

COUNCIL ON HOUSING  
Public Session  
Luther Towers I  
430 Kings Highway  
Dover, DE 19901  
February 8, 2017

**Motions**

- Approval of January 26, 2017 Minutes
- Recommendation of approval to the Director for Resolution No. 552 – DSHA’s Statewide Emergency Repair Program (SERP)
- Recommendation of approval to the Director for Resolution No. 553 – Village at Iron Branch

**Important Dates**

- February 15, 2017: DSHA appearance at Joint Finance Committee

Mr. Leahy, Chair, called to order the public session of the Council on Housing at 2:00 pm, February 8, 2017. In addition to Mr. Leahy, the following Council members were present:

Connie Harrington	Francis Julian	Donna Mitchell	Ralph Peters
Ruth Sokolowski	Vincent M. White	Norma Zumsteg	

The following council members were absent and excused from the meeting:

Robert Harra	Corrine Massey
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Also attending:

Anas Ben Addi, Director, Delaware State Housing Authority  
Susan Eliason, Director of Housing Development, DSHA  
Marlena Gibson, Director of Policy and Planning, DSHA  
Dan Shortridge, Director of Public Relations, DSHA  
Shanna L. Alicea, Administrative Specialist III, DSHA

Guests present:

Russell Huxtable, MHDC  
Tom Ayd, Green Street Housing  
David Layfield, Green Street Housing  
Larry Trunfio, Office of Management & Budget

**APPROVAL OF MINUTES**

Ms. Zumsteg moved and Mr. Peters seconded that the Minutes of January 26, 2017 be approved as written. The motion was passed unanimously.

**DSHA REPORT** – Mr. Ben Addi, Ms. Eliason and Ms. Gibson

Mr. Ben Addi went on to briefly introduce and talk about DSHA’s newest member Mr. Shortridge, Director of Public Relations.

- **Budget**

- DSHA will be in front of the Joint Finance Committee on February 15, at 11:00 am to request the General Fund budget of:
  - \$4 million for HDF Base Budget
  - \$3 million for SRAP

Mr. Ben Addi stated that the outgoing governor (Markell) recommended a 10% cut on both request which would bring the allocation of the HDF Base Budget to \$3.6 million and the SRAP to \$2.7 million.

DSHA has made some changes to this year's QAP which Ms. Eliason stated were primarily to the underwriting process. The pool is updated each year so developers know how many credits are available for preservation, nonprofits and new creation. Biggest change was to award the state basis boost to developments in areas of opportunity. In these areas they will be awarded up to 30% more credit to a project, which generates more equity. By increasing the basis boost for areas of opportunities this resulted in a change on how points are awarded for balanced housing opportunities. There are 11 threshold issues of which 2 have been updated for 2017. One has to do with special populations at sites that have project based assistance. The subsidy allows the site to target more units at lower incomes, so those sites are required to target a minimum of 5 units rather than 3. The other thresholds change addresses site control documentation.

Under the underwriting guidelines, DSHA has raised the net equity requirement to 95 cents. Developers are concerned about this change but DSHA will monitor the equity market and make any changes accordingly. DSHA has limited legal fees of \$200,000 for everyone with no waivers.

Council had asked for an update on the financial empowerment program offered by \$stand by Me and funded by DSHA and Discover Bank. In FY16 Council recommended a \$100,000 grant from the HDF to match Discover's funding. The current funding will expire on March 2017 and DSHA plans to request additional funding. DSHA has talked to Discover Bank and others about potential contributions to the funding.

Ms. Gibson stated there has been a great participation of at least 531 individual households to the \$stand by Me program. Sometimes there was more than 1 member of the household who are participating.

The 3 indicator which \$stand by Me has focused on and trying to help families and household members improved on are:

- Getting to a FICO score of 640
- Debt to income ratio below 25%
- Savings of \$2000 or more

According to information provided by Ms. Gibson, 23% of the participants have achieved a FICO score of 640 or above, 76% have a debt-to-income ratio of 25% or less and 16% have a savings of \$2000 or more.

Mr. Ben Addi stated the information which DSHA was able to gather from the last 6-12 months shows a trend but more time is needed to get better information on how much time a person or family needs to becoming qualified for homeownership.

Ms. Sokolowski asked DSHA for more information on the composition of the debt the participants have and any other factors affecting how long it takes an individual to improve their debt.

**COMMITTEE REPORTS:**

**LOAN REVIEW:** Ms. Mitchell

The committee met January 30, 2017 and reviewed 1 HDF grant request and 1 loan request. It is the recommendation of the committee, after due discussion, that the following requests by DSHA be considered by the Council and recommendation for approval made to the Director:

- Milford Housing Development Corporation – DSHA’s Statewide Emergency Repair Program – Resolution No. 552. Mr. Leahy moved and Ms. Zumsteg seconded which was passed with 7 yes votes and one abstention by Ms. Harrington due to her association with NCALL, a partner with MHDC.
- Village at Iron Branch – Resolution No. 553. Mr. Leahy moved and Mr. Peters seconded which was passed with 5 yes and 3 nay votes.

During the discussion on Resolution No. 553 Mr. Peters was concerned about the distribution of the units targeted to special populations. Mr. Peters felt that more 1 bed rooms would serve this target population better. Staff provided information on target population groups that might require 2 bedroom and 3 bed rooms units.

Mr. Francis was concerned about the cost per unit being too high and the developer fee being too much. Council wanted to further discuss putting a cap on cost per units in the future. Ms. Mitchell suggested that a chart showing the projects done within the last two years in all three counties listing the total cost per project and per unit be put together so Loan Review can provide perspective to Council.

**HOUSING POLICY:** Ms. Gibson

Nothing to report

**COMMUNICATIONS:** Ms. Sokolowski

Nothing to report

**OPERATIONS:** Ms. Harrington

Nothing to report

**OLD / NEW BUSINESS:**

Mr. Trunfio of OMB began strategies discussion with Council on the four goals which they would like to reach.

**ADMINISTRATIVE:**

**SCHEDULING OF NEXT MEETING**

The next meeting will be held on Wednesday, March 8 at Buena Vista, New Castle from 12:30 p.m. to 4:30 pm.

**ADJOURNMENT**

There being no further business to come before the Council, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Shanná L. Alicea". The signature is fluid and cursive, with a large, stylized initial "S" and "A".

Shanná L. Alicea

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