

Delaware's FY12 Affordable Housing Commitment

Governor's Proposals and Legislators' Additions Add Up to \$20 Million

Housing issues were plentiful in the 146th Delaware General Assembly's first session, due to the strain of the continuing foreclosure crisis, concerns about the security of manufactured home owners, the addition of one-time revenue for multifamily housing, and a proposed new statewide rental assistance program. DHC made significant progress on several of these issues. The State's funding for housing overall is larger than in past years at a time when the Federal government is reducing its funding commitment. This comes mostly from the Bond Bill.

Budget

There were concerns at the beginning of the year about the health of state revenues, but, after Governor Markell developed his austerity budget in January, revenues increased significantly. However, even in the initial budget proposal, the Governor had proposed significant support for affordable housing. The final budget (HB190) is \$3.5 billion and reflects an increase in revenue projections that allowed a raise for state employees and retirees. In addition, FY12 has the largest Bond Bill in recent years, and additional funds for Grant in Aid (HB 195), reflected in increases to many non-profit organizations that in prior years had seen their budgets cut. The Governor's proposed Medicaid cuts of \$5m were restored by the legislature. The new budget also included pension and health benefit concessions by state employees.

The Housing Development Fund (HDF) has been funded over the years through a general line item of the budget. This item continued at the relatively static level of slightly over \$4 million.

Bond Bill

Due to the availability of funds for the Bond Bill (SB130), several key areas of concern were level-funded or received more funds than originally proposed in the bill introduced in January (SB20) including:

Multifamily Preservation and Production – Governor Markell had originally proposed \$4 million in Bond authorizations for this purpose. Ultimately, the Committee achieved the \$4M bond authority and an **additional \$10 million** in one-time special funds. The use of the additional funds is to leverage other funding sources, such as Low

State of Delaware - FY2012 Budget - Affordable Housing Allocations

	Original Proposal	Final Budget
Housing Development Fund (General Line Item)	\$4,000,000	\$4,000,000
Multifamily Rental Preservation and Production	\$4,000,000	\$14,000,000
State Rental Assistance Voucher Program (SRAP)	\$1,500,000	\$1,500,000
Foreclosure and Housing Counseling		\$615,600

Income Housing Tax Credits and tax-exempt bonds to help create and/or improve affordable rental housing stock in Delaware.

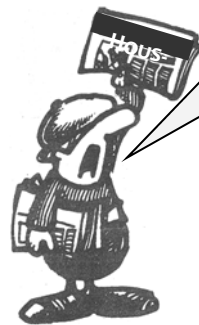
Rental Vouchers

The statewide rental assistance program (SRAP), adapted in-part from the pilot Step-Up program, maintained the level of funding recommended in January. DHC and others lobbied unsuccessfully for additional funding at the level of \$3 million originally requested by the Delaware State Housing

Authority (DSHA). SRAP will support people moving out of the Delaware Psychiatric Center, persons with physical disabilities who wish to live independently in community-based settings, children aging out of foster care, and the chronically homeless, served by DHSA and DHSS. SRAP is designed to fill the perennial need to serve extremely low-income households across state agencies. DSHA will provide rental housing vouchers to program participants referred by Department of Health and Social Services

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(DHSS) and Department of Services for Children, Youth and Their Families (DSCYF) with a need for community-based supportive services.

Foreclosure Prevention and Housing Counseling

These were not proposed for funding in the original bill. However they received \$615,600 in General Funds reflecting the need to maintain housing counselor capacity to address resource needs for HB 58, which provides for automatic mediation for foreclosure, promising to dramatically increase the need for counseling services. Foreclosures have now surpassed 6500

annually. The HUD budget for housing counseling has been eliminated, leaving agencies without annual support of \$350,000.

Joint Finance and Bond Bill Committees

Members of both the Joint Finance Committee (JFC) and Bond Committee were engaged and informed in their positions on housing issues, for a number of reasons, including the sustained efforts of the affordable housing community, the increased respect for the case that DHC has made using solid analysis and statistics presented in a format legislators can understand and use in order to make informed decisions on housing issues, as well as for the job being

done by DSHA. An equally important component is the Governor's understanding that housing is a strong economic stimulus.

A very special thanks goes to Senator Hall Long and Representative Keeley for their hard work to see foreclosure prevention and housing counseling funded this session.

Key Housing Legislation: First Session, 146th Delaware General Assembly

Bill	Purpose	Main Sponsors	Status
HB 43	Manufactured Housing: requires landlord information to tenants	Sen. Ennis & Rep. Longhurst	Signed by the Governor 5/10/11
HB57-HS1/HA	Foreclosure: requires loss mitigation	Sen. Booth and Rep. Kowalko	Passed House and Senate
HB 58 – HS1 w/ amendments	Foreclosure: mandatory mediation requirement	Sen. Hall-Long & Rep Keeley	Passed House and Senate
HB 59	Foreclosure: regulates process and provides for an Office within the Division of Consumer Protection to identify mortgage foreclosure fraud, to reduce foreclosure, and to promote financial literacy.	Sen. Blevins & Rep. Keeley	Passed House and Senate
HB 62	Manufactured Housing: decreases from nine (9) to (5) the members of the Board of directors of the Delaware Manufactured Home Relocation Authority and revises the number of members required for a change of meeting location and approval of payments or assessments.	Sen. Ennis & Rep. Longhurst	Passed by House and Senate
HB 72 HA 1	Regulates Debt finance management services companies.		Tabled in Committee 3/30
SB 42 SA1	Foreclosure: protects homeowners 60 days in default on their mortgage loans, rather than, as previously, only protected once foreclosure is filed.	Sen. Hall Long & Rep Keeley	Passed House and Senate
SB 48 SA 1 SA 2	Foreclosure: restricts deceptive tactics in foreclosure process.	Sen. Bunting and Rep. Gilligan	Passed House and Senate
SB 66 with SA1	Manufactured Housing: requires justification of lot rent increase.	Sen. Ennis & Rep. Longhurst	Currently in Senate Community/County Affairs Committee
SB 97 SA 1	Manufactured Housing: requires approval of lot rent increases, based on Consumer Price Index by Governor's Advisory Council on Manufactured Housing.	Sen. Bunting & Rep. Longhurst	Defeated in Senate 6/22 (9 Yes 9 No 2 Not voting)
SB 81 SA 1	Homeownership: discretionary price oversight through Court of Chancery for disabled person real estate.	Sen. DeLuca & Rep. B. Short	Passed House and Senate
SB 104	Homeownership: restrictions on seller financing.	Sen. Bushweller & Rep. B. Short	Passed House and Senate
HR 25	Manufactured Housing: establishes a task force to examine the issue of delinquent taxes.	Rep. D. Short	Assigned to House Administration committee
HB 227	Universal Design - requires that bids for all newly constructed dwelling units using public financial assistance shall indicate the extent of the universal design standards in the proposal and establishes a 40-point scale covering the key elements of universal design.	Sen. Bushweller & Rep. Q. Johnson	Currently assigned to House Housing & Community Affairs Committee