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DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE BILL NO. 246

AN ACT TO AMEND TITLE 31 OF THE DELAWARE CODE RELATING TO THE HOUSING REPAIR AND
MODIFICATION FUND.

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

1 Section 1. Amend Chapter 40, Title 31 by making deletions as shown by strike through and insertions as shown by
2 underline as follows:

3 § 4030A. Housing Repair and Modification Fund.

4 (a) As used in this section,

5 (1) “Low income” means a household making less than 80% of the Area median income.

6 (2) “Very low income” means a household making less than 50 % of Area median income.

7 (b) The “Housing Repair and Modification Fund” is administered by the Housing Director as a revolving fund for
8 carrying out the purposes of this chapter. DSHA shall report to the General Assembly on an annual basis any private
9 contributions by gift or bequest received or deposited in the Housing Repair and Modification Fund. Sums received from
10 the General Fund, from dedicated sources of revenue, from private contributions by gift or bequest, and in repayment of
11 loans made under this chapter must be deposited in such Fund. DSHA, with the approval of the Secretary of Finance and
12 the Council on Housing, may borrow from the Fund for any lawful purpose with respect to any housing repair program or
13 financing with respect thereto, undertaken by DSHA, or for the purpose of investing borrowed funds in accordance with §
14 4013(17) of this title; any such borrowing to be upon such terms and conditions, and with such security, as the Secretary of
15 Finance and the State’s Council on Housing shall direct.

16 (b)(1) In addition to any further appropriations which may not be reflected in subsection (a) of this section, and in
17 addition to accrued interest on loans, or paid interest on loans, the Housing Repair and Modification Fund must retain any
18 interest or other earnings which accrue on uncommitted balances remaining in the Fund undisbursed, and such accrued
19 interest may not be deposited in the General Fund.

20 (2) Principal payments, including partial payments, must be retained by the Housing Repair and Modification
21 Fund and may not be deposited in the General Fund.

22 (c) The Housing Repair and Modification Fund is to be used to provide repair on homes occupied by owners
23 whose households qualify as low income or very low income as defined subsection (a) of this section.

24 (d) DSHA must allocate the funds in the following manner:

25 (1) 50% to benefit households that are low income.

26 (2) 50% to benefit households that are very low income.

27 (e) Up to 10% of the annual allocation to the Housing Repair and Modification Fund may be made to landlords
28 who own an interest in fewer than 5 rental units, own an interest in any corporations or combination of corporations that
29 own fewer than 5 rental units, or some combination thereof, who are leasing the unit to very low income tenants. Repair
30 funds provided to landlords under this subsection must be low interest loans that are below the market rate and that require
31 the condition that rent is not increased throughout the term of the loan beyond a maximum allowable increase set by
32 DSHA.

33 (f) Regardless of any other law to the contrary, programs for the disbursement of funds from the Housing Repair
34 and Modification Fund, and disbursements pursuant to such programs, may include grants as well as loans, including grants
35 to DSHA, provided however, that any program including grants may not cause the Fund to lose entirely its character as a
36 revolving fund.

37 (g) In allocating the resources of the Housing Repair and Modification Fund over time, any program mix or
38 targeting of funds shall account for the demographics of the population in need of housing, should balance the programs
39 appropriately between rental assistance and ownership, and should apportion the available resources statewide according to
40 local need.

SYNOPSIS

For over 30 years, the Delaware State Housing Authority (DSHA) has invested in home repair programs that make necessary repairs to improve the health and safety conditions in the homes of Delawareans.

This Act codifies a “Housing Repair and Modification Fund,” which will be administered by DSHA and serve low- and very-low income homeowners in need of home repair assistance.

Author: Senator Huxtable