

# The Five Year Strategic Housing Plan

Governor Minner and the General Assembly have made a dramatic contribution toward correcting the historic underfunding of the Housing Development Fund (HDF), relative to the need. This year \$6 million in federal funds have been added to the \$3.4 million already budgeted.

Our proposal involved allocating \$17 million during the new year and \$60 million over five years. Given the dramatic growth in the state's population and the projected continuation of this trend, our proposal continues to speak both to needed funding and to a strategy for addressing 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.

## A Five Year Strategic Housing Plan

We have proposed that sufficient funds be allocated to permit housing providers to plan with confidence to meet needs that will otherwise be unmet, 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 Surplus

Our proposal foresaw the commitment of \$25 million over two years, \$13 million in FY2005 and \$12 million in FY2006. Including annual appropriations, this would allow

## The Main Points

### FUND THE HDF

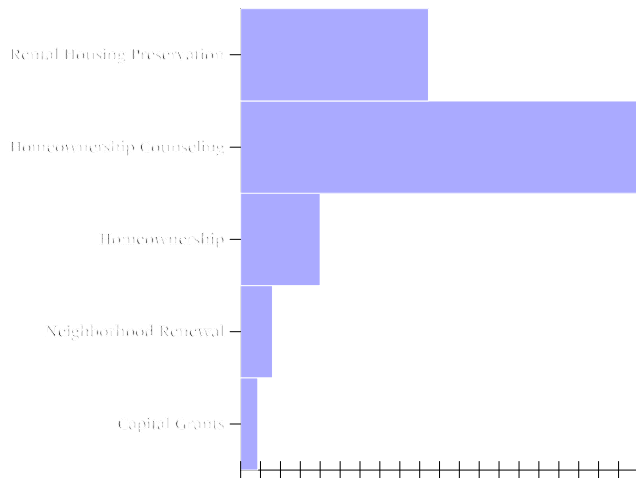
- ❖ Fund the HDF through one-time and increased allocations for a total of \$60 million for five years.
- ❖ Identify and secure enhanced, dedicated revenue sources adequate to fully fund the HDF going forward.
- ❖ Keep the HDF at a minimum of \$10 million per year from Year Five onwards.

### 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. (\$8 million)
- ❖ MEASURE II: LIVABLE TOWNS AND CITIES  
Provide Funds for Housing and Neighborhood Renewal in Municipalities. (\$8 million)
- ❖ MEASURE III PROMOTING HOMEOWNERSHIP  
Increase Down Payment, Settlement, and Homeownership Counseling Aid. (\$6 million)
- ❖ MEASURE IV: AFFORDABLE RENTAL HOUSING  
Continue to Fund the Housing Tax Credit Program and Housing Preservation. (\$32 million)
- ❖ MEASURE V: INNOVATIVE HOUSING INITIATIVES  
Add Flexible Funds for Special Purposes. (\$6 million)

Housing and Services Provided

Under the Five-Year Plan



Over five years, the plan would help create 86 debt-free rental units through capital grants, 160 affordable homeownership units in municipal areas, 400 new owner-occupied homes, 3300 households provided with comprehensive housing counseling, 945 affordable rental units, as well as a number of new, model and special-purpose programs.

the HDF to be funded at the following levels for the next five years: \$17 million, \$18 million, \$7 million, \$8 million, and \$10 million.

### 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. After Year Five, the HDF would receive at least level funding at \$10 million annually.

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

The programmatic measures of the proposal are listed in the accompanying box, "The Main Points."

See list of endorsers, page 15.  
Use the endorsement form on the last page of this issue to add your group to this list of supporters of the Five-Year Strategic Housing Plan.