

State: DELAWARE (QAP 2014)	Delaware State Housing Authority (DSHA)
Measure	Evidence
HOUSING LOCATION: Site and Neighborhood Standards	
A1. Mandatory restrictions prohibiting increases in racial and economic (or low-income) concentration	≈ No development will be eligible to compete for an allocation of credits if the application requires that existing residents be involuntarily and permanently relocated due to income ineligibility for tax credit purposes (p. 36).
A2. Scoring that discourages racial and economic concentration.	The definition of Areas of Opportunity (particularly the exclusion of Impacted areas) and point awards in A4b also work to this end (see p. 44).
A3. Mandatory requirements for development in high-opportunity areas	No.
A4a. Scoring that encourages development in high-income areas.	No.
A4b. Scoring that encourages development in high opportunity areas.	<p>≈ 5 points to developments that are in Areas of Opportunity¹ In order to balance housing investments and encourage the creation of affordable housing opportunities within the State of Delaware in areas that contain little or no affordable housing, but which may offer economic opportunity, proximity to the workplace, additional school choices, or supportive infrastructure. (p. 44).</p> <p>≈ Up to 12 points to developments that can demonstrate overall quality of location, access to services and transit, and protection of the environment. Each factor of the sites and neighborhood standards must be supported in the market study by the market study provider (p. 47). [Vague; Also pertains to A7.]</p> <p>≈ Up to 7 points (1 pt./service) for the projects located within ½ mile radius (in New Castle Co.) and within 1/5 miles for Kent and Sussex counties): supermarket, public schools, library, licensed child-care center, senior center, usable park space, bank, medical facility/hospital, laundry/dry cleaner, pharmacy, community center (p. 47).</p>
A5. Scoring or requirements that preference siting near high-quality schools.	No.
A6. Scoring that discourages development in distressed neighborhoods. ²	≈ (-) Based on the 2008-2012 Statewide Needs Assessment, priority areas include: preservation of the State's existing affordable housing properties, especially federally-subsidized properties and sites in poor physical condition (p. 8). [This is potentially a negative for A6]. Properties were deemed to be

¹ Defined as Level 1, 2, or 3 and not qualifying as 'severely impacted' (homeownership rate <50% and subsidized rental housing >25%) or 'impacted' (areas that contain concentrations of racially, ethnically, and low/moderate income persons) (p. 44).

² Evidence of the inverse: preference for development in distressed neighborhoods (by overemphasizing QCT/DDA preference, preference for existing subsidized housing in distressed neighborhoods, preferences for low-income matched financing, etc.) should also be noted.

	<p>at risk due to market conversion risk and deterioration.</p> <p>(-) Up to 20 points for leveraging permanent funding sources not controlled by DSHA (e.g., i.e., private conventional lenders, USDA Rural Development, local municipality HOME funds, HOPE VI, Section 202, Federal Home Loan Bank funding, local municipalities funds, foundations and other permanent sources) (p. 43). [Only negative to the extent that it contributes to subsidy layering in distressed neighborhoods and/or that emphasizes further the role of government contributions [pertaining to B1].]</p> <p>The definition of Areas of Opportunity (particularly the exclusion of Severely Impacted areas) and point awards in A4b also work to this end (see p. 44).</p> <p>(-) 3 points for preservation projects that have committed federal rental assistance (p. 44).</p> <p>≈ (-) 1 point to developments where all buildings and parcels are located within a QCT (p. 53).</p>
A7. Scoring or requirements that preference siting near mass transit.	<p>Overall location quality noted in A4b includes access to transit [though no other detail provided] (p. 47).</p> <p>≈ 5 points for transit accessible and transit ready projects. To qualify, projects must have a designated point of pedestrian site ingress and egress located within DE Transit Corporation's (DCT's) currently defined transit service area, DCT has confirmed its intention to proposed direct services to the site, and he designated point of pedestrian ingress and egress is connected to an internal ADA compliant sidewalk network (p. 49) (for more detail, see p. 49-50).</p> <p>≈ 2 points for transit friendly projects. DCT will determine which projects qualify for this category as the sites will not be served in the immediate or foreseeable future by DCT services. Projects are deemed transit-friendly with 2+ of the following characteristics: bus pull-offs, pavement requirements, bus stop waiting pads, future shelter or bench install (p. 49).</p>
A8. Focus on and operationalization of a neighborhood revitalization plan.	<p>≈ 2 points if projects is clearly identified and is included in an approved Community Revitalization Plan. A certification from the municipality that the development is in the most recently approved Community Revitalization Plan must be submitted, citing page and number, which said page and number must be attached to the certification (p. 53).</p>
B1. Local participation in site selection is limited to statutory minimum. ³	<p>≈ (-) Up to 5 points are awarded for developments that receive written financial support by commitment letter from local government. A local contribution must reduce the development or operating costs of a development by at least 1%. This can be in the form of municipal or county funding (including CDBG or HOME funds) or local public housing authority capital funding, waiving of building permit fees, granting of a tax abatement, donation of land or land</p>

³ Evidence of the inverse: preferences or requirements for local participation should also be noted.

	provided at a nominal price, or some other documented form of assistance, as approved by DSHA, that financially reduces the development cost or reduces the operating cost of the project over a five-year period (p. 43).
HOUSING ACCESS: Affirmative Marketing, Priority Groups	
C1. Mandatory requirements ensuring affirmative marketing.	<p>⌘ Applicants must agree to market their developments to the local public housing waiting lists and/or Section 8 existing waiting lists. The application must contain a letter from the appropriate agency (p. 35) [also D2].</p> <p>Accessible units should be marketed and rented to HHs that need the accessible features [see O1] (p. 42).</p> <p>⌘ If a low-income unit in the project became vacant during the year, owners must show reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income (p. 66).</p> <p>⌘ If a property receives funding from the following sources; HOME funds, Housing Payment Assistance contract (HAP), Housing Development Funds (HDF), or the Low Income Housing Tax Credits (LIHTC) were allocated in 2002 to present, an Affirmative Fair Housing Marketing Plan (AFHMP) must be reviewed and approved by either DSHA or HUD. This plan must be updated every 5 years (p 66).</p>
C2. Scoring that incentivizes affirmative marketing.	No.
C3. Scoring that incentives language access and marketing to non-English speakers.	No.
D1. Scoring that promotes Section 8 voucher access in high-opportunity areas.	No.
D2. Requirements for monitoring Section 8 voucher access <i>in high-opportunity areas</i> .	<p>⌘ Applicants must agree to market their developments to the local public housing waiting lists and/or Section 8 existing waiting lists. The application must contain a letter from the appropriate agency (p. 35) [also C1].</p> <p>⌘ Annual compliance monitoring must include documentation that the owner has not refused to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937 or any State of Delaware rental assistance program (p. 65, 67).</p>
F1. Incentives for larger family units.	No.
F2. Incentives targeting families/families with children	⌘ 1 point each (maximum of 3 points) for provision of on-site social services including (but not limited to) daycare and parenting classes (p. 46).
G1. Scoring that promotes units for lowest-income households (<i>outside high-</i>	⌘ Up to 20 points for the % of tax credit units targeting low income levels for development. Weight given to units targeted at multiple income levels with emphasis on targeting

poverty areas).	units at lower income and/or poverty levels. Point allocations differ for subsidized and non-subsidized units. See point table in Notes below (p. 39).
REPORTING REQUIREMENTS	
H1. Racial/demographic reporting requirements.	No.

OVERALL ASSESSMENT

TOTAL POINTS POSSIBLE: 161 (Scoring systems is such that points can be gained or lost.)
Minimum score must equal 65 to be considered.

- *Emphasis on maintenance of existing subsidized housing is problematic.*
- *Data driven – QAP front matter includes significant data on state renter composition, units at risk of conversion, and other statistics compiled in the Needs Assessment that have led to QAP priority areas.*
- *Strong anti-displacement requirement.*

Notes:

All applications for tax credit developments must be located in [Level 1](#), [Level 2](#), or [Level 3](#) Investment Areas as defined by State Strategies for Policies and Spending (p. 31). Generally, it seems that lower levels are higher-density and lower-income.

Community Revitalization Plan defined as a municipal, county, or regional plan that has been formally endorsed by a governing body. This includes, but is not limited to, a municipal and/or county Consolidated Plan, local or regional redevelopment plan, neighborhood redevelopment plan as endorsed and approved by local government, or a development that is located in an Enterprise Community (p. 20).

Balanced Income Targeting – Point Allocation [G1]

	Non-subsidized				Subsidized			
	30% AMI	40% AMI	50% AMI	60% AMI	30% AMI	40% AMI	50% AMI	60% AMI
5 points	20%	5%	25%	50%	25%	5%	65%	5%
10 points	25%	5%	30%	40%	30%	5%	60%	5%
15 points	30%	10%	20%	40%	35%	5%	55%	5%
20 points	30%	10%	15%	45%	40%	10%	45%	5%

OTHER CATEGORIES

O1. Scoring that promotes units for persons with disabilities.	✳ Up to 3 points to applicants, for non-subsidized developments with non-elderly special population units that meet the Section 811 requirements - if the applicant agrees to accept, if offered by DSHA, the assignment of Section 811 project-based subsidies on their non-elderly special population units and to comply with the requirements of the PRA Demo Program. To receive these points, a project must be eligible to receive Section 811 funding and must not already have project-based rental assistance in place for the targeted units. Additionally, to receive these points the project must select households with disabilities as the target population for its special population units and agree to use the supportive housing referral network under development that will
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	<p>serve both special populations and the PRA Demo program. Only non-elderly projects are eligible (p. 42).</p> <p>✧ Up to 5 points for projects that exceed the Fair Housing and ADA minimum requirement threshold of 5% of total unit counting as fully accessible units: 5 points for 20% fully accessible, 4 points for 10% fully accessible, 3 points for 10% fully accessible (p. 42).</p>
O2. Scoring that promotes units for special needs populations.	<p>✧ Developments must set aside a minimum of 5% of all units for special populations (target units). Target units are: 1) set-aside for special populations⁴; 2) are rent- and income- restricted to 40% of Area Median Income (AMI); and 3) have tenants referred from a referral system as managed by DSHA. Developments with project based rental assistance must target at least 5 units, regardless of the size development, or 5% whichever is larger (p. 26, 32-33).</p> <p>✧ Up to 5 points to applicants who increase the number of target units set aside for special population-eligible units to 10% or 6 units, whichever is greater from the mandatory 5% (p. 41).</p>
O3. Scoring to promote home ownership.	<p>✧ 6 points to developments that will be converted to home ownership for the residents after the initial 15-year compliance period has expired. Units must be offered at the units' fair market value at the time of the original resident's initial occupancy of the unit. Applicants must submit a detailed marketing plan which includes projections on maintenance, tenant reserve funds, homeownership training, continued affordability, sales price calculation, lease/purchase agreements, etc. (p. 38).</p>
O4. Provisions affirmatively furthering fair housing laws.	<p>✧ All applicants must comply with the provisions of any federal, state or local law prohibiting discrimination in housing on the grounds of race, color, sex, creed, handicap/disability and familial status, sexual orientation, or national origin (p. 31).</p> <p>✧ Annual compliance monitoring must include documentation that no findings of discrimination under the Fair Housing Act occurred for the project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development, an adverse final decision by a substantially equivalent state or local fair housing agency, or an adverse judgment from a federal court (p. 65, 67).</p> <p>✧ The owner/developer/borrower and any of its employees, agents or subcontractors' in doing business with DSHA understands and agrees that it is</p>

⁴ Targeted special populations include: Persons with HIV/AIDS related illness, Literally or Imminently Homeless; Survivors of Domestic Violence, Persons with Disabilities including persons with mental illness; persons with physical disabilities; persons with intellectual or developmental disabilities, youth exiting foster care or persons exiting state run-institutions; and other special needs populations identified in DSHA's needs assessment may be considered at DSHA's sole discretion (p. 26).

	<p>the total responsibility of the owner to adhere to and comply with all Federal Civil Rights legislation inclusive of the Fair Housing Laws, Section 504 of the Rehabilitation Act of 1973, the Americans With Disabilities Act as well as any State and local civil rights legislation along with any required related codes and fair housing laws. Should DSHA not specify any specific requirements, such as design, it is nonetheless the owner's responsibility to be aware of and comply with all non-discrimination provisions relating to race, color, religion, sex, sexual orientation, handicap, familial status, national origin and any other classes protected in Delaware. The owners' compliance responsibility includes design requirements for construction or rehabilitation, equal opportunity in regard to marketing and tenant selection and reasonable accommodation and modification for those tenants covered under the federal and state fair housing laws (p. 70).</p>
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