

COUNCIL ON HOUSING
Public Session via Conference Call
June 14, 2023

Motions

- April 12, 2023 Minutes
- Resolution NO. 642 Diamond Court I Preservation
- Resolution NO. 643 Diamond Court II Preservation

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:11pm, Wednesday, June 14, 2023. In addition to Mr. Motley, the following Council members were present:

Amy Walls	Barbara Cool	Francis Julian	Connie Harrington
Dianne Casey	Vincent White	Donna Mitchell	

Doug Motley was present in person at Huling Cove, Lewes, 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 Harris

Also attending:

Eugene Young, DSHA	Candace Collins, DSHA
Susan Eliason, DSHA	Deb Miller, DSHA
Stephanie Griffin, DSHA	Tom Ayd, Green Street Housing
Javier Horstmann, DSHA	Chase Powell, Green Street Housing
Robert Messineo, DSHA	Ray Perdue, Green Street Housing

APPROVAL OF MINUTES

Ms. Casey moved and Ms. Walls seconded that the Minutes of the April 12, 2023 meeting be approved as submitted. The motion was passed.

MODIFICATION IN AGENDA

Loan review moved up to ensure voting while we have quorum. Ms. Walls requested to move the Operations Report up because of issue that need to be voted on.

- **LOAN REVIEW:**
The committee met June 6, 2023 and reviewed two (2) LIHTC funding request for consideration by Loan Review. After due discussion, Loan Review made the following recommendations to Council:
 - **Diamond Court I**
 - This is the acquisition and rehabilitation of 34 existing garden style apartment units in Harrington, Delaware on approximately 4 total acres. Twenty-three (23) units are USDA fully subsidized. The Development target population will be families whose incomes do not

- exceed 60% of median income with 17 units (or 50% of the units) rented to tenants whose incomes do not exceed 30% of median income, 6 units (or 18% of the units) rented to tenants whose incomes do not exceed 40% of median income, 11 units (or 32% of the units) rented to tenants whose incomes do not exceed 60% of median income. The Development will meet handicap accessibility requirements with four (4) fully accessible units.
- Current construction is slab on grade construction with wood framing and vinyl siding and brick veneer exteriors. Proposed exterior rehabilitation includes new roofing, windows, exterior doors, gazebo, upgraded security cameras and LED site lighting. Interior renovations will include new cabinets, energy star rated appliances, flooring, bathroom fixtures, and HVAC equipment. All units will be equipped with electric range/oven, and Energy Star rated lighting and ceiling fans, electric water heaters, dishwashers, and refrigerators.
 - Based on the information provided in the synopsis and during the discussion, the members of the Loan Review agreed to present for the full Council's approval the funding request for: Construction Financing in the amount of (1) Housing Development Fund ("HDF") in the amount of \$3,249,291 at 3.00% interest for 24 months; (2) DSHA HOME Program ("HOME") loan in the amount of \$1,900,000 at 3% interest for 24 months; and permanent financing in the amount of (1) Amortizing HDF first mortgage in the amount of \$649,291 at 5% for 30 years; (2) HDF deferred third mortgage in the amount of \$140,000 at 1% interest for 30 years; and (3) HOME deferred fourth mortgage in the amount of \$1,900,000 at 1% interest for 30 years.

Mr. Julian moved and Ms. Harrington seconded Resolution NO. 642, Diamond Court I Apartments to be approved. The motion was passed with eight (8) votes in favor and no abstentions.

- **Diamond Court II**

- Acquisition and rehabilitation of thirty-two (32) existing garden style apartment units in Harrington, Delaware on approximately 4.69 total acres. All thirty-two (32) units are USDA fully subsidized. Development target population will be families whose incomes do not exceed 60% of median income with 14 units (or 45% of the units) rented to tenants whose incomes do not exceed 30% of median income, 7 units (or 22% of the units) rented to tenants whose incomes do not exceed 40% of median income, 5 units (or 15%) rented to tenants whose incomes do not exceed 50% of median income, and 6 units (or 18% of the units) rented to tenants whose incomes do not exceed 60% of median income. The Development will meet handicap accessibility requirements with four (4) fully accessible units.
- Current construction is slab on grade with wood framing and vinyl siding and brick veneer exterior. Exterior rehabilitation includes new roofing, windows, exterior doors, and gazebo. Interiors will receive new cabinets, energy star rated appliances, WIFI, flooring, bathroom fixtures, and HVAC equipment. Units will be equipped with electric range/oven, and Energy Star rated lighting and ceiling fans, electric water heaters, dishwashers, and refrigerators.
- A community center will be constructed and shared with Diamond Court I. The community center will include a laundry facility, new leasing office, meeting room, kitchenette and computer lab.
- Based on the information provided in the synopsis and during the discussion, the members of the Loan Review agreed to present for the full Council's approval the funding request for: Construction Financing (1) HDF in the amount of \$3,225,000 at 3.00% interest for 24 months; (2) HOME in the amount of \$1,920,000 at 3% interest for 24 months and Permanent Financing (1) HDF Amortizing first mortgage in the amount of \$1,825,000 at 5% for 30 years; and (2) HDF Interest only third mortgage in the amount of \$1,920,000 at 1% interest for 30 years.

Mr. Julian moved and Ms. Casey seconded Resolution NO. 643, Diamond Court II Apartments to be approved. The motion was passed with eight (8) votes in favor and no abstentions.

- **General Discussion**

- Members of the Council questioned the cost of brand new construction verses rehabilitation of the existing apartments. The Council will discuss cost comparison at a future date.

COMMITTEE REPORTS

OPERATIONS – Ms. Walls

- Present the Slate of Office for 2024 at the July 12th meeting.
 - Doug Motley, President – 1 year term
 - Connie Harrington, Vice President – 1 year term

DSHA REPORT – Dir. Young

- DSHA was officially allocated the \$30 M in one-time state funding to support expanding DSHA investment in housing.
- DSHA continues to be engaged in many legislative efforts relating to housing policy. With only three weeks left in the legislative session, DSHA is looking forward to many legislative accomplishments. Three major Bills to focus on January 2024:
 - Banning the enactment and enforcement of crime-free ordinances
 - Repealing the LIHTC and HDF state notification requirement
 - Codifying a right to representation for low-income tenants facing eviction.
- DEMRP Update: To date, we have provided \$24,991,439 in assistance to 2,121 households for an average of \$11,783. In addition to the assistance paid, we have \$1,316,977 allocated for receiving future monthly assistance payments. DSHA is currently exploring adding a rehabilitation component in collaboration with the three local habitats anticipated to start in July. Alaska is the gold standard in regards to DMRP.
- DSHA announced the Downtown Development District (DDD) Round 15 Large Project preliminary rebate reservations. This round was competitive, receiving 23 applications with requests totaling more than \$9.5MM.
- Catalyst Fund: DSHA and our partner Cinnaire Lending, have received significant interest in the Catalyst Fund. As of our meeting on Tuesday, Cinnaire has spoken with multiple developer entities who are interested in applying for the construction financing that will be supported by DSHA's SLFRF-funded sales gap subsidy.
- Congratulations to Susan Eliason who is retiring from DSHA with 21 years of service.
- Rent Reporting Pilot - We currently have 92 Delaware renters reporting rent and utility payments through the program. The average score increases range from 20-30+ points, but remains a moving target as we enroll more participants. The current maximum score increase is 216 points. This statistic highlights the value of rent reporting for individuals who start out with no credit score/thin credit file. Still in the process of gaining people to participate. Several housing agencies are interested in the program. Eventually DSHA will do an Annual Report for the Governors Office and will work with OMB.
- DSHA received an unprecedented number of requests for bond cap volume in support of 4% LIHTC allocations for the 2023-year bond cap allocation. In coordination with the Department of Finance and Secs. Geisenberger and Bullock, we were able to identify bond cap volume that will not be utilized this year. Rather than waiting until the end of the year to reallocate that volume to DSHA to carry forward (per standard procedure), the Department of Finance is working on an amendment to GO 57 to reallocate bond cap volume to DSHA now.
- DSHA Staff is reviewing and scoring the 9% applications and anticipate that the 2023 competitive allocations will be announced in early July.

COMMITTEE REPORTS

- **COMMUNICATIONS** – Ms. Casey
Congratulations to Susan for all her contributions to the Council. Much continued success in your future endeavors.
- **POLICY** – Mr. White
Nothing to report.

OLD / NEW BUSINESS:

- Director Young attended the MARC-NAHRO Annual Conference at the Chase Center in Wilmington May 8-10, 2023. Well attended event. Will follow-up with Management to partner with other agencies to create one list for housing needs.

SCHEDULING OF NEXT MEETING

- The next meeting is scheduled for Wednesday, July 12th, 2:00 p.m. via conference call with the anchor location will be the offices of the Delaware State Housing Authority, the conference room of 18 The Green, Dover DE.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 2:51 p.m.

Respectfully submitted,

Candace Collins

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