



**Substantial Amendment to the
FY2021 HOME-ARP Allocation Plan**

Delaware State Housing Authority

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Summary

Delaware State Housing Authority (DSHA) is proposing the following substantial amendment to reallocate the funds of DSHA's 2021 HOME-American Rescue Plan (ARP) authorized under Section 3205 of the American Rescue Plan Act of 2021. The proposed reallocation qualifies as a substantial amendment based on the following criteria found in CPD Notice 21-10:

“A substantial amendment is required:

- If a PJ changes the method of distributing funds;
- To carry out an activity not previously described in the plan;
- To change the purpose, scope, location, or beneficiaries of an activity; and
- To add new preferences or method of prioritization not previously described in the plan.”

DSHA's original HOME-ARP Allocation Plan details the funding strategy for the allocation in the amount of \$5,322,495. Due to an additional HUD allocation of \$71,490, this substantial amendment to the Plan is designed to explain how DSHA plans to include estimated funding strategy changes to the HOME-ARP Program.

The following outlines how DSHA will reallocate funds to provide increased support to the development of a non-congregate shelter in response to the continued impact of the homelessness crisis in the State of Delaware.

Under this substantial amendment, DSHA proposes these changes to its HOME-ARP Allocation Plan:

1. Incorporating the additional HUD funding allocation received.
2. Reallocation of HOME-ARP dollars to Acquisition and Development of a Non-Congregate Shelter,
3. Elimination or reduction of funding for other HOME-ARP eligible activities previously identified in the Allocation Plan, and
4. Implementation of a targeted, project-specific method of distribution utilizing direct selection to support the acquisition and development of a non-congregate shelter.

Proposed Substantial Amendment

DSHA's original plan details the estimated funding strategy for the HOME-ARP Program, as listed in the table below.

Category	Funding Amount	Percent of Grant	Statutory Limit
Administration	\$798,374.00	15%	15%
Acquisition and Development of Non-Congregate Shelter	\$1,924,121.00	36%	
Supportive Services	\$500,000.00	9%	
Acquisition, Rehabilitation, or Construction of Affordable Rental Housing	\$2,100,000.00	40%	
Tenant-Based Rental Assistance	\$0.00		
Non-Profit Operating Assistance	\$0.00		
Non-Profit Capacity Building	\$0.00		
Total HOME-ARP Allocation	\$5,322,495.00		

Due to the revised allocation from HUD in the amount of \$71,490 to the State of Delaware's HOME-ARP Program, DSHA is proposing to increase the Administration category per the statutory limit as well as provide additional funding to the Acquisition and Development of Non-Congregate Shelter category.

Through discussions with community partners, state agencies and service providers, DSHA has identified a significant and ongoing shortage of non-congregate shelter options for individuals and families experiencing homelessness in the State of Delaware. This issue is particularly pressing for those with medical vulnerabilities, disabilities, or other barriers that make congregate shelter settings unsuitable.

With the Governors' dedicated support to ending homelessness, DSHA has determined that supporting the acquisition and development of a non-congregate shelter is a more appropriate and effective response for the qualifying populations that would be eligible under HOME-ARP assistance.

However, DSHA has noted that the potential for developing this type of shelter is limited due to the availability of suitable properties. Existing hotel properties present a unique opportunity to rapidly create non-congregate shelter units that can meet HOME-ARP habitability, accessibility, and safety standards within the required timeline.

To accomplish this would require the decision to employ a direct selection process in lieu of a formal competitive solicitation for the distribution of funds. This approach is intended to support the acquisition and development of a non-congregate shelter in Delaware. Due to the urgency of addressing homelessness, and the time-sensitive nature of distributing the HOME-ARP funds, DSHA has determined that direct selection is the most effective and compliant method for advancing a non-congregate shelter project.

The table below lists the new estimated allocation amounts.

Category	Funding Amount	Percent of Grant	Statutory Limit
Administration	\$809,097.00	15%	15%
Acquisition and Development of Non-Congregate Shelter	\$4,584,888.00	85%	
Supportive Services	\$0.00	0%	
Acquisition, Rehabilitation, or Construction of Affordable Rental Housing	\$0.00	0%	
Tenant-Based Rental Assistance	\$0.00	0%	
Non-Profit Operating Assistance	\$0.00	0%	%
Non-Profit Capacity Building	\$0.00	0%	%
Total HOME-ARP Allocation	\$5,393,985.00	100%	

Preferences

DSHA will make no changes to the already approved preferences. DSHA will continue to hold a preference for Qualifying Population 1, homeless, but will provide access to Qualifying Populations 2, 3, and 4, on a first-come, first-served basis.

Application Process

Rather than issuing a formal competitive solicitation, DSHA will utilize a direct, project-specific application process to identify and evaluate eligible HOME-ARP activities.

Under this process, DSHA may invite one or more eligible owners, developers, or subrecipients to submit a project proposal when a specific opportunity is identified that aligns with HOME-ARP eligible activities. Invitations will be based on demonstrated experience, capacity, site availability, or the unique suitability of a proposed property or project.