

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The State of Delaware is eligible to receive grant funds from the U.S. Department of Housing and Urban Development (HUD) to help address housing and community development needs. These grant funds include: the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and the National Housing Trust Fund (HTF). The dollars are primarily meant for investment in the State's less populated and rural areas (“non-entitlement” areas), which do not receive such funds directly from HUD. Jurisdictions that receive HUD block grants directly from HUD include Wilmington, Dover, and New Castle County.

The administering agency for the HUD block grant funds is the Delaware State Housing Authority (DSHA). In this role, DSHA sets the priorities and goals to guide annual funding; selects projects to fund; completes all required reports and participates in program audits; and works with subgrantees to ensure appropriate and timely use of funds.

As a condition for receiving HUD block grant funding, the State must complete a five-year strategic plan called a Consolidated Plan for Housing and Community Development (Consolidated Plan) and an Annual Action Plan for each year of the funding cycle. The Consolidated Plan identifies the State’s housing and community development needs and specifies how block grant funds will be used to address the needs. This document is the 2026 Annual Action Plan for Delaware which is the second year of the current funding cycle . The Annual Action Plan provides details on programs that will be funded during the program year in alignment with the goals identified in the 2025-2029 Consolidated Plan.

### 2. Summarize the objectives and outcomes identified in the Plan

The State of Delaware will receive the following allocation of HUD block grants for program year 2026 (PY2026):

- Community Development Block Grant (CDBG) - \$2,796,424
- HOME Investment Partnerships Program (HOME) - \$3,000,000
- Emergency Solutions Grant (ESG) - \$272,181
- Housing Trust Fund (HTF) – expected to be \$3 million (DSHA is waiting for HUD to provide the exact amount)

DSHA has established the following five-year goals for the Consolidated Plan period:

- Enable Delaware families to achieve and sustain homeownership (Homebuyer Assistance category);
- Preserve and expand affordable rental housing (Affordable Rental Housing);
- Preserve homeownership housing (Homeowner Rehabilitation);
- Mitigate the risk of homelessness, and expand access to affordable, integrated, supportive housing options, including permanent supportive housing, for those experiencing and at risk of homelessness (Homeless Assistance and Permanent Supportive Housing); .
- Prevent foreclosures and address impact of foreclosures (Foreclosure Prevention and Recovery); and
- Provide resources for local communities to address community development needs (Non-Housing Community Development).

In establishing the five-year goals, DSHA considered housing market conditions; the housing needs of low income and special needs residents; block-grant funding levels; and the ability to leverage HUD funds with other resources.

The objectives and outcomes associated with those goals will be measured through:

- Units preserved and occupied by low- and moderate-income renters.
- Construction of affordable rental units.
- Units preserved and occupied by low- and moderate-income owners through DSHA's HOME program.
- Households assisted with homeownership.
- Permanent supportive housing (PSH) units created.
- Providing Delaware's non-entitlement cities with community development activities through DSHA's CDBG program. Eligible activities such as homeowner rehabilitation, handicap accessibility and emergency repairs will be provided to eligible homeowners.
- Providing Street Outreach, Shelter Operations, Rapid Re-Housing, and Homelessness Prevention services to those experiencing homelessness and at-risk of homelessness through DSHA's ESG program.

Not all strategies apply to all areas of the State as local conditions and residents determine how best to address the housing and community development needs of each community.

Each successive Action Plan endeavors to reflect and adhere to these strategies in its resource allocation and program planning.

### **3. Evaluation of past performance**

During the 2020-2024 Consolidated Plan period, DSHA primarily invested HUD block grant funding (excluding pandemic or recovery funding) in the following activities:

- Creation and preservation of affordable rental units;
- Provision of rental assistance to very low income and special needs households;
- Preservation of homeownership units occupied by low- and moderate-income homeowners;
- Support of homeownership through DSHA’s assistance and loan programs;
- Provision of rental assistance to keep people in housing as well as rapid rehousing assistance after they have fallen into homelessness;
- Assistance for emergency shelters to ensure they are operating at a high level of service; and
- Support for improving public infrastructure.

These investments were very successful and resulted in improvements to housing conditions and public infrastructure in Delaware’s non-entitlement communities, in addition to helping low-income residents remain in housing and avoid homelessness.

These investments were also consistent with the primary findings in the 2023 Delaware Statewide Housing Needs Assessment (Delaware HNA), which found a need for:

- Rental assistance and permanent supportive housing to address the gap between supply and the 13,600 renters who have incomes of less than 30% AMI and cannot afford units provided by the private sector;
- Funding to support the construction of at least 250 rental units a year targeted at < 50% AMI renters;
- Rehabilitation to units occupied by an estimated 28,000 renters and 4,250 owners who live in fair or poor condition housing and 730 residents with disabilities living in mobile homes; and
- New affordable homeownership units and targeted downpayment assistance and loans for the more than 34,000 renters who express a desire to own a home in Delaware.

#### **4. Summary of Citizen Participation Process and consultation process**

Residents and stakeholders had many opportunities to participate in the development of the Five-year Consolidated Plan, and their comments were relevant for the 2026 Action Plan development. The first phase of engagement included:

- 517 residents participated in a statistically significant survey about housing and community development needs in their communities; this survey provides information about the needs and preferences of Delawareans overall and by demographic group. Additionally, more than 2,133 residents participated in a “snowball sample”, a non-random sample that aimed to collect information from groups that typically face additional housing challenges in Delaware.
- More than 100 stakeholders participated in one-on-one interviews and small focus groups. Stakeholder interviews were conducted with specialists in housing, community development, and local government affairs.

- Two focus groups were held with Spanish speaking residents to supplement survey data.

The 2026 Action Plan collected stakeholder and public input through virtual public hearings—one before the 30-day public comment period and one during the comment period.

## **5. Summary of public comments**

During the April 16 pre-draft public hearing, attendees expressed frustration at securing HOME dollars through New Castle County due to the length of time (10 months) it took to receive the funding. It was unclear if the delay was due to federal budget challenges and shut-downs, regulations, and/or county processes. Another challenge discussed was the “reimbursement model” that HOME requires: Expenses must be incurred by developers or organizations and then submitted for reimbursement with HOME grants. This creates a financial burden for small developers and organizations.

A major problem with keeping special needs residents housed, including veterans, is the lack of qualified case managers and services. High-acuity residents need services daily, not weekly, in addition to wraparound support to help them stabilize and develop the life skills they need to live independently. While the state and local governments have been successful in building housing and getting people into housing once the units are available, they are “not great” at providing services to tenants once they are in affordable housing.

Attendees also expressed a need for truly affordable “starter homes”—that are attainable to people on fixed incomes.

Finally, an attendee asked for more information on where the state and local governments have been successful in housing initiatives.

## **6. Summary of comments or views not accepted and the reasons for not accepting them**

N/A; all comments received were accepted and considered in development of the 2026 Action Plan.

## PR-05 Lead & Responsible Agencies - 91.300(b)

### 1. Agency/entity responsible for preparing/administering the Consolidated Plan

The Delaware State Housing Authority (DSHA) is responsible for preparing the Consolidated Plan and administering all block grant funds that the state receives annually. DSHA oversees the provision of affordable housing for low- and moderate-income Delawareans. DSHA includes the following departments:

- **Housing Production:** Oversees acquisition and rehabilitation of affordable rental and for-sale housing developments, compliance monitoring for all federal programs and LIHTC program, Section 8 Contract Administration, code enforcement and administers all federal and state homeless grants.
- **Housing Finance:** Manages downpayment assistance and foreclosure prevention program, issuance of single family and multi-family mortgage revenue bonds
- **Housing Management:** Manages DSHA’s public housing sites and administers the Housing Choice Voucher Program and Moving to Work Program
- **Policy and Planning:** Works with legislative issues and compiles housing data, research, and strategic planning
- **Public Relations:** Works as liaison between DSHA and the community through producing annual reports, Housing Services Directory, and marketing materials

**Table 1 – Responsible Agencies**

Agency Role	Name	Department/Agency
Lead Agency	DELAWARE	
CDBG Administrator	DELAWARE	Delaware State Housing Authority (DSHA)
HOME Administrator	DELAWARE	Delaware State Housing Authority (DSHA)
ESG Administrator	DELAWARE	Delaware State Housing Authority (DSHA)
HTF Administrator	DELAWARE	Delaware State Housing Authority (DSHA)

## **Consolidated Plan Public Contact Information**

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## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

**Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies.**

DSHA is an active member and convener of initiatives to enhance coordination between housing providers and private and governmental health, mental health, and service agencies. DSHA is an active member of:

- Behavioral Health Planning and Advisory Council
- Housing Committee of the State Council for Persons with Disabilities/ Governor's Commission
- Continuum of Care Governance Board and Committees
- Delaware Correctional Reentry Commission
- Fair Housing Task Force
- Statewide Community Development Network
- Family Services Cabinet Council
- African American Task Force
- Childhood Lead Poisoning Prevention Advisory Committee
- Sussex Housing Group

Through partnership programs, DSHA is also in regular contact with partners in the Department of Health and Social Services, Division of Developmental Disabilities Services, Division of Substance Abuse and Mental Health, Division of Services for Aging and Adults with Physical Disabilities, Department of Services for Children, Youth and their Families, and numerous health advocates.

DSHA also works with Housing Alliance Delaware (HAD), the coordinating entity for Delaware's Continuum of Care regarding the use of Emergency Solutions Grant (ESG) funds, performance standards for ESG supported programs, and Community Management Information System (CMIS) to coordinate needs of people experiencing homelessness.

**Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

As a small state, Delaware has one statewide Continuum of Care (CoC). DSHA is an active partner with the statewide CoC and DSHA's Chief Production Officer is a member of the board. Members of the Delaware CoC meet every three months. Meetings provide data updates, training and funding information.

The Delaware CoC's current priorities to better address the needs of homeless persons and persons at risk of homelessness include:

- Increasing state and federal funding for affordable housing;
- Reforming land use and zoning practices to encourage affordable housing development;
- Protecting the rights of people experiencing homelessness, and implementing data-driven solutions to homelessness;
- Enhancing Tenant Rights and Protections; and
- Increasing Delaware’s supply of supportive.

DSHA also coordinates with Housing Alliance Delaware (HAD), coordinating entity for Delaware’s Continuum of Care, which oversees a centralized intake website to assist individuals and families seeking emergency shelter, brings together housing advocates, and takes on legislative and policy initiatives related to affordable housing. HAD was an active participant in the HNA that preceded the Consolidated Plan through participation in stakeholder interviews and helping to arrange focus groups with service providers who assist persons experiencing homelessness and individuals who have experienced domestic violence and human trafficking.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

DSHA consults with the Continuum of Care as well as the other ESG-funded jurisdictions, City of Wilmington and New Castle County, in allocating and prioritizing ESG funding (DSHA prioritizes ESG funding in Sussex and Kent Counties); developing shared performance standards and ensuring adequate funding for the administration of the Community Management Information System (CMIS, Delaware’s HMIS) through DSHA sources. This role enables DSHA to coordinate with the CoC to form a collaborative process to identify priorities, housing needs and strategies for the State of Delaware.

In 2024, the Committee wrote the CoC’s first Government Rental Assistance Guide that educated and recruited private landlords in the process of providing units to people receiving rental assistance. They also host public training opportunities for case managers and service providers to most effectively track client applications. Housing Alliance Delaware (HAD) and the CoC Funding Committee coordinate to respond to the annual funding process for the HUD CoC Program Notice of Funding Opportunity. These funds are used to fund permanent supportive housing, rapid re-housing, transitional rapid re-housing, transitional housing, and CoC infrastructure, such as planning, CMIS, and Coordinated Entry). In FY2024, the CoC was awarded \$1,080,844 in government grants.

All ESG jurisdictions require grantee participation in CMIS. DSHA staff participate on the Continuum of Care board and other committees, including Centralized Intake and Policy/ Advocacy Committee.

## **2. Agencies, groups, organizations and others who participated in the process and consultations**

During the development of the Delaware HNA and Five-year Consolidated Plan, more than 100 stakeholders participated in one-on-one interviews and small focus groups. Stakeholder interviews were conducted with specialists in housing, community development, and local government affairs. Members of housing groups throughout the state were consulted, including Sussex County Community Development and Housing, Kent County Planning, New Castle County Community Development and Housing, Sussex Housing Group, and Delaware Affordable Housing Coalition.

The 2026 Action Plan collected stakeholder and public input through virtual public hearings—one before the 30-day public comment period and one during the comment period.

Identify any Agency Types not consulted and provide rationale for not consulting. N/A

Table 2 – Other local / regional / federal planning efforts

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Delaware Housing Needs Assessment 2023-2023	Delaware State Housing Authority	Presents demographic shifts, market conditions, and housing need projections
Delaware Housing Needs Assessment 2015-2020	Delaware State Housing Authority	Useful to compare previous market conditions and goals with present-day challenges
2020 Statewide Analysis of Impediments to Fair Housing Choice	Delaware State Fair Housing Consortium	Directs goals and useful to compare levels of need
Housing and Homelessness in Delaware	Housing Alliance Delaware (HAD)	Informs state-wide homelessness strategy and homeless needs assessment
Risk Analysis and Resilience Assessment	Delaware State Housing Authority	Informs hazard mitigation planning.
Community and Choice: Housing Needs for People with Disabilities in Delaware	Delaware Housing Coalition and Housing Sub-Committee of the Governor’s Commission on Community Based Alternatives for People with Disabilities	Informs non-homeless special needs assessment and related goals
State Transition Task Force for Emerging Adults with Disabilities and Special Health Care Needs	Governor’s Advisory Council for Exceptional Citizens	Informs non-homeless special needs assessment and related goals
2025 Delaware Continuum of Care Annual Report	Delaware Continuum of Care	Informs homeless needs assessment and related goals

**AP-12 Participation - 91.115, 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing #1: Pre-Draft, April 16, 2026	All interested citizens and stakeholders	One stakeholder attended and offered comments on the best way to provide housing to veterans experiencing homelessness. That stakeholder also expressed frustration at the length of time it took for his nonprofit to receive HOME from New Castle County		N/A; all comments were reviewed and considered	N/A
2	Public Hearing #2, May 14, 2026	All interested citizens and stakeholders			N/A	N/A
3	Public Comment Period, May 1-30, 2026	All interested citizens and stakeholders			N/A	N/A

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2			
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$
CDBG	federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	\$2,796,424	\$75,000		\$2,871,424
HOME	federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	\$3,000,000	\$1,500,000		\$4,500,000
ESG	federal	Conversion and rehab for transitional housing Financial Assistance Street Outreach Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	\$272,181			\$272,181

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 2			
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$
HTF	federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for	\$3,000,000	\$75,000		\$3,075,000

Table 2 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

Anticipated leveraged funds will include:

- The Low-Income Housing Tax Credit (LIHTC). DSHA anticipates that \$3 million annually in tax credits will support multifamily new construction and rehabilitation and leverage HOME funds.
- The Housing Development Fund, a state-funded housing trust fund, supports the development and rehabilitation of affordable rental housing, homeowner rehabilitation, development of affordable homeownership units, and homelessness prevention and rapid rehousing. The HDF is estimated at \$10 million annually.

Matching requirements will be satisfied through:

### **Community Development Block Grant**

- HUD requires a one-for-one match on CDBG funds used for state administration in excess of \$100,000. DSHA will spend the maximum allowable funds in state administration and will match the funds in excess of \$100,000 with DSHA funds. We do not anticipate using any program income for administration; therefore, it will not require a match.

DSHA's CDBG Program Guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties will match their administration allocations, with at least those amounts in local funds. Delaware CDBG Program Guidelines also require subgrantees to match their CDBG infrastructure project funds with minimum matching amounts that vary with the amount of CDBG funds requested. Cash matches may be provided through other sources of funding for the same activity.

The following are the CDBG infrastructure match requirements:

- Up to \$100,000 requires a 10% cash match or a 15% in-kind match;
- \$100,000 to \$200,000 requires a 15% cash match or a 20% in-kind match; and
- \$200,000+ requires a 20% cash match or a 25% in-kind match.

### **HOME Program**

- To the extent that contributions from other resources to a development assisted with HOME funds do not meet matching requirements, DSHA will provide the remainder of the required match from non-federal sources. Contributions that are or will be counted as satisfying a matching requirement of another federal program may not be used to satisfy the matching requirement for the HOME Program.
- As required, DSHA will make match contributions to housing that qualifies as affordable housing under the HOME Program. Except where the match requirement has been reduced, DSHA will provide match funds totaling not less than 25% of the HOME funds drawn from the State of Delaware's HOME Investment Trust Fund Treasury account for the appropriate period. Funds drawn for administration and Community Housing Development Organization (CHDO) operating expenses are not required to be matched.

**If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan.** N/A; the State does not have publicly owned land or properties that will be used to address housing and community development needs during the five-year planning period.

## **Annual Goals and Objectives**

### **AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)**

DSHA has established the following five-year goals for the Consolidated Plan period:

- Enable Delaware families to achieve and sustain homeownership (Homebuyer Assistance category);
- Preserve and expand affordable rental housing (Affordable Rental Housing);
- Preserve homeownership housing (Homeowner Rehabilitation);
- Mitigate the risk of homelessness, and expand access to affordable, integrated, supportive housing options, including permanent supportive housing, for those experiencing and at risk of homelessness (Homeless Assistance and Permanent Supportive Housing); .
- Prevent foreclosures and address impact of foreclosures (Foreclosure Prevention and Recovery); and
- Provide resources for local communities to address community development needs (Non-Housing Community Development).

Anticipated leveraged funds will include:

- The Low-Income Housing Tax Credit (LIHTC). DSHA anticipates that \$3 million annually in tax credits will support multifamily new construction and rehabilitation and leverage HOME funds.
- The Housing Development Fund, a state-funded housing trust fund, supports the development and rehabilitation of affordable rental housing, homeowner rehabilitation, development of affordable homeownership units, and homelessness prevention and rapid rehousing. The HDF is estimated at \$10 million annually.

Matching requirements will be satisfied through:

#### **Community Development Block Grant**

- HUD requires a one-for-one match on CDBG funds used for state administration in excess of \$100,000. DSHA will spend the maximum allowable funds in state administration and will match the funds in excess of \$100,000 with DSHA funds. We do not anticipate using any program income for administration; therefore, it will not require a match.

DSHA's CDBG Program Guidelines require subgrantees to match their CDBG administration funds one-for-one with local administration funds. Kent and Sussex Counties will match their administration allocations, with at least those amounts in local funds. Delaware CDBG Program Guidelines also require subgrantees to match their CDBG infrastructure project funds with minimum matching amounts that vary with the amount of CDBG funds requested. Cash matches may be provided through other sources of funding for the same activity.

The following are the CDBG infrastructure match requirements:

- Up to \$100,000 requires a 10% cash match or a 15% in-kind match;
- \$100,000 to \$200,000 requires a 15% cash match or a 20% in-kind match; and
- \$200,000+ requires a 20% cash match or a 25% in-kind match.

#### **HOME Program**

- To the extent that contributions from other resources to a development assisted with HOME funds do not meet matching requirements, DSHA will provide the remainder of the required match from non-federal sources. Contributions that are or will be counted as satisfying a matching requirement of another federal program may not be used to satisfy the matching requirement for the HOME Program.
- As required, DSHA will make match contributions to housing that qualifies as affordable housing under the HOME Program. Except where the match requirement has been reduced, DSHA will provide match funds totaling not less than 25% of the HOME funds drawn from the State of Delaware's HOME Investment Trust Fund Treasury account for the appropriate period. Funds drawn for administration and Community Housing Development Organization (CHDO) operating expenses are not required to be matched.

#### **If appropriate, describe publicly owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

N/A; the State does not have publicly owned land or properties that will be used to address housing and community development needs during the five-year planning period.

## AP-25 Allocation Priorities – 91.320(d)

### Funding Allocation Priorities

	Homebuyer Assistance (%)	Affordable rental housing (%)	Homeowner Rehabilitation (%)	Homeless Assistance (%)	Permanent Supportive Housing (%)	Foreclosure Prevention and Recovery (%)	Non-housing Community development (%)	Total (%)
CDBG	0	0	85	15	0	0	0	100
HOME	0	75	25	0	0	0	0	100
ESG	0	0	0	100	0	0	0	100
HTF	0	80	0	0	20	0	0	100
LIHTC	0	100	0	0	0	0	0	100
Other Emergency Mortgage	0	0	0	0	0	100	0	100
Other HDF	15	75	5	5	0	0	0	100
Other Homebuyer assistance	100	0	0	0	0	0	0	100
Other Rental assistance	0	0	0	0	100	0	0	100
Other SRAP	0	0	0	0	100	0	0	100

Table 3 – Funding Allocation Priorities

### How will the proposed distribution of funds address the priority needs and specific objectives described in the Consolidated Plan?

The Five-year Consolidated Plan established the following priority needs:

- CDBG: Maintenance of existing housing; Public infrastructure; and Emergency activities. The allocation of funding during PY2026 will address the Maintenance of existing housing and Emergency activities (the latter will address the specific emergency needs of persons experiencing homelessness).
- HOME’s highest priority is development of affordable housing, which most of the PY2026 allocation will address. 25% of HOME funds

will be allocated to housing rehabilitation, a moderate priority for HOME.

- ESG funds are used for activities that address the needs of people who are homeless. During PY2026, this will consist of emergency assistance—with the highest priority for Street outreach and the reimbursement of operating costs to emergency shelters. Second priority shall be given to quality proposals requesting funding assistance for eligible rapid re-housing activities and third priority shall be given to quality proposals requesting funding assistance for eligible homeless prevention activities.

## AP-30 Methods of Distribution – 91.320(d)&(k)

This section summarizes the Methods of Distribution (MOD) for CDBG, HOME, HTF, and ESG for the five-year planning period. Full MODs are appended to this Action Plan.

### Distribution Methods

**Table 54 - Distribution Methods by State Program**

<b>1</b>	<b>State Program Name:</b>	CDBG
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	DSHA's Community Development Block Grant (CDBG) program distributes CDBG and some HOME funds to eligible units of local government or qualified nonprofits for community development activities including homeowner rehabilitation, demolition, infrastructure, sewer and water hookups, and public services. HOME funds are limited to homeowner rehabilitation. 15% of the allocation will be used for public services and will utilize a targeted, program-specific selection process, rather than a formal competitive solicitation. Under this process, DSHA may invite one or more qualified nonprofit(s) to submit a program proposal when a specific opportunity is identified. Invitations will be based on demonstrated experience, capacity, or the unique suitability of a proposed program.
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	DSHA provides the Application Review Panel, which is composed of persons with appropriate background and experience, the applications to evaluate. The Review Panel uses a point system with a maximum total of 100 points that may be received by an application, and with maximum total points achievable in the following categories: low- and moderate- income benefit (provided by DSHA staff) – 25 points; management capacity (provided by DSHA staff) – 5 points; severity of need – 15 points; holistic impact of activity – 15 points; cost reasonableness – 15 points; leveraging of other resources – 15 points; suitability/feasibility of work plan – 5 points and targeting areas of minority concentration – 5 points. The Review Panel then scores the applications and makes funding recommendations to DSHA's Director for final approval.

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>Potential applicants can access the Delaware CDBG Program Guidelines and Application Package on the DSHA website at: <a href="http://destatehousing.com/Landlords/dv_cdbg.php">http://destatehousing.com/Landlords/dv_cdbg.php</a></p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>The State has priorities and set-asides for CDBG funding. The three priority funding categories are: Rehabilitation of Existing Housing, Emergency Activities and Public Services</p> <p>The Rehabilitation of Existing Housing priority has a set-aside of 85% of CDBG funds available for allocation to project activities that include: public services, rehabilitation of substandard residential properties; housing code enforcement, demolition of substandard structures; construction or rehabilitation of emergency/transitional/permanent supportive housing; relocation assistance as required under the Uniform Relocation Act, Delaware Code, and 24 CFR 570; substantial reconstruction of housing; and provision of housing-related services in conjunction with activities noted above.</p> <p>The Infrastructure priority has a set-aside of 10-40% of CDBG funds available for allocation to project activities that include: infrastructure such as the installation or improvement of water systems, sewer systems, streets, storm drainage systems, sidewalks, and all related activities; architectural/engineering studies for infrastructure; preparation of grant applications to other grantor agencies; acquisition of land for new housing development; clearance and site preparation for new housing development; installation or improvement of infrastructure benefiting service areas of at least 51% low- and moderate-income persons; and planning studies.</p> <p>The Emergency Activities (water, sewer, housing rehabilitation and demolition), which have a particular urgency has a set-aside of 0-7% of CDBG funds available for allocation to activities, excluding administrative costs.</p> <p>The Public Service priority has a set-aside of 15% of the CDBG allocation to assist with homeless services in the State of Delaware.</p>
	<p>The State may supplement the CDBG scattered sites housing rehabilitation allocations with HOME housing rehabilitation funding. This is done by funding part of applicants' scattered sites housing rehabilitation activity funding requests with HOME program funds. This allows the State to use CDBG funds that would have gone towards scattered sites rehab but were replaced by HOME funds, to fund other CDBG-eligible activities, such as infrastructure.</p>

<b>Describe threshold factors and grant size limits.</b>	Within a single application or fiscal year, an applicant may seek funding for activities which address more than one community development need, as long as the total does not exceed the maximum allocation of \$1,200,000. The CDBG funds requested, either by themselves or in combination with other funds, must be sufficient to complete the proposed activities. An allocation to one community exceeding \$600,000 would have to be extremely competitive.
<b>What are the outcome measures expected as a result of the method of distribution?</b>	Home-owner rehab funds will allow low-income homeowners to maintain and remain in their homes. Across all the eligible activities considered by this method of distribution, outcome measures will be: <ul style="list-style-type: none"> <li>• Number of People Assisted</li> <li>• Number of Housing Units Assisted</li> </ul> Number of Units Demolished: 0
<b>2 State Program Name:</b>	Delaware Emergency Solutions Grants (ESG) Program
<b>Funding Sources:</b>	ESG
<b>Describe the state program addressed by the Method of Distribution.</b>	ESG Funds will be utilized to provide funding for activities that comprehensively address the needs of people who are homeless. The statewide centralized intake system works to ensure that people who are homeless are able to access street outreach providers, emergency shelters, homeless prevention services and rapid rehousing services in Delaware. Street outreach providers, emergency shelters, homeless prevention providers and rapid rehousing providers are encouraged to develop a plan for each individual and/or family that helps households stabilize and become more self-sufficient.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>ESG funds are distributed on a competitive basis, and proposals are rated based on a weighted score of 100 points with the following criteria:</p> <p>Organizational/Financial Information (20 points); Demonstrated Need (15 points); Program Description (25 points); Program Budget (25 points); Program Outcomes and Performance measurements (15 points).</p> <p>Using these criteria, applications are reviewed and rated by a review panel comprised of professionals with knowledge and experience in homeless issues and grant management.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>Applicants must be located in Kent and Sussex Counties and may be local governmental entities, nonprofit agencies, or faith-based organizations that provide direct services to homeless person or persons at risk of becoming homeless. The funds are made available each year through a “Notice of Funding Availability”, which is posted on DSHA’s website and published in prominent newspapers statewide as well as e-mailed through our Highlights newsletter. Eligible applicants are units of general local government and private nonprofit organizations located or serving in Kent and Sussex Counties. Assistance may also be provided to religious organizations if the religious organizations agree to provide all eligible activities under this program in a manner that is free from religious influences in accordance with 24 CFR Part 576.23.</p> <p>The review panel will evaluate and rate all proposals based on the criteria listed above. The panel forwards its recommendations and comments to the DSHA Director. Past contractual performance may also be considered for respondents that have previously received funding. Final funding decisions are made by the DSHA Director.</p>

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Delaware expects to receive approximately \$272,181 in ESG funding in FY2026. Funds for the estimated allocation may be used for the following activities: Street Outreach, Emergency Shelter Activities, Homeless Prevention Activities, and Rapid Re-Housing Activities. Taking into consideration the quality and number of applications received, priority in awarding ESG funds shall be given first to applications requesting funding assistance for Street Outreach and the reimbursement of operating costs to emergency shelters. Second priority shall be given to quality proposals requesting funding assistance for eligible rapid re-housing activities and third priority shall be given to quality proposals requesting funding assistance for eligible homeless prevention activities.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Applications will be reviewed to ensure that DSHA’s thresholds are met. These factors include a Non-Discrimination Policy, Environmental Review Requirements, Length of Stay policy, Family separation policy, Drug and Alcohol-Free policy, Homeless Representation and Participation on the Board, Relocation and Displacement Policy, Conflict of Interest Policy, Lead-Based Paint Requirement, and Confidentiality Requirement. Grant size limits do not apply.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>The expected outcome measures that will be achieved from DSHA’s method of distribution will assist qualified homeless providers to accommodate the homeless needs of Kent and Sussex counties, provide funding for street outreach activities, emergency shelter activities, rapid re-housing activities and provide emergency rental and financial assistance funding for homeless prevention activities. All recipients must report unduplicated counts of the number of homeless individuals and families assisted in the Community Homeless Management Information System (CMIS). This will continue to be required as part of the application process.</p>

<b>3</b>	<b>State Program Name:</b>	HOME Program
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>The distribution of annually allocated HOME Program funds will be directly administered by DSHA through the application, approval, draw, construction, and monitoring processes in place for the state's Housing Development Fund (HDF) and Low-Income Housing Tax Credit (LIHTC) programs. DSHA may also utilize HOME Program funding to provide direct down payment assistance to eligible low-income homebuyers.</p> <p>When sufficient HOME funds are available, subgrants may be made to Kent and Sussex Counties to allow HOME funds to be utilized for single- family homeowner rehabilitation through the state's CDBG application and approval process. The counties may, via contract, administer homeowner rehabilitation projects. Any in-house application not previously approved for funding and all other applications received for the HDF and LIHTC programs may be reviewed for funding under the HOME Program. HOME funds will also be made available to eligible non- profits that are designated as Community Housing Development Organizations (CHDOs) under the Delaware HOME Program.</p>
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>Applications for HOME Program funds for multi-family developments shall be made through a competitive process including both threshold criteria as well as scoring categories following the application and approval process in place for the HDF (Housing Development Fund) and/or LIHTC (Low-Income Housing Tax Credit) programs. The priority of the HOME funds is: to provide persons at or below 60% of Area Median Income for affordable rental housing; to provide gap financing for affordable rental housing; to construct building that provide accessibility following Universal Design, federal Fair Housing, ADA and Section 504 requirements; and to develop projects that emphasizes high energy efficiency and sustainability as well as the long-term feasibility of the proposed rental project.</p>
<b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b>	All materials are on DSHA's website at <a href="http://www.destatehousing.com">www.destatehousing.com</a>	

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Funding categories for the HOME program will follow DSHA's QAP and/or the HDF application process. This includes funding for New Construction, Acquisition/Rehabilitation, Rental and Homeownership. Upon application submission and if projects pass the required thresholds, they will be scored and ranked. In FY2026, it is anticipated that \$3,000,000 will be allocated to the State of Delaware, of which 15% is reserved for use by CHDOs for furthering affordable housing. CHDO operating expenses up to the maximum allowable under the HUD regulations may also be considered for funding under the HOME program. Ten percent of Delaware's HOME allocation, including program income may be used for administrative costs.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>N/A</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	HOME funding, combined with the LIHTC Program or the HDF Program, will create additional rental housing units throughout the state. HOME funds, when used in conjunction with the HDF or LIHTC programs, will serve low-income households at or below 60% of the Area Median Income and the resulting units will remain affordable to low-income persons for at least 20 years.
4	<b>State Program Name:</b>	National Housing Trust Fund
	<b>Funding Sources:</b>	HTF
	<b>Describe the state program addressed by the Method of Distribution.</b>	Funds will be awarded to locally driven projects that address the criteria outlined in the allocation plan, as well as the priority housing needs as identified in Delaware’s Consolidated Plan. Distribution will be made consistent with DSHA’s other affordable housing programs, including Community Development Block Grant (CDBG) program, State Housing Development Fund (HDF), HOME Investment Partnership Program (HOME), and the Low-Income Housing Tax Credit (LIHTC) program. The distribution of annually allocated NHTF funds will be directly administered by DSHA through the application, approval, draw, construction, and monitoring processes in place for the State’s HDF and LIHTC programs.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>Eligibility to apply for NHTF will be no more restrictive than required by NHTF regulations. Eligible applicants/recipients of NHTF funds may include nonprofit and for-profit developers and public housing agencies.</p> <p>Applicants will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:</p> <ul style="list-style-type: none"> <li>• Applicants must make acceptable assurances to DSHA that they will comply with the requirements of the NHTF program during the entire period that begins upon selection of the applicant to receive NHTF funds and ending upon the conclusion of all NHTF-funded activities.</li> <li>• Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.</li> <li>• Applicants must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.</li> <li>• Applicants must demonstrate their experience and capacity to conduct an eligible NHTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development.</li> <li>• Applicants must demonstrate their ability to enter a commitment for NHTF funds and undertake eligible activities in a timely manner.</li> </ul> <p><b>Priorities</b></p> <p>Applicants will be assessed on the merits of the application, meeting the priority housing needs established by the State.</p> <p>Any proposed use of NHTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware’s Consolidated Plan.</p> <p>As noted in the SP-25 Priority Needs, affordable rental housing is Delaware’s first priority need. The Delaware Housing Needs Assessment and HUD data identify a critical need to develop new affordable rental housing, preserve existing affordable rental housing, and extend affordability restrictions. The Delaware Housing Needs Assessment identified</p>
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	<p>affordable rental housing as a critical need for Extremely Low and Low-Income populations throughout the state. Section SP-25 Priority Needs of the Consolidated Plan also cites Permanent Supportive Housing as a high priority need in Delaware. Additional Supportive Housing is needed for persons with Disabilities, Persons with Alcohol or Other Addictions, and Persons with HIV/AIDS and their families.</p> <p>DSHA has also identified geographic areas for targeting different types of housing investments. As the NHTF will be used for rental housing, these maps as they apply to rental housing will apply to the NHTF. The new construction and rehabilitation of affordable rental housing is incentivized in Areas of Opportunity, neutral in Stable areas, and further concentration of subsidized rental housing is not encouraged in distressed areas.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>N/A</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>N/A</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<ol style="list-style-type: none"> <li>1. DSHA will reserve a minimum of 20% of Delaware’s 2026 NHTF allocation for permanent supportive housing projects for chronically homeless persons with disabilities. Funding will be awarded through a request for proposal (RFP) process. If there are insufficient applicants or applicants that do not meet DSHA’s underwriting standards, DSHA NHTF funds will be directed to other NHTF eligible multifamily projects to create additional extremely low-income households.</li> <li>2. DSHA will allocate the remainder of its 2026 NHTF funds to affordable rental, multi-family projects in coordination with the HDF and LIHTC programs. HDF and NHTF may be awarded permanent housing for special populations. If DSHA receives no applications for permanent supportive housing, DSHA will allocate all HTF funds to multi-family projects with units for extremely low-income households. If no applications are received for preservation without subsidy, DSHA may allocate all HTF funds to subsidized preservation projects.</li> </ol>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>The maximum per-unit subsidy limits for NHTF will be set at the Section 234 Basic Mortgage Limits established by HUD and also utilized under the HOME Program.</p> <p>Effective 05/11/2026, the following limits apply:</p> <ul style="list-style-type: none"> <li>0 Bedroom - \$187,658</li> <li>1 Bedroom - \$215,122</li> <li>2 Bedroom - \$261,595</li> <li>3 Bedroom - \$338,419</li> <li>4 Bedroom - \$371,477</li> </ul>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>This method of distribution will support Delaware’s Consolidated Plan goals to create additional affordable housing units. It is estimated that NHTF funds will assist approximately 1-2 supportive housing projects (approximately 10 units); approximately 1-2 LIHTC or HDF multifamily projects (approximately 20 units).</p>

**Table 4 - Distribution Methods by State Program**

## **AP-35 Projects – (Optional)**

CDBG—distributed to eligible units of local government or qualified nonprofits for homeowner rehabilitation; 15% of the CDBG allocation will be distributed to nonprofit organizations for homeless services.

ESG—distributed to qualified nonprofits for Street outreach and Emergency shelter activities; Rapid re-housing activities; Homeless prevention activities.

HOME—directly administered by DSHA through the application, approval, draw, construction, and monitoring processes in place for the state's Housing Development Fund (HDF) and Low-Income Housing Tax Credit (LIHTC) programs. As available, subgrants may be made to Kent and Sussex Counties to allow HOME funds to be utilized for single- family homeowner rehabilitation.

NHTF—Reserved for permanent supportive housing projects for chronically homeless persons with disabilities; remaining funding will be allocated affordable rental, multi-family projects in coordination with the HDF and LIHTC programs.

### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

The 2026 allocation priorities support the highest priority needs identified in the Consolidated Plan. The focus on services and support for people experiencing homelessness will provide a strong foundation for the success of a new shelter.

**AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

**Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

No.

**Available Grant Amounts**

The state does not intend to apply for Section 108 loan funds.

**Acceptance process of applications**

N/A

**Will the state allow units of general local government to carry out community revitalization strategies?**

No.

**State’s Process and Criteria for approving local government revitalization strategies**

The State does not intend to allow units of general local government to carry out community revitalization strategies using guaranteed loan funds as described in 24 CFR part 570, subpart L.

## AP-50 Geographic Distribution – 91.320(f)

### Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed

HUD block grant funds will benefit special needs and low to moderate income populations (“limited clientele”) as well as target geographic areas.

100% of CDBG and ESG will be used in non-entitlement areas. 100% of HOME funds will be used state-wide but primarily in non-entitlement areas. 100% of our federal and state reserves described in this plan will be used state-wide. 100% of HTF will be used state-wide.

**Geographic distribution.** In 2016, DSHA updated their Balanced Housing Opportunity maps using Market Valuation Analysis data from the *Delaware Housing Needs Assessment 2015 – 2020*, and new data from HUD identifying Racially/Ethnically Concentrated Areas of Poverty (R/ECAPS) and indicators of strong school proficiency. DSHA used these interactive maps to better understand the neighborhoods in Delaware and identify appropriate strategies to ensure appropriate development.

- **Areas of Opportunity** are strong, high value markets, and offer economic opportunity, high performing schools, and supportive infrastructure. However, these same areas contain little or no affordable housing. New construction and preservation of affordable housing are prioritized and encouraged in these areas.
- **Stable Areas** are middle market areas where a balance of market-rate and subsidized housing is supported.
- **Distressed Areas** are highly distressed neighborhoods suffering from blight and concentrated poverty where strategies focus on stabilizing neighborhoods through increased homeownership, investment in existing homes and commercial areas, and people-based intervention strategies.

The current map, updated in 2019, is found on DSHA’s website at:  
<http://www.destatehousing.com/FormsAndInformation/datastats.php>.

Working with other jurisdictions, DSHA contracted with Reinvestment Fund to update the Market Valuation Analysis and updated the Balanced Housing Opportunity maps. An update to the overall housing needs for the State of Delaware was conducted in 2023 to provide current data on housing costs, affordability, and projected housing needs.

## Geographic Distribution

Table 55 - Geographic Distribution

Target Area	Percentage of Funds
Delaware Non-Entitlement Areas	100
Delaware State	100

### Rationale for the priorities for allocating investments geographically

Low Income Housing Tax Credit strongly incentivizes applications creating or preserving affordable rental housing in Areas of Opportunity with up to 15 points awarded in the 2024 QAP.

HOME funds are used to fund gaps in LIHTC projects and thereby allocated to support the geographic objectives of LIHTC program.

State Housing Development Fund (HDF) – While it supports projects and activities state-wide, the HDF does allocate funds geographically as follows:

- Like HOME, HDF is used to fund gaps in LIHTC projects when necessary and thereby allocated to support the geographic objectives of the LIHTC program.
- HDF Homeownership Production Program prioritizes homeownership in Distressed Areas. Also, the amount of funding available per unit located in Distressed Areas is increased from \$35,000 to \$50,000.
- HDF Loans (non-LIHTC) ranks applications according to criteria. Rental applications located in Areas of Opportunity receive priority consideration.

Voucher Payment Standards have been increased in ZIP codes across Delaware that contain mostly Areas of Opportunity to help families with vouchers find housing in areas where there is less rental housing, but often higher rents. This applies to DSHA’s Housing Choice Voucher program (HCV), Family Unification (FU) program, and State Rental Assistance Program (SRAP).

## Affordable Housing

### AP-55 Affordable Housing – 24 CFR 91.320(g)

Table 56 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households to be Supported	
Homeless	0
Non-Homeless	150
Special-Needs	20
Total	170

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	20
Rehab of Existing Units	150
Acquisition of Existing Units	0
Total	170

In addition to the above goals, approximately 165 households experiencing homelessness will be provided services through CBBG.

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Introduction:**

As the public housing authority for Kent and Sussex Counties (excluding the City of Dover), DSHA owns and manages 290 units of public housing and 206 Rental Assistance Demonstration (RAD) LIHTC units at ten sites and administers 917 Housing Choice Vouchers (HCV) and 875 rental assistance vouchers through the State Rental Assistance Program (SRAP). A five-year physical needs assessment of the public housing sites and plans for capital expenditures are included in DSHA's annual Moving to Work (MTW) Action Plan. DSHA has a goal of converting 54 public housing sites to RAD by 2026. Improvements and major maintenance are planned on a five-year basis, developed by considering the physical needs assessment, high-priority needs, and need for efficiency and cost-effectiveness, as well as input from residents and the public.

Cutbacks in public housing operating funds continue to be a major challenge for PHAs in Delaware, including DSHA. MTW status has allowed DSHA to use funds from Housing Choice Voucher Program Reserves to invest in capital improvement projects at its public housing sites such as replacement of heating and addition of air-conditioning systems. Both the MTW Annual Plan and Annual Reports are available on DSHA's website.

### **Actions planned during the next year to address the needs to public housing**

Public housing continues to be eligible for the Delaware LIHTC program, and the LIHTC and Housing Development Fund have provided financing for the redevelopment of several public housing sites in recent years in Wilmington and Newark.

### **DSHA Rental Assistance Demonstration (RAD) Project**

DSHA is in the process of converting all the authority's Public Housing developments to the Rental Assistance Demonstration (RAD) Program over the next five (5) years. Liberty Court was the first property converted to RAD in 2017 and was demolished and rebuilt. Construction activities ended in December 2018 and is now leased using project-based vouchers. DSHA also converted McLane Gardens, Peach Circle and Holly Square to RAD in August 2020, and renovation work is anticipated to be completed in approximately 18-19 months. Additional conversions to the RAD program in the next four years includes: Mifflin Meadows (2021-22), Clarks Corner & Laverty Lane (2022-23), Burton Village (2023-24 and Hickory Tree (2024-25). The current goal is to convert 54 public housing units to RAD during 2026.

## **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

As a Moving to Work (MTW) agency, DSHA conducts an annual planning and reporting process on the program and its outcomes. This process includes citizen participation, including public hearings, which are held at DSHA public housing sites, and release of draft plans and reports for public comment. DSHA actively seeks out resident participation in these processes, in day-to-day issues at its sites, and in the planning and delivery of community programs.

Case management to assist households to move to unassisted housing is a central part of DSHA's MTW program. This includes assessment of homeownership opportunities and referral to homeownership counseling when appropriate and when the household has identified homeownership as a goal.

Additionally, DSHA establishes escrow accounts for MTW households who are increasing their income by increased employment or education. As a household's tenant rent contribution increases, the difference is put into an escrow account and the household can access these savings when they exit the program. Since its inception in 1999, three hundred and fourteen (314) Delaware MTW households have purchased homes and 718 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. DSHA has awarded 160 educational scholarships to MTW participants.

## **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

N/A.

## AP-65 Homeless and Other Special Needs Activities – 91.320(h)

### Introduction

Annually, DSHA assists in funding the Housing Alliance Delaware (HAD), formerly the Homeless Planning Council of Delaware for its support of the CoC, HUD required CoC activities, and Delaware Community Management Information System (DE-CMIS – Delaware’s HMIS) administration. The Homeless Planning Council (HPC) has coordinated HUD applications for homeless funding for several years and in 2017 merged with another local housing agency to form Housing Alliance Delaware (HAD). This newly formed agency continues to be the lead applicant for the DE Continuum of Care (CoC), and lead agency for the CoC’s HMIS and coordinated entry systems.

In 2015, the Delaware CoC was established, encompassing stakeholders from throughout Delaware. This group, which is required by HUD for communities that receive HUD Continuum of Care funding, has a memorandum of agreement with Housing Alliance Delaware to:

- Manage the Homeless Management Information System,
- Manage the statewide coordinated entry system, and
- Coordinate the Delaware application for Continuum of Care Funding, including providing leadership on various activities required by HUD such as mandated policies and the Point-in-Time Count.

Delaware’s ESG jurisdictions have worked together and with the HAD to identify common goals, to:

- Reduce the length of time that persons are homeless Baseline: Average Length of time in emergency shelters or transitional housing for people **Benchmark:** 50 days or less
- Reduce the returns to homelessness after permanently housed Baseline after 1 year of being permanently housed: Singles in Shelter – 11%; Singles in Transitional Housing – 44%; Families in Shelter – 19%; Families in Transitional Housing – 0% **Benchmark:** No more than 10% return to homelessness within 2 years after permanently housed with rapid re-housing assistance
- Decrease the number of persons homeless Baseline: 128 families in FY2012 **Benchmarks** for Families: 100 homeless families in FY2023.

### Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including

#### Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs

Continuum of Care and other homeless service providers work closely with community agencies that encounter unsheltered homeless persons. Most service providers coordinate with our Coordinated Assessment managed by HAD. People who are homeless can call HAD, visit a state service center or call 211 to be connected to Coordinated Assessment where their shelter needs will be assessed, and they will be referred to a site that has available space and best meets their needs. Through coordinated

assessment people are referred to shelter beds, rapid rehousing, and permanent supportive housing.

Additionally, Delaware's network of Code Purple shelters has grown substantially in the past few years and awareness of Code Purple has grown significantly. Code Purple shelters often encounter persons who would otherwise be unsheltered. These shelters are purposefully low-barrier/low-demand and providers seek to build relationships with those seeking shelter in order to make referrals and connections to other services. Several street outreach programs and day centers also operate in Delaware, specifically targeting unsheltered persons.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

Delaware's network of emergency shelters and transitional housing almost universally participates in the state's Community Management Information system (CMIS). The state's CoC also launched a coordinated assessment system in 2014 and makes ongoing improvements to this system to optimize efficiency, outcomes, and quality of care for consumers.

Delaware's homeless system, providers and funders have focused on building a greater inventory of permanent housing resources – permanent supportive housing and rapid rehousing. In an effort to use shelter beds more effectively, Delaware has developed scattered-site permanent supportive housing, tenant-based rental assistance for special populations, and street outreach, prevention and rapid rehousing activities. DSHA plans to continue to fund prevention programs using ESG and has expanded its state funding for rapid rehousing. DSHA is also working to create more affordable housing for extremely low-income households with high barriers to housing, using National Housing Trust Fund money along with HOME and our state Housing Development Fund (HDF). The HDF also is available to Emergency Shelter non-profits interested in building new shelters, acquiring and renovating properties to serve the homeless, or rehabilitating existing emergency shelters.

In addition to shelter-based programs, there are a significant number of non-shelter service providers that target their services to homeless persons or families. These non-shelter services include day centers, substance use treatment and counseling, mental health counseling, HIV/AIDS testing and treatment, food and clothing, case management, job training and placement, and medical care.

### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

DSHA staff participate on the CoC board and continues to work with the board to improve systems and performances within the homeless community. DSHA plans to work with the CoC and other providers and funders in the upcoming year to foster systems improvements that will allow Delaware to: see a reduction in the period of time that individuals and families experience homelessness; create access to

affordable housing units; and stabilize people so that they do not become homeless again.

In 2018, Delaware launched the new Home4Good funding program making available \$1.2 million in funding for homelessness activities and services. This is funded by a three-year commitment from the FHLBank Pittsburgh and leveraged by state Housing Development Fund (HDF) funding. Home4Good funding is targeted to homelessness prevention, rapid rehousing, diversion, and innovative new projects to build capacity. DSHA and the FHLBank worked together and with the CoC to structure these funding priorities around the priority activities in the Delaware CoC Action Plan to End Homelessness. Home4Good continues and will continue to support programs addressing homelessness. |

In addition to our involvement in the Continuum of Care and financial support of the CoC lead agency to carry out CoC support and planning, DSHA funding will specifically be available for or directly support through DSHA-operated programs:

- Rapid rehousing (ESG and Home4Good)
- Homelessness prevention and diversion (ESG and Home4Good)
- Capacity-building and new programs in the CoC (for example, legal services and associated prevention funding) (Home4Good)
- Tenant-based rental assistance for special populations, including people experiencing chronic homelessness, people with disabilities, youth exiting foster care, and family reunification (State Rental Assistance Program, VASH, Family Unification Program, Section 811 Mainstream Vouchers, Section 811 PRA Demo and LIHTC Set-Aside Units)
- Development and rehabilitation of emergency shelters, permanent supportive housing and transitional housing facilities (Housing Development Fund, Housing Trust Fund - PSH only)
- Emergency Rental Assistance (ERA) funding for households experiencing homelessness, with supportive services provided by the rapid rehousing agencies.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

The Delaware State Rental Assistance Program (SRAP) is designed to serve low-income households who are eligible to receive continuing supportive services and who require affordable housing to live independently in the community. SRAP was first launched in 2011, and features rental subsidies administered by the Delaware State Housing Authority (DSHA) for populations referred by other agencies through agreements with DSHA. Once a household is housed through SRAP, case managers from DHSS, DSCYF, or an approved service provider continue to ensure that households have access to supportive services, as needed. For more on the SRAP program, please see AP-85 Other Actions.

DSHA is closely involved with the Delaware Correctional Reentry Commission, and co-chairs its Housing Subcommittee. With this subcommittee, DSHA and other agencies (Department of Corrections, Department of Health and Social Services, Housing Alliance Delaware, the Delaware Public Housing

Authorities, and others) are working to improve policies and expand housing assistance capacity to improve housing outcomes for reentrants.

DSHA is also administering federal Emergency Rental Assistance (ERA) funding in Delaware and has invested in significant expansion of legal services for eviction prevention as well as Housing Stability Services targeted to help the most vulnerable households and those with other barriers to access ERA assistance. Through a network of 15 community partners throughout the state, households can get assistance submitting applications and with housing navigation and other needs. Delaware's ERA program has disbursed over \$70 million in emergency rental and utility assistance which has had a dramatic impact on reducing evictions in the state.

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Introduction:**

**Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

In 2023, DSHA conducted a comprehensive statewide housing needs assessment that included a review of barriers to affordable housing. The barriers identified in the HNA included:

- High downpayment requirements associated with mortgage financing due to a rise in home values;
- Lack of or a poor credit history among low-income mortgage loan applicants. This is also a barrier for renters who have experienced household violence;
- Many renters who desire to become homeowners are unsure about how to start the process or become financially ready to purchase a home;
- For large families who rent, lack of appropriately sized rental units;
- Lack of first jobs that pay a wage enabling youth transitioning into independent living (especially from foster care) to afford rental housing;
- Lack of collaboration among the state’s many housing authorities;
- Funding for more affordable housing across the housing spectrum, from permanently supportive housing to “missing middle” housing products to mixed-income rental complexes to starter homes; and
- Local zoning codes that limit or prevent development of townhomes and rowhomes—and resistance to density in general.

Addressing many of these barriers is a core function of DSHA. DSHA offers mortgage lending programs to low- and moderate-income renters wanting to become owners; supports homeownership counseling; incentivizes development of affordable rental housing for all types of households and families; and has taken a leadership role on improving housing authority coordination and studying zoning barriers. These actions will continue throughout the program year.

## **AP-85 Other Actions – 91.320(j)**

Securing financing is an obstacle for low-income families who desire to become homeowners and build wealth. DSHA's Kiss Your Landlord Goodbye Program offers a 30-year, fixed-rate loan with interest rates at or below the standard market rate for first-time buyers and is income-restricted. The program offers various forms of assistance depending on applicant needs, including down payment assistance and options for forgivable loans. So far, the program has helped 749 Delaware families access homeownership. Several stakeholders complimented the state on the Kiss your Landlord Goodbye program.

DSHA administers the rental assistance portion of the program by utilizing its expertise associated with the Housing Choice Voucher program. Case managers from DHSS, DSCYF, and approved community service providers leverage existing funds (such as Medicaid) to provide medical, behavioral health, personal care, or case management services to participants during their tenancy, as desired.

Additionally, the Division of Substance Abuse and Mental Health (DSAMH) has recognized SRAP as a cost-effective and efficient means of meeting its obligations to create additional units of supportive but independent housing in the community as part of its Settlement Agreement with the U.S. Department of Justice. DSAMH has directed additional funds to the SRAP program specifically to serve DSAMH clients, increasing the total number of households that can be served through the program.

### ***Delaware Section 811 PRA Demonstration Program Award***

In the summer of 2012, DSHA and the Delaware Department of Health and Social Services (DHSS) partnered to propose a Section 811 PRA Demo program in Delaware to create project-based rental assistance for people with disabilities in integrated settings with supportive services. Delaware's Section 811 PRA Demo program has further developed this established partnership by expanding the supportive housing system created with SRAP to include a stock of project-based units.

In 2013, Delaware was awarded a Section 811 PRA Demo grant of \$5.1 million, estimated to create and support 150 – 170 units of project-based rental assistance over 5 years. There are now over 100 units with Rental Assistance Contracts (RACs) with DSHA and over 50 units leased by eligible tenants. When units become available, property managers notify DSHA through an online system. Prospective eligible tenants are then referred to and apply directly to the site.

### ***Other Special Vouchers***

DSHA applied for and was awarded 50 new Delaware Section 811 Mainstream vouchers. DSHA is working with state and local partners to get the vouchers awarded to at-risk ELI homeless persons with disabilities. Through the American Rescue Plan, DSHA was awarded 40 Emergency Housing Vouchers (EHVs) and is working with the Continuum of Care and other PHAs to implement these new vouchers in Delaware.

### ***Homeownership Rehab and Emergency Repair***

As described in other areas of the plan and reflected in the Resource Allocation tables, DSHA also

allocates both state and federal (CDBG and HOME) resources to rehabilitation assistance for homeowners. This encompasses both major repairs through CDBG and HOME and emergency repairs funded through state resources. All these programs allow accessibility modifications as an eligible use and indeed this is a high need and frequent use. Major accessibility modifications are more often through the major repair program, while emergency repair programs often manage smaller accessibility modifications, especially those needed urgently.

### **Actions planned to foster and maintain affordable housing**

As described in other areas of the plan and reflected in the Resource Allocation tables, DSHA allocates both state and federal resources to maintaining affordable housing. Activities to maintain affordable owner-occupied housing include:

- Funding through the Housing Development Fund (HDF) for acquisition and rehabilitation of homes, providing emergency and larger repairs for existing homeowners;
- Grants for major rehabilitation via CDBG and HOME for existing homeowners in targeted areas;
- Assistance with emergency repairs for existing homeowners via HDF state funds;
- All these programs allow accessibility modifications as an eligible use. Major accessibility modifications are more often accomplished through the major repair program, while emergency repair programs often manage smaller accessibility modifications, especially those needed urgently; and
- Support for foreclosure prevention counseling and foreclosure prevention loans to homeowners in default.

Activities and programs to maintain affordable rental housing include:

- Set-aside in the LIHTC Qualified Allocation Plan (QAP) for rehabilitation and preservation of existing affordable rental housing, as well as the opportunity for existing unassisted housing to be converted to LIHTC-assisted housing in the new construction set aside;
- Loans available via HOME, NHTF and HDF for rehabilitation and preservation of existing affordable housing;
- Loans and grants available through the HDF to make energy efficiency and accessibility improvements in nonprofit-owned affordable rental housing or emergency shelters, transitional housing, or permanent supportive housing facilities; and

DSHA will utilize its Housing Trust Fund allocation to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

### **Actions planned to reduce lead-based paint hazards**

The Delaware Division of Public Health's (DPH) Lead Poisoning Prevention Program does not currently manage a HUD Lead Hazard Control Grant. The last HUD grant expired in December 2017 and resulted in 172 homes in Kent and Sussex Counties being repaired of lead paint hazards. There are no plans for the Delaware Division of Public Health to apply for another HUD Grant due to ongoing, severe staffing

shortages in the Lead Poisoning Prevention Program.

These HUD Lead Hazard Control Grants are best managed by municipalities rather than the Lead Poisoning Prevention Program.

DPH will continue to reach out to municipalities in Delaware to encourage a municipality to apply for HUD Lead Hazard Control Grant funding.

The State of Delaware CDBG subgrantees use most of their CDBG funds each year for housing rehabilitation, and the Delaware State Housing Authority supplements those funds by allocating CDBG subgrantees HOME funds for additional housing rehabilitations. These two sources of rehab funding, combined, are used to rehabilitate approximately 150 units of substandard housing each year. These HUD-funded housing rehabilitations must follow State, HUD, and EPA regulations for using lead-safe work practices, and for reducing lead-based hazards. County rehab specialists, and rehab contractors, must be trained and certified in how to reduce lead-based hazards.

### **Actions planned to reduce the number of poverty-level families**

DSHA's primary mechanism for addressing the needs of poverty-level families is developing deeply subsidized rental units.

Through its role as a housing authority, DSHA administers the MTW Program, which requires residents to work or be in school in order to receive a housing subsidy. The goal is to establish positive work and budget habits over the time in the program, which will serve the family as they transition to unsubsidized housing. DSHA believes that MTW plays an important role in breaking the cycle of poverty by providing case management services and resources that help families succeed.

DSHA has been an active participant with The Continuum of Care and Housing Alliance Delaware (HAD) and has supported its facilitation, research and advancement of Delaware's homelessness systems. HAD coordinates the DE Continuum of Care applications, manages the DE-HMIS and works to coordinate services and programs throughout the state to better meet the needs of homeless people and families, and improve the performance of the state's homeless assistance system.

DSHA's Housing Development Fund (HDF) regularly provides grants to anti-poverty activities, including security deposit loan programs to assist prospective renters to secure an apartment and build their credit, thereby preventing homelessness. DSHA's Qualified Allocation Plan (QAP) includes incentives for applicants that include appropriate social services for residents in their project plans. These services often include programs such as financial literacy, budgeting, childcare, GED and other educational opportunities, and homeownership counseling.

### **Actions planned to develop institutional structure**

DSHA will continue to foster collaboration between public and assisted housing providers, local communities, and private and governmental health, mental health, and service agencies to coordinate

resources and develop consistent policies to achieve mutually beneficial goals and objectives.

- DSHA will continue to work with a strong network of partners to promote the real-time housing locator [DelawareHousingSearch.org](http://DelawareHousingSearch.org). Because of the state-wide support, this service will also be a critical disaster recovery resource for Delaware, further increasing its value as a collective resource.
- DSHA will continue to improve the coordination of efforts across agencies and communities to support strategic neighborhood revitalization, community, and downtown development initiatives such as the Downtown Development Districts and Strong Neighborhoods Housing Fund programs.
- DSHA will continue to maximize the use of the state's growth management framework to encourage local communities to include affordable housing strategies in their planning initiatives and provide technical assistance with these activities.
- Delaware will continue to improve the availability of local and DSHA information online, including housing needs and demographic data, geographic targeting for DSHA programs, and the Delaware affordable rental housing preservation inventory. The availability of consistent data supports improved coordination and planning to address affordable housing needs.

## **Actions planned to enhance coordination between public and private housing and social service agencies**

Over the next year, DSHA will continue its work with a wide array of other state agencies, private and faith-based housing and service providers, and housing advocates to further the priorities and goals of its Action Plan. These will include, but are not limited to, the following:

- City of Wilmington;
- City of Dover;
- Council of State Community Development Agencies (COSCDA);
- Delaware Commission of Veterans Affairs;
- Delaware Continuum of Care;
- Delaware Department of Health and Social Services;
- Delaware Department of Justice (DOJ);
- Department of Services for Children, Youth and Their Families;
- Delaware Department of Education and School Districts;
- Delaware Division of Human Relations;
- Delaware Division of Public Health (DPH);
- Delaware Division of Small Business Office;
- Department of Labor;
- Department of Natural Resources and Environmental Control;
- Department of Transportation;
- First State Community Action Agency;
- HealthBehavioral Health Planning and Advisory Council;
- Habitat for Humanity;
- Housing Alliance Delaware;
- Housing Task Force Committee;
- HUD-approved housing counseling agencies;
- Kent, Sussex and New Castle counties;
- Delaware chapter of National Association of Housing and Redevelopment Officials (NAHRO);
- National Council of State Housing Agencies (NCSHA);
- Nonprofit housing development corporations;
- Office of State Planning Coordination;
- Other public housing authorities in Delaware;
- State Historic Preservation Office;
- Strong Communities;
- Work Force Investment Board; and
- University of Delaware.

DSHA's partnerships with the Departments of Health and Social Services (DHSS) and Services for Children, Youth and their Families (DSCYF) on the State Rental Assistance Program and Section 811 PRA Demo

program and with the Delaware Department of Justice on foreclosure prevention and recovery via collaborative use of Delaware's National Mortgage Settlement funds are representative of our cooperative approach to addressing challenging problems.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	75,000
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.	0
5. The amount of income from float-funded activities	0
Total Program Income	75,000

#### Other CDBG Requirements

1. The amount of urgent need activities	0
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#### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

Not applicable. No other forms of investment beyond those identified in Section 92.205 are planned

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

The prorated amount of HOME Program funds in the form of second mortgage loans (or other loan positions as approved by DSHA) used for down payments and closing costs are subject to recapture when the initially assisted homebuyer sells, rents or refinances the HOME-assisted property within

the recapture period set forth as shown below:

Amount of HOME Funds Recapture Period

Less than \$15,000 - 5 years

\$15,000 to \$40,000 - 10 years

Over \$40,000 - 15 years

HOME mortgage loans shall be forgiven after expiration of the loan recapture period and/or period of affordability. If the HOME-assisted property is sold, rented, or refinanced during the recapture period, the amount of the repayment required shall be prorated by the number of full years the original HOME-assisted owner occupied the property. For example, a HOME-deferred mortgage in the amount of \$20,000 would have a recapture period of 10 years. If the property was sold 3 years and six months after the recapture period started, then 30% (3 full years/10-year recapture period) of the original \$20,000 HOME loan would be forgiven making the repayment amount due \$14,000.

Where the net proceeds (the sales price of the assisted property less loan repayment of DSHA approved superior debt and closing costs) is greater than the prorated balance due under the HOME mortgage loan, the balance of the HOME prorated mortgage loan shall be repaid to DSHA. However, where the net proceeds are less than the HOME mortgage loan, the amount of the net proceeds shall be repaid to DSHA. All repaid HOME mortgage funds shall be used to support other HOME- eligible activities. These recapture provisions shall be included in the note and mortgage evidencing and securing the HOME-funded mortgage loan.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4) are as follows:

Not applicable. DSHA does not provide for acquisition of units with HOME funds.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Not applicable. DSHA does not plan to use HOME funds to refinance existing debt.

**Emergency Solutions Grant (ESG)  
Reference 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)
  1. Using the Centralized Intake System to evaluate individuals and families applying for or receiving rapid re-housing assistance.
  2. Conducting the initial evaluation required, including verifying income to determine eligibility for individuals applying for rapid re-housing assistance.
  3. Developing individualized housing and services plans to obtain or maintain permanent housing.
  4. Developing and coordinating services for individuals and families.
  5. Providing information and referrals to other providers that assist individuals and families to overcome barriers and obtain or maintain permanent housing
  6. Monitoring and evaluating program participant progress.
  7. Conducting re-evaluations of households to assist with achieving and maintaining independent living.
  
2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

Delaware's statewide Centralized Intake began taking calls on January 6, 2015. People who are homeless can access the intake by calling 211, going to a State Service Center, or going to a shelter. The staff at 211, the shelters, and State Service Centers sends referrals to the intake staff at Housing Alliance Delaware (HAD). Intake staff then contact those who are homeless to identify the best solution for their homelessness. The Delaware system was overwhelmed early in the implementation by the number of people and lack of permanent housing options. In November of 2014, the Delaware Interagency Council on Homelessness convened a meeting of centralized intake stakeholders to discuss system improvements.

Housing Alliance Delaware has since extended the hours during which centralized intake staff is available. They are streamlining placement of those who are homeless into available beds and no longer have a waitlist for emergency shelter. The CoC continues to work to improve the intake workers ability to identify optimum housing options, to ensure those options are available by right sizing our CoC, and to train provider staff to use HMIS modules that will allow for real-time availability of shelter and transitional beds. Although implementation of centralized intake has begun, it will take many years to optimize the system given the lack of affordable housing opportunities available to extremely low-income households who may have barriers such as criminal backgrounds, lack of good employment opportunities, poor landlord references, and/or poor credit histories.

3. Identify the process for making sub-awards and describe how the ESG allocation is available to private nonprofit organizations (including community and faith-based organizations).

ESG funds are distributed on a competitive basis, and proposals are rated based on a weighted score of 100 points with the following criteria;

Project Description and Services Plan (25 points), Organizational Capacity and Past Performance (15 points), Matching Contributions (15 points), Participation in Continuum of Care (10 points), Participation in CMIS (10 points), Cost Effectiveness (15 points), and Community Commitment (10 points).

Using these criteria, applications are reviewed and rated by a Review Panel comprised of professionals with knowledge and experience in homeless issues and grant management. Applicants may be local governmental entities, nonprofit agencies and faith-based organizations that provide direct services to homeless persons or persons at risk of becoming homeless.

The funds are made available each year through a Notice of Funding Availability, which is emailed to interested parties and published in prominent newspapers statewide. Eligible applicants are units of general local government and private nonprofit organizations located in Kent and Sussex Counties. Assistance may also be provided to religious organizations if the religious organizations agree to provide all eligible activities under this program in a manner that is free from religious influences in accordance with 24 CFR Part 576.23.

The review panel evaluates and rates all proposals based on the criteria listed above. The panel forwards its recommendations and comments to DSHAs Director. Final funding decisions are made by DSHA Director and at that time DSHA and the state-recipient enter into a grant agreement.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.

DSHA will contractually require ESG state-recipients to document all consultations with homeless or formerly homeless individuals or families when making policies and decisions regarding any ESG funded activity. DSHA also requires that each non-profit includes a homeless or previously homeless person on their Board of Directors.

5. Describe performance standards for evaluating ESG.

Other non-identifying information about program participants. For Domestic Violence Shelters, the state-recipients coordinate their household data directly with DSHA.

**Housing Trust Fund (HTF)**  
**Reference 24 CFR 91.320(k)(5)**

1. How will the grantee distribute its HTF funds? Select all that apply:

Applications submitted by eligible recipients

2. If distributing HTF funds through grants to subgrantees, describe the method for distributing HTF funds through grants to subgrantees and how those funds will be made available to state agencies and/or units of general local government. If not distributing funds through grants to subgrantees, enter "N/A".

N/A

3. If distributing HTF funds by selecting applications submitted by eligible recipients,

a. Describe the eligibility requirements for recipients of HTF funds (as defined in 24 CFR § 93.2). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DSHA HTF Allocation Plan includes the eligibility and regulatory changes required under the revised rule. Eligibility requirements including:

- Application Process
- Allocation Process
- Eligible Costs
- Operating Costs Assistance and Reserves
- Subsidy Limits
- Periods of Affordability
- Income Targeting
- Additional Requirements including
- HUD Regulations, Subsidy Layering Review, Underwriting, Site and Neighborhood Standards, Uniform Physical Conditions Standards, Environmental Review, Uniform Relocation Act, Lead Based Paint, Section 3
- Rehab and Property Standards
- Commitment and Expenditure requirements
- Written policies, procedures, systems and DSHA reporting requirements

Financial Oversight, Asset Management and Compliance

b. Describe the grantee's application requirements for eligible recipients to apply for HTF funds. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

DSHA has two set-asides within our HTF Allocation Plan. One is for Permanent Supportive Housing, of

which we have a separate annual Notice of Funding Availability Application Process.

The second Application for HTF is for multi-family projects shall be made through the application and approval process in place for the HDF and/or LIHTC programs. All applications must contain a description of the eligible activities to be conducted with HTF funds as required in 93.200. All applications must also contain certification that housing assisted with HTF funds will comply with HTF requirements.

Upon application review by DSHA staff, a panel consisting of members of DSHA Housing Development Section, Policy and Planning Section, and any other DSHA employees with applicable experience will convene. Members of the Council on Housing will also be invited to participate. The panel will discuss each application received and its preliminary ranking. A consensus of all members present will determine the final ranking of the applications, along with funding level recommendations. Applications recommended for funding will be presented to the Director of DSHA for final approval.

c. Describe the selection criteria that the grantee will use to select applications submitted by eligible recipients. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Eligibility to apply for HTF will be no more restrictive than required by HTF regulations. Eligible applicants/recipients of HTF funds may include nonprofit and for-profit developers and public housing agencies.

Applicants must meet the HTF Tax Allocation Plan, DSHA, and all requirements set forth in 24 CFR 93.2 to be eligible for funding under the Action Plan. Developments must also meet the property standards set forth in the Tax Credit Allocation Plan and in 24 CFR 93.301.

Applications will be assessed with priority given to the applicants who prove highest proficiency in the following prioritized areas:

**A. Applicant Capacity (Priority Factor: Most Important)**

Applicants will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:

- Applicants must make acceptable assurances to DSHA that they will comply with the requirements of the HTF program during the entire period that begins upon selection of the applicant to receive HTF funds and ending upon the conclusion of all HTF-funded activities.
- Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.
- Applicants must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure

compliance with all applicable requirements and regulations of such programs.

- Applicants must demonstrate their experience and capacity to conduct an eligible HTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development.
- Applicants must demonstrate their ability to enter into a commitment for HTF funds and undertake eligible activities in a timely manner.

#### **B. Priority Housing Needs of the State (Priority Factor: Most Important)**

Applicants will be assessed on the merits of the application, meeting the priority housing needs established by the State.

Any proposed use of HTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware Consolidated Plan.

As noted in SP-25 Priority Needs, affordable rental housing is Delaware first priority need. The Delaware HNA and HUD data identify a critical need to develop new affordable rental housing, preserve existing affordable rental housing, and extend affordability restrictions. The HNA identified affordable rental housing as a critical need for Extremely Low- and Low-Income populations throughout the state.

Section SP-25 Priority Needs of the Consolidated Plan also cites Permanent Supportive Housing as a high priority need in Delaware. Additional Supportive Housing is needed for persons with Mental, Physical, and Developmental Disabilities, Persons with Alcohol or Other Addictions, and Persons with HIV/AIDS and their families.

As described under III. Geographic Distribution and Diversity, DSHA has identified geographic areas for targeting different types of housing investments. As HTF will be used for rental housing, these maps as they apply to rental housing will apply to the HTF. The new construction and rehabilitation of affordable rental housing is incentivized in Areas of Opportunity, neutral in Stable areas, and further concentration of subsidized rental housing is not encouraged in distressed areas.

#### **C. Leveraging (Priority Factor: Somewhat Important)**

Applications will be evaluated on the total sources of permanent financing, percentage of total project costs funded by HTF and DSHA sources, and the use of any other non-state or federal funding sources.

**D. Geographic Diversity (Priority Factor: Somewhat Important)**

HTF funds will be available to projects statewide; however, applications will be evaluated for consistency with the State certifications and compliance with the State Strategies for Policies and Spending (see Section III. Geographic Distribution and Diversity for details).

**E. Project-Based Rental Assistance (Priority Factor: Least Important)**

Applications will be reviewed for the extent to which the project has federal, state, or local project-based rental assistance so that rents are affordable to extremely low-income families. HTF funds will be distributed consistently with DSHA other affordable housing programs and administered with the existing LIHTC and HDF programs.

**F. Duration of Affordability Period (Priority Factor: Least Important)**

In accordance with Â§93.302(d), all rental housing units receiving HTF funds must have an affordability period of not less than thirty (30) years. Applications may receive additional credit for showing financial feasibility of the project to extend beyond the 30-year period.

**G. Additional Evaluation Criteria (Priority Factor: Somewhat-Least Important)**

The following items will be taken into consideration by DSHA staff when determining the merits of an application for HTF funds:

1. Demonstrated need for the project.
2. Suitability of the project location.
3. Cost efficiency of the project.
4. Amount of loan per unit serving extremely low and very low-/low-income persons: Applications serving extremely low-income families will be given priority to the extent possible to comply with statutory requirements. Please note, for 2019, only applications serving extremely low-income families will be considered. Applications serving very low-income families will be considered only if allowed by statutory requirements. Such determination will be announced prior to any announcement of funding opportunity.
5. Length of payback period.
6. Position of loan and how it is secured/length of repayment.
7. Source(s) of permanent financing (if appropriate).
8. Cash and non-cash equity participation of developer.
9. Evidence that alternate sources of financing have been utilized and/or exhausted.
10. Evidence that housing will be provided in neighborhoods where there is little very low-income housing available.
11. Extent to which the proposal will assist in revitalization of deteriorating neighborhood.

12. Extent to which any current DSHA loans to the applicant or affiliated parties are in good standing.

d. Describe the grantee's required priority for funding based on geographic diversity (as defined by the grantee in the consolidated plan). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

HTF funds will be available to projects statewide; however, applications will be evaluated for consistency with the State certifications and compliance with the State Strategies for Policies and Spending DSHA has identified geographic areas for targeting different types of housing investments. As HTF will be used for rental housing, these maps as they apply to rental housing will apply to the HTF. The new construction and rehabilitation of affordable rental housing is incentivized in Areas of Opportunity, neutral in Stable areas, and further concentration of subsidized rental housing is not encouraged in distressed areas.

e. Describe the grantee's required priority for funding based on the applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants will be assessed on experience and capacity and any other criteria as applied by DSHA, which may include the following:

- Applicants must make acceptable assurances to DSHA that they will comply with the requirements of the HTF program during the entire period that begins upon selection of the applicant to receive HTF funds and ending upon the conclusion of all HTF-funded activities.
- Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.
- Applicants must demonstrate their familiarity with the requirements of other federal, state, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.
- Applicants must demonstrate their experience and capacity to conduct an eligible HTF activity as evidenced by the ability to own, construct or rehabilitate, and manage and operate affordable multifamily rental housing development.
- Applicants must demonstrate their ability to enter into a commitment for HTF funds and undertake eligible activities in a timely manner.

f. Describe the grantee's required priority for funding based on the extent to which the rental project has Federal, State, or local project-based rental assistance so that rents are affordable to extremely low-income families. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications will be reviewed for the extent to which the project has federal, state, or local project-based rental assistance so that rents are affordable to extremely low-income families. HTF funds will be

distributed consistently with DSHA other affordable housing programs and administered with the existing LIHTC and HDF programs.

g. Describe the grantee's required priority for funding based on the financial feasibility of the project beyond the required 30-year period. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

In accordance with §93.302(d), all rental housing units receiving HTF funds must have an affordability period of not less than thirty (30) years. Applications may receive additional credit for showing financial feasibility of the project to extend beyond the 30-year period.

h. Describe the grantee's required priority for funding based on the merits of the application in meeting the priority housing needs of the grantee (such as housing that is accessible to transit or employment centers, housing that includes green building and sustainable development features, or housing that serves special needs populations). If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applicants will be assessed on the merits of the application, meeting the priority housing needs established by the State.

Any proposed use of HTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware Consolidated Plan.

Affordable rental housing in Delaware is a high priority need. The Delaware HNA and HUD data identify a critical need to develop new affordable rental housing, preserve existing affordable rental housing, and extend affordability restrictions. The HNA identified affordable rental housing as a critical need for Extremely Low and Low-Income populations throughout the state.

i. Describe the grantee's required priority for funding based on the extent to which the application makes use of non-federal funding sources. If not distributing funds by selecting applications submitted by eligible recipients, enter "N/A".

Applications will be evaluated on the total sources of permanent financing, percentage of total project costs funded by HTF and DSHA sources, and the use of any other non-state or federal funding sources.

4. Does the grantee's application require the applicant to include a description of the eligible activities to be conducted with HTF funds? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

5. Does the grantee's application require that each eligible recipient certify that housing units assisted with HTF funds will comply with HTF requirements? If not distributing funds by selecting applications submitted by eligible recipients, select "N/A".

Yes

**6. Performance Goals and Benchmarks.** The grantee has met the requirement to provide for performance goals and benchmarks against which the grantee will measure its progress, consistent with the grantee's goals established under 24 CFR 91.315(b)(2), by including HTF in its housing goals in the housing table on the SP-45 Goals and AP-20 Annual Goals and Objectives screens.

Yes

**7. Maximum Per-unit Development Subsidy Amount for Housing Assisted with HTF Funds.** Enter or attach the grantee's maximum per-unit development subsidy limits for housing assisted with HTF funds.

The limits must be adjusted for the number of bedrooms and the geographic location of the project. The limits must also be reasonable and based on actual costs of developing non-luxury housing in the area.

If the grantee will use existing limits developed for other federal programs such as the Low Income Housing Tax Credit (LIHTC) per unit cost limits, HOME's maximum per-unit subsidy amounts, and/or Public Housing Development Cost Limits (TDCs), it must include a description of how the HTF maximum per-unit development subsidy limits were established or a description of how existing limits developed for another program and being adopted for HTF meet the HTF requirements specified above.

The maximum per-unit subsidy limits for NHTF will be set at the Section 234 Basic Mortgage Limits established by HUD and also utilized under the HOME Program.

Effective 05/11/2026, the following limits apply:

0 Bedroom - \$187,658

1 Bedroom - \$215,122

2 Bedroom - \$261,595

3 Bedroom - \$338,419

4 Bedroom - \$371,477

DSHA imposes these limits based on previous analysis and experience with LIHTC and HDF programs, including an extensive review of construction costs.

Analysis has shown that construction costs are not noticeably different between markets, nor do they vary greatly between Delaware three counties.

**8. Rehabilitation Standards.** The grantee must establish rehabilitation standards for all HTF-assisted housing rehabilitation activities that set forth the requirements that the housing must meet upon project completion. The grantee’s description of its standards must be in sufficient detail to determine the required rehabilitation work including methods and materials. The standards may refer to applicable codes, or they may establish requirements that exceed the minimum requirements of the codes. The grantee must attach its rehabilitation standards below.

In addition, the rehabilitation standards must address each of the following: health and safety; major systems; lead-based paint; accessibility; disaster mitigation (where relevant); state and local codes, ordinances, and zoning requirements; Uniform Physical Condition Standards; Capital Needs Assessments (if applicable); and broadband infrastructure (if applicable).

First, all buildings and projects that are newly constructed or are rehabilitated with HTF must first be built to the International Building Code adopted by the local municipality and County.

The International Building Codes enforced by each municipality and County include and address disaster mitigation.

The following building codes have been adopted by Delaware three counties:

Second, for HTF projects that will be rehabilitated, at a minimum the HUD Rehabilitation Standards - § 91.320(k)(5)(iv) and Â§ 93.301(b) will apply.

Third, all HTF projects must also meet DSHA minimum construction/ rehabilitation standards and all state and federal applicable codes. However, where DSHA minimum constructions/rehabilitation standards exceed the HUD standards, the most stringent standard will apply. (See Attachments A-D).

All applicants are responsible for complying with all building codes, rules, ordinances, and laws of all legal entities and authorities having jurisdiction over the project.

DSHA minimum construction/rehabilitation standards include additional details on what work is required, how that work should be performed (methods), and what materials should be used. DSHA minimum construction and rehabilitation standards include the following categories: health and safety; major systems; lead-based paint; accessibility; disaster mitigation; state and local codes, ordinances, and zoning requirements; and inspectable areas and observable deficiencies from HUD Uniform Physical Condition Standards (UPCS) as identified by HUD as applicable to HTF-assisted housing.

See Attachments for full rehab standard requirements

**9. Resale or Recapture Guidelines.** Below, the grantee must enter (or attach) a description of the guidelines that will be used for resale or recapture of HTF funds when used to assist first-time homebuyers. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

N/A

**10. HTF Affordable Homeownership Limits.** If the grantee intends to use HTF funds for homebuyer assistance and does not use the HTF affordable homeownership limits for the area provided by HUD, it must determine 95% of the median area purchase price and set forth the information in accordance with §93.305. If the grantee will not use HTF funds to assist first-time homebuyers, enter “N/A”.

Any limitation or preference must not violate nondiscrimination requirements in § 93.350, and the grantee must not limit or give preferences to students. The grantee may permit rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3) only if such limitation or preference is described in the action plan.

N/A

**12. Refinancing of Existing Debt.** Enter or attach the grantee’s refinancing guidelines below. The guidelines describe the conditions under which the grantee will refinance existing debt. The grantee’s refinancing guidelines must, at minimum, demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing. If the grantee will not refinance existing debt, enter “N/A.”

N/A