

COUNCIL ON HOUSING
Public Session via Conference Call
March 13, 2024

MOTIONS

- December 11, 2023 Minutes
- Resolution No. 645 - Flats V
- Resolution No. 646 – Chapel Branch

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:00pm, Wednesday, March 13, 2024. In addition to Mr. Motley, the following Council members were present:

Barbara Cool	Francis Julian	Connie Harrington	Dianne Casey
Lillian Harris	Vincent White	Jaimie Sayler	Vandall Hampton, Jr.

Doug Motley and Melissa Ziegler were present 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:

Amy Walls Christel Duff

Also attending:

Stephanie Griffin, DSHA	Melissa Ziegler, DSHA
Candace Collins, DSHA	Alexander Modeas, DSHA
Rachael Preston, DSHA	Robert Messineo, DSHA
Sean Collins, Todmorden Foundation	Donna Gooden, Todmorden Foundation
Rich Przywara, Todmorden Foundation	Benjamin VanCouvering, HDC Mid-Atlantic
Matthew Padron, Volker	

INTRODUCTION OF NEW MEMBERS

Mr. Motley requested that the newly appointed members of the Council briefly introduce themselves:

- *Jaimie Sayler* – Director of Housing and Community Development for the State Community Action Agency statewide, nonprofit. Jaime is a 25-year resident of Delaware and wants to play a part in the housing landscape in our state.
- *Vandall Hampton, Jr.* - President and CEO of True Access Capital, located in Wilmington, DE., with a focus on providing access to capital for small businesses and community organizations in Delaware and southeastern PA. Vandall has been with True Access Capital for 20 years and is a 30-year resident of Delaware.

APPROVAL OF MINUTES

Mr. Julian moved, and Ms. Casey seconded that the Minutes of the December 11, 2023 meeting be approved as submitted. The motion passed.

DSHA REPORT – Stephanie Griffin

Budget and Legislative Updates

- DSHA had its first budget hearing on Thursday, February 8th before the Joint Finance Committee. The request before the committee were for the Housing Development Fund (HDF) and the State Rental Assistance Program (SRAP). The next budget hearing is in April.
- DSHA continues to engage with members of the General Assembly and stakeholders to find innovative solutions to increase the availability of affordable housing throughout the state.

Delaware Mortgage Assistance Program (DEMARP)

- The average assistance per household is \$12,594. In addition to the assistance already paid, DSHA has allocated \$187,182 for applicants to receive future monthly assistance payments for their mortgage to help keep them up to date. We have closed the application portal for all mortgage relief applications because we've reached the programs funding capacity. We will be reviewing the current application pipeline to confirm eligibility for the program. Once this process has been completed, which we expect will take 30-45 days, we will review the allocation of funding to determine if we can reopen the application portal.

ARPA Housing Programs

- DSHA has rolled out 5 new programs and committed \$32.5MM of our funding allocation. We currently have \$15.9MM left to commit by December 2024. The program budgets and expenditures are as follows:
 - LIHTC Accelerator Fund Budget is \$8,115,000; 100% committed supporting in the new creation 429 units in New Castle County and Sussex County.
 - Mixed Income Market Fund is \$10,000,000; 35% committed supporting the new creation of 26 units in Sussex; a second application was submitted for a development in Sussex requesting approximately \$4.9MM to create 36 units.
 - Preservation Fund Budget is \$5,995,000; 95% committed supporting the preservation of 199 units in New Castle County and Sussex County.
 - Catalyst Fund Budget is \$12, 599,078; 25% committed supporting the new creation of 28 homeownership units. The Catalyst Fund currently has a pipeline of approximately \$9MM in requests that are in the primary review and pre-approval stages. These will be committed upon turnover for the first tranche of commitments because it's tied to the availability of the loan fund for the actual construction portion of the process of these development deals and then the market pressure relief budget is \$3.8 MM; 100% committed and supported the completion of 440 affordable units that were impacted by the cost increases from COVID.
- DSHA was allocated \$30MM in State dollars as part of the FY24 budget. The epilogue language decoupled this funding from the programs created by the ARPA. This was intentional to allow DSHA some flexibility in how the funds were deployed. We are working on program development for these funds, including considering options to use these funds to support workforce housing development such as:
 - A program like the MIMF that targets higher income levels (65%-100% AMI) as that is identified as a critical need through housing needs assessment.
 - Continue the Catalyst Fund past the December 2024 commitment deadline as there is a robust pipeline for that program but the timeline for these properties is dictated by the development timeline and property sale.
- DSHA is considering a set aside of \$5MM of this funding specifically to support affordable house development in Kent County since Kent County is underrepresented in the ARPA programming. DSHA is still working on program development for this is set aside.
- DSHA has already deployed 9.65MM of this funding source to down payment and settlement assistance through the Delaware Diamonds and Home Sweet Home programs.

New Homeownership Programs

- DSHA re-launched its Welcome Home loan program on Wednesday, January 31, 2024, with the mortgage rates as low as 5.5%. In connection with this program DSHA re-introduced the Home Sweet and Delaware Diamonds Downpayment Assistance programs. Both programs offer qualified home buyers up to \$12,000 in down payment assistance and closing cost assistance, which is in the form of a forgivable loan. Since the launch, we have allocated reservations in the amount of \$44,749,924 for first mortgage loans and \$1,767,785.70 in downpayment assistance. \$1,326,000 of that downpayment assistance came from state funds.

DSHA Strategic Plan

- DSHA executive leadership are reviewing a draft agency strategic plan. Once the opportunity to review, we will share the draft with OGOV and the Council on Housing to allow an opportunity to provide feedback before the final plan is published.

DDD Large Project Allocation

- The DDD Large Project application and round closed this week (February 27th). DSHA received 15 applications for DDD Funding from seven (7) districts. Over the next few weeks, DSHA staff will review and score the applications. We will be scoring those applications and coordinating with the Office of State Planning to go through the final review and approval process. We anticipate announcing those final allocations by the end of April.

DSHA Organizational Changes

- Director Young's last day was March 8, 2024. The Acting Director is Cynthia Karnai. She was the Deputy Director of the agency and will go through her Senate confirmation hearing shortly. Cynthia would be nominated to take over after Eugene's departure to serve out through the end of the term. The next Governor will decide on their entire cabinet.
- Javier Horstmann has left the agency and is now back at the Governor's office. Alex Modeas has kindly stepped in as his replacement. Alex is with Policy and Planning and will be the new point person for the Policy Committee as well as assisting me with a lot of the Council on Housing work.
- We have seen some other turnover as far as people retiring or moving to new positions. There will be more job posting and things such as that, and we will certainly keep you posted. If you have questions, you are welcome to reach out and we'll answer as we can.

COMMITTEE REPORTS

OPERATIONS – N/A

COMMUNICATIONS – Ms. Casey

- Not an official report however, we did receive an email with the DSHA draft Strategic Plan attached. The communication received gave us a turnaround time of this Friday, March 15th to submit any of our comments or concerns. With today being Wednesday we got a couple of days to look through the plan and get a response back by COB on Friday.

POLICY – Mr. White

- Policy did not hold their monthly meeting. We will have a conversation about preservation at the next month meeting.

LOAN REVIEW – Mr. Julian

The committee met March 5, 2024, and reviewed two funding request. After due discussion, Loan Review made the follow recommendations to Council:

- **The Flats, Phase V**

- The Flats, Phase V is a leasehold acquisition and new construction of 53 units in Wilmington on approximately 0.83 total acres. The development will be wood framed construction and exteriors will be predominantly red brick with accent brick, soldiers, and rowlocks. The units will have high efficiency inverter heat pump mechanical units, electric hot water heaters, and dehumidifiers. Each apartment will have an electric range and microwave along with energy star certified refrigerator and dishwasher. The development will offer amenities including an onsite community center. Wi-fi for all units, and community garden with raised plots. The building will provide a resiliency hub through a gas generator that will satisfy at least three of the most critical energy loads of the project for at least four consecutive day, 24 hours a day.
- This will be a Senior development to include forty-one (41) one-bedroom units, and twelve (12) two-bedroom units. The development will exceed handicap accessibility requirements with eight (8) fully accessible units.
- 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: (1) HDF construction loan in the amount of \$3,180,000 at 3% simple interest for 24 months; (2) HDF deferred second mortgage permanent loan in the amount of \$3,180,000 at 1% simple interest for 30 years; and (3) DSHA SLFRF deferred third mortgage permanent loan in the amount of \$500,000 at 1% deferred simple interest for the construction period plus 30 years.

Mr. Julian moved and Ms. Casey seconded Resolution No. 645, The Flats V to be approved. The motion passed with seven (7) votes in favor and two (2) abstentions.

- **Chapel Branch Apartments**

- Fee simple acquisition and new construction of 42 new units on approximately 7.34 acres in Lewes. The development will be stick built construction with vinyl siding and brick exteriors. Units will be equipped with electric range/oven and Energy Star rated refrigerator, washer, dryer, and electric water heater. Heating and air conditioning provided by new high efficiency Energy Star electric heat pumps. All units will have ceiling fans and access to private outdoor space and will be Zero Energy Ready.
- The development will include a community center available to all tenants that will serve as a resilience hub and include a reception area, management office, business center, and maintenance office. The site will offer a common green space with raised garden beds, walking trail and gazebo for tenant use.
- This family site will offer thirty -five (35) units that will be LIHTC income restricted units and seven (7) units that will be restricted to 80% of Area Median Income (“AMI”). Development to include twenty-four (24) two-bedroom units, and eighteen (18) three-bedroom units. The Development will exceed handicap accessibility requirements with six (6) fully accessible units.
- 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: (1) HDF second mortgage construction loan in the amount of \$2,520,00 at 3% simple interest for 18 months and (2) HDF deferred second mortgage permanent loan in the amount of \$2,520,000 at 1% simple interest for 30 years.

Mr. Julian moved and Ms. Casey seconded Resolution No. 646 Chapel Branch Apartments to be approved. The motion was passed with eight (8) votes in favor and no abstentions.

OLD / NEW BUSINESS: N/A

SCHEDULING OF NEXT MEETING

- The next meeting is scheduled for Wednesday, April 10, 2024, at 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 2:33p.m.

Respectfully submitted,

Candace Collins

Candace Collins

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