

HDF GRANT SYNOPSIS

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

PROGRAM NAME: Statewide Security Deposit Program

PROGRAM SUPPORT
GRANT REQUEST: \$100,000

TERMS: Grant to be used for the program support of WENH's Security Deposit Revolving Loan Fund.

WENH's annual goal is to provide 188 loans/grants per year, with an average loan/grant amount of \$425/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. M&T Bank is a partner with WENH and provides the security deposit loan to the applicant. The M&T Bank 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 10%.

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. The WENH Security Deposit Loan Program has received an HDF administrative grant since 1992 (cumulative HDF total \$1,156,980).

SOURCES AND USES OF FUNDS

SOURCES:

M&T Guarantee Loan	\$ 57,000
ING Direct	44,000
New Castle County	5,000
Service Fees	3,000
Artisans Bank	<u>500</u>
Subtotal	\$ 109,500
HDF	<u>\$ 100,000</u>
TOTAL	\$ 209,500

USES:

Salaries/Benefits *	\$ 83,950
Loans	57,000
Grants	24,610
Allowance for Loan Loss	22,590
Indirect Program Costs	16,682
Supplies	1,400
Transportation and Miscellaneous	1,316
Equipment	1,050
Staff Development	500
Printing/Postage/Publications	<u>402</u>
Total	\$ 209,500

* Salaries include two full-time employees, including one financial case manager and support staff.

NOTE: HDF funds support 47% of the budget.

RECOMMENDATION:

One year grant in the amount of \$100,000 from November 1, 2011 through October 31, 2012 with conditions listed below.

CONDITIONS OF FUNDING:

1. Grantor funds will be drawn on an as-needed basis but not more often than quarterly. It is expected that Grantee will close approximately 47 loans/grants per quarter.
2. Grantor will receive quarterly progress reports through the entire grant period. Copies of M&T's monthly reports on loan approvals, delinquencies, and any other pertinent information will be received by Grantor and included in the progress report. Progress reports should also contain follow-up information on recipients at 30-, 90-, 180-, 365-day intervals.
3. All households will receive case management and Grantee will make best efforts to continue to track clients and retention rates for a reasonable period after loans are repaid.
4. Grantee is expected to close a total of 188 loans/grants for the year.
5. 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 Grantee's other funding sources.
6. Grantee's accounting records should provide a detailed schedule of all Grantee program expenses in excess of Grantee's other funding to enable Grantor to verify the need for additional sources to support the Grantee program.
7. 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.
8. Should Program fall short of expectations, Grantee shall immediately notify Grantor to identify problems.
9. Should Program dissolve, Grantor shall 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.
10. Recipients of Program loans will not have their rental leases jeopardized due to non-repayment of loan funds.
11. All users of this grant security deposit loan program are required to avail themselves of financial and housing counseling services per their case manager.

12. Grantee shall make its best efforts to work cooperatively with other providers of rental assistance to prevent duplication of services.
13. 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.
14. 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.
15. 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.

COUNCIL ON HOUSING

RESOLUTION NO. 430

WEST END NEIGHBORHOOD HOUSE
SECURITY DEPOSIT LOAN PROGRAM

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") 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, 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, M&T Bank 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, Grant will provide administrative support funding for approximately 47% of Grantee's fiscal year 2012 budget; and

WHEREAS, Grantee has assisted over 1,900 families since 1992 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.

NOW, THEREFORE, the Council on Housing advises approval to the Director of Housing of the Grant to Grantee of \$100,000 for one year. The Grant shall be subject to the terms and conditions fixed 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 quarterly. It is expected that Grantee will close at least 47 loans/grants per quarter.
2. Grantor will receive a quarterly progress report through the entire grant period. Copies of M&T's monthly reports on loan approvals, delinquencies, and any other pertinent information will be received by Grantor and included in the report. Grantee shall submit progress reports with status of assisted clients at 30-, 90-, 180-, 365-day intervals.
3. Grantee agrees to submit on a quarterly basis upon request of Grantor, accounting records providing detailed schedule of all Grantee program expenses in excess of Grantee's other funding sources.
4. All households will receive case management.
5. Grantee agrees to submit audited annual financial reports on program within 120 days after receipt thereof. Audit report will clearly show actual revenue expenses of program in excess of Grantee's other funding sources.
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 will immediately notify Grantor to identify problems and avoid dissolution of Program.
8. Should Program dissolve, Grantor will 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 60 days of this date or the Grant approval shall be null and void.

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10/5/11