

COUNCIL ON HOUSING
Public Session
Buena Vista Conference Center
New Castle, Delaware
August 8, 2007

Action Items

- **RC&D FY08 Grant Request**
- **Interfaith Housing Delaware Grant Request**

On August 8, 2007, Roseann Harkins, Chair, 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:

Connie Louder
Joe McDonough
Connie McCarthy
Ruth Sokolowski
John Walker
Vincent White
Norma Zumsteg

The following persons also attended the meeting:

Lynda Blythe, Administrative Specialist III, DSHA
Eric Irving, State of Delaware Office of Management and Budget
Saundra Johnson, Director, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA
Thomas McGonigle, Esq., Wolf Block Schorr & Solis-Cohen LLP
Tim McLaughlin, Deputy Director, DSHA

Guests present:

Gary Pollio, Interfaith Community Housing Delaware, Inc.
Ken Smith, Delaware Housing Coalition
Kelley Steed, RC&D
Christine Stillson, RC&D

APPROVAL OF MINUTES

Mr. Walker made motion to approve the July 11, 2007 minutes. Ms. Zumsteg seconded the

motion and the minutes were approved unanimously as written.

HDF STATEMENT

Mr. Jones reviewed the attached HDF statement noting Item 101 - Speakman Place. This 71-unit townhouse development, approved by Council in May 2006, is progressing very well and has received great interest from prospective owners.

Capitol Green, Item 108, a preservation project, through much diligence by DSHA staff and approval from HUD, has culminated with 12 apartments at Capitol Green being transferred to Whatcoat Apartments. This, along with an approved rent increase from HUD, will allow closing on the HDF financing to go forward. Mr. McDonough asked if the reduction led to an increase in unit sizes and where did Whatcoat find the land to add 12 more units. Mr. Jones replied that the City of Dover requested a reduction in density at Capitol Green and this allowed for enlarging some units as well as adding handicap units. No additional space was needed at Whatcoat because the subsidy for the 12 apartments was merely transferred from Capitol Green to Whatcoat Apartments providing them a larger number of subsidized units than they originally had.

Items 118 (DEMAP FY08) and 119 (Step-Up Program) were approved by Council July 2007. Items 120 through 122 are Tax Credit projects and will be presented at a later date. Items 123 (RC&D FY08) and 124 (Madison Street Homeownership) are being presented today.

COURTYARD APARTMENTS

Mr. Jones reported the deed-in-lieu of foreclosure had been completed and that 40 responses were received from the Request for Bid notices. A mandatory pre-bid meeting was held July 31st with 14 interested parties attended. A site visit was held on August 7, 2007 for contractors to tour the site. Bids are due August 31st with a decision anticipated by mid-September.

Mr. McLaughlin reported the relocation of tenants is going well and New Castle County is in charge of the vouchers. West End Neighborhood House is coordinating the relocation process. There are three tenants remaining to receive vouchers pending background checks. Five residents were denied vouchers by New Castle County due to drug or criminal activity. Mr. McDonough inquired as to what would happen to those denied vouchers especially since their relocation is due to extenuating circumstances. Mr. Jones responded that DSHA has requested New Castle County re-evaluate each of the five and, if denied vouchers, DSHA would still pursue housing for them. Ms. Sokolowski noted those tenants denied vouchers due to criminal action could still be under State relocation requirements.

RC&D FY08 GRANT REQUEST

Using the attached handout, Mr. Jones noted the request for \$350,000 is a state-wide request where heretofore RC&D's work had been concentrated in the Kent and Sussex Counties. He commended RC&D for procuring more than half of their needed funding from outside

sources. Mr. McDonough asked about the Palmer Home Foundation and Ms. Stillson stated it was originally created to house low income women but has evolved into support for people over 60 years old in Kent County.

Mr. Jones noted the budget for 2008 includes three new positions: Public Ally, Construction Supervisor and Office Assistant. The current request of \$350,000 is the same as last year. Ms. Zumsteg believed the amount was a reduction from previous years. Mr. Jones explained, due to budget constraints, the 2006 budget had only been approved for \$275,000, with the provision for additional funds which were subsequently granted.

The Council reviewed Resolution No. 361 (copy attached). A motion was made by Mr. McDonough to approve the Resolution as presented. Seconded by Mr. Walker, the motion carried unanimously.

INTERFAITH HOUSING DELAWARE GRANT REQUEST

Using the attached handout, Mr. Jones stated Interfaith typically requests funding for purchase of existing homes but the current request is for \$125,000 for capital funding for five new houses to be called Madison Street Homeownership. The area is comprised mainly of rental units and it is Interfaith's goal to provide more units for homeowners.

Ms. Sokolowski noted the Federal Home Loan Bank funds are described in the presentation for rehabilitation purposes but should be denoted as new construction. Mr. White inquired whether any of the homes would be handicap accessible. Mr. Pollio replied there would not be. Mr. Jones explained there is no state requirement for new, single-family, homes to be so equipped; only multi-family and certain multi-level buildings.

Ms. Johnson noted the homebuyer's equity in the homes as they are being sold for \$143,000 but total construction costs are much greater. Mr. Pollio stated Interfaith will have the right of first refusal on any home being sold. Ms. Harkins asked if there is a stipulation that the homes remain affordable. Mr. Pollio responded not after seven years; however, DSHA has a payback retention agreement on each home for the first seven years.

Council reviewed Resolution No. 362 (copy attached). Motion was made by Ms. Sokolowski to approve the Resolution. Seconded by Mr. McDonough, the Resolution was passed with Ms. Louder abstaining due to her employment by NCALL.

DIRECTOR'S REPORT

- Ms. Johnson thanked Mr. Irving for his assistance in processing DSHA's FY08 budget request, particularly funding for the preservation projects.
- Senior staff retreat was a success.
- Fine-tuning of funding for 2008 is being completed and the RFP for the Step-Up

- program is about to be advertised.
Foreclosures continue to mount across the country. The DEMAP program will assist Delaware residents in avoiding foreclosure proceedings.

OTHER BUSINESS

- Ms. Louder thanked Ms. Zumsteg and Mrs. McDonough for attending the recent NCALL open house.
- Ms. Harkins announced the re-appointment of Ms. Zumsteg as Chairperson of the Loan Review Committee with Mr. McDonough and Mr. Walker as members and Ms. Louder as an observer.
- Ms. Johnson thanked Mr. McDonough and Mr. Walker for their involvement in the Step-Up program.
- The next meeting will be held September 12, 2007 at 2:00 at the Duncan Center in Dover.

ADJOURNMENT

A motion was made by Mr. McDonough to adjourn. The motion was seconded by Mr. Walker, and approved unanimously, the meeting adjourned at 3:05 p.m.

Respectfully submitted,

Lynda T. Blythe