

## HDF GRANT SYNOPSIS

APPLICANT: Milford Housing Development Corporation (MHDC).

PROGRAM NAME: Self-Help Housing Program

PROGRAM SUPPORT  
GRANT REQUEST: \$75,000

TERMS: Grant to be used for administrative costs for MHDC of their Self-Help Housing Program. Anticipated to build 10 homes over the next 12 months. Homes average approximately \$160,000.

### PROGRAM DESCRIPTION:

The Self-Help program is a USDA Rural Development (RD) program that is a self-build, sweat equity program targeted for homeowners at 80% of median or below. Each family must contribute thirty (30) hours per week in sweat equity and provide a minimum of sixty-five percent (65%) of the labor required to build the home. MHDC's staff works with potential homebuyers for a period of 1-3 years by preparing the homebuyer to become mortgage ready and move into a home as well as oversee the construction of the homes. MHDC is active in three homeownership areas: self-help, new construction and acquisition/preservation.

### APPLICANT EXPERIENCE:

Organized in 1984, active in affordable housing development. MHDC is a developer and owner of affordable housing and also provides housing counseling. MHDC has developed over 125 Self-Help homes in lower Delaware since inception and oversees management of more than 2,000 affordable housing units.

The Self-Help program has received an HDF administrative grant since 2010 (cumulative HDF total \$40,000) and closed over 10 loans to-date.

The HDF has also funded \$232,500 in other Housing Grants for the Self-Help Program for new construction units and homeownership gap grants.

SOURCES AND USES OF FUNDS

Administration Grant

SOURCES:

USDA Grant	\$ 110,000
Gannett Foundation	2,500
State Farm	2,500
CNB	<u>2,000</u>
Subtotal	\$ 117,000
HDF	<u>\$ 75,000</u>
TOTAL	\$ 192,000

USES:

Salary/Benefits *	\$ 161,980
Indirect Costs	13,820
Supplies / Equipment	9,400
Rent	4,800
Printing	<u>2,000</u>
TOTAL	\$ 192,000

\* Salaries include full-time construction supervisor, two part-time supervisors, loan specialist/housing counselor (50%), construction manager (50%).

NOTE: HDF funds support 39% of the budget.

RECOMMENDATION:

One-year grant in the amount of \$75,000 from November 1, 2011 through October 31, 2012 with conditions listed below.

CONDITIONS:

1. Grantee will receive quarterly installments of the approved funded amount beginning the first day of each quarter. Such installments will begin within 30 days of the signing of the Grant Agreement and subject to Grantee meeting all conditions of the resolution.
2. Grantor will receive quarterly reports detailing mortgage applications submitted (rejected or approved), loan closings and any other pertinent information.
3. Grantor will receive a quarterly expense report consistent with the line items as shown in the program's operating budget.
4. Grantee will have at least 10 documented loan closings by October 31, 2012.
5. Should mortgage funds be reduced to a point where Grantee cannot be reasonably expected to meet Grantor required closings, and Grantee provides appropriate documentation as to why Grantee cannot meet Grantor's performance requirements, Grantor agrees to assess the feasibility of Grantee meeting its performance goals.
6. Grantee agrees to submit a current audit to Grantor within 120 days after receipt thereof. Audit report will clearly show actual revenue expenses of program, including those in excess of USDA Self-Help funding.
7. Grantee's accounting records should provide a detailed schedule of all Grantee program expenses in excess of USDA's grant to enable Grantor to verify the need for additional sources to support the Grantee program.
8. Grantee will conduct outreach services to encourage participation of Public Housing tenants.
9. Grantee agrees that, as a pre-condition to Grantor entering into any agreement for future Program funding requests, Grantee shall have secured funding commitments from other sources for at least one-half of its Program budget.
10. Grantee shall make a full disclosure of Program funds or commitments received from matching sources prior to execution of Grant Agreement with Grantor.
11. 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.

12. 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.
13. All terms and conditions of this Grant shall be set forth in a fully executed Grant Agreement between Grantor and Grantee within 30 days of Grant approval or the Grant approval shall be null and void.

COUNCIL ON HOUSING

RESOLUTION NO. 428

MILFORD HOUSING DEVELOPMENT CORPORATION  
SELF-HELP-ADMINISTRATIVE GRANT

WHEREAS, Milford Housing Development Corporation ("Grantee") is a non-profit corporation located in Milford, Delaware, which provides affordable housing to low and very-low income families; and

WHEREAS, Grantee is a housing agency 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 one-year \$75,000 grant ("Grant") for the purpose of supporting a portion of its administrative expenses to assist low and very-low income families acquire homeownership through the federally-financed USDA Rural Development (RD) Self-Help Program; and

WHEREAS, Grantor requires that program support grants be matched at least dollar for dollar by other funding sources; and

WHEREAS, Grantee will receive approximately 60% of its Self-Help Program administrative funding from USDA Rural Development (RD) Self-Help Program; and

WHEREAS, the Self-Help Program targets homeowners that are at 80% of median income or below; and

WHEREAS, Grantee assists potential homebuyers to become mortgage ready and oversees the construction of the homes; and

WHEREAS, Grantee expects to construct at least 10 homes annually through the Self-Help Program.

NOW, THEREFORE, the Council on Housing advises approval to the Director of Housing of the Grant to Grantee which shall not be in excess of \$75,000 for a period of one year. The Grant shall be subject to the terms and conditions fixed by Grantor including, but not limited to, the following:

1. Grantor will receive quarterly reports detailing mortgage applications submitted (rejected or approved), loan closings, grant funds expended, and any other pertinent information.
2. Grantee is expected to have 10 documented RD Self-Help Program closings by October 31, 2012.
3. Grantee will receive quarterly installments of the approved funded amount.

4. Grantee agrees to submit a current audit to Grantor within 120 days after receipt thereof. Audit report will clearly show actual revenue expense of program including those in excess of USDA Self-Help Funding.
5. Grantee will submit quarterly expense reports consistent with the line items as shown in the program's operating budget.
6. Grantee agrees to submit on a quarterly basis upon request of Grantor, accounting records providing detailed schedule of all program expenses in excess of USDA's grant.
7. Should RD funds be reduced to a point where Grantee cannot be reasonably expected to meet Grantor required closings, and Grantee provides appropriate documentation from RD as to why Grantee cannot meet Grantor's performance requirements, Grantor agrees to assess the feasibility of Grantee meeting its performance goals.
8. If RD does not receive funding in FY12 this Grant is terminated.
9. Grantee will conduct outreach services to encourage participation of Public Housing tenants.
10. Grantee agrees that, as a pre-condition to Grantor entering into any agreement for future Program funding requests, Grantee shall have secured funding commitments from other sources for at least one-half of its Program budget.
11. Grantee shall make a full disclosure of Program funds or commitments received from matching sources prior to execution of Grant Agreement with Grantor.
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 this Grant approval shall be null and void.

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10/5/11