

# Governor Markell Requests \$8.5 Million for Housing in FY11

## Help for Housing Despite Hard Times

Governor Markell’s requested funding for the FY11 budget of the Delaware State Housing Authority (DSHA) is \$8.5 million.

In such difficult times, it is very encouraging to have the Governor request that the annual funding for the Housing Development Fund (HDF) stay level at \$4 million and funding for housing preservation be increased through the Bond Bill.

We believe that the Governor recognizes the importance of affordable housing, when times are good but even more when they are bad, both as a needed part of the state’s infrastructure and as a powerful contributor to economic development. Historically, the Housing Development Fund (HDF) has been flat-funded, which has meant being progressively less well-funded relative to the need. We hope this marks the beginning of making this basic human need a true funding priority. DSHA should be given the support to address the affordable housing dilemma systematically.

The work which DSHA does helps low-income tax credit rental housing to happen, allows housing counseling agencies to keep their doors open and continue to help Delawareans become homeowners or to avoid losing their homes, and revitalizes rental communities and preserves the precious federal subsidies which make their rents affordable. It funds innovative programs in shared equity homeownership, transitional and supportive housing. And it makes possible emergency home repairs, which help to fix structural health and safety problems that threaten low-income homeowners with displacement, loss of equity, and possible homelessness.

So, we support –

### #1 ANNUAL HDF BASE AMOUNT

– **the request for base funding for the Housing Development Fund (HDF) of \$4.0+ million**, a bare minimum which should be considered untouchable, and for which we have long advocated increased and dedicated revenue to support a more comprehensive and long-range plan of action. This is core funding that should be built upon and never subtracted from, the fundamental building block for a spectrum of affordable housing initiatives.

### #2 SAVING FEDERALLY SUBSIDIZED RENTAL HOUSING

– **the request for \$4.5 million for the purpose of preserving additional at-risk rental housing** and retaining for the state the accompanying federal subsidies which make these units affordable to low-income Delawareans.

### Critical ELI Needs

We hope that the additional funds requested in the Bond Bill will allow the state to begin to address more

systematically the housing needs of extremely low-income Delaware households and to honor in fact the Ten-Year Plan to End Chronic Homelessness. This is an area of growing alarm among housing providers and housing researchers. Thousands of extremely low-income households in the state are paying over 50% of their income for housing. Depending upon their situation, the households in this at-risk group either need more affordable rental units or help staying in the homes that they own. At the same time, progress in resolving chronic homelessness, as measured against the ten-year plan, has come largely, at the state level, through DSHA taking some of the limited dollars away from other pressing housing needs in order to fund a rental assistance program. Still needed are crisis beds and more permanent supportive housing. No new state dollars have been dedicated to these vital measures. ☞

Housing Delaware’s Extremely Low-Income Households, December 2009.

### Existing Housing in Delaware

Program	Units	Population Served	Approximate Annual Federal Subsidy
Housing Choice Vouchers	4,735	<80% of median	\$32,426,526
Public Housing	2,682	<50% of median	\$11,657,600
LIHTC*	4,602	<50 – 60% of median	n/a
Section 202/811	891	Elderly and Individuals with Disabilities	Not available
Project-based Section 8	4,721	<50% of median, many elderly	\$31,703,521
Rural Development	1,695	<50% of median	\$4,763,251
Other Income-Restricted	121	Mixed	n/a
<b>Total</b>	<b>19,447</b>		<b>\$80,550,898</b>

\* 1,248 LIHTC units also have Section 8 and 614 also have Rural Development subsidies. There are a total of 6,484 LIHTC units, but 1,862 are counted under Project-based Section 8 or Rural Development.

Sources: DSHA Housing Inventory, HUD Office of Public Housing Philadelphia, FY 2008 Funding, USDA Rural Development.