

COUNCIL ON HOUSING  
Public Session  
Columbus Inn Restaurant  
Wilmington, Delaware  
December 13, 2006

**ACTION ITEMS**

- **New Knollwood**
- **West End Security Deposit Program**
- **Delaware Emergency Mortgage Assistance Program (DEMAP)**
- **Resolution for Catherine M. Gregory**

On December 13, 2006, Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 10:41 a.m. In addition to Ms. Harkins, the following Council members were present:

Fernando Guajardo  
Connie Louder  
Constance McCarthy  
Joseph McDonough  
Ruth Sokolowski  
John Walker

The following Council members were absent and excused from the meeting:

Vincent White  
Norma Zumsteg

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP  
Saundra Johnson, Director, DSHA  
Catherine Gregory, Deputy Director, DSHA  
Anas Ben-Addi, Housing Finance Administrator, DSHA  
Calvin Bonniwell, Housing Project/Loan Manager, DSHA  
Tonya Burbage, Administrative Specialist III, DSHA  
Matthew Heckles, Executive Assistant, DSHA  
Jerry Jones, Housing Finance/Development Administrator, DSHA  
H. James Loescher, Housing Project/Loan Manager, DSHA  
Loretta Parkhill, Administrative Specialist III, DSHA

Guests present:

Paul Calistro, West End Neighborhood House  
Sylvia Carson, New Knollwood Civic Association  
Maggie Cook-Pleasant, NCALL Research  
Barbara Reed, West End Neighborhood House  
Michael Skipper, WSFS

APPROVAL OF MINUTES

A motion was made by Mr. McDonough to approve the Public Session minutes of the November 2006 meeting as amended. Seconded by Mr. Walker, the motion passed.

A motion was made by Mr. Walker to table the November 2006 Executive Session minutes until the next business meeting. Seconded by Ms. Louder, the motion passed.

HDF STATEMENT

Mr. Jones stated Vera's Haven would be going to closing on December 21<sup>st</sup> and Speakman Place would be going to closing in mid-January in spite of the fire that occurred on the property in December. Mr. Jones asked Mr. Calistro to give the members an update.

Mr. Calistro stated on December 7<sup>th</sup> there was a fire at the old Speakman factory and stated no one was injured and the project is still going forward. Mr. McDonough asked if the fire would delay the start of the development. Mr. Calistro responded that no issues have arisen that would delay the start of the development.

Ms. McCarthy asked if the fire changes the financing of the development. Mr. Calistro responded the financing has only changed in one area. Original demolition costs remain the same and there is an additional demolition cost which the current owner will pay for. The only issue remaining is what portion of the extra demolition cost will be paid by DNREC.

Mr. McDonough asked if DNREC does not pay a portion, then who will be responsible. Mr. Calistro responded if not DNREC, then the developer would have to cover the cost.

Mr. Jones stated the January meeting would have three presentations: Homeless Planning Council, West End Neighborhood House and the Krysti Bingham Foundation. West End will be expanding their Life Lines program; five units were previously purchased and rehabbed to help children aging out of foster care.

West End has an opportunity for a sixth house and will ask for funding from the HDF with the money to be paid back within 18 months. The Krysti Bingham Foundation deals with adults with physical disabilities. They currently have a pre-development loan from DSHA and have funding commitments from a HUD 811 award and Longwood Foundation.

Mr. Jones gave a summary of the loans and grants processed during 2006. Mr. Jones stated 231 units were preserved and 267 new Tax Credit units were produced. Thirty-six units of new senior housing were funded.

Mr. Jones thanked the underwriting staff at DSHA for all their hard work and dedication to the many projects.

- New Knollwood - Using the attached handouts, Mr. Jones provided the Council with a brief update on New Knollwood. Mr. Jones stated this development is in Claymont and was originally developed about 100 years ago for factory workers and their families. New Knollwood Civic Association (NKCA) is asking for \$60,000 from the HDF to rehab two houses. NKCA targets current renters in the development. Mr. Jones stated part of the site is historic and at the Loan Review Committee meeting, members were concerned with the renovation cost for historic compliance. Loan Review members asked staff to go back and review the costs. Staff found the costs to be reasonable. Mr. Jones stated NCALL and Interfaith Housing will provide homeownership counseling. Mr. Jones stated there is a payback provision if the home is sold, refinanced or ownership changes within ten years.

Mr. McDonough asked if HDF funds could be better spent on non-historic rehabilitation activities. Mr. Jones responded yes but one has to weigh the economical impact and community benefit along with the benefit to the homebuyers. New Castle County strongly supports this project.

Mr. McDonough asked what are the priorities of the HDF. Mr. Jones responded that the consolidated plan addresses the priorities of the HDF to include multi-family, group homes and housing rehabilitation and homeownership activities.

Mr. Walker asked what the value of the homes would be after rehab. Mr. Jones responded the homes are currently being sold between \$125,000 and \$150,000 which would be the value after rehab.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 350 (copy attached). A motion was made by Mr. Walker to approve the resolution as presented. Seconded by Ms. Sokolowski and abstained by Ms. Louder, the motion passed.

- West End Security Deposit Program - Using the attached handout, Mr. Jones provided the Council with a brief update on this program. Mr. Jones stated that this program comes to DSHA every two years for funding. West End has raised the required administrative funding match and also raised funding for the loan guarantee pool. HDF funds will support approximately 34% of the program budget. Mr. Jones stated this program helps needy families with security deposit loans and grants and is processed through various social service agencies and funds are loaned by Wilmington Trust.

Mr. McDonough asked if DSHA or other funders provide funding for similar programs. Mr. Jones responded no.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 351 (copy attached). A motion was made by Ms. McCarthy to approve the resolution as presented. Seconded by Ms. Sokolowski, the motion carried unanimously.

- Delaware Emergency Mortgage Assistance Program (DEMAP) - Using the attached handouts, Mr. Ben-Addi provided the Council with a brief update on DEMAP. Mr. Ben-Addi stated a study was done by the office of the State Bank Commissioner and the recommendation was to start a pilot program to prevent foreclosures. DSHA received \$227,800 to administer the program through the 2007 Bond bill. Mr. Ben-Addi stated this program would help homeowners who are delinquent with their mortgages and provide mortgage payment assistance for up to 12 months.

Mr. McDonough asked if the interest rate is fixed or is it subject to change. Mr. Ben-Addi responded nothing has been put in the legislative language to define the interest rate and DSHA felt 3% was a reasonable rate.

Ms. Sokolowski asked if there was a fee to be paid to the housing counselors for processing the DEMAP requests. Mr. Ben-Addi responded DEMAP is a pilot program and the funds are limited. No fee payments to counselors were contemplated. Mr. Ben-Addi added the housing counselors do offer default counseling to homeowners on the verge of foreclosure.

DSHA is recommending approval of the sponsor's request. The Council reviewed Resolution No. 352 (copy attached). A motion was made by Ms. Louder to approve the resolution as presented. Seconded by Mr. Walker, the motion carried unanimously.

- Resolution No. 353 - Resolution was read into the record on the retirement of Catherine M. Gregory from DSHA. Various Council members and staff expressed their appreciation for Ms. Gregory's commitment to affordable housing and service to DSHA over the years and wished her well.

*Director's Report by Sandra Johnson - Ms. Johnson gave the Council members an update of items since the last Council meeting:*

- Ms. Johnson wished Catherine Gregory well on her retirement from DSHA. Ms. Johnson stated a retirement party would be held in Ms. Gregory's honor on February 9<sup>th</sup> at the Sheraton Hotel & Conference Center in Dover. More details to follow.
- Ms. Johnson stated the article in the News Journal about Delaware rents soaring beyond reach is misleading information. Ms. Johnson stated her position on the article is to hold a meeting with the editorial staff of the News Journal for a reprint of the correct information. Once meeting is held, Ms. Johnson will update the members.

#### OLD/NEW BUSINESS

- Ms. Harkins thanked the following Council members for their participation at the Governor's meeting: Mr. Walker, Ms. Louder and Mr. McDonough. Ms. Harkins stated she felt the meeting with the Governor was productive and that the Governor shares the Council's views on affordable housing.
- Ms. Harkins thanked the following Council members for their participation and testimony at the Budget hearing: Mr. McDonough, Ms. Sokolowski and Mr. White.
- A motion was made by Ms. Sokolowski to change the next meeting date from January 10<sup>th</sup> to January 17<sup>th</sup>. Seconded by Ms. McCarthy, the motion passed unanimously.
- Ms. Harkins stated the January meeting would be to discuss the By-laws amendment and Dr. Leland's report in addition to any other business.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, January 17, 2007 at 12:30 p.m. in Dover at the Duncan Center. Lunch will be served at noon.

ADJOURNMENT

A motion was made by Mr. McDonough to adjourn the Public Session at 12:08 p.m. Seconded by Mr. Walker, the motion carried unanimously.

Respectfully submitted,

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Tonya A. Burbage