, and Vincent White were present in person at the Delaware State Housing Authority, 10<sup>th</sup> floor, Carvel State Building, Wilmington, DE which served as the anchor location for the meeting. All other members of Council appeared via video.

The following council members were absent from the meeting:

Lillian Harrison	Norma Zumsteg	Donna Mitchell
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**Also attending:**

Eugene Young, DSHA	Stephanie Griffin, DSHA	Javier Horstmann, DSHA
Debra Miller, DSHA	Candace Collins, DSHA	

**APPROVAL OF MINUTES**

Ms. Walls moved and Ms. Casey seconded that the Minutes of the December 14, 2022 meeting be approved as submitted. The motion was passed.

**DSHA REPORT – Mr. Young**

DSHA will be presenting its FY 2024 HDF and SRAP budget request to the General Assembly’s Joint Finance Committee on February 9<sup>th</sup>, 2023 at 10:30 a.m.

- The Governor recently announced an approximately \$101M investment in housing in his recommended budget.
- Housing has been a major source of discussion for this legislative session. DSHA has had continued discussions with legislative partners in regards to continuing to invest and ensure access of affordable housing for all.
- Delaware Housing Assistance Program (DEHAP)
  - The DEHAP application portal closed to new applications and recertifications of prior applications on January 2, 2023. The DEHAP review team will continue processing the cases pending until funding is depleted.
  - To date, DEHAP has provided over \$130 million in rental and utilities assistance on over 58,000 cases.
  - A portion of DEHAP funds will be kept in reserve to assist high needs households facing an immediate threat of eviction.

- DSHA will also continue using Emergency Rental Assistance - Housing Stability Services (ERA-HSS) funds to support the Community Navigation Program through December 31, 2023, and the Eviction Defense Project through September 30, 2025. In the absence of DEHAP, these two critical programs will provide alternate forms of assistance to households facing eviction.
- Delaware Mortgage Relief Program (DEMRF)
  - To date, we have provided \$13,260,602 in assistance to 1,337 households for an average of \$9,918.
  - In addition to the assistance paid, we have \$30,000 allocated for applicants seeking loan modifications or forward assistance.
  - DEMRF was recently highlighted through the Channel 28 *Community Crossfire* program.
- The ARPA-funded Market Pressure Relief Fund application window was extended to February 3, 2023 (original closing date was January 31, 2023). The first round of this program limited eligible applicants to affordable housing developments actively under construction to ensure the successful completion of these projects. To date DSHA has received 9 applications (of 12 possible eligible developments) with a total request of approximately \$4MM. Once applications are reviewed and funds awarded, we will review options for additional rounds for upcoming developments.
- The 2023 – 2024 QAP has been finalized and published! Applications for the 2023 competitive allocations are due in late April. As part of the finalized documents, DSHA provided interim deadlines for various application submission requirements to assist developers in moving toward and meeting that April submission deadline. We’ve already had several developers reach out to set up Technical Assistance meetings for their applications.
- The Area of Opportunity Land Bank Loan Fund launched in October 2022 and DSHA had our first loan closing in January. Through this program, a developer that submitted a threshold compliant but unranked 2022 LIHTC application was able to secure site control of a parcel of land in Sussex County for future development of new affordable housing units in a designated area of opportunity. A condition of this loan program is that the developer must submit an application in the subsequent LIHTC funding rounds and has three years to move forward with the LIHTC development. This is an excellent tool to support the new creation of much needed affordable housing.

## **COMMITTEE REPORTS**

- OPERATIONS: Ms. Harrington
  - None
- COMMUNICATIONS: Ms. Casey
  - None
- POLICY: Mr. White
  - None
- LOAN REVIEW: Mr. Motley
 

The committee met January 31, 2023 and reviewed two HDF funding requests for consideration. After due discussion, Loan Review made the following recommendations to Council:

  1. Old Landing II Subsidy Extension - Based on the information provided in the synopsis and during the discussion, the members of Loan Review agreed to present for the full council’s approval the funding request to extend the rental subsidy for up to five (5) more years.
    - Delaware State Housing Authority (DSHA) received a special appropriation of Housing Development Fund (HDF). In 2004, \$395,000 of the special appropriation was allocated to create a 15-year subsidy reserve (from the date of permanent loan closing) for Old Landing II

to provide rental assistance to benefit families whose incomes do not exceed 30% of area median income for six (6) units (Resolution 316).

- The rental subsidy allocation period has expired, but there is approximately \$125,000 remaining in the subsidy reserve. This translates into approximately 6.5 years of additional rental subsidy based on the average burn rate.
- DSHA is proposing that the rental subsidy program be extended for five (5) years or until such time as the current beneficiary households terminate their leases, whichever is sooner. Any subsequent leases for the 30% AMI units will not receive the subsidy benefit. Rather they will pay the applicable 30% AMI LIHTC established rents. Management and/or the owners will work with the current tenants to plan for the end of the subsidy benefit by January 2028. At the end of the 5-year extension, any unspent subsidy funds will be transferred into the operating reserve of the property. All other assumptions and conditions considered in Resolution No. 316 will remain as approved.

Mr. White moved and Ms. Casey seconded Resolution No. 637 to be approved. The motion was passed unanimously.

2. Christiana Village - Based on the information provided in the synopsis and during the discussion, the members of Loan Review agreed to present for the full Council's approval the funding request for Christiana Village for an HDF second deferred permanent loan in the amount of \$3,500,000 at 1% interest for 30 years.

- Christiana Village Acquisition and rehab of 76 existing units in Wilmington on approximately 2.0 total acres scattered over 3 separate sites. Exterior rehabilitation includes new roofing, windows, exterior doors, gazebo, playground, trash enclosures, ADA improvements. Interiors will receive new cabinets, countertops, energy star rated appliances, flooring, bathroom fixtures, and HVAC equipment. Units will be equipped with electric range/oven, and Energy Star rated dishwashers, refrigerators, and electric split system heat pumps. Life-safety systems will be updated.
- Existing manager's office, maintenance rooms, and laundry facilities will be updated. Development to include four (4) efficiency units; nineteen (19) one-bedroom units; forty-three (43) 2-bedroom units; and ten (10) three-bedroom units. The Development will meet handicap accessibility requirements with four (4) fully accessible units. All units will receive HUD rental subsidy. Development will receive a 2023 Tax Credit allocation in the amount of approximately \$1,105,336 as part of a tax-exempt multifamily bond issue (4% tax credits).
- This request is for HDF second deferred permanent loan in the amount of \$3,500,000 at 1% simple interest for 30 years.

Mr. White moved and Ms. Harrington seconded Resolution NO. 637, OLD LANDING II Subsidy Extension to be approved. The motion was passed with five (5) votes in favor and two abstentions (Ms. Walls and Ms. Harrington).

#### **OLD / NEW BUSINESS:**

- None

#### **ADMINISTRATIVE:**

- None

#### **SCHEDULING OF NEXT MEETING**

- The next meeting will be held on Wednesday, March 8, 2023, 2:00 p.m. via conference call with the anchor location at the Community Building of Huling Cove, 1142 Savannah Rd, Lewes, Delaware.

**ADJOURNMENT**

There being no further business to come before the Council, the meeting was adjourned at 2:57 p.m.

Respectfully submitted,

*Debra Miller*

Debra Miller

Note: Copies of materials referenced as “attached” in these Minutes are available upon request.