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October 28, 2021

MEMORANDUM

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

FROM: Eugene R. Young, Jr., Director 

SUBJECT: **Delaware FY2022 Community Development Block Grant  
Program Guidelines and Application Package**

Enclosed please find the final FY2022 State of Delaware Community Development Block Grant (CDBG) Program Guidelines and Application Package. A public meeting on the Guidelines was held on October 6, 2021, the last day of the comment period. The Program Guidelines and Application Package have been changed from last year's program as follows:

- **Section III.A.1.a.2) has been changed to add the following clarifying language: The limit of CDBG/HOME funds that may be expended per dwelling unit for rehabilitation of owner-occupied stick-built or modular housing is \$40,000. Owner-occupied stick-built or modular units requiring more than \$40,000 in rehabilitation assistance must meet the Substantial Reconstruction requirements in Section III.A.6. of these Program Guidelines;**
- **Section III.A.1.a.4)b. has been changed to require 15 Year liens for rehabilitation assistance over \$40,000. This change makes the CDBG Program Guidelines affordability periods match the HOME Program's required affordability periods;**
- **The changes above will be effective as of the date of this Final FY2022 CDBG/HOME Program Guidelines Memorandum, and will be available for use in FY2022, FY 2021, FY2020, FY2019, and FY2018 CDBG and HOME housing rehabilitation contracts.**
- **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, 2022. This Section has also been changed to clarify that target areas and applications must have and request a minimum of four (4) units;**

- **Section II.D. and Section V.D. have been changed to increase the maximum allocation an applicant may request per application from \$1,100,000 to \$1,200,000. DSHA's CDBG allocation from HUD has increased approximately \$500,000 over the past few years, and this change will allow individual applications to request more of that increased funding. This Section also now states that "An allocation exceeding \$600,000 (increased from \$500,000) would have to be extremely competitive.";**
- **Section III.F.3. has been changed to increase the maximum allocation for all administrative and program delivery per applicant to \$250,000. Again, DSHA's CDBG allocation from HUD has increased approximately \$500,000 over the past few years, and this change will allow individual applications to request more administrative funds for that increased funding;**
- **Section III.A.1.a.4)d. now requires all HOME program income funds to be returned to DSHA, unless the applicant's HOME rehabilitation contract with DSHA permits the applicant to retain the program income for additional HOME rehabilitation projects; and,**
- **Under Section IV. A., applications for the State's FY2022 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 24, 2022. ONE SIGNED ORIGINAL AND ONE ELECTRONIC COPY of the application must be submitted.**

**Please do not submit more or less than the required one (1) original and one (1) electronic copy of each application. Please do not submit the original copy of the application in a three-ring binder—please use binder clips instead.**

**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](mailto:andy@destatehousing.com).

ajl:mjh

Enclosures

cc: Cynthia L. Deakyne (via e-mail)  
Susan Eliason (via e-mail)  
Andrew J. Lorenz (via e-mail)