

HDF GRANT SUMMARY

APPLICANT: West End Neighborhood House, Inc. (WENH)

PROGRAM NAME: Statewide Security Deposit Program

HDF GRANT REQUEST: \$63,023 (balance of request from July 2010 HDF application cycle)

TERMS: Grant to be used for the program support of WENH's Security Deposit Revolving Loan Fund. WENH applied for \$100,000 in the July 2010 application round, and was awarded \$36,977, due to the reduced amount of HDF funds available under the program support set-aside. WENH was granted permission by Council on Housing to apply for remainder of grant in January 2011.

WENH's annual goal is to provide 120 loans/grants per year, with an average loan/grant amount of \$680/per household. 100% of approved households will receive monthly case management during the term of their loan.

PROGRAM DESCRIPTION:

West End Neighborhood House offers the Statewide Security Deposit Program to persons and households at 50 - 80% of median income. The program is both a loan and grant program for income eligible renters who have entered into a lease agreement and need funds for their first month's rent, security deposit and or utility deposits. Applicants who are in need of financial assistance to secure or remain in rental housing are referred from emergency shelters or transitional housing programs, social service agencies, senior citizen centers and rental communities to WENH. All approved applicants receive budget counseling and case management.

WENH processes household applicants for eligibility for a security deposit loan or grant. A complete financial assessment is conducted on all applicants. A loan review committee reviews the applicant's information and determines approval. Wilmington Trust is a partner with WENH and provides the security deposit loan to the applicant. The Wilmington Trust loan is for a term of 24 months at a reduced interest rate. Checks are written directly to the landlord or utility companies. WENH is responsible for collection of delinquent loans after 90 days. Delinquent accounts will be paid from the WENH loan fund, the current default rate is 15%. This program has been funded since 1993 by DSHA.

APPLICANT EXPERIENCE: WENH was organized in 1883. The Security Deposit Loan Program has distributed over \$1,545,000 for security deposits to over 1,900 families since the program's inception.

SOURCES AND USES OF FUNDS

SOURCES:

Wilmington Trust	\$ 41,500
ING	20,000
JP Morgan Chase	34,300
Artisans	500
FHLB	3,000
WSFS	<u>\$1,000</u>
Subtotal	\$ 100,300
HDF (current request)	\$ 63,023
HDF (July 2010 award)	<u>36,977</u>
TOTAL	\$ 200,300

USES:

Salaries	\$ 83,950
Insurance	938
Telephone	476
Supplies/ Equipment	1,094
Indirect Costs	16,842
Security Deposit Loans	57,000
Allowance for Loan Loss	15,390
Security Deposit Grants	<u>24,610</u>
TOTAL	\$ 200,300

RECOMMENDATION:

- Recommend approval of a \$63,023 grant. This grant will terminate October 31, 2011 with conditions listed below.

CONDITIONS OF FUNDING:

1. DSHA funds will be drawn on an as-needed basis but not more often than monthly. It is expected that WENH will close at least 30 loans/grants per quarter.
2. DSHA will receive quarterly progress reports through the entire grant period. Copies of Wilmington Trust's monthly reports on loan approvals, delinquencies, and any other pertinent information will be received by DSHA and included in the progress report.
3. All households will receive case management.
4. WENH is expected to close a total of 120 loans/grants for the year with the receipt of the additional HDF grant funds of \$63,023.
5. WENH agrees to submit audited annual financial reports on program within 120 days of the end of the Program's fiscal year.
6. WENH shall make a full disclosure of Program funds or commitments received from other sources for Program's budget prior to execution of Grant Agreement with DSHA.
7. Should Program fall short of expectations, WENH should immediately notify DSHA to identify problems.
8. Should Program dissolve, DSHA should be notified immediately and any funds remaining in loan account after all debts have been settled will revert back to DSHA. If other sources have participated in loan funding, the amount returned to DSHA will be on a pro-rata share.
9. Recipients of Program loans will not have their rental leases jeopardized due to non-repayment of loan funds.
10. All users of this grant security deposit loan program are required to avail themselves of financial and housing counseling services per their case manager.
11. WENH shall make its best efforts to work cooperatively with other providers of rental assistance to prevent duplication of services.
12. WENH is encouraged to provide outreach efforts and coordination with the State of Delaware's Office of Minority and Women-Owned Enterprise to maximize the number of minorities and women-owned businesses participating in HDF funded projects/programs, when applicable.

13. WENH agrees to affirmatively further fair housing and comply with the provisions of all applicable federal, state and local law prohibiting discrimination including but not limited to Title VI of the Civil Rights Act of 1964 as amended.
14. All terms and conditions of this Grant shall be set forth in a fully executed Grant Agreement between WENH and DSHA within 30 days of this date or the Grant approval shall be null and void.

cld/lmm
4/12/11

COUNCIL ON HOUSING

AMENDED - RESOLUTION NO. 413

WEST END NEIGHBORHOOD HOUSE
SECURITY DEPOSIT LOAN PROGRAM FY11

WHEREAS, West End Neighborhood House, Inc. ("Grantee") is a nonprofit corporation located in Wilmington, Delaware which provides quality of life programs for its neighborhood residents and citizens of New Castle County through health, educational, employment preparation and social service programs and the involvement of residents in the promotion and support of neighborhood-wide development; and

WHEREAS, Grantee is a housing sponsor approved by the Delaware State Housing Authority ("Grantor") and is an approved nonprofit organization meeting the prescribed requirements for financial responsibility; and

WHEREAS, Grantee is seeking a \$100,000 one-year statewide grant ("Grant") from the July 2010 Housing Development (HDF) cycle for the purpose of continuing a Security Deposit Loan Program ("Program") for very low and low-income households (50% and 80% of area median income) that have been referred by a service provider from an emergency or transitional housing program, social service agency, senior citizen center or are facing imminent housing displacement and are in need of financial assistance to secure or remain in rental housing; and

WHEREAS, due to limited funds available in the July 2010 HDF cycle, Grantee received approval of \$36,977 in Grantor funds and Grantee was allowed to apply for the balance of their initial request in the January 2011 HDF cycle;

WHEREAS, Grantee, will provide counseling, supportive services and case management for Program; and

WHEREAS, various agencies and non-profit groups provide client referrals to Grantee on a continuous basis; and

WHEREAS, Program participants must meet current income guidelines by family size and locale as published periodically by the U. S. Department of Housing and Urban Development; and

WHEREAS, maximum amount of Program loan for each qualified Program participant will be limited to \$800 and may include utility and associated relocation costs, but participant must have first month's rent or written commitment for that amount from another agency; and

WHEREAS, support through a one-time grant is available to approved applicants, who experience financial emergencies or lack repayment capability; and

WHEREAS, Wilmington Trust Company has agreed to service the loans at all of its bank locations and will loan funds at approximately 4% interest per annum to be repaid over a period not to exceed 24 months.

WHEREAS, Grantee is expected to receive contributions in the amount of \$34,300 from JPMorgan, \$41,500 from Wilmington Trust, \$20,000 from ING, \$500 from Artisans, \$1,000 from WSFS and \$3,000 from Federal Home Loan Bank; and

WHEREAS, Grantee has assisted over 1,900 families since 1993 in securing leases for rental units while providing intensive counseling for family self-sufficiency; and

WHEREAS, Grantor recognizes the need for this type of grant funding due to the lack of affordable housing in Delaware; and

WHEREAS, Grantee is now requesting a 12-month grant period, to include the initial six-month term and grant of \$36,977, from November 1, 2010 to October 31, 2011.

NOW, THEREFORE, the Council on Housing recommends approval to the Director of Housing for a Grant to Grantee of \$36,977 from the July 2010 HDF cycle and \$63,023 January 2011 HDF cycle for a total Grant of \$100,000. The Grant shall be subject to the terms and conditions set by Grantor including, but not limited to, the following:

1. Grantor funds will be drawn on an as-needed basis but not more often than monthly. It is expected that Grantee will close at least 30 loans/grants per quarter.
2. Grantor will receive quarterly progress reports through the entire grant period. Copies of Wilmington Trust's monthly reports on loan approvals, delinquencies, and any other pertinent information will be received by Grantor and included in the progress report.
3. All households will receive case management.
4. Grantee is expected to close a total of 120 loans/grants for the year with the receipt of the additional HDF grant funds of \$63,023.
5. Grantee agrees to submit audited annual financial reports on program within 120 days of the end of the Program's fiscal year.
6. Grantee shall make a full disclosure of Program funds or commitments received from other sources for Program's budget prior to execution of Grant Agreement with Grantor.
7. Should Program fall short of expectations, Grantee should immediately notify Grantor to identify problems.

8. Should Program dissolve, Grantor should be notified immediately and any funds remaining in loan account after all debts have been settled will revert back to Grantor. If other sources have participated in loan funding, the amount returned to Grantor will be on a pro-rata share.

9. Recipients of Program loans will not have their rental leases jeopardized due to non-repayment of loan funds.

10. All users of this grant security deposit loan program are required to avail themselves of financial and housing counseling services per their case manager.

11. Grantee shall make its best efforts to work cooperatively with other providers of rental assistance to prevent duplication of services.

12. Grantee is encouraged to provide outreach efforts and coordination with the State of Delaware's Office of Minority and Women-Owned Enterprise to maximize the number of minorities and women-owned businesses participating in HDF funded projects/programs, when applicable.

13. Grantee agrees to affirmatively further fair housing and comply with the provisions of all applicable federal, state and local law prohibiting discrimination including but not limited to Title VI of the Civil Rights Act of 1964 as amended.

14. All terms and conditions of this Grant shall be set forth in a fully executed Grant Agreement between Grantee and Grantor within 30 days of this date or the Grant approval shall be null and void.

Adopted
10/13/10

cld
4/12/11

