

COUNCIL ON HOUSING
Public Session
Delaware Technical & Community College
Dover, Delaware
March 29, 2006

ACTION ITEMS

- **Delaware Housing Policy Roundtable Discussion**
- **Joint Sunset Committee**

On March 29, 2006, Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 2:08 p.m. In addition to Ms. Harkins, the following Council members were present:

Fernando Guajardo
Connie Louder
Joseph McDonough
Ruth Sokolowski
John Walker
Vincent White
Norma Zumsteg

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

Constance McCarthy

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Saundra Johnson, Director, DSHA
Lynda Blythe, Administrative Specialist II, DSHA
Tonya Burbage, Administrative Specialist III, DSHA
Douglas Croft, Assistant Director, Financial Management, DSHA
Christina Hardin-Dirksen, Chief of Community Relations, DSHA
Matthew Heckles, Executive Assistant, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA

Guests present:

Bridget Avant
Richard Avant, Calvary Baptist Church

Lisa Blunt-Bradley, Metropolitan Wilmington Urban League
Linda Boone, First State Manufactured Housing Association
Lynn Buchanan, Delaware Community Investment Corp.
David Buches, Federal Home Loan Bank - Pittsburgh
Drew Clendaniel, USDA Rural Development
Timothy Crawl-Bey, Community Housing, Inc.
Vivian Davis, The Arc of Delaware
Lorraine deMeurisse, Deutsche Bank Delaware
Lexie Driscoll, New Castle County
Marlene Elliott, USDA Rural Development
Marlena Gibson, Delaware Housing Coalition
Kevin Gillis, Chase Home Finance
Daryl Graham, JPMorgan Chase
Terri Hasson, Citicorp Trust Bank
Doug Hazelton, Bank of America
Kevin Kelly, Home Builders Association of Delaware
Jean Knotts, Delaware Development Disabilities Council
Rosalind Kotz, City of Wilmington - Dept. Of Real Estate & Hsg.
Ted Laws, DiSabatino Construction Company
Lottie Lee, Delaware Health & Social Services
Steve LeFebvre, Home Builders Association of Delaware
Gina Miserendino, Delaware Housing Coalition
Meg Myers, Freedom Center for Independent Living
Lauren Nelson, First State RC&D
Dawn Poczynek-Holdridge, Fannie Mae DE CBC
Gary Pollio, Interfaith Housing Delaware
Roger Pryor, Delaware Apartment Association
Roland Ridgeway, Delaware Federation of Housing Counseling
Cara Robinson, Homeless Planning Council
Sophia Russell, Dover City Councilwoman
Karlton Schmidt
Michael Skipper, WSFS Bank
Ken Smith, Delaware Housing Coalition
Karen Speakman, NCALL
Gladys Spikes, HOND, Inc.
Helen Stewart, JPMorgan Chase
Christine Stillson, First State RC&D
Roxie Sturgis
Angela Watson, First State RC&D

APPROVAL OF MINUTES

A motion was made by Ms. Sokolowski to approve the Public Session minutes of the February 2006 meeting as presented. Seconded by Mr. Walker, the motion carried unanimously.

DELAWARE HOUSING POLICY ROUNDTABLE PRESENTATION BY LISA BLUNT-BRADLEY

Ms. Blunt-Bradley discussed the origination of the Roundtable, explaining that it was formed approximately one year ago and was comprised of non-governmental housing advocates. This group is also tied to the Delaware Housing Coalition and members range from home builders to bankers to non-profit groups, who all have an interest in the state of affordable housing in Delaware. Ms. Blunt-Bradley reviewed statistical information regarding home prices, housing demand, at-risk households and income issues. The Roundtable's two main areas of concern involve more funding for the HDF and a proposal to create an independent board of commissioners to oversee the functions of the HDF and DSHA.

- A question and answer period followed the presentation:
 1. Mr. McDonough asked if the \$8 million the Roundtable is requesting has been earmarked for certain expenditures or will the Housing Authority determine how it will be spent. Ms. deMeurisse responded the Roundtable's request is not dedicated towards any particular spending priority but simply the need for more money. The role of the Council on Housing and the Delaware State Housing Authority is to decide how it is spent. The Roundtable would like to have some input or conversation as to expenditures.
 2. Mr. McDonough asked if the Roundtable had already introduced a bill to the legislators. Ms. DeMeurisse stated the Roundtable introduced draft legislation at the JFC hearing without any specific requests as to how the funds would be spent. Ms. Blunt-Bradley stated that what the Roundtable presented was testimony not legislation to show that funding was needed.
 3. Mr. McDonough asked if the Roundtable had senators or representatives to support the Roundtable's agenda. Ms. Blunt-Bradley stated Rep. DiPinto is very supportive and Sen. Henry showed interest.
 4. Ms. Sokolowski asked if someone from the Roundtable could explain how modifying the composition and the name of the Council will, practically speaking, lead to a meaningful impact on the affordable housing problem that we all acknowledge and care about. Ms. Blunt-Bradley stated legislation is an important factor to help raise awareness and visibility on the issues. Ms. Blunt-

Bradley also stated that the current housing code needs to be updated to strengthen what we have in Delaware.

5. Ms. Harkins asked where the Roundtable would like to see the additional housing funds go. Ms. deMeurisse stated there is a broad array of needs and currently 18,000 people need housing in Delaware based on the last Needs Assessment report. Ms. deMeurisse stated finding more money for housing is hard for both the private and public sectors but hopefully more housing dollars will gain social and family stability. Ms. DeMeurisse also stated that it appears that too much HDF is spent on tax credit projects and is the state really meeting the needs of the people in Delaware. Ms. Harkins stated that we all are for affordable housing but where would the Roundtable like to see the money spent, i.e. low income rental housing, senior housing, disability housing, homeownership. Ms. Blunt-Bradley stated that an assessment was already done so the Roundtable was not saying to change what the Housing Authority was doing. Ms. Blunt-Bradley stated the state is already doing a lot of work to help secure housing but it would be better if collectively with the Roundtable, the state go to the legislature to show that this issue should be supported.

Ms. deMeurisse stated that the additional funding should go to meet the needs of the very low income who have the least ability to finance a home. Mr. Ridgeway stated that there are currently nine organizations in Delaware that provide services to low income families to help them become first-time homeowners and there has been a tremendous increase in the affordability gap. Currently the affordability range for a low income family is between \$150,000 to \$155,000 but home costs are a lot higher than that range. Subsidies are drying up and it is increasingly difficult to bring the price down to an affordable level. Mr. Ridgeway stated the Roundtable testified before the Joint Finance Committee that there is a strong need for more subsidies to get housing costs down to the affordability range. The majority of the housing counseling agencies have long waiting lists of families that are qualified credit-wise but they can not find a house. Mr. McDonough asked if the \$150,000 is the average and are there homes that are lower than that. Mr. Ridgeway stated that is the average affordable house price but the availability is almost non-existent.

Ms. Terri Hasson stated that even if you could find a house in that range it would need a lot of renovations and you would need to have reliable transportation. Ms. Hasson further stated it was not appropriate for the Council to ask the Roundtable how they would designate extra housing funds.

6. Mr. Guajardo asked if the commission is the only way for the Roundtable to meet the objectives of affordable housing. Mr. Smith stated creating a board of commissioners is important and the principle is to transform staff, organizations and the future of the Council. Ms. Blunt-Bradley added that creating a commission would raise funds and increase the awareness of affordable housing issues in the state. Ms. Blunt-Bradley stated that 53 of 56 states have this type of commission. Ms. Johnson clarified the role of housing finance agencies in the United States. Delaware is one of three states without a board. Ms. Johnson stated that this matter needs more dialog between DSHA, the Council and the Roundtable. Ms. Johnson added that more education is needed by all parties in the state to address the housing problems.
7. Ms. Johnson asked if the Roundtable still felt a need for the legislation and if so, why. Mr. Hazelton stated this is an awkward discussion because there is an argument being made that there should be another group that could replace the current Council members and some members may or may not be apart of this new group. Mr. Hazelton added he would be shocked if this concept was embraced whole heartedly by the Council. Mr. Hazelton stated because of expertise of the Roundtable, he felt DSHA would benefit from the new commission.
8. Ms. Zumsteg asked if this new commission is created, would it take Ms. Johnson's role away from reporting to the Governor. Mr. Hazelton stated he assumed Ms. Johnson would still be appointed by the Governor but would also have to answer to the new commission. Ms. deMeurisse stated this new commission would be one voice going to the Governor instead of the matrix management currently in place. Mr. Crawl-Bey stated that creating this commission would be better and stronger for advocating for housing in the state.
9. Mr. Kelly stated he supports the draft legislation to ensure an independent voice for advocating for housing.

Mr. Kelly added it would be great to have a secretary of housing as opposed to a director housing. Mr. Kelly felt that Ms. Johnson or whoever that person happens to be either signs on to be a member of the team and advocates for the administration position or they should resign.

Mr. McDonough asked who will appoint these members if they are independent of the Governor and who would they be independent of. Mr. Kelly stated a certain number would be appointed by the Governor and a certain number would be appointed by the General Assembly. Mr. Kelly added that he has seen board members in other states publicly advocate a position different than that of their Governor. Mr. Hazelton stated there is a difference between being appointed and being commissioned. Mr. Hazelton stated being commissioned gives more independence. Mr. McDonough asked if these members would serve open-ended terms. Mr. Hazelton stated no, the members would have fixed terms. Mr. White stated that after reading the By-laws of the Council, he did not see where it stated he must or shall represent anybody's interest, including the Governor's. Ms. Blunt-Bradley stated the group was not trying to say that Council is following the Governor's orders but the Roundtable wants to augment what is already in place.

Ms. Harkins asked Ken Smith and Karen Speakman for their comments since they had indicated on the sign-in sheet that they had comments for the Council. Ms. Speakman stated that she agreed with many of the points raised by Ms. Blunt-Bradley and Mr. Smith. She felt more funding was needed for affordable housing and the legislature needs to be made more aware of housing issues for low-income families. Mr. Smith said the Roundtable was an extension of the Delaware Housing Coalition and also reiterated the need to elevate affordable housing issues and felt it was appropriate to create a commission since few states operate with a Council on Housing.

1. Mr. White asked if Ms. Speakman's group had ever examined the cost of regulatory requirements in the price of housing. Ms. Speakman stated no but it was a good point; however, some fees are necessary for housing infrastructure. Mr. White asked Ms. Speakman to expand on the necessary fees and if she was referring to inside or outside of growth areas. Ms. Speakman stated that some permit fees such as water and sewer are necessary

to support the infrastructure and assumed inside growth areas. Mr. White asked if NCALL has ever talked with the jurisdictions regarding regulatory barriers on how to streamline them since affordable housing clients have special financial needs. Ms. Speakman stated NCALL has not done that. Mr. Skipper suggested DSHA should identify fees that are affecting affordable housing and address these fees on a statewide level so these fees would be less for affordable housing versus market rate housing. Mr. Skipper stated the Roundtable is advocating that DSHA with a strong board would be the leader for all spectrums for affordable housing.

Ms. Johnson stated that DSHA currently is involved with Preliminary Land Use Service (PLUS) under the director for the Office of Planning in the state. Mr. Skipper asked if any Council member was involved with PLUS. Mr. McDonough stated he was a member of the state arbitration board. Mr. Skipper asked if any Council member was involved with these processes as they pertain to DSHA. Council members stated no.

- Ms. Stewart stated that if the Council members are so passionate about affordable housing then why are they not advocating for more money even if the Governor was against it. Ms. Harkins stated the Council is set up as an advisory group and as a Council member she would not be able to advocate but as an individual she could. Mr. McGonigle stated that Council advises the Governor and the Director of DSHA.
- Ms. Hasson stated the reason the Roundtable has draft legislation is to advocate for more money for housing and to have more discussion and exposure. Ms. Hasson added that for many years there has not been any discussion or exposure of housing issues.
- Ms. Sokolowski commended the Housing Roundtable for coming together collectively to sustain an effort to come up with new ideas as to housing needs in the state. Ms. Sokolowski asked the Roundtable members whether the group is envisioning the legislation to change the council or make permanent the work the Roundtable is doing. Ms. Blunt-Bradley stated the effort should be on-going and the Roundtable feels that there is a lack of understanding and interest about housing.

OLD/NEW BUSINESS

Joint Sunset Committee Discussion

- Ms. Sokolowski made a motion to discuss the language of the JSC questionnaire. Seconded by Mr. McDonough, the motion carried unanimously.
- Ms. Sokolowski stated under 2)h, the word approve should be changed to advise. Mr. Guajardo asked if Council had the authority to do so. Mr. McGonigle stated the Council does have the authority to provide advice on issues but not the authority for approval of other DSHA funding. Mr. Guajardo stated Council should only amend the language as mandated by law. Mr. White asked why should the language change from approve to advise. Mr. McDonough asked if the language change was a proposal from the JSC. Mr. McGonigle stated no, it was a proposal from people that testified at the hearing.
- Ms. Sokolowski made a motion that Council's role be expanded by changing the law to broaden the Council's scope and to include consultation on all of the different housing funds controlled by DSHA to include Low Income Housing Tax Credits, Section 8, CDGB and Bonds. Seconded by Mr. McDonough, the motion was opened up for discussion. No vote was taken.
- Ms. Sokolowski asked to change her prior motion and amend Section 2h) to state that Council supports increasing its mandate to provide advice and input on housing funding allocated to DSHA. This motion was seconded by Mr. McDonough. After some discussion, Mr. White stated that he opposed the change. The motion passed with Mr. White voting no. Mr. McGonigle will make the necessary amendment.
- Ms. Sokolowski stated under 2)j the Council should agree with the statement. Ms. Sokolowski made a motion to agree with the verbiage of 2)j. Seconded by Mr. White, the motion was opened up for discussion. Mr. White asked if this was inconsistent with what DSHA already does for the Needs Assessment. Ms. Sokolowski responded it would change the role of the Council and did not expect it to be inconsistent with the Council's role. Mr. McGonigle suggested the word "execute" be stricken from 2)j. Ms. Sokolowski amended her motion to remove the word "execute" from 2)j. Seconded by Mr. Guajardo, the motion carried unanimously. Mr. McGonigle will make the necessary amendment.

- Mr. White made a motion that meeting notices be published in the newspapers in addition to the website to show that Council is accessible to the public and their input. Seconded by Ms. Zumsteg, the motion was opened up for discussion. Ms. Harkins stated that one of the reasons the meetings are not published in the papers is because of the cost. Mr. Croft stated the cost would be approximately \$2,500 per year. Mr. White's motion was not passed.

ADMINISTRATIVE MATTERS

- Ms. Johnson stated that DSHA and the Council members would participate in a one or two-day retreat in the coming months. Ms. Burbage will check the availability of Council members and staff.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, April 12, 2006 at 2:00 p.m. in New Castle.

ADJOURNMENT

A motion was made by Mr. Walker to adjourn the Public Session at 4:21 p.m. Seconded by Mr. White, the motion carried unanimously.

Respectfully submitted,

Tonya A. Burbage