COUNCIL ON HOUSING
Public Session
Bear Library
New Castle, DE
November 8, 2017

Motions

- Approval of October 11, 2017 Minutes

Important Dates

- November 15, 2017: OMB Budget Hearing at Legislative Hall, Dover
- December 11, 2017: DSHA LIHTC Public Hearing

Mr. Leahy, Chair, called to order the public session of the Council on Housing at 2:05 pm, November 8, 2017. In addition to Mr. Leahy, the following Council members were present:

Robert Harra Francis Julian Corrine Massey Ruth Sokolowski
Norma Zumsteg

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

Connie Harrington Donna Mitchell Ralph Peters Vincent M. White

Also attending:
Shanná L. Alicea, Administrative Specialist III, DSHA
Anas Ben Addi, Director of Housing, DSHA
Susan Eliason, Director of Housing Development, DSHA
Marlena Gibson, Director of Policy and Planning, DSHA
Vanessa, McCall, Director of Housing Finance, DSHA

Guests present:
Nick Beser, Guidewell Financial Solutions
Marva Falletta, First State Community Action Agency, Inc.
Denise Freeman, NCALL Research, Inc.
Phil Hoffert, NCALL on behalf of Village of St. John
Arlisa Howard, Interfaith Community Housing of DE

APPROVAL OF MINUTES

Ms. Sokolowski moved and Ms. Zumsteg seconded that the Minutes of October 11, 2017 meeting be approved. The motion was passed unanimously.

DSHA REPORT – Mr. Ben Addi

- **Budget**
  - Public hearing on the Budget will be at Legislative Hall on November 15, 2017 and Mr. Leahy will be present to represent Council
  - DSHA has been working with a consultant to redraft DSHA's QAP which has been a three-part process:
    - Work Product #1 - Reviewing the QAP and the whole process of allocating tax credits.

- Work product #2 – reviewed some of the attachments to the QAP, i.e. developer fees, design standards, construction standards, underwriting standards, relocation policies and other polices and support of the QAP.
- Work product #3 – reviewing some of the processes with the QAP, i.e. draw downs and internal interaction with the developers and mainly the contractors.

- The Federal Home Land Bank of Pittsburgh will be giving the State of Delaware $700,000 to tackle homelessness and special populations. DSHA will leverage the HDF funds of $500,000 for Rapid Rehousing and Homeless Prevention to create a larger pot and include some of their objectives with Delaware's objectives to prevent Delaware from having two processes going on at the same time.
- Delaware's Statewide Emergency Rehab program has been recognized by NCSHA. DSHA took $500,000 from the HDF competitive cycle and designated it for emergency rehab. The funds were distributed through an RFP process in which DSHA selected Milford Housing. The award was for 2017 with the possibility of renewal in 2018 and 2019.
- On October 13th the Governor and his cabinet met at Heron Run for their monthly meeting. Director Ben Addi made a presentation on DSHA, explaining its homeownership, rental, and community development programs.
- The revitalization tour DSHA held on October 23rd with the Governor and some of the State legislators was to view some of the work DSHA does in housing and was a great success. The object of this tour was to show that DSHA does more than just Section 8 and public housing. The focus was on Strong Neighborhood funds which targets vacant properties and also the DDD program. Council was present and represented at each stop, from Wilmington where Ms. Sokolowski and Mr. White were present, in Dover where Ms. Harrington was present and Mr. Leahy was present in Milford.
- Starting January 1, 2018 private activity bonds may be eliminated if the Housing tax reform bill is passed and signed. This would mean, DSHA and other Housing Finance Agencies will no longer be able to issue bonds. This elimination also means DSHA will no longer be able to issue First Time Home Buyer tax credits and will not be able to offer the 4% tax credit.
- Delaware's delegates are working hard to ensure that private activity bonds are restored in the final legislation.

COMMITTEE REPORTS

COMMUNICATIONS: Ms. Zumsteg

- None

OPERATIONS: Mr. Harra

- By the end of the year Council will have two openings for Council from the City of Wilmington. Council is looking for new Council members from Wilmington, Kent and Sussex Counties.

HOUSING POLICY: Ms. Gibson

- Mr. Peters has been attending the Sussex Housing group meetings and receiving some input their advisory committee has been having on the Sussex County Comprehensive Plan.

LOAN REVIEW Mr. Julian

The committee met October 30, 2017 and reviewed three HDF grant request. It is the recommendation of the committee, after due discussion, that the following grant requests by DSHA be approved by the Council and a recommendation for approval made to the DSHA Director for the loan request:

- DSHA – Pre-Purchase Homeownership Education and Counseling Funding #561. Mr. Julian moved and Ms. Sokolowski seconded which was passed 5 yes and one abstention by Ms. Zumsteg due to her conflict of interest.

* DSHA – H. Fletcher Brown Mansion Apartments #562. Mr. Julian moved and Ms. Zumsteg seconded which was passed unanimously.
* DSHA – Authority of Director #563. Mr. Julian moved and Ms. Zumsteg seconded which was passed 6 yes and unanimously
* DSHA – Village of St. John #564. Mr. Julian moved and Mr. Harra seconded which was passed unanimously.

* Represents amendments to previously approved resolutions.

OLD / NEW BUSINESS: Ms. Eliason

- QAP is being updated with the help of consultant Ms. Jeanne Peterson of Peterson Affordable Housing Group. She met with various stakeholder groups of architects, attorneys, developers, and contractors who discussed amongst their peers the issues which affected them most directly. Each stakeholder group all wanted to keep the two pools of Preservation and New Creation.
- SIGNIFICANT FINDINGS/CHANGES
  - All Stakeholders wanted to keep Preservation and New Creation set-a-sides
  - Changes were made to compensate for lower rents and incomes in Kent and Sussex Counties
  - IRS changes to Section 42 were incorporated
  - Scoring system updated to provide more emphasis to development characteristics and population served.
  - DSHA will accept 4% credit applications on a rolling basis, if funds remain after initial competitive round.
  - 9% credit requests capped at $1 million.
  - Developer fee percentage raised from 12% to 15% for arm's length transactions and 9% to 12% for identity of interest transactions. Fee limit remains $1 million for sites of 80 units or less. Limit is $1.1 million for 81-100 units and $1.2 million for 101 units and above.
  - Total points available raised from 140 to 200.

ADMINISTRATIVE: Mr. Leahy
None

SCHEDULING OF NEXT MEETING

The next meeting will be held on Wednesday, December 13, 2017 at Duncan Center, Dover, DE from 11:00 a.m. to 2:30 pm.

ADJOURNMENT

There being no further business to come before the Council, the meeting was adjourned at 3:40 p.m.

Respectfully submitted,

Shanná L. Alicea

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