

FY 2027 Budget Hearing

**Delaware State Housing Authority
November 17, 2025**



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 DSHA Services:

- Homeownership
- Rental Housing
- Community Development



Delaware State Housing Authority (DSHA)

DSHA fulfills three distinct roles,
which include:

- Serving as the state's housing finance agency (HFA)
- Serving as the public housing authority (PHA) for Kent and Sussex counties
- Providing programming as the de facto "Department of Housing"



Affordable Housing Production Task Force

- Established via House Bill 442 to make recommendations on how the State and local governments can increase the supply of housing that affordable to households across the income spectrum
- Five subcommittees
 - Regulatory & Permitting
 - Finance & Development
 - Construction
 - Manufactured Housing
 - Community Focus Groups



Delaware Interagency Collaborative to End Homelessness

Purpose of the Collab:

- Advise the Governor on how to address and ultimately eliminate homelessness statewide.
- Conduct a comprehensive review of homelessness programs, policies, funding, and services.
- Recommend ways to streamline and coordinate efforts across state agencies and community organizations.
- Examine the feasibility of expanding successful models like the Hope Center to Kent and Sussex counties.
- Oversee implementation of a statewide strategy to reduce overall homelessness by 50% and end youth homelessness within five years.



Funding goals at a glance

- Preserve and make available affordable rental housing opportunities through the Housing Development Fund, the Affordable Rental Housing Program, the State Rental Assistance Program (SRAP) and other activities;
- Assist Delaware homebuyers with mortgage financing, down payment and settlement assistance, and other services to support homeownership;
- Protect homeownership by providing financial assistance and supporting related services;
- Promote community development and investment by administering the Neighborhood Assistance Act program, Downtown Development Districts and other activities; and
- Support activities to effectively end homelessness, with particular focus on special populations such as veterans and families with school-aged children

Summary of operating budget request

General Fund	FY2026	FY2027
Housing Development Fund (HDF)	\$4,000,000	\$4,000,000
State Rental Assistance Program (SRAP)	\$6,000,000	\$6,000,000
Student Housing Emergency Assistance Fund	\$50,000	\$50,000
Total General Fund	\$10,050,000	\$10,050,000

ASF	FY2026	FY2027
	\$405,000	\$425,600

Summary of capital budget request

Capital Budget	FY2027
Housing Development Fund (HDF)	\$19,000,000
Capital Funds for Kent & Sussex Hope Centers	\$4,000,000
Urban Redevelopment (DDD)	\$10,000,000
Community Business Lending Pilot	\$6,000,000
Strong Neighborhoods Housing Fund (SNHF)	\$4,000,000
Delaware Workforce Housing Program	\$5,000,000
Total Capital Budget	\$48,000,000



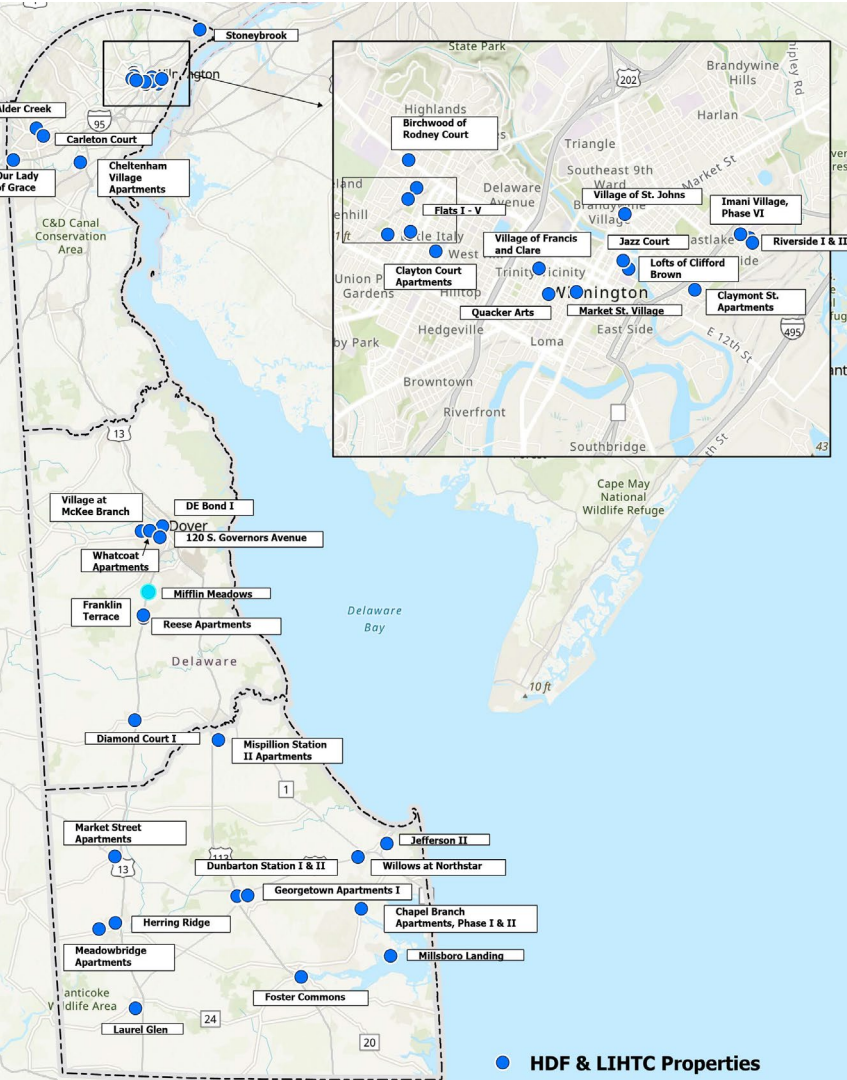
Housing Development Fund (HDF)

FY25 HDF activities include:

- Leveraged \$6 in other public and private investment for every \$1 in HDF invested

Supported:

- Rehabilitation or new construction of **761 affordable rental units**
- **486 households** to avoid homelessness or exit homelessness to return to permanent housing
- Homeownership counseling for **1,080 households**
- Emergency home repairs for **166 low-income homeowners**



\$4,000,000 REQUESTED for Operating Budget

\$19,000,000 REQUESTED for Capital Budget



**\$6,000,000
REQUESTED**



State Rental Assistance Program (SRAP)

- Helps low-income individuals who require affordable housing and supportive services to live safely and independently in the community
- Program participants contribute 28% of their monthly income for rent, and SRAP subsidizes the remaining portion
- Applications must be referred to DSHA by DHSS or DSCYF

State Rental Assistance Program

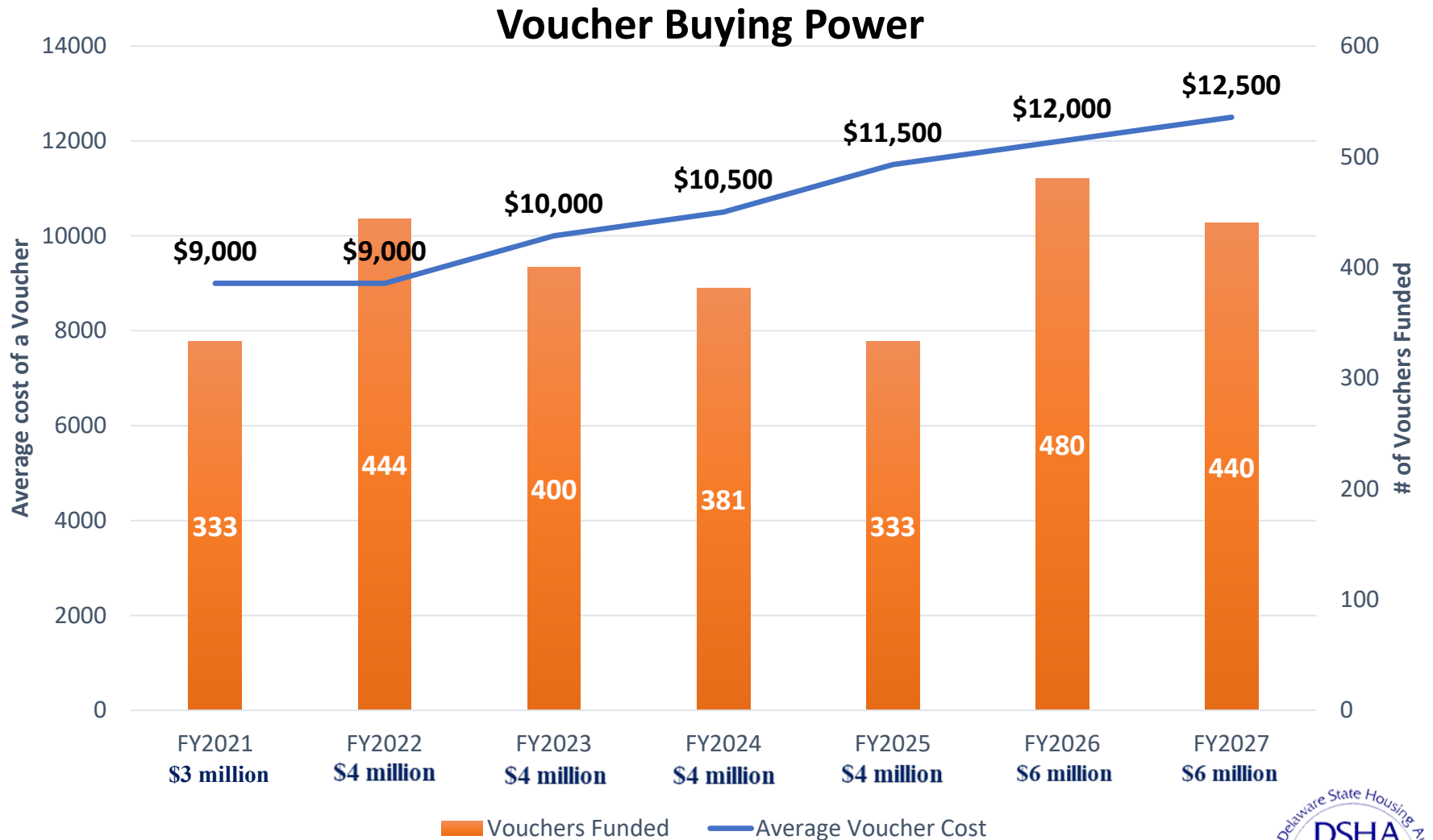
Partner	Population
Base Program	
DHSS <ul style="list-style-type: none"> • DMMA • DSAAPD • DDDS • SRAP • DSAMH 	<ul style="list-style-type: none"> • Individuals exiting long-term care facilities and institutions • Individuals at-risk of institutionalization
DSCYF	<ul style="list-style-type: none"> • Young adults exiting foster care • Families for whom the lack of housing is a barrier to reunification
Group Violence Intervention (GVI)	<ul style="list-style-type: none"> • High-risk individuals with previous involvement in gun crimes



Supporting at-risk Delawareans

- Special Initiatives
 - DOC: Qualifying individuals recently released from State Correctional Facility who meet established criteria set with DOC when other housing options have been exhausted.
 - DSCYF-Family PBH: Prevention and early intervention programs to keep families unified while receiving required service through DSCYF.
 - Department of Veterans Affairs (Planning Phase): Delaware veterans identified through the Department of VA

State Rental Assistance Program (SRAP)





Capital Funds for Kent/Sussex Hope Centers

One-time capital funds are requested to support the acquisition and development of emergency shelters in Kent and Sussex counties, with each shelter able to serve approximately 80 to 100 individuals/households.

**\$4,000,000
REQUESTED**



Downtown Development District Program (DDD)

The Downtown Development Districts Act was created to leverage state resources in a limited number of designated areas in Delaware's cities and towns to:

- Spur private capital investment in commercial business districts and other neighborhoods
- Stimulate job growth and improve the commercial vitality of our cities and towns
- Help build a stable community of long-term residents in our downtowns and other neighborhoods.

A map of the state of Delaware is shown on the left side of the slide. The state's outline is marked with a dashed line. Inside the state, several stars of different colors (blue, purple, green, and yellow) are placed to indicate designated Downtown Development Districts. Labels for "Wilmington" and "Vineland" are visible on the map. The word "Delaware" is written across the middle of the state.

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

Downtown Development District Program (DDD)

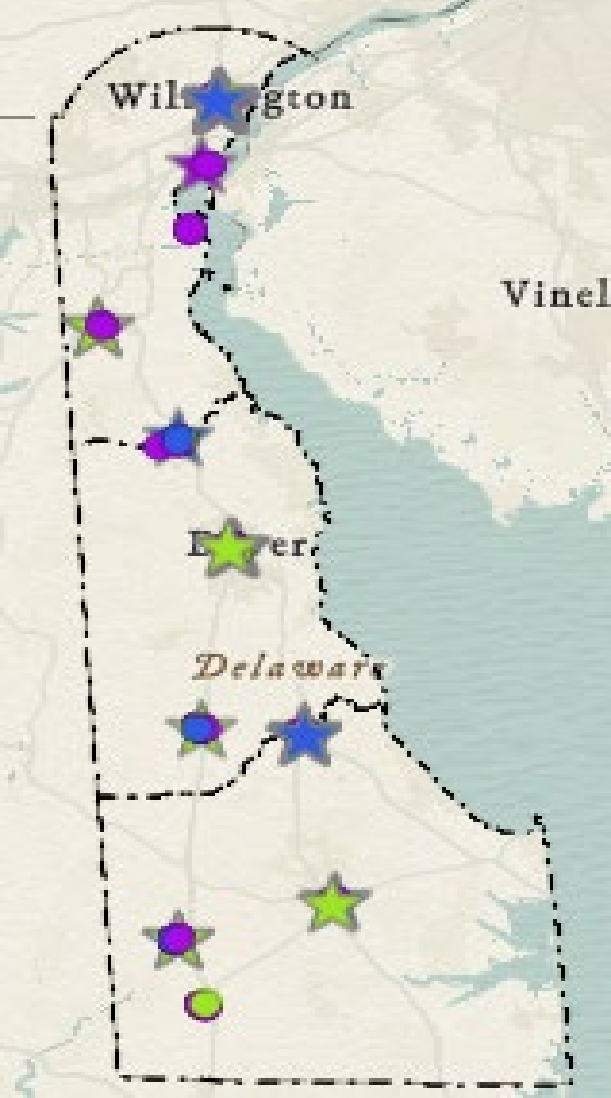
The Downtown Development District (DDD) program has been extremely successful in leveraging private investment into our downtown areas.

Since its inception:

- Awarded **\$39 million in state funding**, which has leveraged **\$575 million** in private investments.
- Over **427 residential, commercial, and mixed-use projects** have been completed.
- Additionally, FY25 was the first year that we were oversubscribed.

The General Assembly doubled our FY26 allocation from \$5 million to \$10 million to fully fund the FY25 Large Project applicants, leaving approximately \$5 million to fund applications during the FY26 funding cycle.

We anticipate being oversubscribed again with the FY27 funding cycle, so this increase in funding will allow us to keep pace with the increasing demand for program funding, as well as to fund projects in DDD “Corridors,” which were authorized via SB 33 (153rd GA).



**\$6,000,000
REQUESTED**



Community Business Lending Pilot

The Community Business Lending Pilot supports small businesses in Downtown Development Districts.

It provides flexible financing to businesses for construction, rehab, acquisition, and costs directly tied to business start-up and/or expansion. The program prioritizes projects that strengthen neighborhood revitalization, promote walkability, and create positive community impact.

It also tracks outcomes such as job creation, property reuse, and support for underserved entrepreneurs.



**\$4,000,000
REQUESTED**



Strong Neighborhoods Housing Fund

Revolving fund to be used for the acquisition, renovation, and sale of vacant, abandoned, foreclosed, or blighted property

Targeted for efforts that support community development and/or transform neighborhoods.

- **165 units created** since the program launched
- **22 homes created** and sold to eligible buyers in 2024
- **26 homes** anticipated in 2025



Workforce Housing

Funding is requested to implement the Delaware Workforce Housing Program, created via SS1 for SB 22 (152nd GA).

The program will provide reimbursements to developers who create units affordable for households making up to 100% of Area Median Income for projects located in Investment Levels 1 and 2.

A large, multi-story brick building is shown under construction. The building has a complex roofline with multiple gables and a mix of brick and wood siding. Several windows are visible, some of which are boarded up. A construction crane is visible in the background, and a small excavator is in the foreground. The sky is blue with some clouds.

**\$5,000,000
REQUESTED**

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Matthew Heckles, Director

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