

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

MOTIONS

- July 10, 2024 Minutes
- Resolution No. 653 – HAD FY23
- Resolution No. 654 – Chapel Branch Additional Funding

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:02pm, Tuesday, August 13, 2024. In addition to Mr. Motley, the following Council members were present:

Barbara Cool*	Connie Harrington	Dianne Casey	Vincent White
Jaime Saylor	Vandall Hampton, Jr.	Lillian Harris	Christel Duff

*due to connection issues, Barbara Cool had to drop off the meeting.

Alex Modeas (DSHA) and Vincent White were present at DSHA’s offices in Wilmington, DE (The Carvel Building) 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 Francis Julian

Also attending:

Stephanie Griffin, DSHA	Cynthia Karnai, DSHA
Candace Collins, DSHA	Alex Modeas, DSHA

APPROVAL OF MINUTES

Ms. Casey moved, and Ms. Harrington seconded that the Minutes of the May 8, 2024 meeting be approved with the following correction to the minutes: Resolution #650 was seconded by Ms. Walls (not Ms. Griffin). The motion passed.

DSHA Director’s Report

Budget and Legislative Updates

- Legislative
 - Affordable Housing Production Task Force (HB 422): The first meeting is scheduled for Thursday, August 29, from 10:00-11:30 am at DSP Troop 2. The meeting will be conducted in hybrid format. Formal announcement and additional information is forthcoming. The President Pro Tem has already appointed 3 of the 4 members required by the legislation. Still several appointments to be made, including the Governor and Speaker appointments.
 - DSHA attended the signing of several housing bills passed this legislative cycle.

Project Based Voucher PILOT

- DSHA just released the NOFA for Project Based Vouchers (PBV) that will allow developers to

apply for PBVs to help support new development and preservation of affordable housing through dedicated rental assistance. We will have an informational session for any interested applicants.

LIHTC

- The 2024 Allocations have been announced and award letters issued.
- DSHA is scheduling out several closing through the end of the year for our 2023 allocations and projects receiving ARPA funding.

ARPA and Supplemental State Funding

- We are fully committed on three of the five programs that we created with this funding. We are reviewing the applications for the Mixed Income Market Fund and Catalyst Fund to finish allocating the available funds for those programs. Based on initial application reviews, we are currently oversubscribed by about \$7.5MM, so we will likely use the supplemental state dollars to fill that gap.
- We will be using the balance of the State funding to increase the construction loan fund that supports the Catalyst Fund so that we can move the 2nd round applications through the development process upon approval of the application. This is estimated to utilize approximately \$10.5MM of the remaining State dollars. Since these dollars are for the construction loan fund, they will be repaid upon sale of the rehabbed property and will be returned to DSHA to redeploy for future programming.

Homeownership Programs

- DSHA priced its third Mortgage Revenue Bond (MRB) transaction in the amount of \$100,000,000, this will take us to a total of \$300,000,000 since January of 2024. Since the launch, we have allocated reservations in the amount of 978 loans for \$266,420,318 of first mortgage loans and \$8,207,728, in DPA, of that \$4,042,000 is from State Funded Assistance.

LOAN REVIEW – Ms. Griffin

The committee met August 6, 2024, following guidance provided in the Governor’s declaration of a public health emergency on March 12, 2020. There was one HDF funding request and one ARPA – SLFRF for consideration by Loan Review. After due discussion, Loan Review made the follow recommendations to Council:

- **Housing Alliance Delaware (“HAD”) Continuum of Care Support Grant**
Housing Alliance Delaware (“HAD”) is an independence statewide nonprofit that works to strengthen the support system for people who are homeless. Through collaboration with stakeholders, data collection and coordination of funding, HAD serves as the state lead agency in coordinating the Delaware Continuum of Care (DE COC) and submitting the collaborative application to HUD. Last year the application resulted in \$10MM in federal awarded to Delaware to maintain and expand housing and services for homeless individuals and families in Delaware. In support of the efforts, DSHA has funded the agency in three areas:
 - Administration, which includes the Community Management Information System (CMIS). CMIS is a community information sharing system for all types of human services agencies, both nonprofit and State government entities. Each of these users and the agency in which they work is a partner in the effort to collect accurate and timely data about homeless in our communities, which is critical to Delaware’s work to improve the response to homelessness;
 - Centralized Intake which coordinates, prioritizes, and streamlines homes assistance

resources ensuring that those that have the most difficulty accessing resources have equal access to available services that will successfully end their homelessness. This resource is funded in large part by HUD, with HDF supporting cost that the HUD grant does not cover; and

- General support of Delaware’s Continuum of Care (DE COC). The state of Delaware falls under one DE COC and is the only statewide body of community partners dedicated to addressing homelessness. HUD recognized the DE COC through a memorandum of agreement with HAD to serve as a Collaborative Applicant in submitting the DE COC funding application. The DE COC is governed by a volunteer Board of 20 members, representing state, non-profit, and private sector partners from throughout Delaware. The DE COC operates four (4) active committees: Racial Justice & Equality, Advocacy and Policy, Centralized Intake, and System Performance. HAD as the lead COC agency, takes the responsibility for and is accountable for, the HUD mandated functions of the COC.

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: HDF grant in the amount of \$230,000 to fund eligible activities of Housing Alliance Delaware as the lead COC agency for the State of Delaware.

Mr. White moved, and Ms. Harrington seconded Resolution No. 653, Housing Alliance Delaware (“HAD”) Continuum of Care Support Grant. The motion was passed with seven (7) in favor and no abstentions.

- **Chapel Branch**

The request is to add SLFRF lending to close the remaining budget gap after the aforementioned financing adjustments. COH does not actually have approval over the SLFRF funding; however, in order to meet the federally mandated commitment requirements of this funding source, we must have conditions to funding and a countersigned funding commitment, which is best achieved through the COH Resolutions approval process.

DSHA funding for this new construction mixed-income family development known as Chapel Branch Apartments previously approved by Council on March 14, 2024 (Resolution No. 646). Residual impacts to the construction industry resulting from the COVID-19 pandemic, an ongoing high-interest rate environment and substantial cost increases in insurance premiums have continued to impact LIHTC projects through higher construction and operating costs. All LIHTC projects awarded since the pandemic began in 2020 have had to return credits or secure additional time to fill budget gaps. DSHA has deployed State and Local Fiscal Recovery Funds to help offset construction cost increases and funding shortfalls to these projects to bring them to closing in conjunction with refreshing their LIHTC.

Chapel Branch received updated site work pricing in June representing an additional \$1.24M in cost. The development team worked to address the cost overrun as follows: (1) Identified savings in vertical construction during the updated bidding process; (2) Approached energy consultants and syndicator to secure an additional \$40,000 in 45L energy efficiency tax credit equity; (3) Identified \$125,000 of credits for their plan through the Henlopen Transportation Improvement District; (4) Retained deferred developer fee in the amount of \$418,329 as originally approved; and (5) Secured a site work contract \$340,000 lower than the average of the other bids by agreeing to start site work prior to construction closing at their own financial risk.

Based on the information provided 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: (1) SLFRF construction loan in the amount of \$500,000 at 1% deferred interest for 18 months; and (2) SLFRF deferred third mortgage permanent loan in the amount of \$500,00 at 1% simple interest for 30 years.

Mr. Hampton moved, and Ms. Casey seconded Resolution No. 654, Chapel Branch Apartments. The motion was passed with seven (7) votes in favor and no abstentions.

OPERATIONS – Ms. Harrington

Nothing to report.

COMMUNICATOINS – Ms. Casey

No formal report however, Ms. Casey informed Council that they are still working on getting the Annual Report completed.

POLICY – Mr. White

- We had a presentation on the homeless situation by Professor Steve Metro. Will do an email summary about the presentation, including ta link and will distribute to Council as soon as appropriate.

OLD BUSINESS

- No Old Business to discuss

NEW BUSINESS

- **Strategic planning update – Ms. Griffin**
 - With everybody's vacation schedules for the summer, we did not hit the target deadline of having the draft to present to Council. We anticipate having that out to Council for the September COH meeting.
- **Committee Assignments – Mr. Motley**
 - ***Communications*** – Diane Casey and Jaime Saylor
 - ***Loan Review*** – Frances Julian will continue to lead. Members are Connie Harrington, Van Hampton and Doug Motley.
 - ***Operations*** – Connie Harrington, Amy Walls and Crystal Duff.
 - ***Policy*** – Vincent White will continue to lead. Members are Amy Walls, Dianne Casey, Barbara Cool and Lillian Harris.
 - An updated list will be sent to Council to reflect the recent changes.
- **Affordable Housing Task Force – Mr. Modeas**
 - The request for nominees were sent a month ago. Thank you for your response with potential candidates. The three (3) candidates are Amy Walls, Matthew Parks, and Dave Callahan with Amy Walls receiving the most recommendations. Mr. Motley stated he thinks Amy is extremely qualified to take the role and be a conduit of information from the task force to us. We will get real time information and be plugged into everything relevant in the task force conversation. Council vote on nominating Amy Walls to Affordable Housing Task Force passed with seven (7) in favor and no abstentions.

- **House Keeping – Ms. Griffin**

- A reminder that the Council on Housing meeting was changed to the second Tuesday of each month at 2:00pm, starting this month. There was an issue updating the meeting invite and the Wednesday hold on your calendars did not cancel. All Council members will need to decline the Wednesday hold to clear it from the calendar through the end of the year.
- We ask that any Council member who wants to provide a recommendation for venues for our December meeting get that to Ms. Collins by the end of this week.
- Each month Ms. Collins sends out the email request to Council regarding meeting attendance for quorum. Please ensure that you respond with your attendance so we can ensure we will have a quorum for the meeting.

SCHEDULING OF THE NEXT MEETING

- The next meeting is scheduled for Tuesday, September 10, 2024 at 2:00 p.m. via conference call with the anchor location for those wishing to attend in person will be the Community Building of Huling Cove, Lewes, DE.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,

Candace Collins

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