

# FY 2027 Budget Hearing

Delaware State Housing Authority  
April 27, 2026



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## Delaware State Housing Authority (DSHA)

Our mission is to efficiently provide, and to assist others to provide quality, affordable housing opportunities and appropriate supportive services to low- and moderate-income Delawareans.

### Core Services:

- Homeownership
- Rental Housing
- Community Development



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# Delaware State Housing Authority (DSHA)

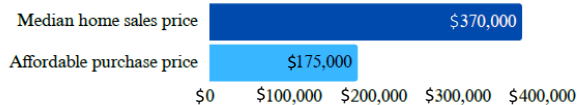
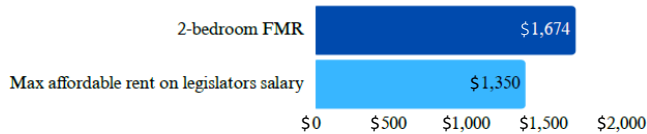
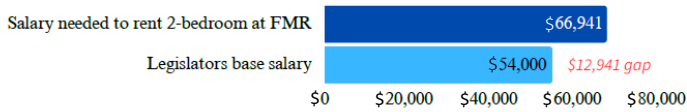
DSHA fulfills three distinct roles, which include:

- Serving as the state’s housing finance agency (HFA)
- Serving as the public housing authority (PHA) for Kent and Sussex counties
- Providing programming as the de facto “Department of Housing”



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## Housing Affordability



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## Full Budget Request

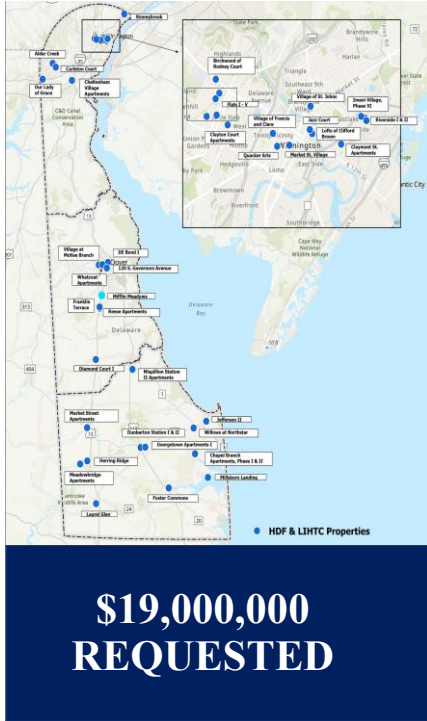
Bond Bill	FY2027
Housing Development Fund (HDF)	\$19,000,000
Strong Neighborhoods Housing Fund (SNHF)	\$4,000,000
Delaware Workforce Housing Program	\$1,500,000
Urban Redevelopment (DDD)	\$10,000,000
Neighborhood Small Business Lending Pilot	\$2,500,000
General Fund	FY2027
Housing Development Fund (HDF)	\$4,000,000
State Rental Assistance Program (SRAP)	\$6,000,000
Homelessness Response and Stabilization	\$1,000,000
Student Housing Emergency Assistance Fund	\$50,000
<b>Total Budget Request</b>	<b>\$48,050,000</b>

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## Capital Improvement Budget Request

Bond Bill	FY2027
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Delaware Workforce Housing Program	\$1,500,000
Urban Redevelopment (DDD)	\$10,000,000
Neighborhood Small Business Lending Pilot	\$2,500,000
<b>Total Budget Request</b>	<b>\$37,000,000</b>

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## Housing Development Fund (HDF)

### How it works:

- Federal Low-Income Housing Tax Credit (LIHTC)
- LIHTC equity is used to finance the construction
- HDF reduces the amount of first debt, which leads to more affordable rents

### How much:

- In FY25, HDF invested approximately **\$36.6 million**, which leveraged **\$97.5 million in LIHTC equity** and over **\$137.5 million** in private investment and other funding sources for a total of **761 units**
- In FY26, DSHA has preliminarily allocated tax credits to nine developments, which requested approximately **\$31 million** in HDF funding for a total of **652 units**

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## Strong Neighborhoods Housing Fund (SNHF)

### Purpose:

- Established for the acquisition and renovation or demolition and new construction of vacant, abandoned, foreclosed, or blighted property to create **affordable homeownership** opportunities
- Targeted for efforts that support community development and transform neighborhoods

### How it works:

- New individual programing tracks to support the overall SNHF initiative:
  - Sales gap subsidy
  - Blight clearance
  - Future expansion into construction lending
- Offered in expanded target areas

### Timeline:

- Sales gap subsidy and blight clearance track launched on April 24

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**\$1,500,000  
REQUESTED**

## Workforce Housing Program

### Purpose:

- Encourage private investment into the development of **workforce rental housing** located in State Strategies Investment Levels 1 and 2
- Workforce housing unit is a residential dwelling for a household whose income does not exceed 100% of median income for the area as defined by HUD

### How it works:

- Investors who make qualifying minimum investments of \$25,000 into the construction or rehabilitation of an eligible workforce housing unit will be eligible for a grant equal to up to 20% of the qualified investment.
- Grant reservation process, applications will be accepted on a rolling basis while funds are available

### Timeline:

- Preliminary public comment period is open until May 1, second comment period anticipated in June
- Anticipated program launch is July 15

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**\$10,000,000  
REQUESTED**

## Downtown Development Districts (DDD)

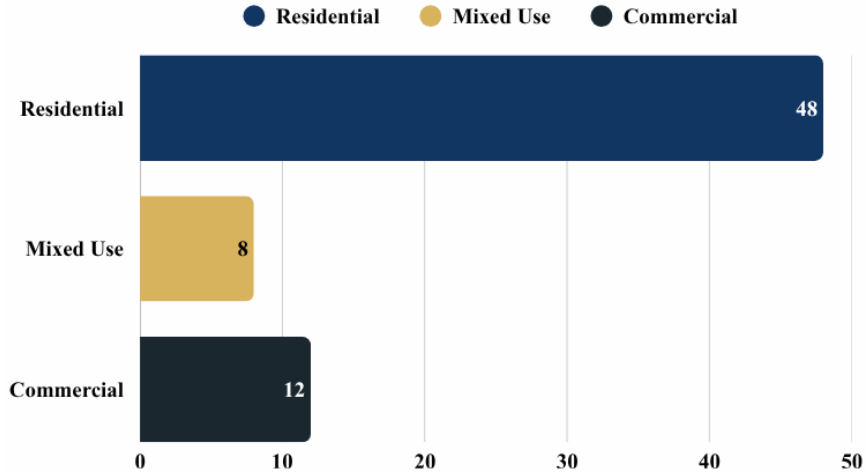
- Catalyzes private investment, stimulates job growth, and builds a stable community of long-term residents
- With program success and record applications in FY25, there is need to expand.
- Executive Order 16 allows the maximum of 15 designated districts and opens applications for districts



- Wilmington
- Dover
- Seaford
- Smyrna
- Harrington
- Milford
- Georgetown
- Laurel
- Clayton
- Delaware City
- Middletown
- New Castle

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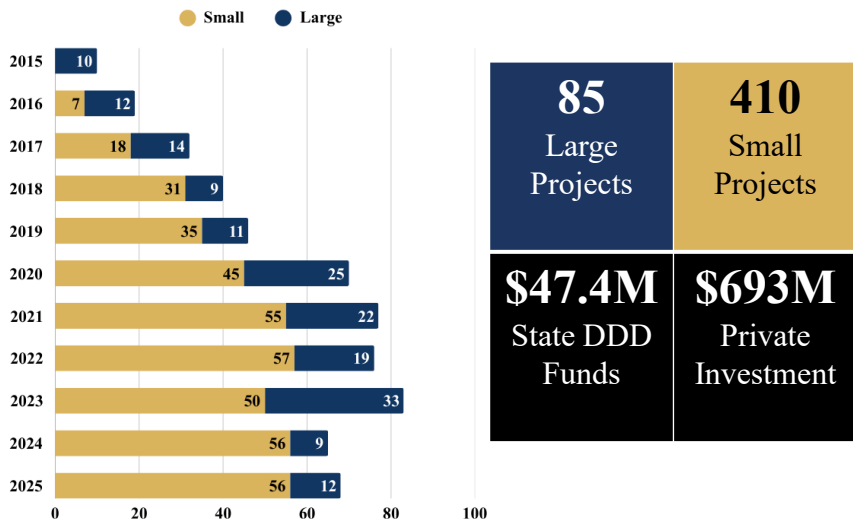
## Eligibility Use in FY25



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## DDD Projects Completed

From FY14 to FY25



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## Neighborhood Small Business Lending Pilot

### Purpose:

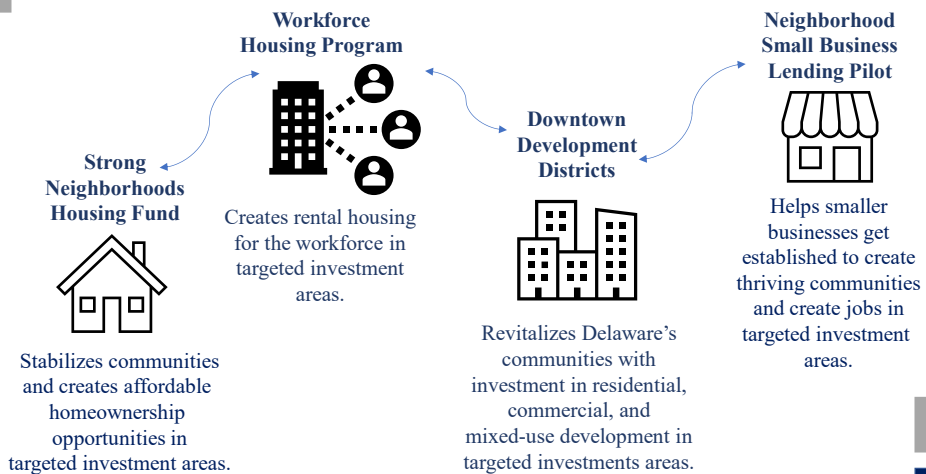
- Strengthen and revitalize neighborhoods by supporting projects that promote walkability, repurpose vacant properties, support underserved entrepreneurs, and create jobs.
- Available in targeted areas already being served by the SNHF, WFH, and DDD to support affordable housing creation and community redevelopment efforts.

### How it works:

- Revolving loan fund that provides flexible financing to Delaware-based small businesses located in Downtown Development Districts
- Help finance activities including construction, rehab, real estate acquisition (when paired with construction), and equipment, machinery or other costs directly related to the startup and/or expansion in **manufacturing, retail, or service industries.**

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## Community Growth Strategy



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## Summary of Capital Budget Request

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## Delaware Interagency Collaborative to End Homelessness

- From April to December 2025, the Collaborative focused on strengthening emergency shelter, navigation, and street outreach for those defined as literally homeless.
- Meetings and recommendations were guided by data, community feedback, and input from individuals with lived experiences.
- Phase 1 Report was released in December. Recommendations focused on:
  - Reaching people where they are
  - Emergency shelter and navigation
  - Enhanced discharged, exit, and transition strategies.



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## Homelessness Response and Stabilization

On a single night in January 2025, the Point-In-Time (PIT) Count volunteers tallied 1,585 people in Delaware who were experiencing literal homelessness. That's a 16% increase over the prior year.

More than 19% of homeless households had children under age 18, and children made up 27.3% of Delaware's unhoused population.

Requested funding from JFC for low-barrier homeless services to ensure immediate support and stability to the individuals and families who need help the most.



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## HDF Code Purple Emergency Response

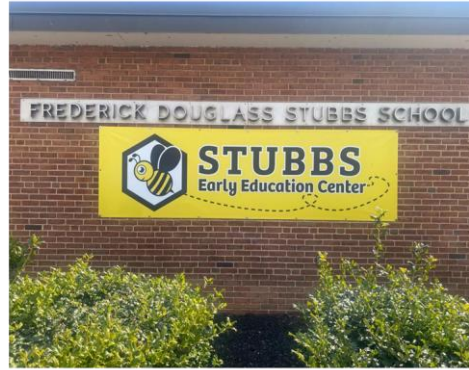
- DSHA was able to deploy approximately \$80,000 to support shelters throughout the State in temporarily expanding operations during the Governor-declared State of Emergency for the winter storm and extended period of sustained below-freezing temperatures.
  - Supported staffing costs, food, hotel stays, secure storage for personal belongings, personal hygiene items, blankets, and pet supplies allowing shelters to support people experiencing homelessness who might not have had a place to go otherwise.
  - We are still collecting the data from these shelters on how many people were served and a breakdown of the deployment of funds but will provide that data as soon as it is available.



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## SRAP Special Initiatives: Supporting at-risk Delawareans

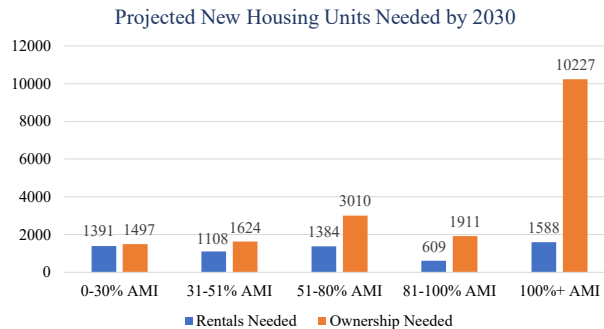
- Dual Generations at Stubbs:
  - Located in Wilmington within the Stubbs Early Education Center, the Dual Generation Center strives to serve the whole family by offering wraparound services in one location.
  - Being able to utilize SRAP vouchers will pair housing assistance with coordinated, family centered supports, helping families find stability
- DSCYF-Family Prevention and Behavioral Health (PBH): Prevention and early intervention programs to keep families unified while receiving required service through DSCYF.
- Department of Veterans Affairs
- DOC: Qualifying individuals recently released from a State Correctional Facility



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## Housing Supply: Improved Permitting

- To increase speed, efficiency, and transparency of the permitting approval process, we are partnering with the State of Delaware and Infilla to modernize and streamline permitting.
- Developers can submit conditional use and rezoning applications faster through Infilla, where review checklists are automatically standardized and updated
- Centralized platform to communicate with stakeholders through permitting process
- By reducing cost and delay, ultimately, more housing can be built faster
- Smaller and alternative developers won't be disincentivized by a slower and more complex permitting process



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## Housing Supply: Assisting Local Governments

DSHA's **Zoning & Land Use Reform Pilot Program**, created via SJR8, is providing hands-on technical assistance to participating local governments to implement zoning and land use reforms, including:

- Allowing ADUs and Missing Middle Housing
- Allowing Manufactured/Modular Housing
- Creating pre-reviewed design plans
- Increasing residential density
- Increasing building heights for multifamily/mixed use
- Inclusionary Zoning programs
- Allowing mixed-use in commercial zones
- Reducing parking requirements for residential development



9 SJR 8  
Participating  
Jurisdictions

- Bridgeville
- Dover
- Georgetown
- Laurel
- Lewes
- Milford
- Newark
- Rehoboth Beach
- Sussex County

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## HDF Affordable Rentals Initiatives

- **Energy Measures:** We have built in baseline energy efficiency requirements such as energy star into all development guidelines, but we also offer incentives for electing advanced energy efficiencies such as Net Zero Energy, LEED, and National Green Building Standards.
- **Resiliency:** We created a resiliency assessment tool for all developments to complete upon application for funding to determine minimum design and construction features to help make properties more resilient to expected hazards resulting from climate change.
- **Area of Opportunity Land Bank:** DSHA created a low-cost revolving loan program that allows developers to purchase an identified property in advance of achieving construction closing to ensure we can create new affordable housing in these critical areas. DSHA was nationally recognized for this initiative.



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## FY25 HDF Investments

Development	Units	HDF	Equity	Bank	Other**	TDC
George Reed Village	72	\$2,052,586	\$9,190,513	\$5,320,000	\$9,241,808	\$25,804,907
Imani Village III	101	\$3,500,000	\$13,064,294	\$7,081,000	\$23,342,438	\$46,987,732
Chapel Branch	48	\$2,520,000	\$9,356,725	\$2,325,000	\$1,458,329	\$15,660,054
Villa Maria	74	\$3,500,000	\$9,371,616	\$ -	\$15,727,957	\$28,599,573
Manor at 6060	80	\$4,500,000	\$8,973,342	\$10,250,000	\$7,650,000	\$31,373,342
Compton Apartments	55	\$1,800,000	\$7,937,626	\$3,850,000	\$2,586,687	\$16,174,313
Gateway East Cheer	59	\$3,100,000	\$9,336,009	\$2,775,000	\$1,935,841	\$17,146,850
Imani Village IV	84	\$3,420,000	\$9,844,326	\$6,800,000	\$16,132,479	\$36,196,805
Mispillion Station II*	48	\$7,048,599	\$4,365,237	\$805,620	\$2,874,612	\$15,094,068
Maxwell Estates	60	\$1,679,118	\$8,567,347	\$1,860,985	\$4,721,786	\$16,829,236
Church Street Station	80	\$3,500,000	\$7,554,128	\$8,470,000	\$2,266,888	\$21,791,016
<b>TOTALS</b>	<b>761</b>	<b>\$36,620,303</b>	<b>\$97,561,163</b>	<b>\$49,537,605</b>	<b>\$87,938,825</b>	<b>\$271,657,896</b>

\* Includes amortizing permanent debt

\*\*Includes grants, owner financing, and federal resources

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## DDD Spotlight: Laurel

- The Ramble is Laurel’s redevelopment plan for the Broad Creek waterfront and central core.
- In addition to a village green, shops, and waterfront cottages, plans include a kayak launch, a nature-based playground and wetlands education area.
- Adjacent to The Ramble will be The Promenade. When completed, this 28-unit subdivision, which received a Large Project DDD rebate reservation of \$660,000, will provide affordable, owner-occupied housing for the local workforce.



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## DDD History: FY2014 to FY2025

