

FY2018 Annual Action Plan



Annual Action Plan for FY2018 (July 1, 2018 – June 30, 2019)

Delaware State Housing Authority

18 The Green

Dover, DE 19901

302-739-4263 / 888-363-8808

www.destatehousing.com

Executive Summary

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

1. Introduction

The Annual Action Plan, prepared and implemented by the Delaware State Housing Authority (DSHA), is a planning document required by the U.S. Department of Housing and Urban Development (HUD). Using the goals and strategies set forth in the Five-Year Consolidated Plan for Housing and Community Development 2015-2019 (Consolidated Plan 2015 - 2019), this Action Plan is designed to explain how DSHA plans to distribute funding for FY2018 (July 1, 2018 to June 30, 2019).

The overall goal of community planning and development programs is to support the development of viable communities by providing decent housing and a suitable living environment for low- and moderate-income persons. DSHA strives to make these opportunities accessible and affordable to communities and individuals, and to ensure that desired project outcomes are sustainable and measurable. The plan serves four major functions:

- It is the State of Delaware's application for federal funds available through the five HUD formula grant programs that are administered by DSHA;
- It is the annual planning document, built through public input and participation, for the five HUD formula programs and other related programs;
- It lays out the funding resources expected, the method of distribution and the actions DSHA will follow in administering the HUD programs; and
- It provides accountability to citizens for the use of the funds and allows HUD to measure program performance.

DSHA anticipates receiving approximately \$8,735,191 in formula funding for the five community planning and development programs administered by HUD for FY2018. The five formula programs governed by this Action Plan are:

- Community Development Block Grant (CDBG): \$2,254,936;
- Emergency Solutions Grants (ESG): \$201,681;
- HOME Investment Partnerships Program (HOME): \$3,008,138;
- Housing Opportunities for Persons with AIDS (HOPWA): \$270,436; and
- Housing Trust Fund (HTF): \$3,000,000.

The Annual Action Plan primarily focuses on the State's non-entitlement jurisdictions. The non-entitlement jurisdictions are areas, primarily rural, which do not receive any direct allocations from HUD

for the five formula programs mentioned above. Rather, the State administers these funds on their behalf.

In Delaware, one other participating jurisdiction, the City of Wilmington, receives HUD funding for CDBG, HOME, ESG and HOPWA. Also, New Castle County receives HUD funding for three programs, CDBG, HOME and ESG. Finally, the City of Dover receives HUD funding for CDBG only. Therefore, the funds allocated to these participating jurisdictions are not covered by this Plan. It should be noted, however, that because DSHA's own housing and community development programs are operated on a statewide basis, and some federal programs such as the HTF and Low Income Housing Tax Credits (LIHTC) are also funded on a statewide basis, there may be some discussion regarding these jurisdictions within the Annual Action Plan.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

The following general goals and strategies are derived from DSHA's strategic planning and public participation process and identified as most effective for addressing Delaware's most pressing housing and community development needs. These strategies serve DSHA as targets for each year's Action Plan and activities. 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.

The State sets forth corresponding priorities, as outlined below, to address priority housing needs:

- Preserve and expand Delaware's stock of affordable rental housing;
- Help Delaware families achieve and sustain homeownership by providing homebuyer assistance and rehabilitation assistance for existing homeowners;
- Reduce the family and community impact of foreclosure via prevention and recovery programs;
- Provide resources for local communities to address community development needs; and
- Assist in ending homelessness and ensure that those at risk of homelessness have access to affordable, integrated, supportive housing options, including permanent supportive housing.

Strategies are provided for a wide range of issues and challenges identified in the Action Plan, including housing preservation, homeownership, providing permanent supportive housing for those at risk of homelessness, addressing barriers to affordable housing development, addressing lead-based paint hazards, promoting fair housing, revitalizing neighborhoods and many more.

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Specific details about past performance by DSHA are available through the DSHA's Consolidated Annual Performance Evaluation Report (CAPER) that is submitted annually to HUD. The FY2016 CAPER was submitted to HUD in September 2017. DSHA's most recent CAPER performance table is included as Appendix K, showing performance for Year 3 of the State's current five-year Consolidated Plan. The full FY2016 CAPER is available on DSHA's website at:

<http://destatehousing.com/FormsAndInformation/capers.php>

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

Citizen participation in the Consolidated Planning process helps DSHA set forth issues that need to be addressed to improve conditions for individuals, families and the communities in which they live. DSHA is continually looking for methods to broaden the citizen participation process. DSHA encourages and maintains an open relationship with a number of agencies, and provides them the opportunity to submit data, ideas and comments throughout the planning process. This process of intergovernmental cooperation and coordination is on-going. DSHA has been an active participant in or host of numerous groups on a variety of housing issues and needs, all of which informed the development of this Annual Action Plan.

DSHA interacts with representatives from Delaware governments, social service agencies, nonprofits, for-profit developers, and other stakeholders. DSHA specifically consults with the Housing Alliance of Delaware (HAD), the coordinating entity for Delaware's Continuum of Care (CoC), regarding the use of ESG funds, performance standards for ESG supported programs, and CMIS (Community Management Information System) needs.

In March 2018, a notification of a 30-day public comment period and the availability of the draft FY2018 Annual Action Plan was advertised in newspapers throughout the state and through DSHA's email newsletter, *Highlights*. The draft Plan was also made available on DSHA's website at www.destatehousing.com and in county and State offices throughout the state. A public hearing was held on April 26, 2018. Public comments and responses are included in Appendix A.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Summaries of public comments received through the April 2018 public comment period on the draft Annual Action Plan are attached as Appendix A.

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

Summaries of public comments received through the April 2018 public comment period on the draft Annual Action Plan are attached as Appendix A.

7. Summary

Utilizing federal, state and other funding, the DSHA will pursue goals, strategies and policy priorities for a wide range of issues and challenges identified in this Annual Action Plan. These include: preservation and expansion of Delaware's stock of affordable rental housing; helping Delaware families achieve and sustain homeownership; reducing the family and community impact of foreclosure; providing access to affordable, integrated, supportive housing options, including permanent supportive housing to those at risk of homelessness; addressing barriers to affordable housing development; addressing lead-based paint hazards; promoting fair housing; revitalizing neighborhoods and many more.

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

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

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	DELAWARE	Delaware State Housing Authority
HOPWA Administrator	DELAWARE	Delaware State Housing Authority
HOME Administrator	DELAWARE	Delaware State Housing Authority
ESG Administrator	DELAWARE	Delaware State Housing Authority
		Delaware State Housing Authority

Table 1 – Responsible Agencies

Narrative

All HUD Community Development funds described in this Annual Action Plan for the State of Delaware are administered by the Delaware State Housing Authority.

Consolidated Plan Public Contact Information

Susan Ronk Moriarty, Planner III
 Delaware State Housing Authority
 18 The Green, Dover, DE 19901
 302-739-4263
 susanm@destatehousing.com
 www.destatehousing.com

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

1. Introduction

In developing the FY2018 Annual Action Plan, DSHA used its 2017 Citizen Participation Plan and existing practices of consultation and participation in assessing needs and continuously evaluating its administration of federal programs through statewide and county-level meetings, public hearings, conventional notices and web availability.

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 of 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:

- Governor's Commission on Building Access to Community-Based Services
- Governor's Advisory Council to the Division of Substance Abuse and Mental Health
- Housing Committee of the State Council for Persons with Disabilities/Governor's Commission
- Delaware Interagency Council on Homelessness
- Continuum of Care Governance Board
- Money Follows the Person Steering Committee
- I-ADAPT Offender Re-entry
- Fair Housing Task Force
- Delaware Community Revitalization Council
- Statewide Community Development Network/ Housing Alliance Delaware

Through our 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.

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 is fortunate to have one statewide Continuum of Care. DSHA is an active partner with the State's Continuum of Care, and also provides staff support and leadership to the Delaware Interagency Council on Homelessness.

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 consulted with the Continuum of Care as well as the other ESG-funded jurisdictions in Delaware in planning to allocate ESG funds, develop shared performance standards and outcomes, and develop funding for the administration of CMIS. All three ESG jurisdictions in Delaware support CMIS and require grantee participation in CMIS. DSHA staff participate on the Continuum of Care Board and numerous committees, including Centralized Intake, Funders Committee, System Performance Committee, Service Solutions Committee, and Policy/Advocacy Committee.

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

Table 2 – Agencies, groups, organizations who participated

1	Agency/Group/Organization	DE HUD Entitlement Jurisdictions
	Agency/Group/Organization Type	Housing Other government - County Other government - Local
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHA uses ongoing and periodic consultation with local and county housing and community development agencies to improve coordination and outcomes of our programs and services.
2	Agency/Group/Organization	Private Developers
	Agency/Group/Organization Type	Housing
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Market Analysis
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHA uses ongoing and periodic consultation with housing developers to improve coordination and outcomes of our programs and services.
3	Agency/Group/Organization	Delaware Continuum of Care
	Agency/Group/Organization Type	Continuum of Care

	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	A DSHA staff person participates on the CoC board every other month and multiple staff members participate with the CoC quarterly. In addition, DSHA staff participates in CoC provider meetings and with the system performance committee to increase data integrity and use of data to measure and track the performance of the Delaware CoC.
4	Agency/Group/Organization	Delaware Department of Health and Social Services
	Agency/Group/Organization Type	Services - Housing Services-Elderly Persons Services-Persons with Disabilities Publicly Funded Institution/System of Care Other government - State
	What section of the Plan was addressed by Consultation?	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs

Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?	DSHA and DHSS staff meets regularly on a number of issues. DSHA Staff has been involved with DHSS staff on the Money-Follows-the-Person Grant since the application and have met quarterly to facilitate moving people from institutions into the community. DHSS and DSHA meet with other State agencies to coordinate on offender reentry issues in an effort to reduce recidivism and homelessness. Finally, DSHA runs a State funded Rental Assistance program and has a HUD 811 grant in collaboration with DHSS, and meets regularly to discuss issues related to serving populations in these programs.
--	--

Identify any Agency Types not consulted and provide rationale for not consulting

None

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	Homeless Planning Council of Delaware	The Annual Action Plan's priority on outcomes, CMIS, services that are targeted to prevent and end homelessness, and permanent supportive housing are all in line with the Continuum of Care's priorities.
Delaware Housing needs Assessment	DSHA	The Needs Assessment provided extensive information that was considered in the development of this Annual Action Plan.
Strategies for State Policies and Spending	State of Delaware	The Strategies for State Policies and Spending identify areas of the State that will be targeted (and not targeted) for expansion of State infrastructure and services (such as roads, public transportation, etc.). DSHA's programs reflect these goals where appropriate (for example, in programs relating to the construction of new rental housing).
10 Year Plan to End Chronic Homelessness	10 Year Plan to End Chronic Homelessness	The Annual Action Plan's priority on outcomes, CMIS, services that are targeted to prevent and end homelessness and permanent supportive housing are all in line with the 10 Year Plan.

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Analysis of Impediments to Fair Housing Choice	All Delaware HUD entitlement jurisdictions	Many of the recommendations from the AI have been incorporated in past Annual Action Plans as well as this Annual Action Plan, especially the recommendation to incentivize various activities in impacted vs. non- impacted areas or Areas of Opportunity.
Community and Choice report	Housing Subcommittee of the Governor's Commission on Community-based Alternatives	The Community and Choice Report assessed housing needs for people with disabilities in Delaware and made broad recommendations to improve housing options in support of the effort to prioritize community-based care in Delaware.
LIHTC Qualified Allocation Plan (QAP)	DSHA	The QAP, prepared by DSHA, is well aligned with the goals of the strategic plan to encourage the preservation and new creation of affordable rental housing.
National Housing Trust Fund Allocation Plan	DSHA	The NHTF Allocation Plan, prepared by DSHA, informs the goals of the strategic plan to encourage the preservation and new creation of affordable rental housing for very low income households and permanent supportive housing.

Table 3 - Other local / regional / federal planning efforts

Narrative

n/a

AP-12 Participation - 91.115, 91.300(c)

1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting

The draft Annual Action Plan was made available for public comment from March 30 – May 1, 2018. It was posted, along with related documents, on DSHA’s website and hard copies were made available in at least one location in each county. The public comment period was advertised in two statewide newspapers and extensively publicized via DSHA’s Highlights email list. A public hearing was held on April 26, 2018. Public comments and responses are included as Appendix A.

Citizen Participation Outreach

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	Non-targeted/broad community	One public hearing was held on the draft Annual Action Plan and the revised Citizen Participation Plan on Wednesday, April 26, 2018 at 1:30 PM in Dover. Two members of the public/agency representatives were in attendance.	Comments were supportive of the needs identified in the Annual Action Plan, and provided suggestions for improvements. See Appendix A.	None	
2	Newspaper Ad	Non-targeted/broad community	Notice of availability of draft Annual Action Plan was posted in the Delaware News Journal and Delaware State News on March 29, 2018.	None	None	

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)
3	Internet Outreach	Non-targeted/broad community	Availability of draft plan and notices of public hearings was advertised in DSHA's Highlights e-newsletter.	None	None	
4	Internet Outreach	Non-English Speaking - Specify other language: Spanish	Spanish language notice of draft plan and notices of public hearing were distributed via email to Spanish language media and non-profits who serve Spanish speakers.	One Spanish language media outlet contacted DSHA for more information/interview . Forwarded to Public Outreach department who followed up.	None	
5	Internet Outreach	Targeted/broad community	Availability of draft plan and notices of public hearings were distributed to an email list (approx. 340 names) of persons/groups/firms who expressed interest or attended past DSHA hearings/meetings.	None	None	

Table 4 – Citizen Participation Outreach

Expected Resources

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

Introduction

The CDBG, HOME, ESG, HOPWA and NHTF funds received by DSHA are leveraged by other federal and state funds. In addition to administering the HUD programs, DSHA is also Delaware's allocating agency for the Low Income Housing Tax Credit (LIHTC) program, which provides funding for the creation and preservation of affordable rental housing. The State's housing trust fund, the Housing Development Fund (HDF), supported by annual allocations from the Delaware General Assembly, is also administered by DSHA. Finally, DSHA is also the State's housing finance agency and makes available mortgage loans, downpayment and settlement assistance, and the Delaware First Time Homebuyer Tax Credit, a mortgage credit certificate, to low and moderate income homebuyers.

Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	2,015,390	100,000	0	2,115,390	3,347,369	Assumes annual allocation of \$2.4 million. Funds will be used for admin and planning, housing, public improvements and public services.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	3,016,971	100,000	0	3,116,971	5,757,514	Assumes annual allocation of \$2.8 million and \$100,000/year in program income. Will be used for Homebuyer rehab, multifamily rental new construction, multifamily rental rehab, acquisition costs related to construction, CHDO operating grants, and administration.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	238,736	0	0	238,736	554,841	Assumes annual allocation of \$250,000. Funds will be used for Tenant-based Rental Assistance (TBRA).

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	203,939	0	0	203,939	360,726	Assumes annual allocation of \$150,000. Funds will be used for financial assistance, shelter, rapid re-housing, rental assistance, and services.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HTF	public - federal	Acquisition Admin and Planning Homebuyer assistance Multifamily rental new construction Multifamily rental rehab New construction for ownership	3,000,000	0	0	3,000,000	3,000,000	Assumes annual allocation of \$3,000,000. Funds will be used to develop new and preserve existing affordable rental housing for very low-income and extremely low-income households, and provide permanent supportive housing for low-income persons with disabilities.
LIHTC	public - federal	Multifamily rental new construction Multifamily rental rehab	2,765,000	0	0	2,765,000	2,500,000	Annual allocation of LIHTC is used to provide additional rental housing for low-income households.
Other	public - federal	Other – Housing counseling	116,071	0	0	116,071	306,463	DSHA is a recipient of the HUD Housing Counseling Grant, which supports Housing Counseling agencies throughout Delaware.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - federal	Rental Assistance	10,000,000	0	0	10,000,000	2,448,485	Delaware is a grantee in the Section 811 Project Rental Assistance Demonstration (PRA Demo) program to project-base rental assistance in multifamily developments with other federal, state or local financing.
Other	public - state	Homebuyer assistance	346,750,000	0	0	346,750,000	600,000,000	Downpayment and Settlement Assistance through HLP, SMAL and Advantage 4 programs; First Time Homebuyer Tax Credit; Mortgage Assistance*=Bond Cap to Convert

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership Rapid re-housing (rental assistance) Other	10,000,000	0	0	10,000,000	20,000,000	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.
Other	public - state	Other – Foreclosure Prevention	1,275,000	0	0	1,275,000	2,800,000	The Delaware Emergency Mortgage Assistance Program (DEMAM) is supported by a mix of state, local and private funds. It offers loans and financial assistance to homeowners at risk of default who have the ability to resume payments.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Rental Assistance	7,245,000	0	0	7,245,000	7,992,250	SRAP program serves individuals with access to continuing supportive services but are in need of affordable housing to live independently in their community. Includes youth aging out of foster care, individuals exiting long-term care, families with children, veterans, and others receiving supportive services.

Table 5 - 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

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 for FY2018, 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.

The FY2018 Delaware 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 percent cash match or a 15 percent in-kind match;
- \$100,000 to \$200,000 requires a 15 percent cash match or a 20 percent in-kind match; and
- \$200,000+ requires a 20 percent cash match or a 25 percent 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 percent 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 publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

n/a

Discussion

n/a

Annual Goals and Objectives

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

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Homebuyer Assistance	2015	2019	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Homebuyer Assistance	DSHA Homeownership Programs: \$346,750,000 Delaware Housing Development Fund (HDF): \$875,000	Homeowner Housing Added: 25 Household Housing Unit Direct Financial Assistance to Homebuyers: 750 Households Assisted
2	Affordable rental housing	2015	2019	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Affordable Rental Housing	HOME: \$2,208,138 HTF: \$2,100,000 LIHTC: \$2,552,323 Delaware Housing Development Fund (HDF): \$7,500,000	Rental units constructed: 175 Household Housing Unit Rental units rehabilitated: 175 Household Housing Unit
3	Homeowner Rehabilitation	2015	2019	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Homeowner Rehabilitation	CDBG: \$2,322,470 HOME: \$800,000 Delaware Housing Development Fund (HDF): \$500,000	Homeowner Housing Rehabilitated: 371 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Homeless Assistance	2015	2019	Homeless	Delaware Non-Entitlement Areas Delaware State	Homelessness	ESG: \$201,681 Delaware Housing Development Fund (HDF): \$675,000	Tenant-based rental assistance / Rapid Rehousing: 35 Households Assisted Homeless Person Overnight Shelter: 750 Persons Assisted Homelessness Prevention: 100 Persons Assisted
5	Permanent Supportive Housing	2015	2019	Affordable Housing Non-Homeless Special Needs	Delaware Non-Entitlement Areas Delaware State	Permanent Supportive Housing	HOPWA: \$270,436 HTF: \$600,000 Section 811 PRA Demo: \$1,000,000 State Rental Assistance Program: \$7,245,000	Tenant-based rental assistance / Rapid Rehousing: 1035 Households Assisted
6	Foreclosure Prevention and Recovery	2015	2019	Affordable Housing	Delaware Non-Entitlement Areas Delaware State	Foreclosure Prevention & Recovery	DEMAP: \$1,275,000	Other: 850 Other
7	Non-housing Community development	2015	2019	Non-Housing Community Development	Delaware Non-Entitlement Areas	Non-housing Community Development	CDBG: \$60,000	Buildings Demolished: 4 Buildings Housing Code Enforcement/Foreclosed Property Care: 0 Household Housing Unit Other: 10 Other

Table 6 – Goals Summary

Annual Action Plan
2018

Goal Descriptions

1	Goal Name	Homebuyer Assistance
	Goal Description	
2	Goal Name	Affordable rental housing
	Goal Description	
3	Goal Name	Homeowner Rehabilitation
	Goal Description	
4	Goal Name	Homeless Assistance
	Goal Description	
5	Goal Name	Permanent Supportive Housing
	Goal Description	
6	Goal Name	Foreclosure Prevention and Recovery
	Goal Description	
7	Goal Name	Non-housing Community development
	Goal Description	

AP-25 Allocation Priorities – 91.320(d)

Introduction:

Allocation priorities are reflective of the needs identified in the most recent Needs Assessment, the availability and range of funding sources, and the parameters of each specific funding source.

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	82	0	0	0	18	100
HOME	0	70	30	0	0	0	0	100
HOPWA	0	0	0	0	100	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 Delaware Housing Development Fund (HDF)	0	70	15	15	0	0	0	100
Other DEMAP	0	0	0	0	0	100	0	100
Other DSHA Homeownership Programs	100	0	0	0	0	0	0	100
Other HUD Housing Counseling Program	100	0	0	0	0	0	0	100
Other Section 811 PRA Demo	0	100	0	0	0	0	0	100
Other State Rental Assistance Program	0	100	0	0	0	0	0	100

Table 7 – Funding Allocation Priorities

Reason for Allocation Priorities

n/a

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

HUD funds are being targeted to priority housing needs, including homeowner rehabilitation, affordable rental housing, and homelessness and rapid rehousing. These funds will be leveraged by other state and federal funds. Additionally, other state and federal funds will address foreclosure prevention, homebuyer assistance, and permanent supportive housing needs.

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

Introduction:

n/a

Distribution Methods

Table 8 - Distribution Methods by State Program

1	State Program Name:	CDBG
	Funding Sources:	CDBG HOME
	Describe the state program addressed by the Method of Distribution.	DSHA's Community Development Block Grant (CDBG) program distributes CDBG and some HOME funds to eligible units of local government for community development activities including homeowner rehabilitation, demolition, infrastructure, sewer and water hookups, and other activities. HOME funds are limited to homeowner rehabilitation.
	Describe all of the criteria that will be used to select applications and the relative importance of these criteria.	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) – 20 points; management capacity (provided by DSHA staff) – 5 points; targeting areas of minority concentration – 5 points; severity of need – 20 points; holistic impact of activity – 15 points; cost reasonableness – 15 points; leveraging of other resources – 15 points; and suitability/feasibility of work plan – 5 points. The Review Panel visits the project sites and then the applicants meet with the Review Panel to present their proposed projects. The Review Panel then scores the applications and makes funding recommendations to DSHA's Director for final approval.

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>Potential applicants can access the Delaware CDBG Program Guidelines and Application Package on the DSHA website at: http://destatehousing.com/Landlords/dv_cdbg.php</p>
<p>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)</p>	<p>n/a</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>n/a</p>

<p>Describe how resources will be allocated among funding categories.</p>	<p>The State has priorities and set-asides for CDBG funding. The three priority funding categories are: Maintenance of Existing Housing, Infrastructure, and Emergency Activities.</p> <p>The Maintenance of Existing Housing priority has a set-aside of 60-90% of CDBG funds available for allocation to project activities that include: 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 percent 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 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>
--	---

<p>Describe threshold factors and grant size limits.</p>	<p>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. 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 \$500,000 would have to be extremely competitive.</p> <p>The maximum allocation for all administrative and program delivery costs for any single applicant shall not exceed \$165,000 in any program year.</p> <p>Housing rehabilitation target areas must have at least four eligible units per target area.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Homeowner 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:</p> <ul style="list-style-type: none"> • Number of People Assisted • Number of Housing Units Assisted • Number of Units Demolished
<p>2 State Program Name:</p>	<p>Delaware Emergency Solutions Grants (ESG)</p>
<p>Funding Sources:</p>	<p>ESG</p>
<p>Describe the state program addressed by the Method of Distribution.</p>	<p>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 emergency shelters and rapid rehousing services in Delaware. Shelters 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>

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</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>Project Description and Services Plan (25 points); Description and Demonstrated Need (15 points); Community Commitment and Coordination (10 points); Organizational Capacity and Delivery (20 points); Program Outcomes (15 points); Cost Effectiveness (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>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>n/a</p>
<p>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)</p>	<p>Applicants may be local governmental entities, nonprofit agencies, or 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 mailed to interested parties and published in prominent newspapers statewide as well as posted to our website and 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 to 24 CFR Part 576.23.</p> <p>The review panel evaluates and rates 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>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>n/a</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>Delaware expects to receive approximately \$ 201,681 in ESG funding in FY18. A minimum of \$80,672 (40% of the state’s allocation) must be used to fund Rapid Rehousing activities. \$10,000 (5% of the state’s allocation) will be used to support the Community Management Information System (CMIS). \$95,883 (48% of the state’s allocation) will be used for emergency shelter operations. \$15,126 (7% of the state’s allocation) will be used by the sub-recipients for administrative costs.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Applications will be reviewed to ensure that DSHA’s thresholds are met. These factors include a Non-Discrimination Policy, Environmental Review Requirements, Drug and Alcohol Free Facilities, 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>What are the outcome measures expected as a result of the method of distribution?</p>	<p>The expected outcome measures that will be achieved from FY18 DSHA’s method of distribution will assist qualified homeless providers to accommodate the homeless needs of Kent and Sussex counties and provide funding for rapid re-housing activities for permanent supportive housing. 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>
<p>3 State Program Name:</p>	<p>HOME</p>
<p>Funding Sources:</p>	<p>HOME</p>

<p>Describe the state program addressed by the Method of Distribution.</p>	<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 downpayment 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>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<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, 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>

<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>All materials are on DSHA's website at www.destatehousing.com.</p>
<p>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)</p>	<p>n/a</p>
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>n/a</p>

Describe how resources will be allocated among funding categories.	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 FY2018, it is anticipated that \$3,008,138 will be allocated to the State of Delaware, of which fifteen percent 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.
Describe threshold factors and grant size limits.	n/a
What are the outcome measures expected as a result of the method of distribution?	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	State Program Name:
	HOPWA
	Funding Sources:
	HOPWA

<p>Describe the state program addressed by the Method of Distribution.</p>	<p>Through DSHA, HOPWA funds will be utilized to provide rental assistance to low-income people living with HIV/AIDS and their families in Kent and Sussex Counties, through a rental assistance voucher program in accordance with 24 CFR 574.300(a) & (b). The goal of this program is to address the extensive HIV/AIDS housing gap by providing long-term housing opportunities, while using those supportive services already funded by the Ryan White CARE Act, Part B which include but are not limited to: medical case management, medical care and medications, dental and eye care, transportation, food services, and counseling.</p>
<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</p>	<p>Delaware HIV Consortium (DHC), as the project sponsor, will receive referrals to the program by community-based HIV/AIDS case managers.</p>
<p>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	<p>n/a</p>
<p>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)</p>	<p>n/a</p>

<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	<p>DSHA has elected to select Delaware HIV Consortium (DHC) as the project sponsor without undertaking a competitive bid process in accordance with Title 24 CFR 574.3. DSHA will therefore, award its funding under the HOPWA grant to the Delaware HIV Consortium, the only statewide nonprofit agency that provides a tenant-based rental assistance program in Kent and Sussex Counties.</p>
<p>Describe how resources will be allocated among funding categories.</p>	<p>The State of Delaware anticipates receiving \$270,436 in HOPWA formula funds. Delaware HIV Consortium (DHC), as the project sponsor, will receive referrals to the program by community-based HIV/AIDS case managers. Categories available for funding include Tenant-Based Rental Assistance, Permanent Housing Placement, Short-Term Housing Assistance, Emergency Housing, Supportive Services and Project Sponsor Administration Costs. DSHA allocates a majority of funding towards the Tenant-Based Rental Assistance category.</p>
<p>Describe threshold factors and grant size limits.</p>	<p>Delaware HIV Consortium (DHS), as the project sponsor, will provide a written application to DSHA to ensure that DSHA’s HOPWA thresholds are met. These factors include a Non-Discrimination Policy, Drug and Alcohol Free Facilities, Conflict of Interest Policy, Lead-Based Paint Requirements, and Confidentiality requirement. Grant size limits do not apply.</p>
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>Delaware HIV Consortium (DHC) operates Delaware’s largest HOPWA- funded program and is currently operating a tenant-based rental assistance program in Kent and Sussex Counties. DHC provides rental assistance to low-income people and their families through a rental assistance voucher program in accordance with 24 CFR 574.300(a) & (b). The goal of this program is to address the extensive HIV/AIDS housing gap by providing long-term housing opportunities, while utilizing those supportive services already funded by the Ryan White CARE Act, Part B which include but are not limited to: medical case management, medical care and medications, dental and eye care, transportation, food services, and counseling. DHC anticipates assisting 35 families with Tenant-Based Rental Assistance in FY2018.</p>

5	State Program Name:	National Housing Trust Fund
	Funding Sources:	HTF
	Describe the state program addressed by the Method of Distribution.	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, as specified in the NHTF Allocation Plan in Appendix M.

<p>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</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>Recipients 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"> • Recipients 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 recipient to receive NHTF funds and ends upon the conclusion of all NHTF-funded activities. • Recipients must demonstrate their ability and financial capacity to undertake, comply with, and manage the eligible activity. • Recipients 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. • Recipients 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. <p>Priorities</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 Consolidated Plan for 2015-2019, section 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</p>
--	--

	<p>Housing Needs Assessment identified affordable rental housing as a critical need for Extremely Low and Low Income populations throughout the state.</p> <p>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>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</p>	n/a
<p>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)</p>	n/a
<p>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</p>	n/a

<p>Describe how resources will be allocated among funding categories.</p>	<p>1. DSHA will reserve a minimum of 20% of Delaware’s annual NHTF allocation for permanent supportive housing projects for chronically homeless persons with disabilities. Funding will be awarded through a request for proposal (RFP) process. For FY2018, the permanent supportive housing set-aside amount will be \$600,000.</p> <p>2. DSHA will allocate the remainder of NHTF funds to affordable rental, multi-family projects in coordination with the HDF and LIHTC programs. HDF and NHTF may be awarded to permanent housing for special populations. For FY2018, the amount available to multi-family projects will be \$2,100,000.</p>												
<p>Describe threshold factors and grant size limits.</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 1/01/2018, the following limits apply:</p> <table border="1" data-bbox="804 711 976 954"> <thead> <tr> <th><u>Br</u></th> <th><u>Limit</u></th> </tr> </thead> <tbody> <tr> <td>0</td> <td>144,050</td> </tr> <tr> <td>1</td> <td>165,134</td> </tr> <tr> <td>2</td> <td>200,801</td> </tr> <tr> <td>3</td> <td>259,774</td> </tr> <tr> <td>4</td> <td>285,149</td> </tr> </tbody> </table>	<u>Br</u>	<u>Limit</u>	0	144,050	1	165,134	2	200,801	3	259,774	4	285,149
<u>Br</u>	<u>Limit</u>												
0	144,050												
1	165,134												
2	200,801												
3	259,774												
4	285,149												
<p>What are the outcome measures expected as a result of the method of distribution?</p>	<p>This method of distribution will support Delaware’s Consolidated Plan goals to create additional affordable housing units. It is estimated that FY2018 NHTF funds will assist approximately 1-2 supportive housing projects and/or group homes or housing for special populations (approximately 10-15 units); and approximately 1-2 LIHTC or HDF multifamily projects (approximately 20 units).</p>												

Discussion:

n/a

AP-35 Projects – (Optional)

Introduction:

n/a

#	Project Name

Table 9 – Project Information

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

n/a

AP-38 Project Summary
Project Summary Information

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

AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)

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 M.

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

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 uses these interactive maps to better understand the neighborhoods in Delaware and identify appropriate strategies to ensure equitable 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.

In developing the Balanced Housing Opportunity maps, DSHA considered the areas of minority concentration to ensure they corresponded with one another, which is the case. The list and map of areas of minority concentration, updated from the 2011 Analysis of Impediments to reflect the 2010 Census, are in Appendix D. Interactive maps of Areas of Opportunity, Stable, and Distressed Areas are available on DSHA's website at: <http://www.destatehousing.com/FormsAndInformation/datastats.php>.

Geographic Distribution

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

Table 10 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

100% of CDBG, ESG, and HOPWA 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.

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 2018 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).

The 2018 CDBG Target Areas map is included in Appendix E.

Discussion

Affordable Housing

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

Introduction:

The goals as stated below include households assisted through both HUD and other federal and state programs in support of DSHA's strategic plan goals. Per instructions in the IDIS Con Plan Desk Guide, these goals exclude the provision of emergency shelter and other services such as housing counseling.

One Year Goals for the Number of Households to be Supported	
Homeless	200
Non-Homeless	1,304
Special-Needs	1,235
Total	2,739

Table 11 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	1,235
The Production of New Units	25
Rehab of Existing Units	716
Acquisition of Existing Units	763
Total	2,739

Table 12 - One Year Goals for Affordable Housing by Support Type

Discussion:

The tables above summarize the number of households supported through all of the programs DSHA provides with the exceptions noted in the introduction.

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 408 units of public housing at nine sites. A five-year physical needs assessment of this public housing, and plans for capital expenditures are included in DSHA's annual Moving to Work (MTW) Action Plan. Total existing capital needs are estimated at \$7,852,705. 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. During the FY2017 Annual Plan hearings, DSHA notified the public that the current and future Capital Fund Program Grant Budgets were reduced as a result of the 100 units at Liberty Court being converted from a public housing site to a project based voucher site under the RAD conversion.

Cutbacks in public housing operating and capital 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 such as replacement of heating and addition of air-conditioning systems at its public housing sites. 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

DSHA Rental Assistance Demonstration (RAD) Project

DSHA was issued a Commitment to enter into a Housing Assistance Payments (CHAP) for the Rental Assistance Demonstration Program (RAD) on November 20, 2015. The CHAP was for five (5) public housing developments including: Liberty Court; McLane Gardens; Peach Circle and Holly Square; and Mifflin Meadows for a total of 260 units. During FY2016/2017, DSHA split the CHAP into two groups, one for just Liberty Court and the second for the remaining properties including McLane Gardens, Peach Circle/Holly Square and Mifflin Meadows.

At Liberty Court, there will be a change in total rental units, from 108 units to 100 units. This will include twenty-five one bedroom units, sixty-three two bedroom units and twelve three bedroom units. Eight two bedroom units will not be replaced in the renovations. Once the RAD conversion is completed, the property will convert to Project Based Vouchers (PBV). The PBV's will be governed by the same eligibility, admission, selection and preferences that the current Housing Choice Voucher program utilizes, within the regulatory parameters allowed under the RAD PBV program. During the renovations, no residents are to be permanently displaced, but some residents may be temporarily relocated until

renovations are completed.

DSHA is moving forward with the renovation of Liberty Court. The bid process has closed. Construction began at Liberty Court in June 2017. DSHA anticipates construction to be completed by the end of FY2018.

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

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, two hundred seventy-four (274) Delaware MTW households have purchased homes and 653 have either begun paying the full rent at their current unit or moved to another unit and paid the full rent. DSHA has awarded 158 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

Discussion:

n/a

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

Introduction

Annually, DSHA assists in funding the Housing Alliance of 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 manages the local homeless management information system and the coordinated assessment system for the CoC.

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 memoranda of agreement with Housing Alliance Delaware to:

1. Manage the Homeless Management Information System,
2. Manage the statewide intake system for homeless, and
3. 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 and CoC 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: 75 homeless families in FY2018.

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.

The trend in Delaware has been a shift away from emergency shelter in favor of permanent supportive housing and other resources intended to increase diversion and reduce the length of time people are in shelter, if they do become homeless. 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 prevention and rapid re-housing activities. Needs analysis suggest that Delaware has a sufficient stock of emergency shelter and transitional housing beds if people are able to move through shelters and into permanent housing in a short period of time. However, the lack of affordable housing and housing subsidies makes moving quickly through the shelter system impossible for many households. Until beds and subsidy can be expanded additional shelter beds are being created in Kent and Sussex Counties by those involved with Code Purple and other grass roots organizations. DSHA plans to continue to fund rapid rehousing programs using ESG. 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).

Resources for rapid rehousing and homelessness prevention will continue to be available via the HDF, a loan product that DSHA offers that includes flexible rates and terms. 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 abuse 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, the CoC board, and chair the Systems Performance committee that monitors performance and sets performance targets. 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.

Plans in this area include:

- Continue to bring training opportunities on rapid rehousing program delivery and best practices to Delaware service providers.
- Develop unified policies and standards for rapid rehousing programs in Delaware.
- Improve connections between coordinated intake and rapid rehousing programs to reduce the number of households entering homelessness and reduce the length of time people experience homelessness.
- Provide technical assistance to engage community in improving the Coordinated Intake System.
- Continue to develop permanent supportive housing resources.
- Create landlord incentives such as a risk mitigation fund to encourage landlords to rent to tenants with prior evictions or other barriers.
- Create diversion programs to keep those leaving the criminal justice system from entering the homeless system.
- Continue improvements in the use of CMIS data to analyze performance and outcomes both at the Continuum and provider level, and to offer feedback to providers about their outcomes.
- Utilize up to 20% of the FY2018 HTF allocation for development of additional permanent supportive housing.
- Utilize up to 33% of the FY2018 HTF allocation for operational support and/or reserves of existing permanent supportive housing.

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 involved with the Delaware Criminal Justice Reform Project which is looking at housing as one of the areas to improve to reduce recidivism among those incarcerated. DSHA and HAD staff are working to create better assessment and case management inside the prisons to identify who will most likely be released to homelessness, divert parolees from homelessness, and increase housing options for people being released. This work is in the early stages and work-plans with goals, tasks and timelines are currently being developed.

The DE CoC has had great success in including members from the Department of Correction and has begun working as described above to reduce homelessness among this population. The CoC intends to work in the coming year to build similar relationships with mental health facilities and medical hospitals.

Discussion

Introduction continued...In January 2015, Governor Markell announced his intention to join the national Challenge to End Veteran Homelessness in his State of the State Address. The housing and veteran service providers, as well as state and local leaders came together to end veteran homelessness by:

1. Creating state and local working groups - A state working group convened to lead the effort, and local teams formed in each county to bring together local players. From these groups DSHA sought to fill gaps by (1) creating 20 State Rental Assistance Program (SRAP) vouchers in FY2016 and 20 additional SRAP vouchers in FY2017 for Veterans and (2) Providing Housing Choice Vouchers to veterans in Kent and Sussex Counties who had been provided VASH vouchers, but no longer required case management services.
2. Creating and maintaining a statewide master list of veterans experiencing homelessness – DSHA provided funding to the HAD to create and manage the statewide master list.
3. Having statewide veteran housing provider meetings – HAD staff, funded by DSHA, led these meetings and updated the master list using information from these meetings.

From January 2015 – January 2018, 698 homeless veterans moved from homelessness to permanent housing. Veterans are now identified and housed more quickly than in the past. Only 2 chronically

homeless veterans were identified in DE as of early January 2018. This success was possible due to unprecedented interagency coordination, the adoption of best practices, and the creation of a housing first system that works to quickly re-house each person regardless of their needs, histories, or perceived housing barriers. During this time, Delaware implemented a number of strategic initiatives that helped us to achieve this level of success.

On October 20, 2016, Delaware was notified by the U.S. Interagency Council on Homelessness (USICH), HUD, and the Department of Veteran's Affairs (VA) that it had effectively ended veteran homelessness. However, the coordination continues and Veteran Services staff and housing staff continue to work together to insure that veteran homelessness is rare, short and non-recurring.

AP-70 HOPWA Goals – 91.320(k)(4)

One year goals for the number of households to be provided housing through the use of HOPWA for:	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	35
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	35

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

Introduction:

Public policy related to the cost of housing and the incentives to develop, maintain, and improve affordable housing vary throughout Delaware. Many of these policies are concentrated at the local level rather than at the state level, as cities and counties establish land use controls, zoning ordinances, building codes and other regulations, plans and policies that affect their jurisdiction. Some of these policies create obstacles to affordable housing production or impose costs that inhibit affordability. In addition to continuing to demonstrate meaningful access to all DSHA programs and services, DSHA will work closely with consortium partners and sub-grantees to remove local barriers to affordable housing and facilitate access to inclusive communities where residents are more likely to achieve positive life outcomes.

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

DSHA is working with the cities of Wilmington and Dover, and New Castle County to address existing impediments, as well as, prepare a robust new Analysis of Impediments (AI) by October 2019. The 2011 Regional Analysis of Impediments (AI) was comprehensive in scope and while substantial progress was achieved in removing many impediments, some remain or are ongoing. As a result, DSHA intends to take a number of actions to address remaining impediments while actively preparing the new AFH.

Due to space limitations, the complete list of actions DSHA intends to take to address impediments to affordable housing are included in Appendix N. Please refer to that section.

Discussion:

Please see Appendix N.

AP-85 Other Actions – 91.320(j)

Introduction:

Actions planned to assist the disabled population:

In response to FHEO comments on the DSHA's FY2017 Annual Action Plan, the following are the state's planned activities to assist the disabled population.

1. Delaware's Settlement Agreement with U.S. Department of Justice

The need for an effective and comprehensive community-based system of care for people with disabilities in Delaware was addressed when the State of Delaware entered into a Settlement Agreement with the U.S. Department of Justice (USDOJ) in 2011. The Agreement laid out strategies and benchmarks to ensure Delaware's compliance with the Americans with Disabilities Act (ADA), specifically the integration mandate that services be provided in the least restrictive setting possible as upheld by *Olmstead vs. L.C.*

DSHA was a critical partner in meeting the housing benchmarks established by the Agreement, providing housing assistance for 700 households with disabilities through SRAP and Section 811. In Oct. 2016 the USDOJ terminated the Agreement, acknowledging that Delaware had fully complied with its terms as determined by an independent court monitor.

2. Delaware Activities and Strategies

State Rental Assistance Program

The purpose of the State Rental Assistance Program (SRAP) is to serve individuals who have access to continuing supportive services, but for whom access to affordable housing is a major barrier to living safely and independently in the community. The program is a vital strategy that helps people who are at risk of homelessness make the transition to permanent housing and independent living, avoid becoming homeless, and address the housing and supportive services needs of people who are not homeless but have other special needs.

Currently funded at \$3 million per year, with supplemental funding from DE-DHSS, SRAP supports approximately 700 households with rental assistance. SRAP utilizes rental subsidies administered by DSHA for households referred by DHSS and the Department of Services for Children, Youth, and their

Families (DSCYF). Eligible households include:

- Clients exiting state-supported or privately run long-term care facilities
- Clients exiting the Delaware Psychiatric Center (DPC)
- Youth between the ages of 18 and 21 who aged out of foster care at age 16 or older
- Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care, or in a delay of discharge of a child or children to the family from out-of-home care; and
- Applicants identified by case managers as at risk of entering an institution due to the need for supportive services.

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.

Continued in Discussion...

Actions planned to address obstacles to meeting underserved needs

Availability of rental housing for use of Tenant-based Rental Assistance

1. DSHA has led the initiative, with the support of many state and local sponsors, to maintain the DelawareHousingSearch.org housing locator service since 2012. The site provides real-time information on available units with important details for prospective renters. In 2017-18, the housing locator website underwent an extensive redesign to ensure that it is fully compatible with the latest in responsive design and assistive technology. This will increase accessibility and enhance functionality for users. DSHA and its partners in the DelawareHousingSearch.org collaboration will continue to conduct outreach about the system to landlords to increase the number of units participating in the system, as well as continue our outreach about the site to prospective renters.
2. DSHA continues to focus on the development of affordable rental housing. LIHTC sites in Delaware are an important source of rental housing for voucher holders. As outlined in the attached NHTF FY2018 Allocation Plan, 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.

Needs for downpayment and settlement assistance

1. DSHA has worked to develop new resources for and strategies to support downpayment and settlement assistance for low and moderate-income homebuyers through our mortgage programs, and will continue to do so.

Homebuyer readiness

1. Financial literacy and general financial readiness have been noted as major barriers to homeownership. DSHA has worked to expand its marketing to reach prospective homebuyers earlier in the process and encourage connections to financial literacy, budgeting, and homeownership counseling resources. In FY2015, DSHA launched an effort with the state's Stand By Me financial coaching program to incorporate homeownership-focused financial coaching (Fresh Start) to assist households who want to become homeowners but whose financial situation is not quite ready for homeownership counseling. The first year of this pilot has reached over 600 families and it is being continued into FY2018.

Resources and strategies to prevent and end homelessness

1. Program changes to the HEARTH Act and implementation of centralized intake have spurred refocus of our homeless assistance system on evidence-based strategies, improved system and provider monitoring of outcomes and performance, and better matching of households to the most appropriate resource to prevent or end their homelessness. DSHA has increased targeted resources from ESG and HDF to rapid rehousing and homelessness prevention, and supports the Homeless Planning Council's engagement in statewide training on best practices.
2. Since 2014, DSHA has expanded the State Rental Assistance Program (SRAP) to house homeless families identified via school-based Homeless Liaisons. Schools refer homeless families, a nonprofit homeless services agency provides case management and rapid rehousing assistance if necessary, and DSHA provides one year of tenant-based rental assistance through SRAP. In FY2018 DSHA expects to house about 200 families for two years: 60 families in Seaford School District (Sussex), 60 families in Capital School District (Kent), and 80 families in Christina School District (New Castle).

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 of 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 the 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
- NHTF - as outlined in the attached NHTF FY2018 Allocation Plan, 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 (DPH) is closing out a De-Lead Delaware Lead-Based Paint Hazard Control Grant Program (LBPHC) it received to address lead and other home-based environmental health hazards by combining HUD-funded lead hazard reduction and Healthy Homes interventions with weatherization and housing rehabilitation services. The De-Lead Delaware Program utilized HUD Lead-Based Paint Hazard Control and Healthy Homes Supplemental funding for a community-based program that was to complete lead hazard reduction and Healthy Homes interventions in at risk properties in high risk communities in Sussex County and the City of Dover over three years.

Actions planned to reduce the number of poverty-level families

Affordable housing represents an effective wage subsidy for local employers and an immediate salary increase for wage earners, thus creating income that can be applied to other living expenses. DSHA will continue to provide a variety of affordable housing options for Delawareans in order to help them stretch their household budgets.

DSHA's MTW Program 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. We believe 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 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, child care, 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. The collective support of this service has significantly expanded its capacity to assist persons with limited English proficiency and persons with special needs access housing most appropriate for their needs. 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 this 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 Economic Development Office;
- Delaware Interagency Council on Homelessness;
- Department of Labor;
- Department of Natural Resources and Environmental Control;
- Department of Transportation;
- Fair Housing Task Force Committee;
- First State Community Action Agency;
- Governors' Advocacy Council on Substance Abuse and Mental Health;
- Habitat for Humanity;
- Housing Alliance Delaware;
- 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. All of these programs and this approach will continue in FY2018.

Discussion:

Introduction (continued)

Actions planned to assist the disabled population: SRAP

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 to approximately 450 DSAMH households (units leased and vouchers issued) as of February 2018.

Delaware Section 811 PRA Demonstration Program Award

DSHA and DHSS have partnered together to manage a Section 811 PRA Demo program which was awarded a \$5.1 million grant in 2013. Expected to create and support 145 units of project-based rental assistance over five years, the program serves people with disabilities in integrated settings with supportive services. Delaware's Section 811 PRA Demo program has further expanded the supportive housing system created with SRAP to include a stock of project-based units. Currently there are over 113 units with Rental Assistance Contracts (RACs) and 60 units leased by eligible tenants.

DSHA Financing Resources for Special Needs Housing

The state housing trust fund, HDF, offers flexible and deferred loans to projects creating affordable rental housing in Delaware through an annual NOFA. Group homes operated by nonprofit service providers with services supported by DHSS have been financed with this resource.

As described in the attached Allocation Plan for the NHTF (Appendix M), DSHA has allocated a portion of NHTF funds to supportive housing projects for persons with disabilities, supplemented with HOME and LIHTC funds.

As described in AP-75 Barriers to Affordable Housing, Impediment 4, DSHA has worked to increase production of accessible units via its multifamily financing programs, and requires a set-aside of at least 5% of units for special populations in newly financed affordable rental housing sites. Incentives in the LIHTC QAP encourage higher percentages, which many developers take advantage of.

Program Specific Requirements

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

Introduction:

n/a

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	0
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:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	90.00%

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

Annual Action Plan
2018

71

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 downpayments 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 percent (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.

Actions to ensure that DSHA marketing strategies for the HOME program follow HOME

regulations as they relate to affirmative marketing to protected class groups.

1. Affirmative marketing is addressed in Section V of the *DSHA HOME Program Manual 2013 Revised 2.26.15 AFHMP* (see appendix L).
2. DSHA follows the HOME affirmative marketing procedures referenced in the above manual for projects containing five or more HOME-assisted housing units. The affirmative marketing procedures remain in effect on assisted units for the period of affordability as set forth in 24 CFR, Part 92 § 92.252 and § 92.254.
3. In addition to actions the property owners must take to adhere to Fair Housing Laws, the HOME Program Manual specifies that DSHA monitors affirmative marketing in the following manner:
 1. DSHA shall assess the effectiveness of all owners' affirmative marketing activities on an annual basis after project completing to determine if the objectives of the plans are being met.
 2. Records will be kept by DSHA of the assessment and any corrective actions deemed necessary.
 3. Owners failing to meet objectives of their AFHMP shall be notified in writing of such failure and what corrective actions are necessary. If, within no longer that 180 calendar days, the owner does not take corrective actions as indicated by DSHA, then the owner may be subject to all of the following actions:
 1. Resubmission of an amended AFHMP;
 2. Withholding of additional HOME, state, or federal funds for the HOME-assisted project if the project is incomplete;
 3. Disbarment from participation in future state administered affordable housing programs;
 4. Application by the state to HUD to have the owner disbarred from participation in federal programs;
 5. Prosecution under local, state, or federal fair housing laws.

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

1. Include written standards for providing ESG assistance (may include as attachment)

DSHA has developed written standards for the provision of ESG assistance. These procedures are for determining which Homeless Shelters will receive funding for Emergency Shelter Operations and which eligible families and individuals will receive Rapid Re-housing assistance. Agencies receiving ESG Funds for these services are required to develop and maintain policies and procedures to determine those that are most in need of assistance and maintain the required documentation

while participating in the program.

Intake Evaluation

An initial evaluation to determine program eligibility of individuals and/or families will be conducted by the agency providers. At that time, program staff will start to determine anticipated income with source documentation as well as the type of services needed to benefit the household's current situation.

Income Eligibility

All assistance provided through the ESG Program must benefit individuals and/or families who have an annual income below 30 percent of median income for the area based on household size as updated by HUD at <http://www.huduser.org/datasets/il.html>.

The ESG program regulations require that Agency providers will determine income eligibility of ESG applicants by examining source documentation. All family and/or household members are included in the determination of income and clients over the age of 18 must sign verification forms which will allow staff to verify employment, income and any other information required to make the determination of eligibility. Agency providers must ensure the household's income meets the low-income criteria within ninety (90) days to be eligible to receive Rapid Re-housing funds.

Coordination of Services

Service coordination is helping individuals/families define and realize their goals to end homelessness and obtain permanent housing. Agency providers work collaboratively with individuals/families and other support providers to design a plan that assists households to stabilize their living arrangements and finances. This involves advocating on behalf of the individual/family and working with a network of supports to enable them to increase their skills or obtain the services necessary to achieve independent living.

Component services consist of the following:

- Using the Centralized Intake System to evaluate individuals and families applying for or receiving rapid re-housing assistance.
- Conducting the initial evaluation required, including verifying income to determine eligibility for individuals applying for rapid re-housing assistance.
- Developing individualized housing and services plan to obtain or maintain permanent housing.
- Developing and coordinating services for individuals and families.
- Providing information and referrals to other providers that assist individuals and families to

overcome barriers and obtain or maintain permanent housing.

- Monitoring and evaluating program participant progress.
- 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.

Housing Alliance Delaware (HAD) has in place a Coordinated Assessment (Centralized Intake) board Committee that is charged to:

- Ensure operation of a Coordinated Assessment System in consultation with ESG
- Provide macro-level CoC oversight of the Coordinated Assessment System
- In coordination with the Coordinated Assessment (Centralized Intake) administering agency, troubleshoot any issues
- Make recommendations to the CoC Board and the full CoC membership on any macro-level changes for system improvement
- Develop a policy for how Coordinated System and Housing and Service System will address needs of domestic violence clients

The Coordinated Assessment (Centralized Intake (CI)) Committee is currently doing system review and planning with the assistance of a consultant.

Delaware's centralized assessment system is facilitated through HAD and the state's 211 system. People experiencing homelessness can access services by calling 211, going to a State Service Center, or going to a shelter. The staff at 211, the shelters, and State Service Centers send referrals to the intake staff at HAD. Intake staff then contacts those who are homeless to identify the best solution for their homelessness.

CI staff continue to streamline placement of those who are homeless into available emergency shelter beds and currently have no waitlist for. CI provides shelter and housing assistance to all households regardless of English proficiency by using the Language Line, an interpreter service. CI staff email and text with clients to accommodate people who are hearing-impaired, lack transportation, or do not have access to phones. CI monitors equal access for all clients per HUD's fair housing rules. The CoC provides on-going training to intake workers to improve their ability to identify optimum housing options, insure 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. Challenges to optimizing the CI system include 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 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), Description and Demonstrated Need (15 points), Community Commitment & Coordination (10 points), Organizational Capacity and Delivery (20 points), Program Outcomes (15 points), Cost Effectiveness (15 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.

The funds are made available each year through a Notice of Funding Availability, which is e-mailed 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 to 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 DSHA's Director. Final funding decisions are made by DSHA's Director and at that time DSHA and the sub-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 sub-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 include a homeless or previously homeless person on their Board of Directors.

5. Describe performance standards for evaluating ESG.

In order to successfully record ESG performance, all sub recipients are required to enter all data into the Community Homeless Management Information System (CMIS) and authorize DSHA to access

quarterly reports from the Homeless Planning Council of Delaware (HPC) detailing demographic and other non-identifying information about program participants. For Domestic Violence Shelters, the sub-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".

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.

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

- Recipients 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 recipient to receive NHTF funds, and ending upon the conclusion of all NHTF-funded activities.
- Recipients must demonstrate their ability and financial capacity to undertake, comply with, and manage the eligible activity.
- Recipients must demonstrate their familiarity with the requirements of other federal, state, and local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs.

- Recipients 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.

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”.

N/A

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”.

Application for NHTF 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 NHTF funds as required in §93.200. All applications must also contain certification that housing assisted with NHTF funds will comply with NHTF requirements.

Upon application review by DSHA staff, a panel consisting of members of DSHA’s 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.

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”.

NHTF funds will be available to projects statewide; however, applications will be evaluated for consistency with the State’s certification to affirmatively further fair housing, all applicable Analysis of Impediments and compliance with the State Strategies for Policies and Spending.

DSHA's geographic priorities were developed to 1) encourage new development and preservation of affordable housing, especially affordable rental housing, in areas of opportunity; and 2) target community development investments, particularly sustainable homeownership, in areas of concentration of low-income and/or minority households. These geographies and policies are consistent across the primary programs making funds available for these activities: CDBG, HOME, LIHTC, NHTF, and

HDF. The map as it applies to DSHA multifamily housing financing, including NHTF, via the Qualified Allocation Plan is available online at:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be> and Reference Guide describing the geographies at http://www.destatehousing.com/Developers/dv_lihtc.php

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”.

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:

1. 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.
2. Applicants must demonstrate their ability and financial capacity to undertake, comply, and manage the eligible activity.
3. 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.
4. 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.
5. Applicants must demonstrate their ability to enter into a commitment for NHTF 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”.

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. NHTF funds will be distributed consistently with DSHA's 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".

Duration of Affordability Period (Priority Factor: Least Important)

In accordance with §93.302(d), all rental housing units receiving NHTF 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".

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 NHTF to further affordable housing activities for the economically disadvantaged and special population groups must be consistent with Delaware's Consolidated Plan.

As noted in the Consolidated Plan for 2015-2019, section 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 Housing Needs Assessment 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 in AP-50 Geographic Distribution, DSHA has 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.

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”.

Leveraging (Priority Factor: Somewhat Important)

Applications will be evaluated on the total sources of permanent financing, percentage of total project costs funded by NHTF 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. 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's three counties.

Effective 01/01/2018, the following limits apply:

<u>Br</u>	<u>Limit</u>
0	144,050
1	165,134
2	200,801
3	259,774
4	285,149

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; and Capital Needs Assessments (if applicable).

First, all buildings and projects that are newly constructed or are rehabilitated with NHTF 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.

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

Third, all NHTF projects must also meet DSHA's 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 of Appendix M).

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's 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's 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's Uniform Physical Condition Standards (UPCS) as identified by HUD as applicable to NHTF-assisted housing.

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

Kent: 2012 International Building Code, 2012 International Residential Code, ICC/ANSI A117.1-2009, as amended

New Castle: 2015 International Building Code, 2015 International Residential Code, 2015 International Mechanical Code, 2015 International Fuel Gas Code, 2015 International Plumbing Code, 2015 International Energy Conservation Code, ICC/ANSI A117.1-2009, as amended

Sussex: 2012 International Residential Code (for single-family home construction), 2012 International Building Code (for multi-family and commercial construction projects), ICC/ANSI A117.1-2009, as amended

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 percent 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

Discussion:

Additional Response for ESG Question 1

Rapid Re-Housing

ESG funds may be provided to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing. This rapid re-housing assistance may be provided to program participants who has an annual income at or below 30 percent of area median income and who meets the criteria of the homelessness definition or who currently lives in an emergency shelter or by definition, any other place considered homeless. ESG funds may be used to provide housing relocation and stabilization services and short and/or medium term rental assistance for up to 24 months; however, most activities do not exceed 12 months.

Emergency Shelter Operations

ESG funds may be used to fund Emergency Shelter Operations. Examples of eligible operational activities include maintenance costs, operations (including administration), rent, repair, security, fuels and equipment, insurance, utilities and furnishings. All shelter recipients shall be required to provide matching funds in an amount at least equal to their approved ESG funding amount. All matching funds must be provided during the term of the grant agreement and documentation provided during the annual compliance review process. Applicants must also ensure that any building for which ESG funds are used for Emergency Shelter Operation’s meets HUD’s minimum Habitability Standards for ESG funded shelters. Emergency Shelters must have in place policies and procedures for admission, referral and discharge of clients as well as retaining documentation in each client.