



Delaware Housing Coalition

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<http://www.housingforall.org>

November 15, 2004

The Honorable Ruth Ann Minner
Tatnall Building, 2nd Floor
William Penn Street
Dover, DE 19901

Dear Governor Minner:

Thank you for your attention to the issue of affordable housing in Delaware, especially the allocation of an additional \$6 million into the Housing Development Fund (HDF) in your FY 2005 budget. These funds will allow the HDF to continue to make direly needed investment in affordable housing projects throughout the state.

Last December, we, a group of representatives of the financial services and nonprofit housing community, wrote to you to propose a Five-Year Strategic Housing Plan. This Plan is based on the DSHA Statewide Housing Needs Assessment and is designed to complement your *Livable Delaware* agenda. It would address the affordable housing crisis in Delaware to insure that we as a state can make real progress toward meeting the significant housing needs faced by so many residents of our state.

The Five-Year Strategic Housing Plan calls for the investment of \$60 million in affordable housing over five years. This only begins to address the problem of affordable housing in Delaware as expressed in the Needs Assessment. As the following table demonstrates, the allocation of an additional \$8 million in each of the next four fiscal years, combined with the current annual HDF allocation of \$3.4 million, projected annual document recording fee revenue of \$1.0 million, and the FY 2005 additional allocation of \$6 million, equals the proposed investment of \$60 million.

HDF Five-Year Allocation (in millions)

	2005	2006	2007	2008	2009	Total
CURRENT HDF ALLOCATION (PROJECTED)	\$3.4	\$3.4	\$3.4	\$3.4	\$3.4	\$17.0
DOCUMENT RECORDING FEE REVENUE (ESTIMATED)	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$5.0
ADDITIONAL FUNDING (PROPOSED)	\$6.0	\$8.0	\$8.0	\$8.0	\$8.0	\$38.0
TOTAL HDF INVESTMENT (PROPOSED)	\$10.4	\$12.4	\$12.4	\$12.4	\$12.4	\$60.0

Today, the Deutsche Bank Trust Company Delaware, JPMorgan Chase, and MBNA America Bank, N.A. hosted the release of the study *Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis*. This study, prepared by Dr. William Latham of the University of Delaware Department of Economics and funded by the aforementioned financial institutions, details the positive economic impacts of public investment in affordable housing in Delaware. The proposed investment of \$60 million over five years would result in over \$420 million in new economic activity in Delaware and the creation of almost 3,400 jobs – while creating over 4,750 homeownership and rental housing opportunities and returning more than \$43 million in state and federal tax revenues.

As this exciting new study so clearly demonstrates, the dedication of public funds to affordable housing is an *investment* that results in impressive economic benefits to the state. To reap the returns detailed in the economic impact study and work towards meeting Delaware's affordable housing needs, we request that you allocate an additional \$8 million to the Housing Development Fund in each of the next four fiscal years.

Thank you again for your allocation of \$6 million to the Housing Development Fund in FY 2005. We hope you will review the attached study and allow a small group of our members the opportunity to meet with you to discuss investment in affordable housing in the near future.

Very sincerely,

Ken Smith

On behalf of the Delaware Housing Trust Fund Working Group:

Paul Calistro, Executive Director, West End Neighborhood House
Lorraine deMeurisse, Vice President, Deutsche Bank Trust Co. Delaware
Mark Kleinschmidt, MAK Associates
Helen McArdle-Stewart, Vice President, JPMorgan Chase
Joe Myer, Executive Director, NCALL Research, Inc.
Gary Pollio, Executive Director, Interfaith Housing Delaware, Inc.
Ken Smith, Director, Delaware Housing Coalition

CC:

Senator Nancy Cook, Delaware General Assembly
Jennifer W. Davis, State Budget Director
Representative Joseph DiPinto, Delaware General Assembly
Dwight Henderson, Governor's Policy Advisor on Finance
Saundra Ross Johnson, Director, Delaware State Housing Authority
Russell T. Larson, Controller General
Constance C. McCarthy, Governor's Council on Housing
Senator David Sokola, Delaware General Assembly
Representative Robert Valihura, Delaware General Assembly

Attachment: Economic Impact Study