

COUNCIL ON HOUSING
Public Session
Liberty Court
Dover, DE
January 14, 2009

On January 14, 2009, John Walker, Chair, called to order the Public Session of the Council on Housing at 2:05 p.m. In addition to Mr. Walker, the following Council members were present:

Russ Huxtable	Bill Pearson
Hugh Leahy	Ruth Sokolowski
Connie Louder	Vincent White
Connie McCarthy	

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

Ralph Peters
Norma Zumsteg

The following persons also attended the meeting:

Lynda Blythe, Administrative Specialist III, Delaware State Housing Authority (DSHA)
Kim Brockenbrough, Director, Planning and Community Development, DSHA
Matthew Heckles, Legislative and Policy Advisor, DSHA
Saundra Johnson, Director, DSHA
Jerry Jones, Housing Finance/Development Administrator, DSHA
Timothy McLaughlin, Deputy Director, DSHA

Guests present:

Thomas McGonigle, Esq., WolfBlock LLP
Gina Miserendino, Delaware Housing Coalition
Joseph C. Schoell, Attorney at Law, WolfBlock LLP

APPROVAL OF MINUTES

Mr. White made motion to approve the December 10, 2008 Minutes as amended. Mr. Leahy seconded the motion and the motion was unanimously approved.

NEIGHBORHOOD STABILIZATION PROGRAM (NSP)

Ms. Brockenbrough gave a PowerPoint update on the NSP (copy attached) noting the following:

- The NSP was created as a part of the Housing and Economic Recovery Act on July 30, 2008.
- DSHA was designated to receive and oversee disbursement of the entire \$19.6 million received by the state.
- DSHA published a Request for Proposal (RFP), gave priority in ranking to areas with the greatest concentrations of foreclosures by zip code and received nine responses from interested parties.

Mr. Pearson asked what source DSHA used for the data given to applicants. Ms. Brockenbrough responded there were various sources including LexisNexis (a global provider of business information), CitiBank and HUD as well as others. Mr. Pearson also asked if DSHA had access to sheriff's numbers of people filing for foreclosure. Ms. Brockenbrough replied that data could be obtained from LexisNexis.

Ms. Brockenbrough continued by reviewing the following program categories:

- Purposes.
- Eligible activities.
- HUD requirements of DSHA.
- Timeline.
- DSHA's RFP process.
- NSP review process.

At the conclusion of the review process, per Ms. Brockenbrough, the following grantees were recommended for NSP funds totaling \$18.6 million (\$1 million was reserved for program administration costs):

- City of Dover (\$1,500,000).
- City of Wilmington (\$5,600,000).
- New Castle County (\$7,000,000).
- Kent County (\$2,500,000).
- Sussex County (\$2,000,000).

The grantees will work with subgrantees (non-profit organizations) to locate properties and expend the funds.

Ms. Brockenbrough also reviewed DSHA's role in the program's implementation:

- Draw and distribute funds from HUD.
- Monitor the use of NSP to ensure compliance.
- Financial and program reporting to HUD.
- Provide technical assistance to grantees and subgrantees.

Mr. Leahy asked if the funds projected to be allocated matched the need of the areas. Ms. Brockenbrough's response was very much so.

Mr. White asked how the NSP assistance would prevent continued devaluation of neighborhoods and would not the subsidization foster the same current economic problems. Ms. Brockenbrough, along with Mr. Huxtable and Ms. Sokolowski, explained the program is to fill vacant, foreclosed homes with new homebuyers who are qualified and have been counseled on homeownership. Ms. Brockenbrough also stressed that monitoring of the NSP to ensure compliance with the program will be done and redirection of funds made as needed. Ms. Sokolowski asked if the program requires environmental review. Ms. Brockenbrough said yes, a HUD environmental review along with other standard requirements would be completed and that some of the technical assistance that DSHA will provide will be for those requirements. Mr. White asked if DSHA would have architectural review and provide input to jurisdictions. Ms. Brockenbrough said the right to architectural review was unknown at this time but any architectural review would be left up to the jurisdiction.

Mr. Leahy asked what was the estimated amount of foreclosed homes and what impact would the program have on that total. Mr. Walker responded that there are thousands of units and this program would merely be a start to address a tremendous problem.

Ms. Johnson alerted Council that the second round of the economic stimulus package would be forthcoming soon and would require just as quick action and reaction as the first.

OTHER BUSINESS

Ms. McCarthy stated that, except for a very brief introductory page, the annual report (copy attached) is almost finished. Mr. Heckles stated he would email the introductory page to all Council members by January 16th for their review. Ms. McCarthy asked that all comments on the report, as well as the introductory page, be emailed to her by January 20th. Ms. Louder suggested the last page of the report be a contact page. Mr. White suggested the biographies be reformatted into a standard form, Ms. Blythe will have that completed by January 16th. Mr. Leahy moved that the report be approved as submitted, with subsequent email ratifications of the introductory page, revision to the biographies and addition of a closing page as final changes submitted to Ms. McCarthy by January 20th. Mr. Huxtable seconded the

motion which passed unanimously.

DIRECTORS REPORT

Ms. Johnson stated:

- Governor Minner will release the Fiscal Year 2010 budget on January 15, 2009.
- DSHA is scheduled to appear before the Joint Finance Committee (JFC) on February 12, 2009 at 10:00 a.m. in Legislative Hall and all Council members are invited to attend.
- DSHA will give Council a preview of the of its JFC presentation at the February 11, 2009 meeting.

DEMAP

- 129 loans have closed to date.
- Loan repayment will now be deferred until the property is refinanced, sold or a transfer of title occurs. However, borrowers will still be encouraged to make payments toward the loan.

TRANSITION REPORT

The DSHA transition report (copy attached) was submitted to Governor Minner and the Governor-elect Markell's Transition Committee on December 18, 2008. Ms. Johnson suggested some or all of the Conclusion on page 13 might be used as the final page of Council's Annual Report.

Ms. Johnson closed by thanking the Council and guests for their help and support during her eight-year tenure as Director which will end January 20, 2009.

At this time Mr. Walker presented Council on Housing Resolution No. 382 (copy attached) honoring Ms. Johnson for her leadership, commitment and service as Director.

Ms. Miserendino, on behalf of the Delaware Housing Coalition, thanked Ms. Johnson for her service.

ADMINISTRATIVE MATTERS

The next meeting of the Council will be at 2:00 p.m. February 11, 2009 at Buena Vista Conference Center in New Castle.

Mr. White suggested that representatives from New Castle County that are familiar with the Workforce Housing Ordinance be invited to the next Council meeting to give a presentation for information purposes only. Mr. McLaughlin will see that an invitation is extended.

ADJOURNMENT

Motion was made by Mr. Pearson and seconded by Mr. White that the meeting be adjourned. Upon unanimous approval, the meeting adjourned at 3:30 p.m.

Respectfully submitted,

Lynda T. Blythe