

COUNCIL ON HOUSING
Public Session via Conference Call
September 10, 2024

MOTIONS

- August 13, 2024 Minutes
- Resolution No. 655 – Villa Maria
- Resolution No. 656 – Manor at 6060
- Resolution No. 657 – Mispillion Station II

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:03pm, Tuesday, September 10, 2024. In addition to Mr. Motley, the following Council members were present:

Amy Walls	Connie Harrington	Dianne Casey
Jaime Saylor	Vandall Hampton, Jr.	Francis Julian

Doug Motley, Dianne Casey, and Melissa Ziegler (DSHA) were present at Huling Cove in Lewes, Delaware, 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:

Vincent White	Lillian Harrison	Cristel Duff	Barbara Cool
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Also attending:

Stephanie Griffin, DSHA	Cynthia Karnai, DSHA	Rachael Preston, DSHA
Candace Collins, DSHA	Alex Modeas, DSHA	Grant Searfoss, Severn Comp.

APPROVAL OF MINUTES

Mr. Julian moved, and Ms. Casey seconded, that the Minutes of the August 13, 2024 meeting be approved with the following corrections: The spelling of Ms. Harrison’s name, change the number (#) symbol to a dollar sign (\$) and add a zero (0) and the end of \$230,000 in Resolution No. 653. Also, the correct spelling for the guest speaker on homeless issues is Professor Metraux.

DSHA Director’s Report

Budget and Legislative Updates

- Legislative – Affordable Housing Production Task Force
 - The first meeting of the task force was held on Thursday, August 29. A total of 119 people attended, including 34 in-person attendees and 85 virtual attendees. Individuals interested in participating on the subcommittees had until Friday, September 6th to submit their information and resumes for consideration. The task force co-chairs and subcommittee chairs will decide on subcommittee membership based on the list of volunteers received by the deadline and announce final membership at the second task force meeting on October 3rd.

Community Events

- On Thursday, August 1, DSHA held its Annual Student Awards Luncheon to recognize students of families reside in DSHA Public Housing who are high academic achievers. This year we recognized 30 students who were on the honor roll, 2 students who had perfect attendance, and 1 student who is headed to Delaware Technical Community College. Students were presented with backpacks filled with age-appropriate school supplies for the upcoming year, as well as some personal items that were donated from local area businesses, while the college-bound student received a new laptop.

Eviction and Foreclosure Prevention

- Eviction Prevention & Security Deposit Assistance (HSP) – We launched a new version of rental assistance aimed at assisting residents facing eviction. The program is called Housing Stability Program (HSP). In addition to the eviction prevention, we will be launching a program to help with Security Deposits and up to 3 months' rent. The program will be targeted to households at or below 80% area median income. If residents have previously received assistance, they can utilize this program if they did not receive the maximum amount of 18 months of assistance. We will be partnering with 9 agencies throughout the state for applications. Residents must apply through one of these agencies listed below.
 - Catholic Charities
 - Dual Generations
 - First State Community Action Agency
 - Housing Opportunities of Northern Delaware (HOND)
 - Interfaith
 - Metropolitan Wilmington Urban League
 - Neighborgood Partners
 - New Castle County Department of Housing (pending)
 - People's Place

We have received a total of 123 applications of which 7 have been approved, 24 denied and 90 are being processed.

ARPA Housing Programs

- Final applications are under review for the catalyst fund and MIMF to commit the balance of the funds.
- The first catalyst fund property has been completed and the final DSHA inspection ordered. There are a few minor items to address and then the property will be listed for sale. These properties are available to potential buyers at or below 120% AMI and must live in the property as their primary residence for 5 years.
- DSHA closed on the first Mixed Income Market Fund (MIMF) development, one of the programs created from DSHA's allocation of ARPA-SLFRF dollars. Under the MIMF program, the ARPA dollars will create 36 affordable units available to households at or below 65% AMI upon construction completion in what is otherwise a new construction market rate development located in Roxana, Delaware.

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 1,082 loans for \$295,628,967 of first mortgage loans and \$9,016,281 in DPA, of that \$4,302,000 is from State-Funded Assistance.

DSHA Public Housing

- DSHA, and the other 4 PHAs in Delaware are working together to create a Centralized Waiting List through AffordableHousing.com. Delaware will be the 5th State in the Nation to have a Centralized Waiting List. This will allow applicants to log into a single location to apply for any open HCV waiting list and DSHA's Public housing and project-based voucher housing waiting list. The Office of Housing and Urban Development (HUD) is supportive of initiative. Below is the anticipated timeline:
 - August 2024: Preliminary Application Finalized
 - September 2024: Website Launch, Centralized Waiting List Kick Off

COMMITTEE REPORTS

OPERATIONS – Ms. Harrington

Nothing to report.

COMMUNICATIONS – Ms. Casey

We are working with the Policy Committee on drafting updated recommendations for the annual report. We have a timeline for getting together by our next Policy Committee meeting which will be the first Wednesday in October. We will be hashing out our edits and coming up with a decent enough draft in preparation of circulating it to the whole group. The actual report will be by the end of the year.

POLICY – Ms. Walls

There was a speaker, Kevin Gilmore from Sussex County Habitat, who presented some great recommendations and things we should consider such as trying to support the development around single-family housing and how to connect for profit developers. Nonprofit developers need to consider the cost of the land as legislature is thinking about setting aside funds for housing. Land is going up and it's more than they can bank for the future and it's better to be prepared to do the construction at a lower cost if possible. Mr. Gilmore stressed that the development community is very much aware of these federal dollars that have deadlines on them. The ARPA dollars that propelled some housing development over the past couple of years is not going to last forever.

LOAN REVIEW – Mr. Julian

The committee met virtually on September 6, 2024, following guidance provided in the Governor's declaration of a public health emergency on March 12, 2020. There were three HDF funding requests for consideration by Loan Review.

Villa Maria

This is for the leasehold acquisition and new construction of 74 units on approximately 1.04 total acres in Wilmington for seniors. Fifty-nine (51) units will be LIHTC units and income restricted, eight (8) of the units will be restricted to 80% of Area Median Income ("AMI"), and fifteen (15) units will be market rate units. The Development will meet handicap accessibility requirements with twelve (12) fully accessible units.

Project will be an infill building with two wings framing an interior parking area. In addition to residential units and amenities, project also includes 1,360SF of street-facing commercial space. Three-story wood and steel framed construction with a fourth lower level. Exterior of the buildings will be predominantly red brick with accent cast stone, bay windows, and standing

seam metal roof accents. Project will target meeting Enterprise Green Communities and DOE Zero Energy Ready Home certifications. The units will have high efficiency heat pump mechanical units and gas fired tankless hot water heaters. Units will also have Energy Star certified refrigerators, dishwashers, range hood and dehumidifiers.

Development to include a community center available to all tenants that will serve as a resilience hub and include rest rooms, a kitchenette, and fitness center. Project will include a large, covered porch area for resident use. Units will include microwave hoods, Wi-Fi access, and trash chutes.

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) Construction funding as follows (a) HDF second mortgage construction loan in the amount of \$5,000,000 at 3% simple interest for 24 months; (b) SLFRF third mortgage construction loan in the amount of \$500,000 at 1% deferred simple interest for 24 months; and (2) Permanent financing as follows: (a) HDF deferred second permanent loan in the amount of \$3,500,000 at 1% simple interest for 30 years; (b) SLFRF deferred third permanent loan in the amount of \$500,000 at 1% simple interest for 30 years.

Ms. Casey moved, and Mr. Hampton seconded Resolution No. 655, Villa Maria. The motion was passed with seven (7) in favor and no abstentions.

Manor at 6060

This is for the fee simple acquisition and construction of 80 new units on approximately 7.0 total acres in Hockessin for seniors. Eighty (80) units will be LIHTC units and income restricted. Project has elected to use Income-Averaging test under the LIHTC program. Accordingly, units will be restricted to tenants qualifying between 30% and 80% of Area Median Income ("AMI"). The Development will exceed handicap accessibility requirements with twelve (12) fully accessible units.

Three-story, stick built construction with fiber-cement siding and brick veneer exteriors. Units will be equipped with electric range/oven and Energy Star rated refrigerator, dishwasher, microwave hood and electric water heater. Heating and air conditioning provided by new high efficiency Energy Star electric heat pumps. All units will be Zero Energy Ready. Development to include a community center available to all tenants. Community center will also serve as a resilience hub. All units will have access to private outdoor space and to self-service delivery lockers. Project will include trash chutes for tenant use.

Borrower will enter into a contract with New Castle County to provide sixty-five (65) LIHTC units in the development with Project Based Vouchers ("PBV").

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: This request is for: (1) Construction funding as follows: (a) HDF second mortgage construction loan in the amount of \$3,500,000 at 3% interest for 24 months; (b) HOME third mortgage construction loan in the amount of \$1,000,000 at 3% interest for 24 months; (c) DSHA SLFRF fourth mortgage construction loan in the amount of \$2,275,000 at 1% deferred simple interest for 24 months; and (2) Permanent financing as follows: (a) HDF second deferred permanent loan in

the amount of \$3,500,000 at 1% simple interest for 30 years; (b) HOME third deferred permanent loan in the amount of \$1,000,000 at 1% simple interest for 30 years; (c) DSHA SLFRF deferred fourth permanent loan in the amount of \$2,275,000 at 1% simple interest for 30 years.

Mr. Julian moved, and Ms. Casey seconded Resolution No. 656, Manor at 6060. The motion was passed with seven (7) votes in favor and no abstentions.

Mispollion Station II

This is the fee simple acquisition and rehabilitation of thirty-one (31) existing garden style apartment units and construction of seventeen (17) new units in Milford Delaware on approximately 4.588 total acres. This family site will thirty-one (31) units with USDA subsidized units. Development will exceed handicap accessibility requirements with five (5) fully accessible units.

Slab on grade construction with wood framing, vinyl siding and brick veneer exterior. Exterior rehabilitation includes new roofing, siding, windows, exterior doors. Interiors will receive new cabinets, energy star rated appliances, 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, refrigerators, and high efficiency ductless mini split system in living room and bedroom.

Development to include a gazebo, picnic area, and community room available to all tenants, private outdoor space for all units, upgraded security cameras that ties into the Milford Police Dept. and LED site lighting. Community building will include a manager's office, maintenance room, kitchen, and laundry room.

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) Construction funding as follows: (a) HDF third mortgage construction loan in the amount of \$1,105,690 at 3% interest for 18 months; (b) SLFRF fourth mortgage construction loan in the amount of \$1,680,000 at 1% deferred interest for 18 months; and (2) Permanent financing as follows: (a) HDF deferred third permanent loan in the amount of \$ 2,880,000 at 1% interest for 30 years; (b) SLFRF deferred fourth permanent loan in the amount of \$1,680,000 at 1% simple interest for 30 years.

Mr. Julian moved, and Ms. Harrington seconded Resolution No. 657, Mispollion Station II. The motion was passed with seven (7) votes in favor and no abstentions.

OLD BUSINESS

- No Old Business to discuss

NEW BUSINESS

- **Strategic planning update – Mr. Motley**
 - The first draft of the Strategic Plan was circulated earlier via email and please review and provide feedback. We would like to have it finalized after our October meeting
- **Affordable Housing Task Force – Ms. Walls**
 - The first meeting went well. There is a lot to accomplish between now and March 2025.
- **NeighborGood Partners – Ms. Harrington**
 - The ribbon cutting for the new building will be on September 23rd at 12:30pm on Division Street in Dover.

SCHEDULING OF THE NEXT MEETING

- The next meeting is scheduled for Tuesday, October 8, 2024 at 2:00 p.m. via conference call with the anchor location for those wishing to attend in person in the conference room of the Delaware State Housing Authority, 18 The Green, Dover, Delaware.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 2:32 p.m.

Respectfully submitted,

Candace Collins

Candace Collins

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