



DEVELOPMENT SECTION

18 THE GREEN

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November 9, 2016

MEMORANDUM

TO: Eligible Communities within Kent and Sussex Counties
Kent County Levy Court
Sussex County Council

FROM: Anas Ben Addi, Director

SUBJECT: **Delaware FY2017 Community Development Block Grant
Program Guidelines and Application Package**

Enclosed please find the final FY2017 State of Delaware Community Development Block Grant (CDBG) Program Guidelines and Application Package. A public meeting on the Guidelines was held on October 13, 2016, and the last day of the comment period was October 28, 2016. The Program Guidelines and Application Package have been changed from last year's program as follows:

- Under Section I.E.2.e., all target area information must be received in the DSHA office at 18 The Green, Dover, Delaware 19901, no later than 4:00 p.m. on January 20, 2017;
- Section III.A.1.a.4.) has been amended, to extend the required housing rehabilitation lien periods for higher amounts of CDBG/HOME rehab assistance. The CDBG/HOME housing rehabilitation program will remain as a deferred loan program. The loan interest rate will remain as 0%. The deferred loans can still be reduced on a pro-rata basis over the time period for the lien. At the end of the loan terms, the total amount of the loans will still be forgiven and satisfied. With an exception for CDBG only funded-hookups, meter installations, and emergency repairs under \$5,000: a five-year lien will be required for properties receiving \$0 to under \$10,000 in rehab assistance; a ten-year lien will be required against all properties receiving \$10,000 to under \$15,000 in rehab assistance; a fifteen-year lien will be required for all properties receiving \$15,000 to under \$20,000 in rehab assistance; and, a twenty-year lien will be required against all properties receiving \$20,000 or more in housing rehab assistance. This change to the Program Guidelines should generate more program income for applicants to use on additional rehabilitation activities, and applicants will be allowed to take up to 10% of CDBG only program income for administration; and

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- Under Section IV. A., applications for the State's FY17 CDBG Program must be received in the DSHA office at 18 The Green, Dover, Delaware 19901, no later than 4:00 p.m. on February 23, 2017.

Please do not submit more or less than the required one original and one copy of each application.

Incomplete or otherwise deficient applications will be returned to the applicant and will not be permitted to be amended.

If you have any questions regarding the Program Guidelines or Application Package, please feel free to call Andrew Lorenz of the Community Development Section at (302)739-0261 or you may reach him via e-mail at andy@destatehousing.com.

ajl:mjh

Enclosures

cc: Cynthia L. Deakyne
Susan Eliason
Andrew J. Lorenz