



Affordable Housing Production Task Force

February 6, 2025

AHPTF

Meeting Agenda

- **Welcome & Roll Call Attendance**
- **Task Force Business**
 - Approve 10.7.24 Meeting Minutes
 - Update on Task Force Timeline
- **Presentations on Subcommittee Recommendations**
 - Finance & Development Subcommittee
 - Community Focus Groups Subcommittee
- **Public Comment**
- **Next Meeting**



Finance & Development Subcommittee

Membership:

Amy Walls, Chair, Discover

Fred Banuelos, Federal Home Loan Bank of Pittsburgh

Kevin Smith, Habitat for Humanity of New Castle County

Wes Stefanick, Delaware Association of REALTORS

Karen Speakman, NeighborGood Partners

Preston Schell, Schell Brothers

Dionna Sargent, Cinnaire

Matt Parks, Discover

Marva Hammond, Southbridge Community Services, Inc.

Subcommittee Charge:

Review, at a minimum:

- dedicated funding sources for affordable housing,
- developer incentives,
- prioritizing infill development,
- cost sharing,
- legal and financial tools to promote affordable homeownership,
- surplus land and land donations, and
- grant opportunities.

The Subcommittee met 5 times and voted to approve 18 recommendations for the Task Force's consideration



Recommendation 1

Standardize the definition of affordable housing for government programs to mean housing that is affordable to households making up to 80% AMI for rental units and up to 120% AMI for homeownership units.



Recommendation 2

DSHA should research the cost of increasing the supply of affordable housing to meet the housing needs identified in the 2023 Statewide Housing Needs Assessment; additionally, future needs assessments should provide cost estimates for addressing any housing needs identified.

***The 2023 Statewide Housing Needs Assessment covers housing needs through 2030. Previous needs assessments were for terms of approximately five years (2015-2020; 2008-2012).**



Recommendation 3

The state should identify all federal and state funds across executive branch agencies that are being used and can be used to support housing, in order to coordinate and maximize the availability and use of those funds.



Recommendation 4

The Office of Management and Budget should conduct a feasibility study regarding the development of a state affordable housing tax credit.



Recommendation 5

Increase the AMI for eligible homebuyers to 120% AMI for the exemption established via SS1 for SB 87 (152nd GA).

***Specifically relates to the exemption of the realty transfer tax of a conveyance in which it is the grantee's intent to construct affordable housing units and the conveyances are financed using funding provided by the federal government, this State, or a county or municipality of this State, for the purpose of constructing affordable housing units, defined as a residential dwelling for a household whose income does not exceed 80% of the median income for the area as defined by the U.S. Department of Housing & Urban Development.**



Recommendation 6

Reduce the realty transfer tax (RTT) to 1% for owner-occupied homebuyers with incomes at or below 120% AMI.



Recommendation 7

The Office of State Planning Coordination should work with local governments and other stakeholders to develop a statewide accelerator program for residential projects that meet certain density and affordability criteria. The program should include, but not be limited to: Expedited reviews/permits, fee reductions, and/or waivers; Assistance with financing and grants; and a Study to identify where the actual bottlenecks are in the process.



Recommendation 8

Create more incentives to promote infill development and redevelopment that includes a component of affordable housing (meaning affordable to households making up to 80% of AMI for rentals and up to 120% of AMI for homeownership) in State Strategies Level 1 and 2 areas. This may include expedited review/permits, fee reductions and/or waivers, and assistance with financing and grants.



Recommendation 9

The state should encourage bond financing for affordable housing at the county/local government level.



Recommendation 10

DSHA should create additional opportunities to collaborate with developers, community-based organizations and local governments, which may include: conferences, webinars, technical assistance, reference materials, and other training. A reboot of the Governor's conference on housing is strongly suggested.



Recommendation 11

Encourage all the Delaware public housing authorities (PHAs) to continue to review and create incentives to engage developers and landlords to accept Housing Choice Vouchers.



Recommendation 12

DSHA should periodically review their financing and housing programs with stakeholders to ensure that products and programs are optimized and effective.



Recommendation 13

Apply long-term deed restrictions (in perpetuity) or a Community Land Trust (CLT) model for all RAD conversions (public housing to LIHTC).



Recommendation 14

Redetermine the cap on the number of projects a developer can have in the pipeline at one time for 4% and 9% LIHTC projects, and examine DSHA's share of the bond cap authority, in order to maximize housing production.



Recommendation 15

Encourage Delaware's public housing authorities and entitlement agencies to institute a right of first refusal for the sale of multifamily rental housing above 4 units that is developed using public subsidies to qualified affordable housing developers, if the project and its funding sources allow.

***Not unanimous; recommendation passed with 5 members in favor and 4 opposed.**



Recommendation 16

A third party should perform a competitive wage analysis of DSHA staffing to best attract and retain the talent necessary to engage in the financial transactions and underwriting that the state finance agency delivers; additionally, DSHA should assess capacity needs to effectively execute its programs. If necessary, the state should provide funding to address any gaps identified by the third-party analysis.



Recommendation 17

Develop a mission-driven public/private development fund modeled after the Dallas Housing Opportunity Fund that leverages state funding with private and philanthropic capital to increase the number and volume of low-cost loans and grants available to affordable housing developers. Create a strategic partnership with philanthropic organizations and facilitators of philanthropy (e.g., Philanthropy Delaware).

* <https://www.dallasecodev.org/678/Dallas-Housing-Opportunity-Fund-DHOF>



Recommendation 18

The state should appropriate \$100 million to DSHA annually to support production of affordable housing (with units that are affordable to households making up to 120% AMI for homeownership, and up to 80% AMI for rental), and index future increases to the Consumer Price Index.



Community Focus Groups Subcommittee

Membership:

Rachel Stucker, Chair, HAD

Lillian Harrison, Elevated
Community Development Corp.

Sheila Grant, AARP

Ed Gootzait, SCPD

Porsha Harvey, Catholic Charities

Nick Beard, DCADV

Sarah Rhine, CLASI

Karen Records, DSAMH

Patrice Gibbs, DCHV

Subcommittee Charge:

Review supportive services for, and barriers to affordable housing encountered by, the community focus groups represented on the subcommittee

The Subcommittee met 4 times and voted to approve 6 recommendations for the Task Force's consideration



Recommendation 1

DE should take immediate action to increase the stock of supportive housing. DE should do the following to ensure that more supportive housing is developed:

- a. The incoming Governor should direct DHSS and DSHA to work together evaluate needs and to create and implement an ongoing supportive housing development plan/strategy.
 - i. DSHA and DHSS should be charged with working together to identify housing and services funding (state and federal) that can be used for supportive housing development and operations in DE.
 - ii. SRAP should be evaluated to determine if it meets the needs of DE's most vulnerable renters, and to ensure that it provides high quality supportive housing in a manner that is accessible and results in housing stability for the target populations served. An increase in funding for SRAP should be considered, as its funding has not been increased for many years to keep up with housing costs. SRAP is serving fewer people each year as housing costs increase.
- b. DE should match the federal National Housing Trust Fund allocation to DE each year with state dollars (approx. \$3mil/year)
- c. DSHA should ensure that HUD Section 811 units are being developed and/or preserved.



Recommendation 2

The state's FY26 budget should include funding to implement a statewide emergency rental assistance program for households in rental arrears that is sustainable, predictable, and accessible for renters facing eviction or displacement due to unpaid rent.

Rationale: The Delaware Housing Stability Program (HSP), previously Delaware Housing Assistance Program (DEHAP), provides rental assistance to households who are struggling to pay rent and the funding for this program will largely disappear in 2025. Many households face eviction because one catastrophic event in their life has put them a few hundred dollars behind. We must continue to consider how we can support the lowest-income households with one-time rental assistance during the current housing and economic crisis. DSHA has prevented thousands of families from becoming homeless through its administration of the DEHAP and HSP programs. This critical rental assistance has shown the absolute necessity of creating a permanent emergency rental assistance program in Delaware. DE should consider pairing this fund with the eviction defense program to ensure that low-income households facing eviction can quickly and seamlessly access funds to help pay arrears & avoid eviction.



Recommendation 3

Delaware’s land use regulations and funding mechanisms should allow for high density and infill/adaptive re-use housing development, especially near transit-hubs, including micro-units, single room occupancy units, shared housing, and ADUs. Any residential projects taking advantage of higher densities should include units that meet the affordability needs of vulnerable populations that are being kept out of the current rental market.

- a. Delaware should pass a law ensuring that all jurisdictions allow ADUs to be built. ADUs can be important housing options for seniors, as well as their caregivers, allowing more seniors to age in place and/or live with relatives.
- b. Delaware should pass a statewide law that prohibits local jurisdictions from having/enforcing local laws that prohibit more than a certain number of unrelated people from living together, as these laws prevent low-income people from renting rooms/living in shared housing, which may be their only affordable rental option.

Rationale: Higher density housing and smaller units can be significantly more affordable for all kinds of renters, including renters with disabilities, seniors, people on fixed incomes, and other special populations.



Recommendation 4

The Governor's Office should engage partners across multiple sectors to implement a workforce development strategy for human/social services workers and care workers. Examples of partners include DOE, DOL, MCOs, institutions of higher education, nonprofits, & DHSS. Special attention should be given to training, continuing education and competitive pay & wages.

Rationale: Delaware's supportive services/care workforce has insufficient capacity to meet the need. Supportive services through DE's systems of care/DHSS are often unable to meet the needs of clients due to high staff turnover, lack of capacity/expertise, etc. This directly impacts the ability of people to remain stably housed, especially seniors and people with disabilities and/or medical issues.



Recommendation 5

Legislation should be passed to immediately seal eviction filings that did not result in a judgement, and to automatically seal any eviction record after 7 years. Further, landlords must be prohibited from considering any sealed eviction records obtained via third-party sources.

Rationale: Public eviction filings and histories are a major barrier to housing. They keep people unstably housed and homeless and incentivize poor landlord behavior. Tenants will often “self”-evict to avoid a filing getting on their record, even if they are being asked to leave for an illegal reason. They are told if they do not, the landlord will file. It also forces low-income tenants that may have had eviction histories to be forced to accept substandard housing options because they are screened out of better-quality housing options due to eviction history, not due to current income.



Recommendation 6

This subcommittee endorses the Construction Subcommittee's recommendation to adopt a statewide building code, and further recommends that any future statewide building code incorporate best practices to ensure that new construction is built to meet the accessibility needs of people across a range of disabilities. Such consideration should ensure compliance with the ADA.



Public Comment

Written public comment can be sent to housing.taskforce@delaware.gov.



Next Meeting

- **Date:** Thursday, February 20th
- **Time:** 1:30 – 3:30 pm
- **Location:** Senate Hearing Room, Legislative Hall / Zoom
- **Tentative Meeting Agenda:**
 - Presentations on recommendations from the Regulatory & Permitting, Construction, and Manufactured Housing Subcommittees

