

## The Main Points

### FUND THE HDF

- ❖ Fund the HDF through one-time and increased allocations at the level of \$60 million for five years.

- ❖ Identify and secure enhanced, dedicated revenue sources adequate to fully fund the HDF going forward.

- ❖ Keep the HDF at a minimum of \$10 million per year from Year Five onwards.

### USE THE HDF IN NEW WAYS

- ❖ **MEASURE I:**  
**HOMES FOR FAMILIES**  
Create a Capital Grant Program for New Very Low-Income Housing Production and Permanent Affordability.

- ❖ **MEASURE II:**  
**LIVABLE TOWNS AND CITIES**  
Provide Additional Funds for Housing and Neighborhood Renewal in Municipalities.

- ❖ **MEASURE III PROMOTING HOMEOWNERSHIP**  
Increase Down Payment, Settlement, and Homeownership Counseling Aid.

- ❖ **MEASURE IV: AFFORDABLE RENTAL HOUSING PRODUCTION**  
Continue to Fund the Low Income Housing Tax Credit Program and Housing Preservation.

- ❖ **MEASURE V: INNOVATIVE HOUSING INITIATIVES**  
Add Flexible Funds for Special Purposes.

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# FOSTERING A LIVABLE DELAWARE

## A FIVE-YEAR STRATEGIC HOUSING PLAN

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This is the outline of a proposal for a Five-Year Strategic Housing Plan. In a letter to Governor Minner in December 2003, this proposal was advanced by the Delaware Housing Coalition on behalf of a group of advocates, lenders, and developers.

The Housing Development Fund (HDF) has been seriously underfunded, relative to the need, since 1986. Over the last few years, funding for the HDF has fallen. In fact the HDF only received \$3.4 million in General Fund appropriations in FY2004, the lowest amount in over ten years. Given the dramatic growth in the state's population and the projected continuation of this trend, the attached proposal speaks both to funding and to strategically addressing some of the affordable housing needs. While the proposal entails a significant request, it only begins to address the problem of affordable housing in Delaware as expressed in the needs assessment, which has an estimated cost of over \$500 million attached to it.

### THE PROPOSAL

Adequate housing is the key to a good quality of life for all of Delaware's citizens. The Governor has given attention to affordable housing in Delaware, especially in provisions of Livable Delaware and Executive Order Number Twenty-Eight. This proposal reflects the goals of Livable Delaware and will be an effective tool to help limit suburban sprawl while supporting the Live Near Your Work Program. The three elements of this proposal complement the Livable Delaware agenda. Unless they are implemented, DSHA and the Governor's Council on Housing can not be expected to fulfill their charge to address the five-year needs as set forward in the needs assessment.

#### Fostering Livable Delaware: A Five Year Strategic Housing Plan

We propose that a five-year plan be put forward to address the affordable housing crisis in Delaware. The plan is necessary to insure that sufficient funds exist to allow housing providers to plan with confidence to meet needs that will not otherwise be met, especially the housing needs of working poor Delawareans. The plan can allow real progress to be made in meeting these needs.

#### 1. Increased Housing Funds from the Current Available Surplus

Make a special cash infusion into the HDF to be paid not from the regular recurring revenues of the state, but rather from the surplus one-time funds that have become available to the state this year. We propose the commitment of \$25 million which would be allocated over two years, \$13 million in FY2005 and \$12 million in FY2006.

#### 2. Enhanced and Dedicated Revenue Source for the HDF

A dedicated revenue source is required, adequate to increase the annual level of budget support, starting with a \$4 million appropriation in FY2005 and rising to achieve a level of \$10 million annually by the fifth year. Given the current level of funding of the HDF, this proposal would put a little bit more than \$17 million in additional funds in the HDF over five years.

#### 3. Strategic Use of Funds to Address Critical Needs

What follows is a summary of the programmatic measures of the proposal.