

# Delaware League of Local Governments

Delaware State Housing Authority

May 28, 2026



# 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 Growth



# Investments at Work

- Housing Development Fund -- **\$19M**
- Strong Neighborhoods Housing Fund -- **\$4M**
  - **Bridging the Gap**
  - **Fresh Start Communities**
- Downtown Development Districts -- **\$10M**
- Neighborhood Small Business Lending Pilot -- **\$2.5M**
- Workforce Housing Program -- **\$1.5M**

*\* as outlined in the FY27 recommended Capital Budget*

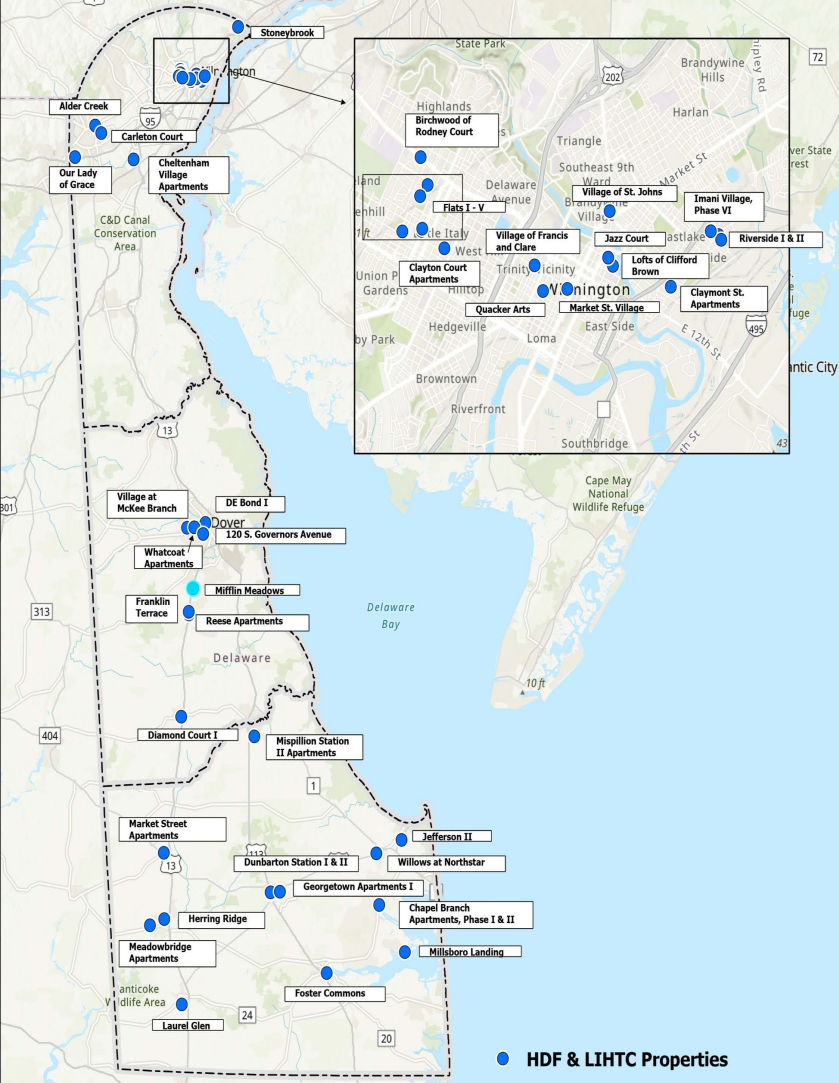
# Housing Development Fund (HDF)

## 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

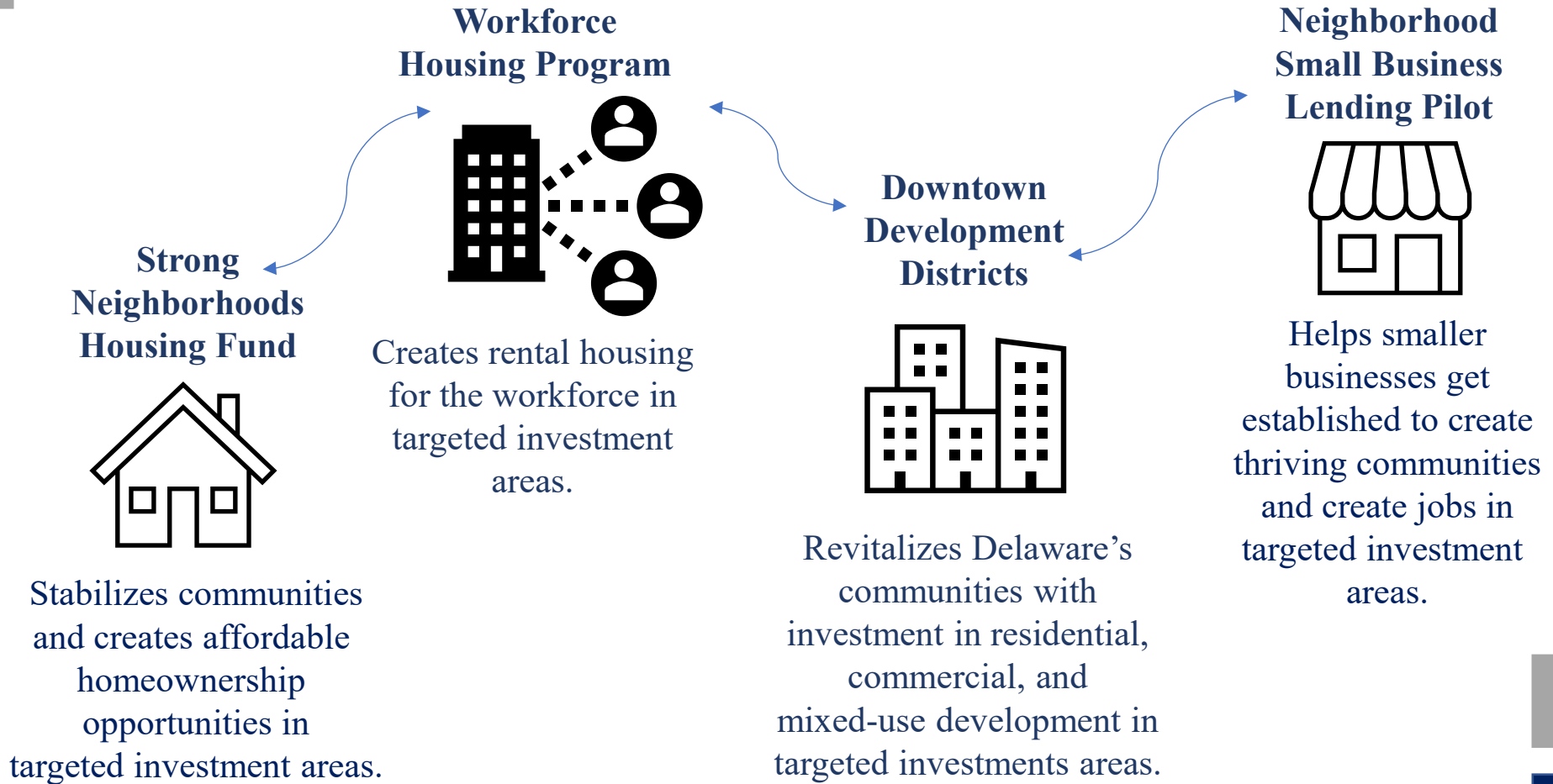
## How much:

- 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**



**\$19,000,000  
REQUESTED**

# Community Growth Strategy





# 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 programming tracks to support the overall SNHF initiative:
  - Bridging the Gap -- Sales gap subsidy
  - Fresh Start Communities -- Blight clearance
  - Future expansion into construction lending
- Offered in expanded target areas

**\$4,000,000  
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



**\$1,500,000  
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

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

# 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.**



**\$2,500,000  
REQUESTED**

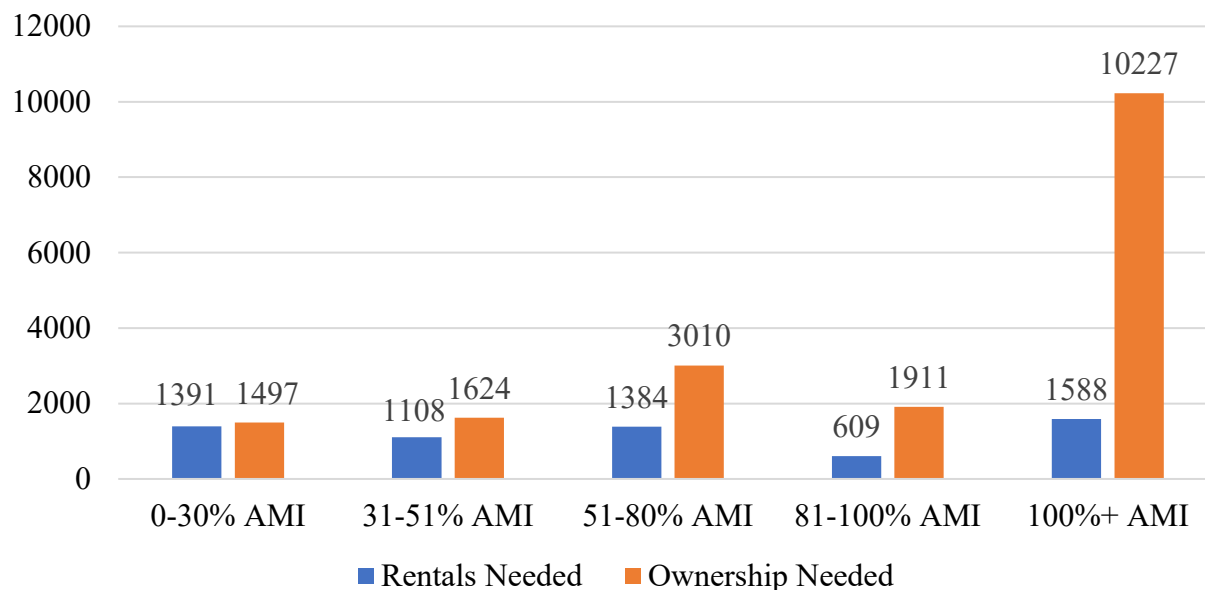
# New Chapter for DSHA Mortgage Programs

- Launched Delaware Mortgage Program to encompass our single-family mortgage lending work
- New website address - [www.destatehousing.com/mortgages](http://www.destatehousing.com/mortgages)
- Broader awareness and brand alignment with DSHA
- New down payment and closing costs assistance programs: Keys4You & Take5
- Stronger partnerships with our preferred lenders

# Housing Supply: Improved Permitting

- To increase speed, efficiency, and transparency of the permitting approval process, Governor Meyer launched JobsFirst to focus on housing, energy, broadband and infrastructure
- As part of that work, DSHA will coordinate with the Governor's office to fastrack housing and mixed-used priority projects
- 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

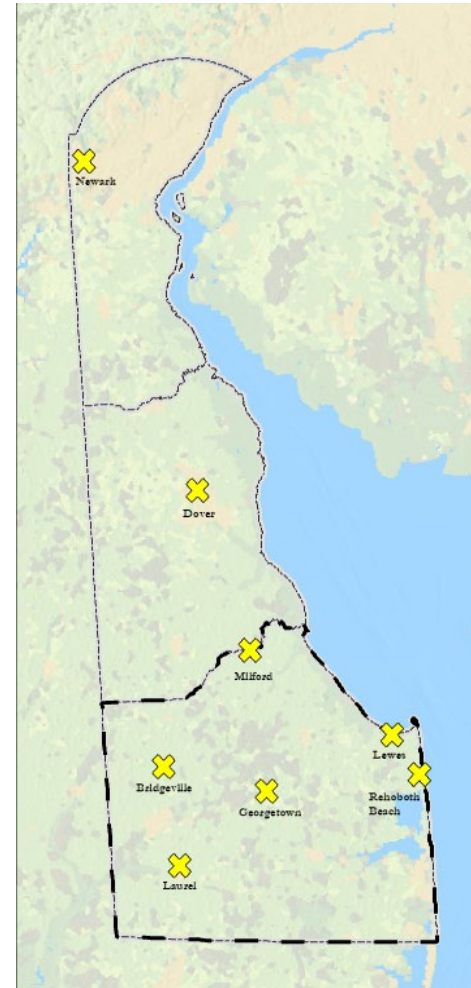
Projected New Housing Units Needed by 2030



# Housing Supply: Assisting Local Governments

Our **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 building heights for multifamily/mixed use and residential density
- 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

# Initiatives to End Homelessness

- Leading the Delaware Interagency Collaborative to End Homelessness since April 2025
  - Released a Phase 1 Report in December
  - Kicked off Phase 2 this spring
- Created Division of Homelessness within DSHA
- Expanding Hope Center model of shelter with wraparound services in Delaware



**THE COLLABORATIVE**  
The Delaware Interagency Collaborative to End Homelessness

# Opportunities for assistance

- DSHA and UD Sea Grant are hosting workshops for Delaware's municipalities:
  - Free expertise on post-disaster housing recovery and resiliency planning.
  - Held throughout the state.
  - Focus on mapping communities to identify high-risk areas, repetitive loss properties, vulnerable populations, potential interim housing locations and more.
- Interested? Contact Vanessa Cullen:
  - (302) 739-4263
  - [Vanessa.Cullen@delaware.gov](mailto:Vanessa.Cullen@delaware.gov)





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## **Rethinking Delaware**

land use for thriving people and places

## **RETHINKING DELAWARE**

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A coalition of former state cabinet secretaries, elected officials, and nonprofit leaders from the transportation, housing, planning, health, and environmental sectors working together to advance sustainable growth solutions.

# WHO WE ARE (AND GROWING):

Anne Canby, former Secretary, DelDOT

Rita Landgraf, former Secretary,  
Health and Social Services

David Singleton, former Secretary of Finance

Christophe Tulou, former Secretary, DE Division of  
Natural Resources and Environmental Control

Dee Durham, New Castle County Council,  
Preservation DE

Connie Holland, former director, Office of State  
Planning & Coordination

Joseph Pika, UD Professor Emeritus, former  
president, Delaware BOE

Bike Delaware

Delaware Chapter of the Sierra Club

Delaware Community Foundation

Delaware Nature Society

Healthy Communities Delaware

League of Women Voters

Milford Housing Development Corp.

NeighborGood Partners

The Nature Conservancy in Delaware

Sussex Preservation Coalition

Sussex 2030

Sussex Alliance for Responsible Growth

# WHY Rethinking Delaware

Delaware faces a number of interconnected challenges

- Housing - Lack of diversity & affordability
- Climate - High risks & costs
- Natural Areas, Open Spaces & Aglands - Shrinking
- Health - High costs and poor outcomes
- Transportation - High household costs
- Demographics - Different mix & needs
- State Fiscal Impacts



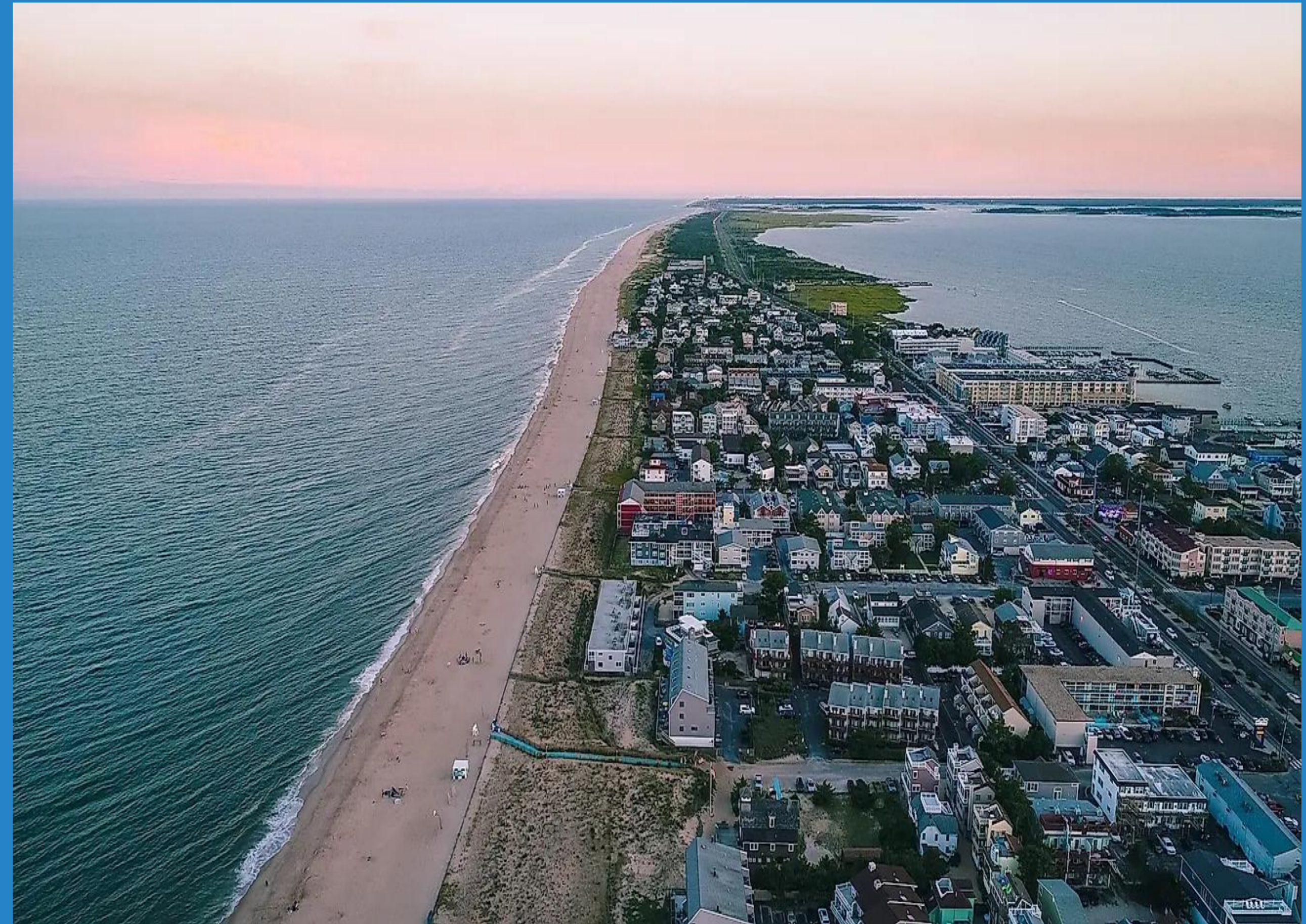
Smart Land Use - A Powerful & Cost Effective Tool

# LAND USE AND TRANSPORTATION AFFECT ALL

Recognizing that land and money are limited,

smart land use is one of the most powerful and cost-effective tools for addressing

- Our housing challenges,
- Minimizing climate effects,
- Building community resilience
- Improving the health of Delawareans by promoting activity and improving environmental health.



Smart Land Use - A Powerful & Cost Effective Tool

Figure 9: By the Numbers

## State Funding for Services and Infrastructure

Explore the Financial Investments Dashboard [Here](#)

### Delaware's State government funds many services and infrastructure needs...



**\$750,500,000**  
Federal and state capital transportation funding for FY24

**90%**  
State Roads



**\$152,963,400**  
State police personnel and budget for FY24

**100%**  
State's Largest Police Force



**\$16,028,455**  
State paramedic program funding for FY24

**30%**  
Paramedics

### Including a variety of support for public education...



**90%**  
Public School Transportation

**\$166,833,900**  
School transportation funding for FY24



**\$224,781,456**  
Education capital funding for FY24

**60-80%**  
Public School Construction



**70%**  
Public School Operations

**\$1,985,193,200**  
Education operating funding for FY24

In other states, local governments fund these items. Often, they utilize property tax as primary funding. In Delaware, the legislature funds them through various revenue streams that are not tied directly to growth and services.

<sup>1</sup>Updated Sussex County MOU with State Police provides 50% funding for 50 officers by FY2026. Current budget is \$4.1 million.

# RESULTS FOR DELAWARE

- Minimize Climate Risks & Costs
- Protect Critical Natural & Agricultural Resources
- Provide Housing Availability for All
- Improve Health Outcomes; Reduce Costs
- Increase Mobility Options
- Respond to the State's changing Demographics
- Strengthen the state's economic appeal and Delawareans' Quality of Life
- Reduce the fiscal impact on state's finances



**Smart Land Use - A Powerful & Cost Effective Tool**

# OPPORTUNITIES TO COLLABORATE



- Rethinking DE will engage stakeholders to present the case for
  - compact, mixed use, walkable, transit supportive communities,
  - stronger protections for our critical natural resources and
  - understanding the fiscal impacts on state and local budgets
- Implementing the State Strategies
- Sharing data and information to help strengthen the story on the impact of land use and transportation on multiple sectors
- Developing ideas for potential legislation

**Smart Land Use - A Powerful & Cost Effective Tool**