

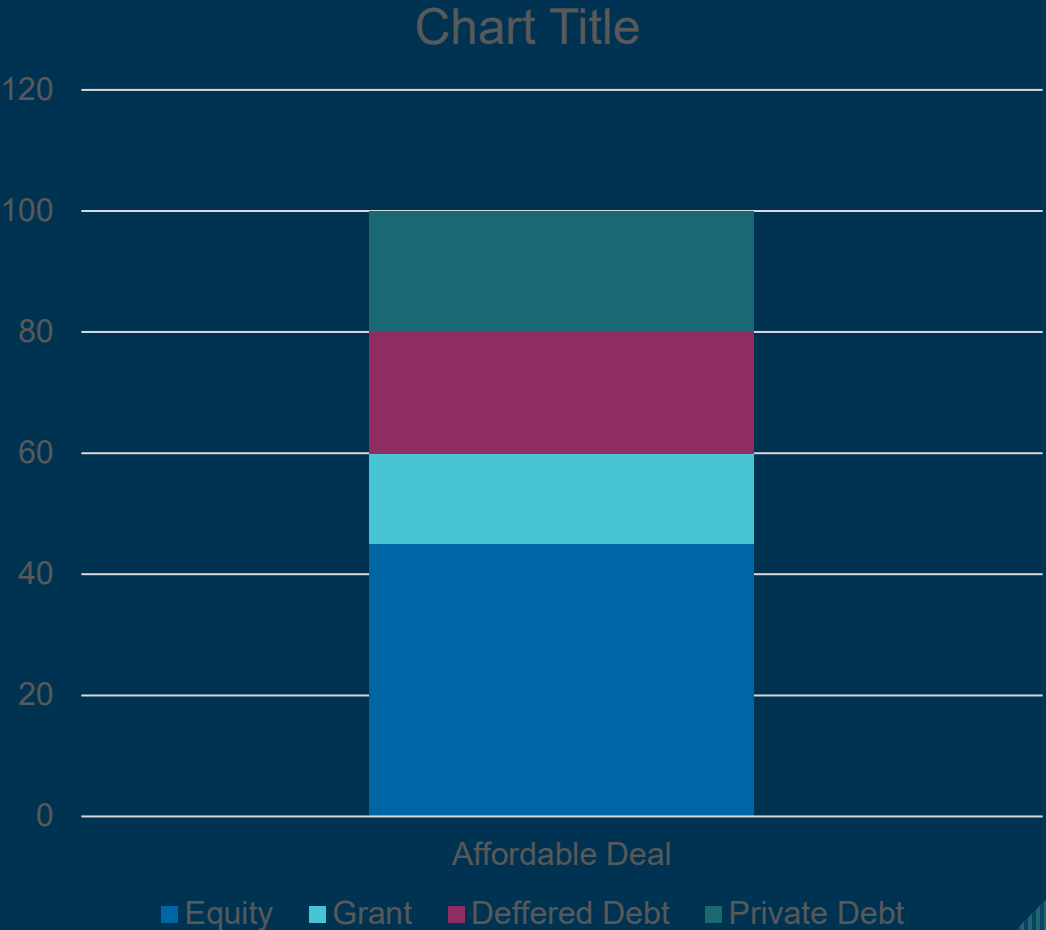
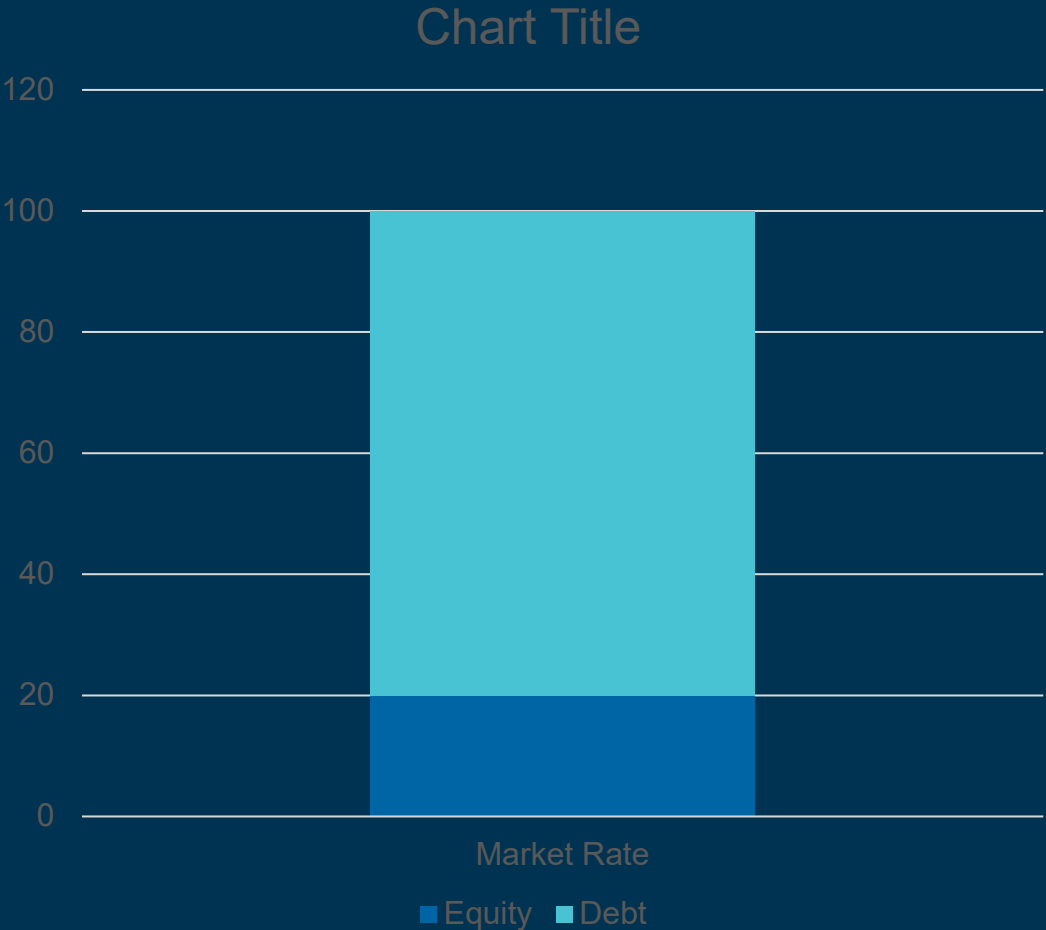
Delaware Housing Needs

- Our investment
 - 1987-2022 - \$4 Million from our General Fund into our Housing Development Fund
 - Bond Bill – nothing robust over that same time frame
 - 2023 – Changed to \$31.5 from the General Fund
 - 2024 – Back to \$4
- Our needs
 - Housing Needs Assessment 2022
 - 20,000 units needed for lower income families
 - 6,500 units loss of manufactured homes over the past 20 years.
 - Increased Homelessness

3 types of funding mechanisms in the capital stack

- Grants – money provided to bring down the cost of the project
 - Federal
 - State
 - Private
- Equity
 - Developers own capital
 - Tax credit equity/LIHTC
- Loans
 - Hard Debt
 - Soft Debt – often with deferred payments

Market Rate vs. Affordable



152nd General Assembly Legislation: Housing Finance

- SB 246: Home Repair and Modification Fund – to preserve existing
- SB 244: County Accommodations Tax – attract other funds
- SB 87: Realty Transfer Tax exemptions – lowering costs
- SB 25: RTT/Improvement Tax – lowering costs, improving preservation
- SB 22: Delaware Workforce Housing Program
 - Modeled off of our Downtown Development District Program
 - 20% grant of hard cost improvements if workforce housing is developed in State Investment Levels 1 and 2
 - Process is simplified, do the project, get the grant/reimbursement
 - \$40 million has leveraged \$500 million

State Tax Credits

Pro

- Brings money forward
- PV vs FV
- Attractive to Developers

Con

- Future funds reserved
- YIELD
 - Needs to be competitive to increase yield
- Competition to Direct Lending
- CRA rules changing