

STATE OF DELAWARE

HOME-ARP Allocation Plan

Submitted to HUD as a Substantial Amendment to the
Approved 2021 Annual Action Plan

Consultation

Section 1: Describe the consultation process including methods used and dates of consultation

See Appendix A for all Stakeholder Consultation materials. Stakeholder comments received throughout the various sessions and individual meetings are summarized below and referenced throughout the Needs Assessment & Gaps Analysis section.

The State of Delaware, through Delaware State Housing Authority (DSHA), collaborated with the City of Wilmington and New Castle County in the stakeholder consultations conducted for the HOME-ARP program. The three entities represent the three HOME Participating Jurisdictions (PJs) in the state, and the state represents one Continuum of Care (CoC) for all jurisdictions. In many cases, the same stakeholders cover more than one PJ's service area, most without regard for the jurisdictional boundaries that separate them.

Together, the three jurisdictions engaged in an extensive stakeholder consultation process over the course of five months beginning in June 2022. The first round of consultations focused on identifying the Qualifying Populations (QPs) and their unmet housing and service needs. In addition to meetings scheduled by the PJs for this purpose, the PJs identified other organizations that provide services to the QPs and met monthly or quarterly on a regular basis. Requests were made to be a part of the agendas of these meetings, an effort that broadened stakeholder participation throughout the state. For all stakeholder sessions, a PowerPoint presentation on the HOME-ARP program was presented followed by a series of questions meant to engage participants in identifying the unmet needs among the QPs they served. Details of Round 1 are included in the chart below.

Date	Method	Participant Stakeholders	Agency/Organization Type <i>(required stakeholders in italics)</i>
All Stakeholders June 13, 2022 12:00-1:00 pm	GoToMeeting virtual session	21	<i>Homeless service providers, Private organizations that address disability rights, Continuum of Care, Public agencies that address the needs of the QPs, Public housing authority, Community development organization, Affordable housing developer</i>
All Stakeholders June 14, 2022 2:00-3:00 pm	GoToMeeting virtual session	27	<i>Homeless service providers, Private organizations that serve the needs of the QPs, Public agencies that address the needs of the QPs, Public housing authority, Business</i>

Housing Alliance Delaware - Sussex Housing Group June 16, 2022 10:00-11:00 am	ZOOM virtual session	21	<i>Private organizations that address the needs of the QPs, Continuum of Care, Public agencies that address the needs of the QPs</i>
State Council for Persons with Disabilities June 27, 2022 1:00-1:30 pm	ZOOM virtual session	24	<i>Public agencies that address the needs of the QPs, Public/private organization that address civil rights, fair housing and disability rights</i>
Housing Alliance Delaware - Delaware Affordable Housing Coalition July 7, 2022 10:00-11:00 am	ZOOM virtual session	8+	<i>Private organizations that address the needs of the QPs, Continuum of Care</i>
Delaware CoC – Quarterly Meeting July 20, 2022 11:00 am-12:00 pm	ZOOM virtual session	12+	<i>Continuum of Care, Private organizations that address the needs of the QPs, Public agencies that address the needs of the QPs, Public housing authority, University, State elected official</i>
Housing Alliance Delaware - Community Development Network July 28, 2022 2:00-3:00 pm	ZOOM virtual session	13+	<i>Continuum of Care, Private organizations that address the needs of the QPs</i>

A second round of stakeholder sessions was scheduled in October to provide a summary of the stakeholder comments and the data needs analysis. Each session began with a PowerPoint presentation summarizing key findings from the stakeholder consultations and the data analysis. Details of Round 2 are included in the chart below.

Date	Method	Participants Stakeholders	Agency/Organization Type <i>(required stakeholders in italics)</i>
All Stakeholders October 3, 2022 10:00-11:30 am	GoToMeeting virtual session	10	<i>Public agency that serves the needs of the QPs, Private organizations that address the needs of the QPs</i>
All Stakeholders October 6, 2022 2:00-3:30 pm	GoToMeeting virtual session	3	<i>Private organizations that address the needs of the QPs</i>
Housing Alliance Delaware - CoC Quarterly Meeting October 19, 2022 10:00 am-12:00 pm	ZOOM virtual session	13+	<i>Continuum of Care, Public agencies that provide services to the QPs, Private organizations that provide services to the QPs</i>

Two surveys were conducted for the plan. One was conducted in August 2022 among residents of the Hope Center, an emergency non-congregate shelter facility in New Castle County. A key finding from the survey was that all residents wanted to move elsewhere with 96% reporting they were working on a plan to do that. In order to move on, 52% said they needed a place they could afford to live and 17% wanted a job that could pay their rent and expenses. More than half (52%) wanted to remain in New Castle County but outside of Wilmington, 26% wanted to live in Wilmington. Two respondents wanted to live in Kent

County, one in Sussex County and two wanted to move out of state. According to the Hope Center, 36% of referrals are from the three State Service Centers in Kent and Sussex Counties (Williams, Smyrna, and Milford).

A stakeholder survey was distributed to all stakeholders on the master list used for this planning initiative. Among several questions, respondents were asked to identify the highest priority needs among the Qualifying Populations. For persons experiencing homelessness, affordable rental housing (99%), permanent supportive housing (87%), and supportive services (77%) ranked highest. For persons at risk of becoming homeless, affordable rental housing (94%), tenant-based rental assistance (81%), and supportive services (77%) ranked highest. Among victims of, or persons attempting to flee from, domestic violence, dating violence, sexual assault, stalking, or human trafficking, affordable rental housing (85%), supportive service (74%), and permanent supportive housing (71%) were identified as priorities. For other Qualifying Populations, affordable rental housing (89%), permanent supportive housing (79%), and tenant-based rental assistance (74%) were noted as the highest priorities.

Survey results are included in Appendix A.

Section 2: List the organizations consulted and summarize feedback received and results of upfront consultation with these entities.

A list of all invited stakeholders is included in Appendix A. Also included in Appendix A are summaries of the comments received during each stakeholder consultation session.

All required stakeholder categories were engaged either through group stakeholder sessions, regular meetings of organizations serving the QPs, individual interviews, or via e-mail to obtain data.

The general themes and trends that emerged from the stakeholder sessions include the following:

- More affordable and accessible rental housing for households up to 50% AMI is needed outside of Wilmington
- Many landlords refuse to accept Housing Choice Vouchers for higher market rents and refuse to rent to tenants with criminal histories, evictions, poor credit, and released offenders
- There is an inadequate level of supportive services that increases the potential for returning to homelessness
- The level of Housing Choice Vouchers is inadequate to serve individuals and families in need of subsidized rental housing
- There is an inadequate inventory of Emergency Shelter beds for individuals and families in crisis, especially those fleeing domestic violence
- More supportive services are needed to keep people housed—benefits navigator, mental health, financial counseling, employment training, education, case management, personal care providers, transportation, legal
- There is a lack of affordable housing developers along with obstacles to developing multi-family housing (i.e., public opposition and restrictive zoning)
- Permanent Supportive Housing, including for the chronically homeless, is needed with more units accessible for persons with disabilities and with visitAble features

- Permanent affordable rental housing is needed across DE to house individuals and families who have rental subsidies and access to supportive services

Public Participation

[To be completed following the 15-day public comment period and public hearing.]

See Appendix B for evidence of Public Participation conducted for the plan.

Section 1: Describe the public participation process, including information about and the dates of the public comment period and public hearing(s) held during the development of the plan.

- *Date(s) of public notice: 12/5/2022*
- *Public comment period: start date - 12/6/2022 end date - 12/20/2022*
- *Date(s) of public hearing: 12/19/2022*

Describe the public participation process:

Enter narrative response here.

Section 2: Describe efforts to broaden public participation.

Enter narrative response here.

Section 3: Summarize the comments and recommendations received through the public participation process either in writing, or orally at a public hearing.

Enter narrative response here.

Section 4: Summarize any comments or recommendations not accepted and state the reasons why.

Enter narrative response here.

Needs Assessment and Gaps Analysis: Kent and Sussex Counties

This section presents the results of the homeless needs and gaps analysis, drawing on statewide HMIS data, Point-In-Time (PIT) count information, and public federal data sources. Where appropriate, this information is contextualized with feedback from stakeholders within the Kent and Sussex Counties’ homeless service systems.

Section 1: Housing Inventory

Delaware, like many states, has a shortage of affordable housing resources. In Sussex and Kent Counties, 24% of entries to homeless service clients remain in the system for six months or longer. Longer lengths of stay may increase the need for beds, as there is less movement for new clients to be able to use those resources. The bed shortage is namely for families experiencing homelessness, with a slightly greater need for family beds in Kent County as compared to Sussex County.

Table 1: Sussex County Homeless Needs and Gaps Analysis

Sussex County Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# Beds	# Units	# Beds	# Units	# Beds					# Beds	# Units	# Beds	# Units
Emergency Shelter	11	-	45	-	-								
Transitional Housing	14	-	33	-	27								
Permanent Supportive Housing	-	-	34	6	-								
Rapid Re-Housing	-	-	13	2	-								
Sheltered Homeless						-	149	8	14				
Unsheltered Homeless						-	43	3	4				
Current Gap										25	0	-67	0

Data Sources: 1. HMIS Data (Sussex, Kent County) (2021); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

Table 2: Kent County Homeless Needs and Gaps Analysis

Kent County Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# Beds	# Units	# Beds	# Units	# Beds					# Beds	# Units	# Beds	# Units
Emergency Shelter	55	-	77	-	0								
Transitional Housing	43	-	0	-	0								
Permanent Supportive Housing	-	-	187	-	-								
Rapid Re-Housing	-	-	3	-	3								
Sheltered Homeless						3	306	11	18				
Unsheltered Homeless						-	95	1	3				
Current Gap										95	0	-134	0

Data Sources: 1. HMIS Data (Sussex, Kent County) (2021); 2. Continuum of Care Housing Inventory Count (HIC); 3. Consultation

Both Sussex and Kent Counties also have a need for affordable housing for other household types. The shortage of units both affordable and available for renter households at 0-30% AMI and 31-50% AMI increases housing insecurity and rent pressure on extremely low-income households.

Within Sussex County's rental housing inventory, there is a housing gap for households at 0-30% and 31-50% AMI (see Table 3). Analyzing the household occupancy of rental units by income tier provides additional information. According to CHAS data, there are 3,320 renter households in Sussex County at 0-30% AMI. For this income tier, there is an over-supply of 4,095 rental units affordable to this group of households. However, only 1,290 of the 4,095 units are occupied by 0-30% AMI households. The remaining 2,805 units are occupied by households with incomes above 30% AMI. ***This results in a housing gap of 2,030 rental units affordable to 0-30% AMI renter households.***

Moving up the income spectrum, there are 2,995 renter households at 31-50% AMI. For this income group, there is also an over-supply of 3,545 units that are affordable to them. However, only 870 of the 3,545 units are occupied by 31-50% AMI households. The remaining supply of 2,675 units is occupied by households of other income tiers, likely including some of the 0-30% AMI households who are living in units outside of their income tier which would cause them to be cost-burdened. ***This results in a housing gap of 2,125 rental units affordable to 31-50% AMI renter households.***

Table 3: Sussex County Non-Homeless Housing Needs and Gaps Inventory

Renter Households	0-30% AMI	31-50% AMI
Total Households	3,320	2,995
Affordable Housing Units	4,095	3,545
Units Occupied by Appropriate Income Tier	1,290	870
Units Occupied by Other Income Households	2,805	2,675
Gap	2,030	2,125

¹ Number of housing units occupied by a household of the same income tier (i.e., a 0-30% AMI household occupies a unit that is affordable to a 0-30% AMI household)

² Number of housing units occupied by a household that is not of the same income tier (i.e., a 0-30% AMI unit is occupied by a household above 30% AMI)

³ Total Number of Households minus Units Occupied by Appropriate Income Tier equals the number of units needed to house the balance of the households within that income tier that are occupying units affordable to households above their income tier (i.e., the housing gap).

Data Source: 2014-2018 Comprehensive Housing Affordability Strategy (CHAS)

The situation in Kent County is similar but with a higher gap (see Table 4). According to CHAS data, there are 3,505 renter households at 0-30% AMI. However, there are only 2,570 rental units affordable to this group of households. Further exacerbating the situation is that only 930 of these 2,570 affordable units are occupied by 0-30% AMI households. The remaining 1,640 units are occupied by households with incomes above 30% AMI. **This results in a housing gap of 2,575 rental units affordable to 0-30% AMI renter households.**

Moving up the income spectrum, there are 3,210 renter households at 31-50% AMI. For this income group, there is a supply of 2,275 units that are affordable to them. However, only 715 of the 2,275 units are occupied by 31-50% AMI households. The remaining supply of 1,560 units is occupied by households of other income tiers, likely including some of the 0-30% AMI households who are living in units outside of their income tier which would cause them to be cost-burdened. **This results in a housing gap of 2,495 rental units affordable to 31-50% AMI renter households**

Table 4: Kent County Non-Homeless Housing Needs and Gaps Inventory

Renter Households	0-30% AMI	31-50% AMI
Total Households	3,505	3,210
Affordable Housing Units	2,570	2,275
Units Occupied by Appropriate Income Tier	930	715
Units Occupied by Other Income Households	1,640	1,560
Gap	2,575	2,495

¹ Number of housing units occupied by a household of the same income tier (i.e., a 0-30% AMI household occupies a unit that is affordable to a 0-30% AMI household)

² Number of housing units occupied by a household that is not of the same income tier (i.e., a 0-30% AMI unit is occupied by a household above 30% AMI)

³ Total Number of Households minus Units Occupied by Appropriate Income Tier equals the number of units needed to house the balance of the households within that income tier that are occupying units affordable to households above their income tier (i.e., the housing gap).

Data Source: 2014-2018 Comprehensive Housing Affordability Strategy (CHAS)

Section 2: Size and Demographics Composition of Qualifying Populations

To analyze the size and demographic composition of qualifying populations, Delaware analyzed Homeless Management Information Systems (HMIS) data for calendar year 2021. While Delaware operates as a unified Continuum of Care statewide, the location of clients was determined by the project location in HMIS to understand need specifically in Kent and Sussex Counties. HMIS data was supplemented with other state reports as appropriate for each qualifying population.

1. Homeless as defined in 24 CFR 91.5 (only homeless categories 1, 2, 3)

Based on 2021 HMIS data, there are 2,022 people experiencing homelessness within the participating jurisdiction. The demographics of these individuals are listed below. Approximately 14% of individuals experiencing homelessness were a member of a family household. There are significant racial disparities in the PJ, as Black/African American individuals are overrepresented in homelessness.

Table 5: HMIS Demographics by County

	<i>Kent County</i>	<i>Sussex County</i>	<i>Cross-County Projects and Unidentified Locations in PJ</i>
Male	52%	47%	67%
Female	47%	53%	33%
Transgender or Gender Non-Conforming	1%	<1%	<1%
White	40%	50%	40%
Black/African American	58%	48%	58%
American Indian or Alaskan Native	<1%	2%	1%
Asian, Native Hawaiian, or Other Pacific Islander	1%	<1%	<1%
Hispanic/Latino	6%	7%	7%
Under 18	20%	35%	21%
18-24	10%	7%	5%
25-54	53%	44%	43%
55 and over	17%	14%	31%
Veteran	4%	3%	43%
Disabling Condition	65%	36%	48%
Percent of all People Experiencing Homelessness in PJ	30%	25%	45%

2. At Risk of Homelessness as defined in 24 CFR 91.5

HMIS data from the PJ communities shows that 104 people entered into homeless situations from institutional settings, while 58 people exited into institutional settings and an additional 333 people moved into temporary housing accommodations, which may indicate a greater risk of returning to homelessness. Of these individuals, the demographic information is as follows:

- 28% are under 25 years of age, 49% are between the age of 25-54, 24% are over the age of 55
- 66% are male, 33% are female, less than 1% are transgender/non-binary/questioning
- 41% have a disabling condition and of those who have a disabling condition:
 - 38% have a physical disability
 - 22% have a substance use disorder and
 - 7% have a developmental disability
- 41% are White, 58% are Black/African American/Africa, 1% are Native Hawaiian or Pacific Islander
- 21% are veterans

Table 6: Exits by County

<i>Exit Type</i>	<i>Kent County</i>	<i>Sussex County</i>	<i>Cross-County Projects and Unidentified Locations in PJ</i>
Homeless Setting	60%	39%	57%
Institutional Setting	2%	3%	3%
Permanent Housing	20%	48%	29%
Temporary Housing	15%	10%	10%

Sussex County

According to Comprehensive Housing Affordability Strategy (CHAS) data for Sussex County, 73% of renter households below 30% area median income (AMI) experience one or more of the following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than 1 person per room, and a housing cost burden of greater than 30% of income being paid towards housing. With 17,822 available rental units within Sussex County, only 10% of units are affordable to households below 30% of area median income (AMI). This leaves a gap of 1,514 units needed to reduce the likelihood that these households might experience homelessness.

Kent County

Similarly, CHAS data for Kent County suggests that over 80% of renter households below 30% of AMI experience housing problems and that less than 9% of units are affordable to households below 30% AMI, leaving a gap of 1,701 affordable housing units.

3. Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice

In 2021, 506 individuals were sheltered in Kent and Sussex counties according to an [annual report](#) for FY2021 from Domestic Violence Coordinating Council. Two agencies, CHILD, Inc. and People’s Place II offer shelter and transitional housing in confidential locations throughout Delaware. Survivors of domestic violence were also identified in HMIS, though this is likely an undercount of those needing housing since domestic violence agencies do not participate in HMIS.

In Sussex County, 96 domestic violence survivors were identified in HMIS in 2021. Their demographics were:

- 10% Male, 90% Female, 0% Transgender/Nonconforming
- 5% under 18, and 5% youth ages 18 to 24, with the remaining survivors being adults over age 25
- 74% White, 22% African American/Black, 3% American Indian, Alaska Native, or Indigenous
- 5% Hispanic Latin(o)(a)(x)

In Kent County, 106 survivors of domestic violence were identified in HMIS in 2021. Their demographics were:

- 12% Male, 88% Female
- 12% under 18 and 10% youth ages 18 to 24, with the remaining survivors being adults over age 25
- 36% White, 62% African American/Black, 2% American Indian, 0% Alaska Native, or Indigenous, Asian, Native Hawaiian and Other Pacific Islander
- 3% Hispanic Latin(o)(a)(x)

4. *Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability, as defined by HUD in the Notice*

Youth Aging Out of Foster Care: According to the Delaware Department of Children, Youth and Families, the average monthly census of foster care children is 500. These individuals are eligible for different vouchers (e.g., Family Unification Program, Foster Youth to Independence). Each month, approximately 300 youths (ages 16-23) are served. Vouchers are readily available but affordable housing units are not, especially units in good condition located in safe neighborhoods. By comparison, ERAP funding was very helpful during Covid because it allowed eligible youths to remain housed. Transitional housing with some level of supervision is an option and having the residents pay rent to the service provider rather than a landlord would be best. If these individuals have a good relationship with a family or household, then they can qualify for ASSIST which will provide a monthly stipend if the individual is engaged in school or a job and seeing a case worker. Without this type of arrangement, however, youths aging out of foster care are at risk for homelessness due to the lack of available and affordable quality units in safe neighborhoods. Even with financial assistance, some still fall through the crack, especially those who require supervision. Supportive services in conjunction with affordable units will increase the likelihood of remaining stably housed.

Persons Fleeing Domestic Violence: The 2022 Annual Report of the Domestic Violence Coordinating Council in Delaware included the following data on individuals fleeing domestic violence who were sheltered in Kent and Sussex Counties: 14 males, 229 females, and 309 children for a total of 642 individuals. Statewide, there were 21,955 combined criminal and non-criminal domestic violence incidents reported in Delaware in 2022 with 2,374 resulting in physical injury to victims.

Victims of Human Trafficking: The 2022 Annual Report of the Delaware Anti-Trafficking Action Council (DATAAC) provided some demographic data on victims of human trafficking. In 2021 there were fewer than six juvenile victims in Kent County and fewer than six juvenile victims in Sussex County. All victims were non-Hispanic females, and most were white. They ranged in age from 13-17 years of age.

Within HMIS and available CHAS data, the analysis included those at greatest risk of housing instability, as defined by having income less than 30% of AMI and experiencing housing cost burdens, veterans in

HMIS, and people with disabilities in HMIS who may require services to maintain housing. The results for each county are outlined below.

Sussex County

At Greatest Risk of Housing Instability: According to CHAS data, there are 8,125 households in Sussex County with less than 30% AMI and 1,520 of those households pay more than 50% of their income towards rent.

Veterans: Of the 16 veterans in HMIS in Sussex County projects in 2021, the demographics are as follows:

- 11 were male, 5 were female
- 10 were Black, African American, or African, and 6 were white
- 1 was Hispanic/Latin(a)(o)(x)
- All were over age 18

People with Disabilities: There were 171 individuals in HMIS who had any disabling condition in 2021. Of these individuals, 29% had a physical disability, 30% had a substance-related disability, and 4% had a developmental disability. The disability type for the remaining individuals is not known. Of all individuals who have a disabling condition, their demographics are as follows:

- 56 were male, 114 were female, 1 was questioning
- 4 were American Indian/Alaska Native, 54 were Black/African American, 1 was Native Hawaiian or Pacific Islander, and 112 were white
- 10 were Hispanic/Latin(a)(o)(x)
- All were over age 18

Kent County

At Greatest Risk of Housing Instability: According to CHAS data, 6,430 households in Kent County earn less than 30% of AMI and 2,080 of these households pay more than 50% of their income towards housing costs.

Veterans: Of the 21 veterans in HMIS in Kent County projects in 2021, the demographics are as follows:

- 17 were male, 4 were female
- 15 were Black/African American, 6 were white
- All were non-Hispanic/Latino
- All were over age 18

People with Disabilities: There were 221 individuals in HMIS who had any disabling condition in 2021. Of these individuals, 33% had a physical disability, 21% had a substance-related disability, and 7% had a developmental disability. The disability type for the remaining individuals is not known. Of all individuals who have a disabling condition, their demographics are as follows:

- 118 were male, 102 were female, 1 was questioning
- 1 was American Indian/Alaska Native, 112 were Black/African American, 1 was Native Hawaiian or Pacific Islander, and 106 were white. An additional client declined to provide their race.
- 12 were Hispanic/Latin(a)(o)(x)
- 5 were under age 18

Section 3: Current Resources Available to Assist Qualifying Populations

As of 2021, 3% of the population of Delaware benefited from HUD assistance with the average wait time for households receiving a voucher being 31 months. According to the Center on Budget and Policy Priorities, 27,900 people in 13,300 Delaware households used federal rental assistance to afford housing through the following methods:

- 5,000 households using Housing Choice Vouchers
- 1,900 households using public housing placements
- 4,400 households using project-based Section 8
- 700 for households using supportive elderly and disabled rental assistance (Section 202 and 811)
- 1,300 households using USDA Rural Rental Assistance.

Of those who utilize federal rental assistance, 70% are seniors, children, or people with disabilities and 64% of assisted people are in families with children.

Sussex County

Between September 2021 and June 2022, 782 Sussex County households (consisting of a total of 2,076 persons) participated in Delaware’s Emergency Rental Assistance Program (ERAP). Of those applicants, 544 were approved (69.6%) while 238 were not able to receive assistance (30.4%). The average household size of applicants was 2.65 persons, and the average of the head of household was 41.2 years. Most applicants were White (45.4%) followed by Black/African American (44.4%).

Table 7: ERAP Utilization Demographics in Sussex County

Race/Ethnicity	#	%
White	355	45.4%
Black or African American	347	44.4%
Asian	4	0.5%
Native Hawaiian or Other Pacific Islander	2	0.3%
American Indian or Alaska Native	10	1.3%
Biracial/Multi-racial	23	2.9%
Other/Unspecified	41	5.2%
Hispanic or Latino	64	8.2%

The average Sussex County ERAP recipient was renting a 1.5-bedroom apartment with monthly rent of \$626. With applicant households earning \$1,502 in monthly income on average, these households were spending 41.7% of their income on rent alone, indicating high levels of cost burden. This household income equates to about 27.3% of area median income. Additionally, 43.4% of applicants were unemployed, having been unemployed for an average of 374 days at the time of applying. On average, applicants were approved to receive \$4,647 for rent and utilities, covering approximately 7.6 months of rent. Sussex County applicants typically had five months in arrears, and approximately 14.8% of applicants had received an eviction notice.

Kent County

Between September 2021 and June 2022, 1,848 Kent County households (consisting of a total of 4,951 persons) received rental assistance through Delaware’s Emergency Rental Assistance Program (ERAP). The average household size of applicants was 2.68 persons, and the average head of household was 38.8 years old. Most applicants were Black (64.6%) followed by Whites (24.2%).

Table 8: ERAP Utilization Demographics in Kent County

Race/Ethnicity	#	%
White	447	24.2%
Black or African American	1193	64.6%
Asian	11	0.6%
American Indian or Alaska Native	4	0.2%
Native Hawaiian or Other Pacific Islander	7	0.4%
Biracial/Multi-racial	87	4.7%
Other/Unspecified	99	5.4%
Hispanic or Latino	102	5.5%

The average Kent County ERAP recipient was residing in a 1.6-bedroom apartment with a monthly rent of \$842. With applicant households earning \$1,426 or 27.1% AMI in monthly income on average, these households were spending 59.0% of their income on rent alone, indicating severe levels of cost burden. Additionally, 38.7% of applicants were unemployed, having been unemployed for an average of 367 days at the time of applying. On average, applicants were approved to receive \$5,208 for rent and utilities, covering approximately 6.5 months of arrears, current rent, and/or future rent. Kent County applicants typically had four months in arrears, and approximately 14.6% of applicants had received an eviction notice.

Section 4: Describe the Unmet Housing and Service Needs of Qualifying Populations

Approximately 27% of all households across the nation are asset-limited, income-constrained, and employed (ALICE). These households often have unmet needs as they fall below traditional poverty measures but do not earn enough to be financially secure. According to the 2019 ALICE data, 42% of households in Kent County and 41% of households in Sussex County fall below the threshold of being able to afford basic necessities, higher than the national average.¹ The following section describes unmet needs in Kent and Sussex Counties based on current available data.

1. Homeless as defined in 24 CFR 91.5

There are currently 56 year-round shelter beds, 34 permanent supportive housing units, and 13 rapid rehousing beds for individuals experiencing homelessness in Sussex County. In Kent County, there are currently 129 year-round shelter beds, 187 permanent supportive housing units, and 9 rapid rehousing beds. In both counties, there is a significant need for shelter, particularly for families. Additionally, there are not sufficient permanent supportive housing units to serve everyone who may have a qualifying condition.

¹ <https://www.unitedforalice.org/state-overview-mobile/Delaware>

2. At Risk of Homelessness as defined in 24 CFR 91.5

The wait times for households to receive their first housing voucher in Delaware remains long – individuals must wait for an average of 31 months across the state struggling to find affordable housing before receiving Housing Choice vouchers from their local housing authority. There is a shortage of nearly 20,000 rental units for extremely low-income renter households in Delaware. In a recent [US Census Bureau Household Pulse Survey](#), an estimated 30,100 households in Delaware were behind on their housing payments from March 30 through April 11, 2022. In May 2022, 22,008 households in Delaware had no confidence in their ability to pay for housing, and 4,358 households thought they were somewhat or very likely to leave their home due to eviction or foreclosure.

Sussex County

According to 2020 ACS data, there were 32,347 available rental housing units in Sussex County, with 17,822 renter-occupied units. The seasonal population in Sussex County creates a unique housing market with a substantial number of units that are occupied on a seasonal basis – nearly 50,000 units are considered “vacant,” with the majority of units vacant for seasonal use located in eastern Sussex County. The high seasonal vacancy has a limiting effect on the supply of housing available to residents who live in the community year-round, contributing to upward pressure on rents and home values.

A Housing Needs and Market Analysis [report](#) of housing needs in Sussex County determined that the county’s number of lower cost homes has either declined or is not growing as quickly as higher-cost housing. In the rental market, median gross rent in the County has risen 10% since 2012 with the greatest increases among units priced between \$1,000 and \$1,500. While western Sussex County has lower median rents than Eastern Sussex County, the median rent in Western Sussex County has increased at a faster rate in the last several years than it has in the eastern part of the County.

Table 9: Percentage of Subsidized Housing in Sussex County by Funding Stream

Funding Stream	Units	Percentage
USDA	566	18%
LIHTC	624	20%
Public Housing	155	5%
Section 8	258	8.25%
Other	50	1.6%
Multiple HUD (Assisted Units)	1474	47%

Kent County

According to the Delaware Housing Alliance, “there is both a housing crisis and an income crisis (in the state), particularly in 2021 when many households simply did not earn enough income to enter the market rate rental market.” There are 73,073 total housing units in Kent County. Of these units, 20,973 are renter-occupied, according to 2020 ACS data. A needs and market analysis summary of Kent County found that the rate of housing construction has not kept pace with the additional number of households resulting in a

tight housing market that has seen an escalation in rent and home purchase prices. Many households pay more than 30% of their income toward housing costs.

Table 10: Percentage of Subsidized Housing in Sussex County by Funding Stream

Funding Stream	Units	Percentage
USDA	34	1%
LIHTC	828	31%
Public Housing	423	16%
Section 8	262	10%
Other	37	1.4%
Multiple HUD (Assisted Units)	1072	40%

3. *Fleeing, or Attempting to Flee, Domestic Violence, Dating Violence, Sexual Assault, Stalking, or Human Trafficking, as defined by HUD in the Notice*

According to the Domestic Violence Coordinating Council FY2021 annual [report](#), there were a total of 22,587 combined criminal and non-criminal domestic violence incidents reported in Delaware. In FY2020, the intimate partner criminal incidents reported:

- 74% of victims were female
- 10 Protection from Abuse (PFA) Orders were issued by the Family Court in Sussex County, and 17 were issued from Kent County
- 760 individuals were sheltered statewide in FY2020 (13 Males, 411 Females, 336 Children), and
- 403 individuals were sheltered in Kent and Sussex counties (6 Males, 199 Females, 198 Children)

According to [Human Trafficking Hotline](#), in Delaware, 27 human trafficking cases were reported in 2020. Of these cases:

- 52 were victims of trafficking themselves, 25 were community members, 10 were Medical professionals, 8 were Faith-Based Representatives, and 7 were victims of another crime.
- 24 Female, 4 Male
- 14 Minors, 11 Adults

4. *Other populations requiring services or housing assistance to prevent homelessness and other populations at greatest risk of housing instability as defined by HUD in the Notice*

According to 2021 HMIS data, 731 individuals have a disabling condition that may qualify them for permanent supportive housing or other services. However, the PJ only has 221 permanent supportive housing beds, the majority of which are likely already filled. The Corporation for Supportive Housing estimates that there is a need for 2,009 additional supportive housing units across the state².

² <https://cshorg.wpengine.com/supportive-housing-101/data/>

Section 5: Identify Gaps Within the Shelter, Housing Inventory, and Service System

Within the PJ, 42% of people experiencing homeless are unsheltered, indicating that further emergency beds and units are needed. In addition to this, the number of unhoused people is likely much higher – in rural areas, unhoused individuals will seek shelter in the woods, abandoned farm buildings, or couch-surf, indicating a “hidden homeless population” not captured by PIT counts that perpetuate a cycle of scarcity. Within Kent and Sussex counties, more than 85% of each area is considered rural, 1,165 people are homeless on a given night.

Furthermore, between 2016 and 2020, Delaware’s total homeless population increased by 9% and there was a 35% increase in homelessness in 2021 on the night of the PIT count, with the unsheltered population increasing by nearly 200%. While there has been a decrease in veteran homelessness, family households experiencing homelessness have increased by 35% and chronic homelessness has increased by 230% within the past 5 years. Based on these trends, additional permanent supportive housing units and emergency shelter beds should be allocated to ensure the needs of the qualifying populations can be met.

Table 11: Length of Stay by Subpopulation, Sussex County

<i>Subpopulation</i>	<i>Average Length of Stay</i>
Total Average Length of Stay	227
Domestic Violence Victims	192
Veterans	180
Disabling Condition	204

Table 12: Length of Stays by Subpopulation, Kent County

<i>Subpopulation</i>	<i>Average Length of Stay</i>
Total Average Length of Stay	47
Domestic Violence Victims	106
Veterans	60
Disabling Condition	110

Section 6: Additional Characteristics Associated with Instability and Risk of Homelessness

The threat of eviction is also present for households that do not have the lowest incomes due to the increased housing cost burden. According to the Housing Alliance of Delaware, although eviction has long been a struggle faced by low- and extremely low-income renters, the economic impact of the pandemic has impacted many households who do not fall into the lowest incomes but have a housing cost burden that puts them in danger of eviction. Nearly 50% of renter households between 51% and 80% of AMI spend more than 30% of their income on housing costs and utilities. As rents continue to increase, this population will become more vulnerable to housing instability.

ALICE (Asset Limited, Income Constrained, Employed) data shows that 68,023 households within Kent County and 96,624 households within Sussex County cannot afford basic necessities. The cost of household essentials (housing, childcare, food, transportation, health care, a smartphone plan, and taxes) is rising. While the number of households in poverty has stayed relatively flat from 2007 to 2019, the number of ALICE households has continued to increase as a result of rising costs and stagnant wages. Furthermore, these rates may vary depending on household composition:

Table 13: ALICE and Poverty Rates in Kent County by Household Type

Household Type	Kent County		
	Total Households	Poverty %	ALICE %
Under 25 Years	2,790	40%	42%
Over 65 Years	18,732	11%	39%
Families with Children	18,585	20%	22%
Married with Children	11,444	8%	15%
Single Female-Headed Families	5,583	44%	33%
Single Male-Headed Families	1,548	22%	37%

Table 14: ALICE and Poverty Rates in Sussex County by Household Type

Household Type	Sussex County		
	Total Households	Poverty %	ALICE %
Under 25 Years	1,790	14%	71%
Over 65 Years	40,962	8%	31%
Families with Children	18,662	18%	28%
Married with Children	12,284	8%	18%
Single Female-Headed Families	4,761	43%	44%
Single Male-Headed Families	1,617	23%	55%

Section 7: Priority Needs for Qualifying Populations

Based on the preceding information, the priority needs among the qualifying populations include, but are not limited to:

- Increased emergency shelter units and beds
- Increased affordable and low-income housing
- Increased permanent support housing for persons with physical disabilities and substance abuse disorders

Section 8: Explain How the PJ Determined the Level of Need and Gaps

The following resources were utilized to determine the level of need and gaps:

- 2021 HMIS Data from DE-500 (County Level Data)
- Point-in-Time Count and Housing Inventory Count Data, 2020-2021 (County Level Data)
- Comprehensive Housing Affordability Strategy Data, 2014-2018 Delaware (County Level Data)
- HUD's [Public Housing Dashboard](#)
- Center on Budget and Policy Priorities' [Federal Rental Assistance Fact Sheets](#)
- National Alliance to End Homelessness's [State and CoC Dashboards](#)
- National Low Income Housing Coalition's 2021 [Out of Reach](#) and [Housing Needs](#) Reports
- [2020 American Community Survey Demographic and Housing Estimates](#)
- [US Census Bureau Household Pulse Survey](#)
- The Housing Alliance of Delaware's [2021 Housing and Homelessness Report](#)
- United for ALICE's [2021 Report](#)
- Domestic Violence Coordinating Council's [Annual Report Fiscal Year 2021](#)
- National Human Trafficking Hotline's [Statistics by State](#)
- HUD's LIHTC Database
- Sussex County's [Housings Needs & Market Analysis](#)
- Corporation for Supportive Housing

HOME-ARP Activities

Section 1: Describe the method(s) that will be used for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors:

DSHA will utilize open, competitive solicitations for applications through a Request for Proposals (RFP) and create additional application processes if necessary, all of which will be in alignment with HOME and OMB regulations, as well as State procurement rules and processes. Information on the qualified populations and pertinent preferences and program requirements will be included at the time of application solicitation, submission, and review. In order to be as efficient as possible with the funds, existing solicitation methods will be used to accept applications for HOME-ARP funding. Applicants will be provided with documentation on HOME-ARP specific requirements as supplements to these existing processes prior to the time of application or during the application process. In addition, DSHA will modify any grant or contract agreement templates and monitoring policies and processes accordingly to ensure compliance with HOME-ARP.

The RFP for the development of affordable rental housing will include bonus points for proposed projects that leverage other resources, such as project-based rental assistance. Proposals will be evaluated according to criteria such as organizational or developer experience, capacity, demonstrated effective grant management experience, services offered, housing need, project readiness, and leveraged resources, among other factors.

Proposals for non-congregate shelter will be evaluated according to criteria such as organizational or developer experience, capacity, demonstrated effective grant management experience, services offered, housing need, project readiness, the financial capacity to provide 100% of operating expenses, sources for providing supportive services required by the Qualifying Populations, other leveraged resources, and whether the non-congregate shelter will be maintained as such during the restricted use period, among other factors.

The RFP process for both eligible activities will be finalized once HUD approves the state's Allocation Plan.

2. Describe whether the PJ will administer eligible activities directly:

DSHA will not directly administer HOME-ARP activities beyond program administration and planning.

3. If any portion of the PJ's HOME-ARP administrative funds are provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan because the subrecipient or contractor is responsible for the administration of the PJ's entire HOME-ARP grant, identify the subrecipient or contractor and describe its role and responsibilities in administering all of the PJ's HOME-ARP program:

No HOME-ARP administrative funds have been provided to a subrecipient or contractor prior to HUD's acceptance of the HOME-ARP allocation plan.

Table 15. Use of HOME-ARP Funding

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 500,000		
Acquisition and Development of Non-Congregate Shelters	\$ 1,924,121		
Tenant Based Rental Assistance (TBRA)			
Development of Affordable Rental Housing	\$ 2,100,000		
Non-Profit Operating		0 %	5%
Non-Profit Capacity Building		0 %	5%
Administration and Planning	\$ 798,374	15 %	15%
Total HOME ARP Allocation	\$ 5,322,495		

4. Describe how the PJ will distribute HOME-ARP funds in accordance with its priority needs identified in its needs assessment and gap analysis:

The HOME-ARP budget was driven by the priority needs identified as a result of stakeholder consultation and thorough data analysis. DSHA's budget reflects the planned creation of new affordable rental units and non-congregate shelter. This decision was based on the following priority needs:

- Increased emergency shelter units and beds
- Increased affordable and low-income housing
- Increased permanent supportive housing for persons with physical disabilities and substance abuse disorders

The remaining 15% of the HOME-ARP grant will be allocated to program administration. DSHA will work with its sister state agencies, Housing Alliance of Delaware, and other potential partners will identify funding for additional supportive services to pair with HOME-ARP-financed housing.

5. Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

The need for a non-congregate shelter in southern Delaware is based on the Homeless Needs Inventory and Gap Analysis tables (see Table 1 and Table 2) that revealed a bed shortage namely for families experiencing homelessness, with a slightly greater need for family beds in Kent County as compared to Sussex County.

The need for developing affordable rental housing is clearly evident in the Non-Homeless Needs and Gaps Inventory tables (see Table 3 and Table 4). In Sussex County, there is a housing gap of 2,030 rental units affordable to 0-30% AMI households and a gap of 2,125 units affordable to 31-50% AMI households. In Kent County, the gap numbers are slightly higher at 2,575 units affordable to 0-30% AMI households and 2,495 units affordable to 31-50% AMI.

It is also clear that if DSHA does not have an adequate pathway to help people stay safe while waiting for the creation of housing, more people will experience the consequences of homelessness, such as incarceration, decreased well-being, violence, and even death. Therefore, it is a priority to ensure that a non-congregate shelter is created.

HOME-ARP Production Housing Goals

1.Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

DSHA proposes to develop six affordable rental units at a per-unit development cost of \$325,000.

2.Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how the production goal will address the PJ's priority needs:

DSHA estimates the development of six affordable rental housing units for Qualifying Populations to address the priority needs as outlined in the plan. DSHA will work with developers and local non-profit entities to acquire, rehabilitate and/or construct new affordable rental units.

Preferences

1. Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

DSHA will provide access for all Qualifying Populations but will include a preference for homeless individuals and families, giving them priority for admission above all other Qualifying Populations. All other Qualifying Populations will be served on a first-come, first-served basis (i.e., in chronological order).

2. If a preference was identified, explain how the use of a preference or method of prioritization will address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Referral Methods

1. Identify the referral methods that the PJ intends to use for its HOME-ARP projects and activities. PJs may use multiple referral methods in their HOME-ARP program.

(Optional):

DSHA will use Coordinated Entry in conjunction with additional methods in identifying homeless persons and families to be referred to the HOME-ARP projects since the CoC CE does not accept all HOME-ARP Qualifying Populations. In an effort to reach all Qualifying Populations and provide them with access to the HOME-ARP activity, DSHA will require the activities to use additional referrals from outside organizations. These may include Delaware 2-1-1, existing shelter providers with waiting lists, among other entities. The referral method will be finalized as part of the implementation process and through the development of a policy and procedure manual to administer the HOME-ARP activity.

2. If the PJ intends to use the coordinated entry (CE) process established by the CoC, describe whether all qualifying populations eligible for a project or activity will be included in the CE process, or the method by which all qualifying populations eligible for the project or activity will be covered. (Optional):

See response to #1.

3. If the PJ intends to use the CE process established by the CoC, describe the method of prioritization to be used by the CE. (Optional):

See response to #1.

4. If the PJ intends to use both a CE process established by the CoC and another referral method for a project or activity, describe any method of prioritization between the two referral methods, if any. (Optional):

See response to #1.

Limitations in a HOME-ARP Rental Housing or NCS Project

1. Describe whether the PJ intends to limit eligibility for a HOME-ARP rental housing or NCS project to a particular qualifying population or specific subpopulation of a qualifying population identified in section IV.A of the Notice:

DSHA will not include any limitations for eligibility to its HOME-ARP activities.

2. If a PJ intends to implement a limitation, explain why the use of a limitation is necessary to address the unmet need or gap in benefits and services received by individuals and families in the qualifying population or subpopulation of qualifying population, consistent with the PJ's needs assessment and gap analysis:

Not applicable.

3. If a limitation was identified, describe how the PJ will address the unmet needs or gaps in benefits and services of the other qualifying populations that are not included in the limitation through the use of HOME-ARP funds (i.e., through another of the PJ's HOME-ARP projects or activities):

Not applicable.

Appendix A: Stakeholder Consultation Materials

Appendix B: Public Participation Materials

[to be inserted upon completion of 15-day public comment period and public hearing]