

LAWS OF DELAWARE
VOLUME 85
CHAPTER 209
153rd GENERAL ASSEMBLY
FORMERLY
SENATE BILL NO. 150

AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO AN AFFORDABLE RENTAL HOUSING PROGRAM WITHIN THE HOUSING DEVELOPMENT FUND.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Subchapter III, Chapter 40, Title 31 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 4036. Housing Development Fund, Affordable Rental Housing Program.

(a) For purposes of this section:

(1) “Adjusted income” means as defined by DSHA.

(2) “Area median income” or “AMI” means as defined by DSHA.

(3) “Basic rent” means the rental charge established to cover expenses in the housing project's approved budget and the required loan payment contained in the promissory note, reduced by the interest credit agreement with DSHA.

(4) “Housing project” means rental housing financed under this section.

(5) “HUD” means the U.S. Department of Housing and Urban Development.

(6) “Interest credit” means a form of assistance available under the Affordable Rental Housing Program available to eligible borrowers that reduces the effective interest rate of the loan.

(7) “Low-income” means a family with income between 50% and 80% of AMI.

(8) “Moderate-income” means a family with income no more than \$5,500 above 80% of AMI.

(9) “Very low- income” means a family with income below 50% of AMI.

(b) The Affordable Rental Housing Program (ARHP) is a revolving fund within the Housing Development Fund that supports affordable rental housing for 1 or more of the following:

(1) Very low-, low-, and moderate-income families.

(2) Elderly individuals.

(3) Individuals with disabilities.

(c) The ARHP provides long-term loans to a housing project for any of the following purposes:

(1) To purchase buildings or land.

(2) For the construction or renovation of buildings.

(3) To provide necessary facilities such as water and waste disposal systems.

(d)(1) The interest rate for a loan under the ARHP must be the lower of the following:

a. The interest rate in effect at the time of loan approval.

b. The interest rate that is in effect at the time of loan closing.

(2) DSHA must provide interest credit to subsidize the interest on ARHP loans to a payment rate of 1%.

(3) ARHP loans must be amortized over a period that does not exceed 50 years and paid over a term that does not exceed 30 years from the date of the loan.

(4) DSHA may establish conditions that limit prepayment of loans under this section.

(e)(1) Rents for units in a housing project must be established at the same rate for all similar units in the housing project.

(2) During the term of a loan under this section, each tenant pays monthly rent in an amount equal to the lesser of the following:

a. The basic rent.

b. Thirty percent of the tenant’s adjusted income.

(3) Tenants may receive rent subsidies from other sources. A housing project must accept all tenant-based rent subsidies.

(4) DSHA may require that a housing project give first priority for tenancy to rental applicants who are living in substandard housing.

(f) A housing project must have 2 or more units per building and meet the requirements under all of the following:

(1) All applicable building codes.

(2) The Model Energy Code.

(3) HUD physical standards.

(g)(1) DSHA may use part of the appropriation made to the ARPH for the administration of the program.

(2) DSHA may use part of an appropriation for tenant-based rental assistance to subsidize the rent for some units in a housing project.

(h)(1) DSHA must promulgate policies and procedures implementing this section, under the Administrative Procedures Act, Chapter 101 of Title 29.

(2) The policies and procedures promulgated under paragraph (h)(1) of this section must include all of the following:

a. The requirements for the origination and servicing of loans under this section.

b. The criteria used to determine eligibility and priority for the ARPH financing.

c. The definition of each of the following:

1. Adjusted income.

2. Area median income.

(3) DSHA must annually publish the AMI for each region, as defined under paragraph (h)(2)c.2. of this section, as a notice in the Register of Regulations and on the DSHA website.

Approved September 3, 2025