

COUNCIL ON HOUSING
Public Session
The CHEER Community Center
Georgetown, Delaware
March 14, 2007

ACTION ITEMS

- **Delaware Federation of Housing Counselors Grant Request**
- **Homeless Planning Council Grant Request**

On March 14, 2007 Roseann Harkins, Chairperson, called to order the Public Session of the Council on Housing at 2:00 p.m. In addition to Ms. Harkins, the following Council members were present:

Fernando Guajardo
Connie Louder
Joseph McDonough
Vincent White

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

Connie McCarthy
Ruth Sokolowski
John Walker
Norma Zumsteg

The following persons also attended the meeting:

Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Saundra Johnson, Director, DSHA
Timothy McLaughlin, Deputy Director, DSHA
Lynda Blythe, Administrative Specialist III, DSHA
Matthew Heckles, Executive Assistant, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA

Guests present:

Joe Myer, NCALL and Delaware Federation of Housing Counselors, Inc.
Cara Robinson, Homeless Planning Council
Van Temple, Diamond State CLT
Gina Miserendino, Delaware Housing Coalition

Mr. McDonough moved that Item 1 on the Agenda be moved to after Item 10. Seconded by Mr. White, the motion passed.

APPROVAL OF MINUTES

Ms. Harkins requested a copy of the January 17, 2007 Executive Minutes and postponed approval of same until the next Executive meeting. A motion was made by Mr. McDonough to approve the Public Session minutes of the January 17, 2007 meeting as presented. Seconded by Ms. Louder, the motion passed.

At this time, Ms. Johnson introduced Timothy McLaughlin as the new Deputy Director of Delaware State Housing Authority.

HDF STATEMENT

Mr. Jones reviewed the attached HDF statement noting item 116, Black Diamond Hope House, which was approved in January, is moving forward and closing documents were being prepared by legal counsel. Items 117 (Homeless Planning Council) and 118 (Federation of Housing Counselors) were being presented today for funding approval. Mr. Jones also introduced Mr. Van Temple of Diamond State CLT explaining he was attending in order to present information on Community Land Trusts. DSHA is in discussion with some CLT's and, because this is a new concept in Delaware on providing affordable housing, Mr. Jones felt the Council should be informed about CLT's.

Mr. Jones also stated DSHA is in the middle of preparing a five-year housing needs assessment to be completed by year end. Staff is gearing up to receive Tax Credit applications requests and will be very busy for the next few months reviewing same. Mr. White questioned the basis on which these requests were granted and Mr. Jones explained that applications must follow the State's Need Assessment in the ranking process.

DELAWARE FEDERATION OF HOUSING COUNSELORS GRANT REQUEST

Mr. Jones introduced Joe Myer of NCALL who is also the administrator for the Federation's 2005 HDF award. Mr. Jones reviewed the Federation's grant request in the amount of \$175,000 to assist homeowners that are using Second Mortgage Assistance Loan (SMAL) and Delaware Housing Partnership (DHP) second mortgages and which will again be administered by NCALL. He advised that the SMAL program was so successful that there are no funds currently available; however, second mortgage funds are still available from the DHP. Mr. McDonough inquired about receipt of quarterly reports from NCALL and Mr. Jones confirmed reports are received. Mr. Jones explained that NCALL administers the funds for DSHA by receiving loan confirmations from the various counseling service providers, as named in the Synopsis, and NCALL receives a fee of \$37.50 per closing. Federation members receive \$500 per closing for their services.

Mr. Jones continued to review the request of the Federation and explained the SMAL and DHP programs as well as the 2004 Grant statistics. He again reviewed the participating counseling service providers and the reasoning behind the HDF funding is two-fold: first, that units are produced; and,

second, that funding for non-profits is becoming more and more difficult to find. Mr. Myer explained that non-profits are trying to diversify their funding sources and that banks and large corporations who traditionally gave are funding less. He feels the HDF program provides a justifiable funding source since DSHA has such an active first-time homebuyers bond program.

Mr. White asked for a copy of the quarterly reports for the previous grant which DHSA will provide. He also asked Mr. Myer if everyone was being served and the response was the Federation is doing the best they can and Mr. Myer did not know of any waiting lists. Mr. White also asked how the \$175,000 would be spent and was advised by Mr. Myer that it depends on how many closings take place. Mr. White also wondered if this is the best way to spend DSHA dollars. Mr. Myer explained these funds go a long way to assist first-time homebuyers in all facets of counseling, including services in English and Spanish.

Mr. McDonough asked that if this is such a good program should funding be increased? Mr. Jones replied that DSHA has numerous requests and the Federation is satisfied with this allocation. Ms. Harkins did assure Mr. Myer that if additional funding is needed to contact DSHA.

Motion was made by Mr. McDonough to approve Resolution 355 and seconded by Mr. Guajardo. When asked for other comments, Mr. White suggested the Council Chair send out a letter of support for the Federation. Approval for this suggestion was moved by Mr. White, and seconded by Mr. McDonough. The motion was approved. Approval of Resolution 355 was granted with Ms. Louder abstaining due to her employment by NCALL.

Ms. Harkins asked the guests for comments. Mr. Myer thanked the Council for the Grant approval.

HOMELESS PLANNING COUNCIL OF DELAWARE, INC. GRANT REQUEST

Mr. Jones noted DSHA had funded the Homeless Planning Council (HPC) in 2005. Ms. Robinson was acknowledged as the representative of HPC and her long tenure with them. Mr. Jones explained HPC is charged with gathering homeless data and submission of Continuum of Care applications to HUD, along with managing the Delaware Homeless Management Information System (DE-HMIS). He also noted homeless service providers listed in the Grant Synopsis.

Mr. McDonough asked if a fee was charged to participants to which Ms. Johnson replied there is an annual fee.

Mr. Jones continued reviewing the Grant request citing the fact that HPC has coordinated the Continuum of Care Grant application and its administration, first implemented by HUD in 1993. Since 1998, \$35.7 million in federal homeless funding has been awarded to Delaware. Ms. Robinson answered Council's questions regarding use of the HPC budgetary funds. Mr. Jones reviewed the staff's recommendation of funding a \$75,000 grant and noted conditions to the recommendation. Mr. White made the motion to approve Resolution 356; Ms. Louder seconded. Resolution 356 was unanimously approved.

PRESENTATION BY VAN TEMPLE ON COMMUNITY LAND TRUSTS

Mr. Temple began by assuring the Council his organization, Diamond State CLT, was not asking for funding at this time but merely explaining the purpose of CLT's. He distributed a brochure describing the CLT process. He advised this is a state-wide venture and the first of its kind in Delaware. This is a community land trust that allows homebuyers to purchase the home but lease the land from the Trust. The home could be existing and rehabilitated, new, or in a small CLT community. The major difference between purchasing a home with a deed to the property compared to a land trust home is that there is a pre-set formula that restricts the resale to homebuyers with lower incomes and at a specific price. In either case, the homeowner pays the property taxes. The CLT formula retains the affordability for lower income homebuyers in perpetuity.

Ms. Johnson asked if it were possible for a state CLT to partner with a developer. Mr. Temple said it would be possible. He also explained Diamond State CLT would not be doing any financial counseling but, rather, educating established counseling organizations on the CLT process.

Further explaining resale of the homes, Mr. Temple reviewed handouts he provided. Homeowners could sell their homes and realize a restricted profit, but the land would continue to be leased. He also reviewed pending partnerships for CLT's throughout Delaware. Although upon re-sale profits are permitted, CLT's provide an avenue for some homebuyers which otherwise would have to rent long-term. The homeowner would receive less profit than through traditional selling of a home. It was agreed this is an innovative approach to affordable housing and the Council looked forward to receiving more information.

Mr. White questioned Mr. Temple on the limited equity return to the homeowner. Mr. White felt the formula presented by Mr. Temple had an insufficient return. Similarly, Ms. Harkins questioned the receipt of net proceeds by the seller of a CLT property, particularly after deduction of the closing costs to seller. Mr. Temple felt these issues could be addressed to Council's satisfaction and looks forward to presenting more information to the Council in the future.

DIRECTOR'S REPORT

- Ms. Johnson mentioned the DELAWARE TODAY "Latino's To Watch" article included in the Council's packet in which Fernando Guajardo and his wife were recognized.
- Ms. Johnson reported on the recent Homeless Seminar and thanked all who attended. She felt the seminar went well and there was good representation of those both seeking and providing funds. Ms. Johnson at that time presented the 10-year Plan to End Homelessness to the Lieutenant Governor and it has been signed by the Governor.
- DSHA is very active with its first-time homebuyers program. 2007 should be the biggest year ever.
- Ms. Johnson stated she is still hopeful that DSHA's budget request for fiscal year 2008 will be funded in its entirety.
- DSHA has received one DE-MAP application to date.

- Ms. Johnson stated there would be a hearing in April before the Bond Committee for DSHA's \$7.5 million preservation funding request for the fiscal year 2008 budget.

OTHER BUSINESS

Ms. Harkins noted that most of the Council members attended the retirement party for Cathy Gregory. Mr. McDonough and Ms. Sokolowski attended the JFC meeting. She also stated Ms. Zumsteg had attended the Homeless Seminar. Ms. Harkins also advised she attended a HUD award presentation at Luther Towers in Dover. She expressed her pleasure at seeing so many Council members participating in various events.

ADMINISTRATIVE MATTERS

It was noted a presentation by Fred Purnell from Wilmington Housing Authority, that was postponed in February, will be made at the meeting in April.

SCHEDULING OF NEXT MEETING

The next Council meeting is scheduled for Wednesday, April 11, 2007 at 2:00 p.m. at the Duncan Center in Dover, Delaware.

ADJOURNMENT TO EXECUTIVE SESSION

Ms. Harkins requested a motion be made to adjourn the Public Session and go into Executive Session. Mr. McGonigle stated that this was necessary due to possible forthcoming litigation and financial issues involved with such litigation. Motion was made to adjourn by Mr. McDonough. Seconded by Ms. Louder, the motion carried unanimously. The Public Session was adjourned at 2:40 p.m.

ADJOURNMENT

Upon reconvening the Public Session, Ms. Harkins requested a motion be made to adjourn the Public Session. Mr. White moved to adjourn. Seconded by Ms. Louder, the motion carried unanimously. The Public Session was adjourned at 3:45 p.m.

Respectfully submitted,

Lynda T. Blythe