

COUNCIL ON HOUSING
Public Session via Conference Call
May 8, 2024

MOTIONS

- March 13, 2024 Minutes
- Resolution No. 647 – Pre-Purchase Homeownership Education and Counseling Program
- Resolution No. 648 – Dunbarton Station II Apartments
- Resolution No. 649 – The Reece Apartments

Doug Motley, Chair, called to order the public session of the Council on Housing meeting at 2:12pm, Wednesday, May 8, 2024. In addition to Mr. Motley, the following Council members were present:

Barbara Cool	Connie Harrington	Dianne Casey	Christel Duff
Lillian Harrison	Vincent White	Vandall Hampton, Jr.	Amy Walls

Dianne Casey, Brian Rossello, and Alex Modeas were present at DSHA’s office in Wilmington, DE (Carvel Building, 10th Floor) which served as the anchor location for the meeting. All other members of Council appeared via video.

The following council members were absent from the meeting:

Jaime Sayler Francis Julian

Also attending:

Stephanie Griffin, DSHA	Melissa Ziegler, DSHA
Candace Collins, DSHA	Alexander Modeas, DSHA
Rachael Preston, DSHA	Cynthia Karnai, DSHA
Brian Rossello, DSHA	Emily Cunningham, DSHA
Alex Modeas, DSHA	

APPROVAL OF MINUTES

Mr. White moved, and Ms. Casey seconded that the Minutes of the March 13, 2024 meeting be approved as submitted. The motion passed.

DSHA REPORT – Cynthia Karnai / Stephanie Griffin

Budget and Legislative Updates

- DSHA presented to the Bond Bill Committee on Monday, April 19. The Affordable Housing Rental Program, The Downtown Development District Program, and the Strong Neighborhood Housing Program are included in the Bond Bill, and DSHA requested funding remain the same.

Delaware Mortgage Assistance Program (DEMARP)

- To date, we provided \$39,942,809 in mortgage relief assistance to 3,147 housing. The average assistance per household is \$12,692. In addition, we have allocated \$153,916 for applications to receive future monthly assistance payments. We have closed the application portal for all mortgage relief applications, as we have reached the program’s funding capacity. We will be

meeting with external partners/stakeholders to discuss re-launching the standard foreclosure prevention program with the Delaware Emergency Mortgage Assistance Program (DEMAP). It is anticipated that this program will open late Spring or early Summer 2024.

ARPA Housing Programs

- DSHA has rolled out 5 new programs and committed approximately \$37MM of our funding allocation. We currently have \$11.2MM left to commit by December 2024.
 - LIHTC Accelerator Fund Budget is \$8,115,000; 100% committed supporting the new creation 429 units in NCC and Sussex.
 - Preservation Fund Budget is \$5,995,000; 95% committed supporting the preservation of 199 units in NCC and Sussex.
 - Market Pressure Relief Budget is \$3,815,992; 100% committed and supported the completion of 440 units.
 - Catalyst Fund has approximately \$3.2MM in reservations supporting 28 homeownership units.
 - Mixed Income Market Fund and Catalyst Fund just launched their second application rounds and are accepting applications until August 2024. After the first round of funding:
 - MIMF has approximately \$8.4 MM in reservations supporting 62 units in Sussex County.
- DSHA was also allocated \$30MM in State dollars as part of the FY24 Budget. These are decoupled from the ARPA dollars to allow more flexibility in the use of these funds. We have allocated \$9.7MM to down payment assistance, but will use the remaining respond to need/demand. To ensure the ARPA funding is fully committed, DSHA will not announce any new programming until at least July 2024. These funds may be used to fund any shortfalls in the ARPA programming.

DSHA Website

- DSHA officially launched its completely redesigned website on April 17, 2024. This effort was undertaken with the goal of improved functionality for the public and our partners. The new website offers a fresh look and enhanced features like site translation services, improved search functionality, and quality content ranging from affordable housing opportunities to development financing programs.

COMMITTEE REPORTS

OPERATIONS – Ms. Harrington

Bringing slate of officers to the meeting today and opening up the floor for anyone that would be interest in nominating someone for a position. We will bring the slate of officers to the next meeting to vote. The slate presented is as follows: Doug Motley, Chair and Amy Walls, Vice Chair.

COMMUNICATIONS – Ms. Casey

Nothing to report.

POLICY – Mr. White

Policy had a meeting and discussed various topics. The committee requested to be updated on the related housing Bills which should be forthcoming. There was talk about the legislation being proposed. We wanted a list of pending legislation that might affect real estate matters.

LOAN REVIEW – Mr. Motley

The committee met April 20, 2024, and reviewed one HDF grant funding request and two HDF loan

funding request. After due discussion, Loan Review made the follow recommendations to Council:

- **Pre-Purchase Homeownership Education and Counseling Funding**
 - DSHA has traditionally engaged the service of HUD-approved housing counseling agencies by contracting with them to provide one-on-one pre-purchase homeownership education and counseling to homebuyers utilizing DSHA's Down payment assistance programs.
 - Utilizing data from the previous Federal fiscal year October 1st to September 30th, each housing counseling agency will submit to DSHA their agency's HUD 9902 form to capture the one-on-one pre-purchasing counseling unit count indicated in Section 9c. The numbers reported by all agencies will be added up to form a network total. Each agency's proportion of the network total. Each agency's proportion of the network total will be calculated as a percentage to multiply by the total amount of funding available, and to determine that agency's allocation from the HDF grant total.
 - Based on the information provided in the synopsis and during the discussion, the members of Loan Review agreed to present for the full Council's approval the funding request for: (1) HDF grant in the amount of \$300,000 to pay for housing counseling services provided by a HUD-certified housing counselor to homebuyers.

Ms. Walls moved and Ms. Harrison seconded Resolution No. 647, Pre-Purchase Homeownership Education and Counseling Funding. The motion passed with five (5) votes in favor and two (2) abstentions.

- **Dunbarton Station II**
 - This is the acquisition and rehabilitation of twenty-four (24) existing garden style apartment units in Georgetown, Delaware on approximately 2.96 total acres. All twenty-four (24) units will be LIHTC units and income restricted and eighteen (18) are USDA fully subsidized units. The Development will exceed handicap accessibility requirements with five (5) fully accessible units.
 - THE property is stick-built construction over existing crawl space. Exterior rehabilitation includes new roofing, windows, exterior doors, replacing existing vinyl siding with new, retaining cleaning existing brick veneer, adding exterior trim, replacing railings. Project scope includes the construction of a new community center that will incorporate kitchenette and computer workspace. The community center will also serve as a resiliency hub. Interiors will receive new cabinets, flooring, bathroom fixtures, and HVAC equipment. Units will be equipped with electric range/oven, combination microwave hood and Energy Star rated lighting and ceiling fans, electric water heaters, dishwashers, and refrigerators.
 - Based on the information provided in the synopsis and during the discussion, the members of Loan Review agreed to present for the full Council's approval the funding request for: (1) HDF construction loan in the amount of \$3,400,000 at 3% simple interest for 24 months; (2) HDF deferred second mortgage permanent loan in the amount of \$1,440,000 at 1% simple interest for 30 years; and (3) DSHA SLFRF deferred third mortgage permanent loan in the amount of \$500,00 at 1% deferred simple interest for the construction period plus 30 years.

Ms. Casey moved and Ms. Harrington seconded Resolution No. 648, Dunbarton Station II. The motion was passed with eight (7) votes in favor and no abstentions.

- **Reese Apartments**
 - This is the fee simple acquisition and construction of 48 new units on approximately 3.85 total acres in Felton. Thirty-six (36) units will be LIHTC units and income restricted. Twelve (12) units will be treated as Market Rate units but restricted to 80% of Area Median

Income

- This will be stick built construction with vinyl siding and stone exteriors. Units will be equipped with electric range/oven and Energy Star rated refrigerator, microwave-hood combination, and electric water heater. Heating and air conditioning provided by new high efficiency Energy Star electric heat pumps. All units will be Zero Energy Ready. The development will include a community center available to all tenants. Community center will serve as a resilience hub and include a reception area, management office, business center, kitchenette, and maintenance office. Community laundry facilities will also be located in the community building. Site will offer a common green space with playground and gazebo for tenant use. All units will also have access to private outdoor space.
- Based on the information provided in the synopsis and during the discussion, members of the Loan Review agreed to present for the full Council’s approval the funding request for: (1) HDF second mortgage construction loan in the amount of \$6,380,000 at 3% simple interest for 24 months; (2) HTF third mortgage construction loan in the amount of \$1,500,000 at 3% simple interest for 24 months; (3) HDF deferred second mortgage permanent loan in the amount of loan in the amount of \$1,380,000 at 1% simple interest for 30 years; (4) HTF deferred third mortgage permanent loan in amount of \$1,500,00 at 1% simple interest for 30 years; and (5) DSHA SLFRF deferred third mortgage permanent loan in the amount of \$500,000 at 1% deferred simple interest for the construction period plus 30 years.

Ms. Casey moved and Ms. Harrington seconded Resolution No. 649, Reese Apartments. The motion was passed with (8) in favor and no abstentions.

OLD BUSINESS

- No Old Business to discuss.

NEW BUSINESS

- Next strategic planning meeting is May 15, 2024 at 12:00pm. We reserved a conference space at the Neighborgood Partner facility in Dover.

SCHEDULING OF NEXT MEETING

- The next meeting is scheduled for Wednesday, June 12, 2024, at 2:00 p.m. via conference call with the anchor location will be the Community Building of Huling Cove, 1142 Savannah Road, Lewes, Delaware

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 2:55p.m.

Respectfully submitted,

Candace Collins

Candace Collins

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