

COUNCIL ON HOUSING
Public Session
Luther Towers Building I
Dover, Delaware
May 14, 2014

Motions

- Approval of March 12, 2014 Minutes
- Approval to send a Council letter of support for SB 191 to the General Assembly

Action Items

- Mr. Heckles to email Council a list of qualifications and recommended skill sets for new members

Important Dates

- June 3 – Loan Review Committee meeting with staff to review LIHTC applications
- June 11 – next Council meeting at Buena Vista, New Castle
- August 13 – Council meeting canceled

Ms. Sokolowski, Chair, called to order the public session of the Council on Housing at 2:05 p.m. on May 14, 2014. In addition to Ms. Sokolowski, the following Council members were present:

Pat Batchelor	Corrine Massey
Francis Julian	Donna Mitchell
Hugh Leahy	Ralph Peters
Connie Louder	Norma Zumsteg

The following Council member was absent and excused from the meeting:

Vincent White

Also attending:

Anas Ben Addi, Director, Delaware State Housing Authority (DSHA)
Lynda Blythe, Administrative Specialist III, DSHA
Susan Eliason, Director of Housing Development, DSHA
Marlena Gibson, Planner IV, DSHA
Matthew Heckles, Director of Policy and Planning, DSHA

Guest present:

Donald Burris, Luther Towers

APPROVAL OF MINUTES

Ms. Zumsteg moved, and Ms. Batchelor seconded, that the Minutes of March 12, 2014 be approved as written. The motion was passed unanimously.

DSHA REPORT – Mr. Ben Addi

- DDD (Downtown Development Districts) –
 - \$7 million earmarked in the Bond Bill grants to offset private investment in specific areas for eligible redevelopment costs. DSHA to administer the grant program.
 - Funding track – still working on this in the Bond Bill committee level
 - Legislative track - passed by the Senate, now going to the House.
- LIHTC (Low Income Housing Tax Credits) –
 - Nine applications, totaling \$6.4 million, were received by the April 30, 2014 deadline.
 - Six applications in the 9% competitive round; four in the 4% round.
 - Preliminary allocations will be announced the first part of July.
- Moving to Work –
 - DSHA's contract was extended for another 10 years, from 2018 to 2028.
- Federal issues
 - GSE (Government Supported Enterprise) reform is currently a hot topic on the housing banking side.
 - GSE includes Fannie Mae, Freddie Mac, and Federal Home Loan Bank.
 - The Federal House and Senate have agreed upon a reform which would create a private agency with responsible backing and guarantee from the Federal government.
 - Interest rates will be higher and investors will now take a bigger hit on defaults.
 - There is an urgency to develop a program before the next election.
 - Reform will impact DSHA:
 - Affordable housing and housing in general
 - National Trust Fund – requires a stream of income profit to this fund for low income housing
 - DSHA's mortgage business
 - There will probably be a five-year transition period to wind down Fannie Mae and Freddie Mac.
- DSHA State FY15 Budget
 - \$4 million base budget and \$3 million for SRAP fund should remain the same.
 - There might be reductions to both the \$6 million for ARHP and \$7 million for DDD.

COMMITTEE REPORTS

LOAN REVIEW – Mr. Leahy

The committee will meet with staff on June 3rd to review LIHTC applications.

OPERATIONS – Ms. Louder

Council was reminded that there are still two vacancies. Mr. Heckles will send an email to all members regarding the geographic and political make up required and skill sets desired to fill the vacancies.

Ms. Louder will present a slate of officer candidates at the June 11th meeting with elections to be held in July. Any member interested in becoming an officer should contact Ms. Louder prior to the June meeting.

HOUSING POLICY – Mr. Peters

- HB 196 – Source of Income Discrimination Legislation

Ms. Batchelor, Mr. Peters, and Ms. Sokolowski attended a hearing on HB 196 at which time the Bill was tabled and will not be brought up again this year. However, Council's advocacy was heard. There is a possibility that new Source of Income Discrimination legislation will be proposed in 2015.

- SB 191 – Downtown Development Districts

Council was asked to advocate for SB 191. Ms. Batchelor moved that a letter on behalf of Council supporting this legislation be sent this date to the General Assembly. Ms. Louder seconded the motion which was unanimously passed. Mr. Heckles stated the Bill could possibly go to the House on May 15th for their approval.

COMMUNICATIONS – Ms. Batchelor

No report at this time.

Housing Development Fund (HDF) – Ms. Eliason

Applications for non-tax credit HDF loan and grant requests were discussed:

- Application requests are a two-step process:
 - Initial proposals – narrative of purpose for the funding - are due May 15, 2014
 - Final applications are due August 11, 2014
- Some new proposers have expressed interest in applying
- Nine proposals have already been received
- A major change, affecting all scoring sheets, was the discontinuing awarding four points for encouraging and having a relationship with minority contractors
 - DSHA was informed the points showed a preference which the State Office of Supplier Diversity had not documented. DSHA will continue to encourage use of MBE/WBE/VBE.
 - A new category, "Collaboration", was created to allocate the four points to applications having a formal plan, collaborating with other people, and trying to make an impact in a particular area

Using the attached handout, Ms. Eliason presented comments, recommended changes, and items for further consideration which are dependent on the final needs assessment. Items highlighted were:

- Revision to the method of acquisition and rehab of separate homes in the City of Wilmington
 - Homeownership Opportunity Areas expanded to census tracts contiguous to former targeted tracts
 - Requiring five or more units to be done in a city block
- Mortgage affordability reduction
- Recognition for permanent affordability
- The set-aside of \$1 million for homeownership was not changed
- Clarification of “emergency repair”
- Level 4 state strategy areas (rural, park, and agricultural land) are not eligible for HDF funding

Ms. Eliason stated that a “Frequently Asked Questions” form has been created for realtors to use when discussing DSHA financing, particularly deed restrictions, with potential buyers.

Council commended DSHA for the dramatic improvements to the website, applications, and materials.

Annual Action Plan – Ms. Gibson

Ms. Gibson stated the Annual Action Plan is the detail part of the HUD required Five-Year Plan. The Annual Action Plan, at the state level, is different than the local jurisdictions which are required to provide more detail about specific projects funded; whereas, DSHA focuses mainly on the method of funds distribution.

Using the attached handout, Ms. Gibson reviewed the:

- Summary of State and Federal Resources specifically:
 - Homeownership
 - Rental (multi-family)
 - Community Development
 - Homelessness and Special Populations
- Public Hearings Agenda
- Past Performance of the 2010-2014 Consolidated Plan Strategies
- Map of the FY 2014 Target Areas in Kent and Sussex Counties

Ms. Gibson noted that fair housing planning will be more strongly scrutinized by HUD in future reports. In closing, Council members were encouraged to attend the Market Value Analysis meeting to be held May 20th at 10:00 a.m. in the Kent County Building

OLD/NEW BUSINESS - None

ADMINISTRATIVE MATTERS

Ms. Sokolowski stated the August 13th meeting will not be held due to COH member vacations.

SCHEDLING OF NEXT MEETING

The next meeting will be held on June 11, 2014 at 2:00 p.m. at the Buena Vista Conference Center, New Castle, DE.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Lynda T. Blythe".

Lynda T. Blythe

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