SPECIAL PARKS, RECREATION, AND COMMUNITY ENHANCEMENT COMMITTEE
A G E N D A

MARCH 15, 2012 - 10:00 A.M.

SMALL CONFERENCE ROOM - JOHN W. PITTS RECREATION CENTER
10 ELECTRIC AVENUE (SCHUTTE PARK)
DOVER, DELAWARE

Public comments are welcomed on any item and will be permitted at appropriate times. When possible, please notify the City Clerk (736-7008 or e-mail at CityClerk@dover.de.us) should you wish to be recognized.

AGENDA ADDITIONS/DELETIONS

1. Community Development Block Grant (CDBG) Application Review

2. Adjournment

/tm
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THE AGENDA ITEMS AS LISTED MAY NOT BE CONSIDERED IN SEQUENCE. THIS AGENDA IS SUBJECT TO CHANGE TO INCLUDE THE ADDITION OR THE DELETION OF ITEMS, INCLUDING EXECUTIVE SESSIONS.

COMMUNITY DEVELOPMENT DEPARTMENT

Department of Planning & Inspections
P.O. Box 475
Dover, DE 19903
Phone: (302) 736-7175 Fax (302) 736-4217

TO: Parks, Recreation, and Community Enhancement Committee

FROM: Tracey N. Harvey, Community Development Manager

DATE: March 15, 2012

SUBJECT: REVIEW OF FY12 CDBG APPLICATIONS

Thank you for your assistance in reviewing the CDBG grant applications for FY12. The items listed below are enclosed for your use during the review of the CDBG applications:

A. A list of applicants and staff reports summarizing each application.
B. CDBG Interview Schedule
C. Federal Resources available for use
D. Total grant request
E. Scoring criteria for CDBG funding
F. A CDBG Review Panel Scoring Sheet for each applicant

By the end of the review period, staff is requesting that you summarize your evaluation of each application on the enclosed CDBG Review Panel Worksheet based on needs determined from the oral presentations from each applicant and individual scoring of each applicant.

The number in parenthesis for each measure to be scored is the maximum score for a given category. The maximum total points are 100 points.

Thank you in advance for the time you will be devoting to the FY12 review process. If you have any questions, please call me at 736-7175 or via e-mail at tharvey@dover.de.us.

/tnh

Enclosures

cc: Ann Marie Townshend

CDBG Interview Schedule

1.	*Dover Interfaith Mission for Housing (Public Service)	($27,500)	**10:00 am**
2.	Milford Housing Development Corp (Rehab)	($60,000)	**10:15 am**
3.	Milford Housing Development Corp (Emergency Home Repairs)	($40,000)	**10:30 am**
4.	*NCALL (Public Service)	($12,500)	**10:45 am**
5.	Serenity Place	($30,000)	**11:00 am**
6.	Elizabeth W. Murphey School	($38,000)	**11:15 am**
7.	Homeownership Assistance Program	($40,000)	**11:30 am**

***Public Service activities cannot exceed 15% of the total grant allocation**

CDBG FEDERAL RESOURCES AVAILABLE FOR USE
7/01/12 – 6/30/13

CDBG Funds Allocation	$226,803
Anticipated Program Income	$ 8,554
Total Grant Allocation	$235,357
20% of the grant must be allocated for Program Administration	$235,357 x.20 $ 47,071
Public Service activities cannot exceed 15% of the grant.	$235,357 x.15 $ 35,303
Total grant available for activities	$188,286.00
Total grant request	$248,000.00

CDBG Scoring Criteria

Description and Demonstrated need for Proposed Program (10 points possible)

- Provide an adequate description of the scope of activities proposed and how it will benefit low to moderate income persons.
- Explain the type of service deficiency your project will fulfill and the population that has been affected by this deficiency.
- Does the proposed activity directly address the community need identified?

Management Capacity (25 points possible)

Each applicant's management capacity for each of the activities proposed will be evaluated on the basis of the most recent monitoring report, current or proposed staff qualifications, progress achieved in completing its current CDBG Program (if applicable), and most recent audit reports(s) (if applicable).

Cost Effectiveness (15 points possible)

Is the cost reasonable for the project in relation to the number of people being served and the availability of other resources?

Work Plan (20 points possible)

Will the applicants proposed scope of work be completed within the next fiscal year? Does the applicant effectively outline in the application the completion of milestones of the activity?

Goals and Objectives (15 points possible)

- Are the goals and objectives of this project consistent with the goals and objectives outlined in the 2010-2014 Consolidated Plan ?
- What steps will be utilized to implement your program (the process for reaching program goals)?

Performance Measurements (15 points possible)

- Does the project effectively describe the outcome?
- Is the project consistent with the objective?

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Dover Interfaith Mission for Housing (Public Service)**

Amount Requested: **$27,500**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Milford Housing Development Corp (Rehab)**

Amount Requested: **$60,000**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Milford Housing Development Corp (Emergency Home Repairs)**

Amount Requested: **$40,000**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **NCALL (Public Service)**

Amount Requested: **$12,500**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Serenity Place**

Amount Requested: **$30,000**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Elizabeth Murphey School**

Amount Requested: **$38,000**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

2012 CDBG GRANT APPLICATION REVIEW SHEET

Applicant/Agency: **Homeownership Assistance Program**

Amount Requested: **$40,000**

Amount Awarded:

The following factors will be considered in determining funding levels awarded to applicants meeting the request for proposals requirements. Please rate each category according to the maximum points available.

____ Description and Demonstrated Need for Proposed Program **(10 points possible)**

____ Management Capacity **(25 points possible)**

____ Cost Effectiveness **(15 points possible)**

____ Work Plan **(20 points possible)**

____ Goals and Objectives **(15 points possible)**

____ Performance Measurements **(15 points possible)**

____ TOTAL **(100 Maximum Possible Total Rating)**

Reviewer Signature_____

STAFF REPORT
Dover Interfaith Ministry to the Homeless
Operating Cost

Dover Interfaith Ministry to the Homeless is a non-profit organization that operates a shelter for homeless men and provides services to the homeless to assist in obtaining permanent housing. This project is a public service activity and the grant request is for $27,500 for lease and utility cost.

This project meets the low to moderate income requirement. The cost is reasonable for the utility and lease cost for the program year. This project is in conformance with the goals of the 2010 Consolidated Plan by providing aid to special needs persons and providing safe and livable housing. It is also consistent with the city's plan to assist in ending chronic homelessness.

The personnel that manage the shelter have the years of experience to successfully manage a non-profit organization.

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient _____

Dover Interfaith Mission for Housing, Inc.
PO Box 1148, Dover DE 19903
Physical address: 684 Forest Street, Dover DE 19904
Phone: 302-736-3600

B. Name, position and signature of person submitting application:

Jeanine Kleimo, Chair

Name and position of authorizing official:

Jeanine Kleimo, Chair

C. Name, address and phone number of Contact Person:
(If different from B above)

FY 2012 only

Activity: Shelter for homeless men
Amount Requested: $ 27,500
List Source of Cash Matching Funds $ 18,000 DSHA and $9,500 donations

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

1. Activity	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
Shelter 2012	150	150	100%	$27,500	$27,500
Shelter 2013	150	150	100%	$28,000	$28,000
Shelter 2014	150	150	100%	$28,500	$28,500

Source of Data: Actual experience and operating costs for existing shelter.

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG Project:

Sub-Recipient Personnel	Title(s)
Jeanine Kleimo	Chair
Herb Konowitz	Vice Chair
Walt Bagley	Treasurer

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project.

4. Application Work Plan

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

C. Provide a timetable showing monthly milestones for completion of each activity.

D. Attach drawings, plans or other documentation necessary to describe program activities.

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

5. Each application should also describe the following:

   A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area.

6. Have you received a sub-recipient grant from the previous funding year?
   If yes give the total amount $ 34,479 .

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment __X__
Decent Housing _____
Economic Opportunity _____

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility __X__
Affordability _____
Sustainability _____

Please provide a proposed outcome based on the information below that applies to your activity

Number of persons, households, units, or beds assisted as appropriate 150 men annually

Income level of persons or households by: Very Low 100 %
Low _____ %
Moderate _____ %

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served.

Target area is Greater Dover, serving 100% very-low income individuals unable to provide for their own shelter.

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability.

We maintain this information and will provide it at any time.

4. Application Work Plan:

Mission
We are an interfaith community organization addressing the physical, emotional, and spiritual needs of homeless men in the Greater Dover area by providing them shelter and sustenance, fostering self reliance, and offering encouragement and a vision of hope for their lives.

Purpose
The organization's purpose is to provide shelter, food, and assistance to homeless men in the Greater Dover area to keep them off the street and to enable them to obtain work and self-reliant lives as members of our community. The purpose of the grant requested is to provide for continued operating and maintenance costs of the shelter.

A. and B. Program Description for Shelter Operations

The Dover Interfaith Mission for Housing (DIMH) provides shelter, meals, and assistance to homeless men from the Greater Dover community. DIMH seeks to assist those men who lack the resources to provide for their own basic needs, but who are motivated to obtain the employment and income they require to do so.

After two years of moving the shelter from one church hall to another, DIMH has opened a more permanent shelter at 684 Forest Street in Dover in September 2010. The 4,800 square-foot building is leased from the Downtown Dover Partnership at a low rate and has been renovated with assistance from an earlier CDBG grant. It includes space for 36 shelter guest in bunk beds, a dining hall with seating for 40, office space, a bathroom with shower facilities, a laundry room, and a kitchen. A full commercial kitchen was installed during early 2011 and is available for use by the faith communities, organizations, and families who provide more than 12,000 plates of dinner annually on a food budget of zero. Breakfast is also provided. The building was renovated with a $60,000 Community Development Block Grant from the City of Dover. These funds combined with donations and considerable volunteer labor to produce a building worth more than $300,000 and that will provide shelter to homeless men for years to come.

This program request is for operating funds for the building, including utility, maintenance, and lease costs. This shelter program is one of Dover's largest volunteer efforts and is well-supported and accepted by the community. The DIMH board of directors includes 19 individuals who represent the religious and racial diversity of Dover, all of whom have considerable experience in the management and operation of faith communities, businesses, and nonprofit organizations. This board is very active in the daily administration of the shelter. For example, nine board members work at the shelter on a weekly basis, overseeing operations and staff, handling all financial matters, coordinating volunteers, assisting with the development of employment opportunities, and interacting with shelter guests.

Shelter guests must not be taking psychotropic drugs, as the DIMH shelter is not a medical facility, and the safety of guests and volunteers is our major concern. Priority is given to those who are truly homeless and who seek to regain a self-reliant life as contributing members of our

community. Referrals are accepted from all local social service agencies, from area faith communities, from law enforcement agencies, and from the general public. A waiting list is maintained to ensure that the shelter remains fully utilized and able to meet the needs of the greatest number of homeless men.

Guests are permitted to remain in the shelter initially for 30 days. Those who demonstrate that they are serious about "getting their lives back on track" are permitted to remain for a total of 90 days. We recognize that it takes time for a man who has lost his work, his income, his housing, and the life has known to regain his place in the community. All guests are assessed for their needs for counseling, treatment, and employment and referrals are made to the many local agencies that provide services for mental health, addiction counseling, and social services. Each man who is able to work is expected to apply for at least three jobs weekly, and assistance is provided with job applications, resume preparation, computer use, and transportation directed at future employment.

Assistance is provided to those seeking housing in the community as they obtain work. DIMH operates 9 beds of transitional housing in two different properties, and maintains contact with some local landlords as well.

Volunteers provide a wide range of functions from answering phones to providing employment counseling. The Modern Maturity Center's senior community employment program provides a half-time secretary/receptionist along with part-time custodial assistance.

Collaborative relationships have been established with local colleges: MSW candidates from Delaware State University assist with case work, interviewing shelter guests, assessing their needs, providing employment counseling, and referring them to others inside and outside DIMH for whatever assistance is needed. DelTech interns provide referrals to drug and alcohol treatment programs. Interns working with employment identify available local jobs that may be suitable for shelter guests, establish contact with potential employers, assist guests to prepare resumes and to complete job applications, and offer encouragement and advice to enable guests to succeed in their search for work. Nursing students from DelTech provide informal instruction on a wide range of health-related topics, take blood pressure and assist with diabetes screening, and spend time talking with shelter guests about their needs.

DIMH estimates that over one thousand individuals volunteer at the shelter annually, providing over 12,000 hours of service to the homeless men of our community.

The DIMH shelter is the only shelter in Kent County that is exclusively for men. The demand for space in this shelter always exceeds the supply of beds available every day of the year. There is an insufficient supply of housing affordable to those earning minimum wage and other low levels of income, resulting in continued need for the shelter and housing efforts of DIMH.

C. Target Area and Program Targets

The program's target area is Greater Dover, where it is estimated that there are a minimum of 50 to 60 homeless men at any given time. Over 100 calls for shelter are received each month in

excess of the beds DIMH is able to provide. Referrals are made to and accepted from other shelters in the state; however, there are rarely shelter beds available for men between Wilmington and Georgetown except at DIMH. DIMH shelters at least 150 homeless men annually. About 60% obtain employment before leaving the shelter.

Our target for this program is 10 new shelter guests monthly, with five men obtaining jobs each month. All guests will be provided with shelter, meals, and relevant services such as employment counseling, mental health or addiction counseling, and registration for social services for which they are eligible. Reporting will include information on those receiving counseling, treatment, and public benefits.

D. Other Documentation

Our program is described on our website at http://doverinterfaithmission.org and in the attached brochure. Our website includes a short video that shows the shelter and brief interviews with board members, case worker, and selected shelter guests.

E. and F. Relationship to Dover's Consolidated Plan

Dover's Consolidated Plan clearly evidences the need for additional assistance to the homeless, citing the relatively few shelters and the insufficient supply of affordable housing. Further, this Plan notes that "homeless needs" were identified as the number one priority on the list of components voting on by participants at a public planning session related to Consolidated Plan preparation.

Safe and Livable Neighborhoods is one theme of the Consolidated Plan. DIMH has done much to improve actual and perceived safety for residents by moving men who would otherwise be homeless and living on the street into shelter. As a result, homeless men residing in the DIMH shelter do not need to beg for food or for money to meet their daily needs. Police officers readily applaud our efforts to take men off the street, thus reducing loitering and the sense of insecurity that derives from unemployed and "vagrant" men lingering in the streets. There is widespread recognition of the value of DIMH efforts along with support from and participation by hundreds of members of the Dover community.

DIMH actively collaborates with the City of Dover police, State Police, and new community-based committee focused on reducing crime and improving public safety downtown. Our case worker has a long history of assistance to prisoners and ex-offenders and is in regular contact with local probation officers. She assists shelter guests with matters related to the criminal justice system and the civil courts.

G. Building on Community Support and Experience

DIMH received a $60,000 Community Development Block Grant and expended funds during late 2009 and early 2010. These grant expenditures were matched by a significant level of donations and grants. $50,000 in grant and targeted donations made it possible to install the

commercial kitchen. Additional donations from community individuals and businesses contributed to the costs of the shelter renovation. $9,000 was provided (in two years) by the Greater Dover Committee for the purchase of laundry equipment and dining tables and chairs. All other furniture–including bunk beds and office furniture–were donated to DIMH. Grants covered the cost of two laptop computers, with six other computers (along with printers, fax machine, and copier) donated by local businesses and individuals. Two of these computers are set up with internet connections for shelter guests to use. Two new printers were donated recently by the Greater Dover Committee to replace those which had been donated earlier and whose useful life had expired.

Quite a number of builders, contractors, and individual building professionals donated their time and even some materials towards the building renovation and its installations. It is estimated that the value of the building (exclusive of land) is $250,000. Among those contributing labor and skill to this renovation were several shelter guests.

Numerous local organizations, businesses, faith communities, and individuals regularly provide items useful to the shelter, including donations of food, toiletries, and kitchen and office supplies. One local business "lends" their computer-operations manager to us to keep equipment in good order and to provide training to staff, volunteers, and shelter guests on the development of computer skills.

Our program has sheltered over 600 men since opening on a permanent basis on December 1, 2008. This includes shelter provided in church halls until September of 2010. There are few sources of funds to rely on for shelter operations. The Delaware State Housing Authority's Emergency Shelter Grants program is an essential component of our funding; however, the level of funding available is insufficient to meet total operating costs. DIMH continues to pursue all available grant opportunities and raises funds from local faith communities, organizations, and individuals. Its operation is efficient, providing shelter and assistance for an average cost of $8 per man per day.

H. Sources and Amount of Leverage

The operation of the shelter requires various annual expenditures. The shelter operating budget for fiscal year 2012 is $99,000. Actual and expected sources are detailed as follows:

Operating costs exclusive of personnel total $55,000.

The Delaware Department of Health and Social Services/Office of Community Services provides a grant for a portion of personnel costs. For the current year, this grant is $20,000 compared with personnel costs of $44,000. Donations from individuals and faith communities and Grant In Aid funds make up the balance of funds needed for personnel.
Current sources of funds for operations are detailed below:

Delaware State Housing Authority	$18,000 (assumes equal amount to current grant)
Cash on hand from annual campaign and faith communities available for operating expenses	$ 9,500

Total operating funds expected for year	$27,500
Funds needed for year beginning 7/1/12	$27,500

Projected nonpersonnel operating costs for period July 1, 2012 to June 30, 2013: $55,000

We expect to raise the required $44,000 in personnel costs from donations and other grants.

The DSHA funds are typically available beginning August 1. DIMH has received an increased level of funding each year for three years and recognizes that no additional funds are expected for FY2013. There is a maximum grant of $20,000.

Funds from the Office of Community Services begin October 1 and correspond with the federal fiscal year. This grant ensures DIMH with $26,660 annually for three years beginning October 1, 2012.

A Grant In Aid application has been submitted for the state fiscal year beginning July 1, 2012. An initial grant of $9,000 for personnel was received for the current fiscal year beginning July 1, 2011.

Cash on hand reflects actual available cash reserves which are expected to be replenished by annual fund-raising efforts with local faith communities, organizations, and donors.

5. A. Coordination with Business Community

There is extensive coordination between DIMH and the Dover business community. Our collaboration began with the Downtown Dover Partnership (DDP), which DIMH enabled to purchase the property on which the shelter is situated. The original property owner–a local builder–wished to sell the property to DIMH; however, the City of Dover desired it for long-term development. An agreement was reached in which DIMH leases the shelter building from the DDP at an affordable rate while making Dover's plans possible in the years ahead.

The Greater Dover Committee is also allied with the shelter. We have begun to meet with them regarding long-term plans for shelter and affordable housing. It is expected that a working group of Greater Dover Committee members and DIMH officers will collaborate on the development of a plan that addresses the compatible goals of a revitalized downtown and the availability of critical shelter and rental housing for the local labor force. The Greater Dover Committee agreed at its most recent full board meeting to collaborate with DIMH for the long term.

DIMH was the beneficiary of one of the Downtown Merchants Association's *First Friday* events. Our board members actively worked to promote this event while acquainting merchants and customers with the goals and work of DIMH. We have sought to publicize the benefits of patronizing Dover's downtown businesses to our volunteers through our e-mail communications and website.

We also lease two houses for use as transitional housing, providing nine beds to former shelter guests able to work and pay rent. One is leased from the Dover Housing Authority and the other from a local business owner.

In addition, numerous local businesses have contributed to the renovation of the shelter, with others providing food donations on a regular or occasional basis. These include:

Frankfurt Bakery
Citizens Bank
Food Lion (through Serenity Place)
Olive Garden
Bayhealth/Kent General Hospital
La Fontana
Dunkin' Donuts
Rain Designs, Inc.
Hard Rock Masonry
IBEW and Diamond State Electric
Radius Services
Kingdom Builders
Lessard Builders
Phil McGinnis Realty
Teal Construction
Associates Contractors
Dover Rent-All
RPJ Waste Services
Webb Paving
Bowers Signs
Lowe's
Home Depot
Delaware Made General Store
SCORE Delaware
Greater Dover Committee/Foundation
Delaware State News
Dover Post
Delaware State University
Delaware Technical and Community College (Terry Campus)
Wesley College
Connections CSP
Kent County Counseling
Center for Mental Wellness
NCALL Research

We also note that over 45 local faith communities comprise DIMH, and various business owners and employees contribute time, meals, and materials to our organization along with Rotary and Lions clubs. We continue to see collaboration with local organizations and businesses.

We look forward to the continued successful operation of the shelter with help from the City of Dover and CDBG funding.

6. Previous Sub-Recipient Grant

A total of $34,479 has been approved for the current year and is being expended for operating expenditures.

STAFF REPORT
Milford Housing Development Corp (MHDC)
Housing Rehabilitation Program

The Housing Rehabilitation Program formally managed by the city's Community Development Office will be managed by MHDC if grant is awarded. MHDC is a successful and established nonprofit affordable housing developer which was founded in 1977 and services Kent and Sussex counties.

This project services 100% low to moderate income persons. The grant request of $60,000 is a realistic amount for a maximum up to $15,000 per home which will service 6-8 homeowners during the program year.

MHDC staff has the level of expertise and experience to continue the success of managing the Housing Rehabilitation Program, and also required to adhere to federal regulations set forth by HUD.

This project is consistent with Goal 2 of the 2010 Consolidated Plan by preserving the existing housing stock in the City of Dover.

977 East Masten Circle
Milford, DE 19963

MHDC
AFFORDABLE HOUSING SOLUTIONS

302-422-8255 *phone*
302-422-8260 *fax*
www.milfordhousing.com

February 13, 2012

Ms. Tracey Harvey
Community Development Department
City of Dover
15 E. Loockerman Street
Dover, DE 19901

RE: City of Dover CDBG FY12-14 Multi-Year Grant Application – Housing Rehabilitation

Dear Ms. Harvey,

I am pleased to submit the enclosed grant application to the City of Dover for the Community Development Block Grant (CDBG) program. Please find our application and accompanying attachments attached. We are hoping the City of Dover will consider our request in the amount of **$60,000** per fiscal year for housing rehabilitation. If awarded, all funds will go directly to rehabilitate owner-occupied housing units for low- to moderate-income households who reside in city limits. Further, this grant request would provide additional assistance in bridging any funding gaps with our agency's growth.

On behalf of MHDC's Board of Director's and staff, we would like to reiterate our sincere appreciation for the support provided by the City of Dover. Please find enclosed one original and eight copies of our Home Repair Project application and the required exhibits.

If you have any questions, comments, or require additional information, please do not hesitate to contact either me or Russell Huxtable, MHDC Vice President/COO at 302-422-8255 or via email at vdemarco@milfordhousing.com and rhuxtable@milfordhousing.com, respectfully.

Warmest Regards,

Valerie DeMarco
Development Director

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient

Milford Housing Development Corporation (MHDC)
977 E. Masten Circle
Milford, DE 19963
Ph: (302) 422-8255

B. Name, position and signature of person submitting application:

Valerie DeMarco, Development Director

Name and position of authorizing official:

Russell Huxtable, Vice President/COO

C. Name, address and phone number of Contact Person:
(If different from B above)

Same as above

FY 2012 only

Activity:
Amount Requested: $ **60,000**
List Source of Cash Matching Funds $ **(See Attachment)**

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

[illegible]	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
Home rehab for owner-occupied units	**6-8 persons**	**6-8 persons**	**100%**	**$60,000.00**	**$60,000.00**

Source of Data:

MHDC will work with the City of Dover's Community Development office, which maintains a CDBG waiting list of clients who meet program criteria and income limits as determined by the U.S. Department of Housing and Urban Development (HUD).

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG

Project: Sub-Recipient Personnel	Title(s)
Russell Huxtable	**Vice President/COO**
Fred Traute	**Preservation Manager**
Fran Cardaci	**Field Coordinator**

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project.

4. Application Work Plan

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

- **The highest priority for this project is to rehabilitate owner-occupied housing units found to be in violation of the City of Dover's Housing Code.**

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

- **Program activity is 'Housing Rehabilitation'. This activity is fully described as housing rehabilitation for low- to moderate-income homeowners who reside within city limits. The objective is to preserve the City's existing housing stock.**
- **The total number of units to be rehabilitated is 6-8, per year of grant funding period. Total number of units to be repaired during all three years of the grant period is 18-24.**
- **Households must be low- to moderate-income as defined by the U.S. Department of Housing and Urban Development (HUD). Households served must be 80 percent and below Area Median Income (AMI) as defined by HUD.**
- **Housing type is homeownership units. Clients must provide proof that they own the home in order to qualify for the rehabilitation.**

- **Target area is defined as the geographic city limits for the City of Dover. The project is city-wide and will focus on preserving the existing housing stock in the City.**
- **Each household served will be allowed up to $15,000 in repairs to bring the unit up to code.**
- **The need for home rehabilitation is based on: 1) Overwhelming demand for such services as received daily from the City of Dover by residents; 2) Rising numbers of cost-burdened households, as it relates to housing costs; and 3) Rising number of elderly residents and persons with disabilities facing diverse and critical housing needs. Sources include: City of Dover and the Delaware State Housing Authority.**

C. Provide a timetable showing monthly milestones for completion of each activity.

- **The rehabilitation program will begin immediately once the grant has been approved. The rehabilitation project is expected to take 150 days.**
- **The first month of the project will consist of lead base paint testing for all homes that are 50 years of age and over and sent for review and approval to the Historic Preservation Office.**
- **The second month of the project will consist of the properties going out for bid. The remaining three months will consist of the rehabilitation of the properties.**
- **Rehabilitation activities will meet City of Dover code regulations.**

D. Attach drawings, plans or other documentation necessary to describe program activities.

- **The properties to be rehabilitated will come from the first 6 to 8 applicants off the waiting list and will be for owner-occupied properties in located within city limits.**

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

- **Activities carried out support the overall goals of the City of Dover's Consolidated Plan and its priorities on housing issues. Goal 3 of the 2010 Consolidated Plan is to preserve the existing housing stock in the City of Dover. Home rehabilitation is consistent with this goal.**
- **This project is also consistent with Goal 1 by providing aid to special needs persons. Housing units that will need to become handicap accessible will be completed by this project**

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

- **The proposed program address the City of Dover's second priority of addressing housing needs. Improving the quality of existing housing stock will address this need by bringing the units up to code requirements.**

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

- **Annually this project is funded for the City of Dover to administer. Each year the city reaches its goal by providing safe sanitary housing to low to moderate income persons and making the neighborhoods more desirable to live in. Currently, the City of Dover has reached out to MHDC in search of possible partnership for service delivery.**
- **MHDC's Home Repair Project has consistently been funded by the City of Dover for many years. In the past six years, 60 homes within the City of Dover, have received repairs through the CDBG sub-recipient grant funding through the project.**
- **Award dates and amounts include:**

  FY2006 - $25,000
  FY2007 - $25,000
  FY2008 - $25,000
  FY2009 - $25,000
  FY2010 - $35,000
  FY2011 - $40,000

  The project has consistently performed well and met all monitoring requirements of the City during these funding periods.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

- **Please see attached.**
- **In addition, MHDC will be solely responsible to complete home inspections. MHDC will coordinate these efforts with the City of Dover as needed.**

5. Each application should also describe the following:

A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area.

- **The proposed project does not involve efforts to coordinate with businesses regarding the development of community.**

6. Have you received a sub-recipient grant from the previous funding year? **Yes, through the City of Dover.**

If yes give the total amount $ **40,000 – FY2011** .

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment	_____
Decent Housing	X
Economic Opportunity	_____

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility	_____
Affordability	_____
Sustainability	X

Please provide a proposed outcome based on the information below that applies to your activity

If granted, MHDC will complete at least 6 home rehabs per fiscal year, 100% of those units will meet the City of Dover's Housing Code, 100% of meet accessibility requirements as needed. Indicators used for evaluation include: Organizational records, program budgets, and financial records.

Number of persons, households, units, or beds assisted as appropriate **6-8 homeownership units per funding year.**

Income level of persons or households by: Very Low		%
Low	**50**	%
Moderate	**50**	%

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served. **6 – 8 persons served based on household size of those served per year. In total, roughly 18-24 persons will benefit from this activity.**

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability.

MHDC
AFFORDABLE HOUSING SOLUTIONS

City of Dover CDBG Application FY2012-2014

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MHDC
AFFORDABLE HOUSING SOLUTIONS

Milford Housing Development Corporation

The mission of Milford Housing Development Corporation (MHDC) is to provide decent, safe, and affordable housing solutions to people of modest means.

Agency Background

MHDC is a value-driven, nonprofit affordable housing developer. Although our headquarters are located in the City of Milford, we provide services throughout the state of Delaware, with a primary focus area of Kent and Sussex Counties. Our mission is to provide decent, safe, affordable housing solutions to people of modest means. We are known for our open-minded approach, commitment to quality, and caring and sound passion for client and staff alike. The agency was founded in 1977 by local residents who saw a dire need for affordable housing options in the community. Like other nonprofits, the agency was led only by a volunteer, yet dedicated board of directors for many years. During this time, several significant housing projects were accomplished. In 1994, the agency hired its first employee and growth quickly began. Within three years, MHDC had completed development of its first affordable, senior rental complex. In addition, MHDC became the first and only Delaware-recipient of the Self-Help Housing Program award from the U.S. Department of Agriculture's Rural Development (USDA RD) that very same year.

Whether it is rental housing for families or seniors, transitional housing for single mothers, home repairs for the elderly and people with disabilities, or first-time home for low- to moderate-income families, MHDC handles every aspect of housing construction. This includes acquiring the land, securing the appropriate zoning and permits, preparing building plans, warehouse materials, completing site preparation and overseeing or handling construction.

Services Provided

MHDC's provides a variety of housing solutions, tailored uniquely to meet each individual's needs, including:

- TRANSITIONAL HOUSING - MHDC owns and operates seven units of transitional housing for families experiencing undue hardships or women and children who are victims of domestic violence. Rent is income restricted and is based on a small percentage of each family's household income.
- MULTI-FAMILY RENTAL PROGRAM - MHDC owns seven affordable rental complexes, consisting of 244 units for families and seniors at or below 60 percent Area Median Income (AMI). East Coast Property Management (ECPM), the property management company owned by MHDC also provides management services to over 2,000 affordable rental units in Delaware.
- EMERGENCY HOME REHAB PROGRAM – MHDC became stewards of this well-known, high-performing program in the fall of 2011. During 2010, the program completed repairs on roughly 300 homes in Delaware with the assistance of project volunteers who donated over 8,300 hours. Roughly half of all those served by the program were of minority status and 65 percent of all homes repaired were owned by senior citizens and/or persons with disabilities.
- SELF-HELP HOUSING PROGRAM – MHDC's premier homeownership program is offered as an alternative path to homeownership for families. MHDC staff provides eligibility determination, loan packaging/processing, pre-construction training, construction training, onsite construction guidance skill training, and post-homeownership counseling. Working in small groups of families, participants help build each other's homes during a year-long construction process at 30 hours a week. Families average over $32,000 in sweat equity per home. To date, over 125 affordable homes have been developed through the program.
- NEW CONSTRUCTION, SINGLE-FAMILY HOUSING PROGRAM - Provides conventional homeownership programs where participants design homes based on individual choice. MHDC completes all phases of the construction.
- PRESERVATION ACTIVITY - MHDC prevents existing affordable housing units from becoming substandard, by acquiring vacant, foreclosed homes, rehabilitating them, and bringing them up to code. Funding is secured and packaged by MHDC staff through loans and grants.

Other activities include pre- and post-occupancy homeownership counseling, financial literacy training, and construction-based job training. We believe providing these services meets the needs of our communities, fulfills our mission, and promotes community stabilization.

MHDC
AFFORDABLE HOUSING SOLUTIONS

BOARD OF DIRECTORS

MHDC's activities are governed by a well-respected Board of Directors. Our board represents a cross-section of the communities we serve and are able to lend insight and direction for our housing activities.

- ***Matthew T. Parks, Board Chairperson*** – Currently employed as the Community Reinvestment Act (CRA) Officer at Discover Bank, Greenwood, DE.
- ***Thomas Houlihan, Vice Chair*** – Currently employed as the Head of Commercial and Community Development Lending at ING Direct, Wilmington, DE.
- ***Kevin J. Gillis, Board Member*** – Currently employed as the Delaware Sales Manager at Citizens Bank, Wilmington, DE.
- ***Gary Smith, Board Member*** – Currently employed as the Director of Capital Resources for the Delaware Economic Development Office (DEDO).
- ***Timothy Riley, Board Member*** – Currently employed by the Kent Conservation District, Dover, DE.
- ***Margaret (Peggy) Gallego, Board Member*** – Currently retired. Previously employed as a Radiology Assistant at Milford Memorial Hospital, Milford, DE.
- ***Linda Rogers, Board Member*** – Currently retired. Previously employed as the President of Milford Jaycees, Milford, DE.
- ***June Barto, Board Member*** – Currently retired. Previously employed as the Secretary to the Milford City Council and as a Teacher's Assistant at Milford School District both located in Milford, DE.
- ***Rev. James M. Holt, Board Member*** – Current serves as Senior Pastor of Mt. Enon Baptist Church, Milford, DE. Previously served in the U.S. Air Force as a Chief Master Sergeant until his retirement in 1983.
- ***Harold Truxon, Board Member*** – Currently working part-time as a Greeter at Wal-Mart. Previously a local restaurant owner in Ellendale, DE.
- ***Richard. Beauchamp, Board Member*** – Currently retired. Previously employed as the Assistant Manager at Discover Bank, Greenwood, DE.

MHDC
AFFORDABLE HOUSING SOLUTIONS

STAFF BACKGROUND

MHDC's ability to meet program goals is demonstrated by the experience and expertise of our management team and key program staff. MHDC's management structure comprises David Moore, President/CEO and Russell Huxtable, Vice President/COO, both of whom report directly to MHDC's Board of Directors. As the agency's key leader, Mr. Moore has worked in the nonprofit housing industry at a management level for over two decades. He is responsible for the long-term vision of the agency and its accordance with MHDC's mission.

Mr. Huxtable oversees operations of MHDC's housing programs and has over ten years experience in management and nonprofit housing. Mr. Huxtable has 10 years management experience, 12 years nonprofit housing experience, 10 years Self-Help Housing experience, and a Bachelor's degree in Political Science. He is President of National Rural Self-Help Housing Association and an appointee to the State of Delaware Council on Housing.

Key program staff members include:

(1) Fred Traute, Housing Preservation Manager. Fred has Fred has 36 years Air Force and Federal Civil Service experience in a variety of Maintenance, Quality and Management capacities. He recently completed the Non-Profit Management Certificate Course at the University of Delaware and comes to our Project by way of volunteerism;

(2) Frances Cardaci, Preservation Coordinator. Fran retired from the USAF following a career that included flying as a C-5 Instructor Flight Engineer and as an Instructor Weapons Director aboard AWACS aircraft. She served as Chief of Operations Group Readiness in the 552 Air Control Wing at Tinker, responsible for the deployment preparedness of2000 airmen in five squadrons. Fran earned a bachelor's degree in Business Management from Wilmington College in 1990 and an MBA from Oklahoma City University in 1996. As a former small business owner and marketing research analyst for a major building contractor she brings a breadth of knowledge and experience to help ensure the Project's continued success; &

(3) Debbie White, Intake Coordinator. Ms. White She is often the first contact a client in need has with our program. Debbie's considerable background and in depth knowledge of the housing and construction industries enables her to get to the root of a client's issues and get the appropriate help on its way. In addition to completing client intakes, Debbie maintains client and volunteer files, prepares PowerPoint presentations of prospective clients for the project's oversight committees while also handling the day to day office operations.

The project also employs two full-time preservation construction staff members and utilizes volunteers for many of their home repairs.

First State RC D Emergency Home Repair Project

Demographic and Statistical Summary FY 2011

1July 2010 thru 30 June 2011

CLIENT PROFILE BY HEAD OF HOUSEHOLD ON COMPLETED REPAIR SITES**								
Head of Household Type	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Co-Headed	0	0	3	8	2	10	5	18
Female Headed	1	9	6	29	6	32	13	70
Male Headed	0	1	1	5	1	3	2	9
Disabled/Elderly Headed	3	12	19	82	21	87	43	181
Disabled Headed	*0*	*2*	*8*	*38*	*9*	*47*	*17*	*87*
Elderly Headed	*3*	*7*	*5*	*21*	*6*	*23*	*14*	*51*
Disabled Elderly	*0*	*3*	*6*	*23*	*6*	*16*	*12*	*42*
Single Person	1	2	5	10	10	51	16	63
TOTALS	5	24	34	134	40	183	79	341

CLIENT PROFILE BY AGE OF FAMILY MEMBERS IN HOMES COMPLETED								
Age Group	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Children under 18	2	19	24	89	17	87	43	195
Disabled child	*0*	*0*	*1*	*5*	*0*	*3*	*1*	*8*
Adults 18-64	5	23	36	150	43	181	84	354
Elderly 65 & Older	5	9	13	52	17	71	35	132
Disabled adult over 18	*0*	*1*	*17*	*76*	*30*	*119*	*47*	*196*
TOTALS	12	51	73	291	77	339	162	681

CLIENT PROFILE BY SHELTER TYPE ON COMPLETED REPAIR SITES								
Shelter Type	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Stick Built	5	23	9	44	20	62	34	129
Mobile Home	0	1	25	80	19	106	44	187
Double Wide	0	0	0	11	1	14	1	25
TOTALS	5	24	34	135	40	182	79	341

PROFILE OF COMPLETED HOUSEHOLDS BY RACE/ETHNICITY								
Race/Ethnicity	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
White	1	3	16	77	21	94	38	174
Black	4	21	17	53	17	76	38	150
Hispanic	0	0	1	1	2	7	3	8
Native American	0	0	0	3	0	3	0	6
Asian American	0	0	0	0	0	0	0	0
Multiracial (MR)	0	0	0	0	0	3	0	3
TOTALS	5	24	34	134	40	183	79	341

**Completed = homes in which all approved repairs have been completed.

First State RC D Emergency Home Repair Project

Demographic and Statistical Summary FY 2011

1July 2010 thru 30 June 2011

NUMBER OF HOMES COMPLETED				
	New Castle	Kent	Sussex	TOTAL
1st Quarter	0	9	12	21
2nd Quarter	12	55	102	169
3rd Quarter	7	36	29	72
4th Quarter	5	34	40	79
TOTAL FYTD	24	134	183	341

HOMEOWNER/FAMILY COMPLETED REPAIRS (PROJECT SUPPLIED MATERIALS)					
	New Castle	Kent	Sussex	TOTAL	Percent
1st Quarter	0	0	0	0	
2nd Quarter	0	0	0	0	
3rd Quarter	0	0	0	0	
4th Quarter	0	0	0	0	
TOTAL FYTD	0	0	0	0	0%

VOLUNTEERS ASSISTED WITH OR COMPLETED REPAIRS					
	New Castle	Kent	Sussex	TOTAL	Percent
1st Quarter	0	1	8	9	
2nd Quarter	0	9	15	24	
3rd Quarter	0	19	27	46	
4th Quarter	0	25	16	41	
TOTAL FYTD	0	54	66	120	35%

JOINT CDBG PROJECT REPAIRED HOMES				
	New Castle	Kent	Sussex	TOTAL
1st Quarter	0	2	0	2
2nd Quarter	0	1	1	2
3rd Quarter	0	0	0	0
4th Quarter	0	0	0	0
TOTAL FYTD	0	3	1	4

* County CDBG Program

**Dover CDBG Subrecipient Grant Program

***USDS-Rural Development

MHDC
AFFORDABLE HOUSING SOLUTIONS

FUNDING SOURCES

Home Repair Project Funding Sources - 2012

Source	Amount	Status
Delaware State Housing Authority	$375,000.00	Approved
DE Grant-in-Aid	$33,000.00	Approved
Palmer Home Foundation	$35,000.00	Pending
Rawlins & Potter Trusts	$40,000.00	Pending
City of Dover CDBG Sub recipient	$40,000.00	Pending
Discover Bank	$35,000.00	Pending
JP Morgan Chase	$240,000.00	Expected
Kent County Levy Court	$6,500.00	Approved
Misc/Indiv. Donations	$3,500.00	N/A
Total Revenue	**$808,000.00**	

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
(A DELAWARE NOT-FOR-PROFIT CORPORATION)
COMBINED FINANCIAL STATEMENTS
DECEMBER 31, 2010

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
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Robert B. Lank, C.P.A.
Terrence Johnson, C.P.A.
Richard L. Tull, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Milford Housing Development Corporation
Milford, Delaware

We have audited the accompanying combined statement of financial position of Milford Housing Development Corporation (a nonprofit organization) and Affiliates as of December 31, 2010, and the related combined statements of activities, functional expenses and cash flows for the year then ended. These combined financial statements are the responsibility of Milford Housing Development Corporation's management. Our responsibility is to express an opinion on these combined financial statements based on our audit. The prior year summarized comparative information has been derived from the organization's December 31, 2009 financial statements and, in our report dated April 6, 2010 we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Milford Housing Development Corporation and Affiliates as of December 31, 2010, and the combined changes in its net assets/partners' capital, and its combined cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 11, 2011 on our consideration of Milford Housing Development Corporation and Affiliates' internal control and on our tests of their compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the combined financial statements of Milford Housing Development Corporation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non Profit Organizations* and is not a required part of the combined financial statements of the Corporation. The other supplemental information included in the report is presented for the purpose of additional analysis and is not a required part of the combined financial statements of Milford Housing Development Corporation. Such information has been subjected to the auditing procedures applied in the audit of the combined financial statements and, in our opinion, is fairly stated in all material respects, in relation to the combined financial statements taken as a whole.

Lank, Johnson & Tull

Seaford, Delaware
April 11, 2011

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES

MORTGAGOR'S CERTIFICATION

We hereby certify that we have examined the accompanying combined financial statements and supplemental information of Milford Housing Development Corporation and Affiliates and, to the best of our knowledge and belief, the same are accurate and complete.

David D. Moore

President
Milford Housing Development Corporation
51-0218904

4/11/2014

Date

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES

MANAGEMENT AGENT'S CERTIFICATION

We hereby certify that we have examined the accompanying combined financial statements and supplemental information of Milford Housing Development Corporation and Affiliates and, to the best of our knowledge and belief, the same are accurate and complete.

Management Agent
East Coast Property Management, Inc.
51-0385798

2-13-11
Date

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2010

	Corporate	Milton Landing, LP	Marshall Manor, LP	Hurd's Crossing, LP	DECEMBER 31, 2010	MEMO ONLY 2009
ASSETS:						
Cash	$ 575,162	$ 37,164	$ 29,124	$ 20,783	$ 662,233	$ 738,657
Tenant Accounts Receivable	12,703	3,396	2	28	16,129	19,326
Accounts Receivable - Other	42,644	-	15,467	12,859	70,970	80,493
Construction in Progress	55,647	-	-	-	55,647	249,286
Unconditional Promises to Give (Restricted $547,125)	676,375	-	-	-	676,375	688,598
Investments	131,078	-	-	-	131,078	118,813
Funded Escrows and Reserves	744,705	248,384	276,846	149,021	1,418,956	1,321,205
Tenant Security Deposits Escrow	35,539	19,311	8,982	11,138	74,970	76,332
Intangible Assets (Net)	13,788	2,114	-	14,900	30,802	33,024
Deposit on Contract	325,000	-	-	-	325,000	-
Property and Equipment (Net)	11,634,877	2,498,064	2,320,972	4,765,279	21,219,192	21,732,398
TOTAL ASSETS	$ 14,247,518	$ 2,808,433	$ 2,651,393	$ 4,974,008	$ 24,681,352	$ 25,058,132
LIABILITIES:						
Accounts Payable	$ 267,338	$ 12,860	$ 10,120	$ 17,284	$ 307,602	$ 110,699
Accrued Interest Payable	8,316	1,527	1,709	1,801	13,353	13,742
Security Deposits Funded	37,851	19,311	8,982	11,138	77,282	76,915
Short-Term Debt	1,518,882	6,968	5,000	4,336	1,535,186	1,621,835
Long-Term Debt	9,262,096	3,574,033	2,173,741	2,533,722	17,543,592	17,538,614
TOTAL LIABILITIES	11,094,483	3,614,699	2,199,552	2,568,281	19,477,015	19,361,805
PARTNERS' CAPITAL/NET ASSETS:						
Partners' Capital	-	(1,054,650)	174,995	2,256,706	1,377,051	1,732,585
Net Assets:						
Unrestricted	1,861,205	-	-	-	1,861,205	1,958,730
Temporarily Restricted	1,291,830	248,384	276,846	149,021	1,966,081	2,005,012
TOTAL PARTNERS' CAPITAL/NET ASSETS	3,153,035	(806,266)	451,841	2,405,727	5,204,337	5,696,327
TOTAL LIABILITIES, PARTNERS' CAPITAL AND NET ASSETS	$ 14,247,518	$ 2,808,433	$ 2,651,393	$ 4,974,008	$ 24,681,352	$ 25,058,132

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2010

	MEMO ONLY DECEMBER 31, 2010	2009
UNRESTRICTED NET ASSETS		
Support		
Foundations, Churches and Corporations	$ 669,780	$ 399,636
Federal Financial Assistance	879,424	927,260
State Financial Assistance	33,500	42,150
	1,582,704	1,369,046
Net Assets Released from Restrictions	368,931	42,245
	1,951,635	1,411,291
REVENUE:		
Rent	791,869	812,235
Construction Services	623,474	2,278,697
Interest	14,617	20,966
Other Revenue	75,929	80,331
	1,505,889	3,192,229
TOTAL UNRESTRICTED SUPPORT AND REVENUE	3,457,524	4,603,520
EXPENSES:		
Program Services		
Self Help	332,456	270,963
Adams Street	40,107	38,060
Walnut Street	42,869	34,144
Academy Apartments	64,646	78,070
Greenwood Acres Apartments	179,528	184,537
Transitional Housing	43,129	48,447
Blair Apartments	87,644	75,326
Acorn Acres	281,020	273,928
Park Royal Apartments	296,718	289,770
Milton Landing, LP	381,993	414,768
Marshall Manor, LP	336,153	342,661
Hurd's Crossing, LP	369,575	359,692
Construction Services	686,183	2,358,876
Total Program Services	3,142,021	4,769,242
Support Services		
Management and General	768,562	1,049,443
	3,910,583	5,818,685
INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS/PARTNERS' CAPITAL	(453,059)	(1,215,165)
TEMPORARILY RESTRICTED NET ASSETS		
Federal Financial Assistance	-	651,298
Foundations, Churches and Corporations	290,000	32,509
State Financial Assistance	40,000	-
Net Assets Released from Restrictions:		
Restrictions Satisfied by Payments	(368,931)	(42,245)
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(38,931)	641,562
CHANGE IN NET ASSETS/NET INCOME (LOSS)	(491,990)	(573,603)
NET ASSETS/PARTNERS' CAPITAL - BEGINNING	5,696,327	6,023,982
NET ASSETS ACQUIRED - ACORN ACRES	-	137,673
PARTNERS' CAPITAL CONTRIBUTIONS DURING THE YEAR	-	108,275
NET ASSETS/PARTNERS' CAPITAL - ENDING	$ 5,204,337	$ 5,696,327

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES							
	SELF HELP	ADAMS STREET	WALNUT STREET	ACADEMY APARTMENTS	GREENWOOD ACRES APARTMENTS	TRANSITIONAL HOUSING	BLAIR APARTMENTS	ACORN ACRES
Compensation and Related Expenses	$ 251,202	$ -	$ -	$ 9,506	$ 14,647	$ 2,372	$ 7,984	$ 32,067
Advertising	3,211	-	-	-	47	208	-	61
Automotive	10,448	-	-	249	-	-	226	-
Project Costs	639	-	-	-	-	-	-	-
Depreciation and Amortization	8,416	5,131	6,265	10,293	38,137	11,448	21,151	62,500
Donations	-	-	-	-	-	-	-	-
Dues and Subscriptions	3,514	-	-	-	-	4	-	-
Insurance								
Property and Casualty	4,552	404	769	2,480	4,267	2,644	2,809	10,714
Workman's Compensation	3,552	-	-	438	157	108	295	1,296
Interest	-	15,987	14,144	2,206	22,268	-	25,275	53,790
Maintenance and Repairs	-	7,509	10,481	13,518	13,363	11,249	17,197	31,383
Occupancy								
Bad Debts	-	-	-	-	-	-	-	1,406
Electricity and Fuel	-	7,696	11,020	2,937	5,203	3,032	139	9,787
Management Fees	-	-	-	7,074	17,472	-	3,000	14,716
Security	-	-	-	-	5,980	-	-	7,068
Trash Removal	-	-	-	3,260	2,214	-	30	9,556
Water and Sewer	-	-	-	3,036	30,240	420	6,105	16,290
Rent	30,000	-	-	-	1,366	5,175	-	3,290
Professional Fees	5,000	3,380	40	1,750	7,372	5,278	1,470	8,452
Supplies								
Office	5,897	-	-	2,342	1,541	428	1,234	2,831
Operating	-	-	-	3,173	9,290	-	729	5,274
Taxes								
Real Estate	-	-	-	-	2,539	-	-	-
Other Taxes	-	-	150	140	1,283	400	-	2,907
Telephone	2,694	-	-	2,244	2,142	363	-	7,632
Travel and Lodging	3,331	-	-	-	-	-	-	-
TOTAL	$ 332,456	$ 40,107	$ 42,869	$ 64,646	$ 179,528	$ 43,129	$ 87,644	$ 281,020

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES					SUPPORTING SERVICES	MEMO ONLY	
	PARK ROYAL	MILTON LANDING, LP	MARSHALL MANOR, LP	HURD'S CROSSING, LP	CONSTRUCTION SERVICES	MANAGEMENT AND GENERAL	2010 TOTAL	2009 TOTAL
Compensation and Related Expenses	$ 40,289	$ 35,039	$ 39,248	$ 37,418	$ 50,500	$ 340,381	$ 860,653	$ 1,087,244
Advertising	-	-	-	-	-	11,510	15,037	2,350
Automotive	882	-	-	-	-	-	11,805	43,737
Project Costs	-	-	-	-	562,681	141,480	704,800	2,192,795
Depreciation and Amortization	54,089	85,711	111,422	131,454	39,086	62,217	647,320	633,631
Donations	-	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-	6,059	9,577	9,556
Insurance								
Property and Casualty	13,784	15,312	15,045	9,725	-	18,084	100,589	191,821
Workman's Compensation	1,862	1,314	2,608	2,116	412	6,188	20,346	37,102
Interest	64,685	89,895	50,475	65,212	16,676	63,511	484,124	523,178
Maintenance and Repairs	23,357	28,995	24,601	27,105	7,756	23,825	240,339	217,230
Occupancy								
Bad Debts	1,837	1,461	-	348	-	4,871	9,923	4,101
Electricity and Fuel	8,259	13,183	5,832	5,579	-	11,446	84,113	93,631
Management Fees	19,813	27,376	26,256	21,874	-	-	137,581	127,359
Security	2,101	7,768	3,673	2,808	-	-	29,398	24,175
Trash Removal	10,611	10,899	4,607	3,000	-	-	44,177	36,127
Water and Sewer	21,452	16,752	14,844	22,376	-	-	131,515	137,103
Rent	973	365	437	2,090	-	3,550	47,246	53,280
Professional Fees	8,033	13,532	8,000	8,250	8,048	36,647	115,252	146,552
Supplies								
Office	2,672	2,846	3,279	3,920	-	21,466	48,456	77,187
Operating	12,791	6,816	5,403	1,519	1,002	4,529	50,526	59,880
Taxes								
Real Estate	3,482	15,406	13,351	18,810	-	259	53,847	56,565
Other Taxes	3,516	6,632	4,887	3,280	22	1,600	24,817	28,954
Telephone	2,230	2,691	2,185	2,691	-	5,353	30,225	34,195
Travel and Lodging	-	-	-	-	-	5,586	8,917	932
TOTAL	$ 296,718	$ 381,993	$ 336,153	$ 369,575	$ 686,183	$ 768,562	$ 3,910,583	$ 5,818,685

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	MEMO ONLY	
	DECEMBER 31,	
CASH FLOWS FROM OPERATING ACTIVITIES:	2010	2009
Support	$ 1,924,927	$ 1,672,570
Revenue	1,796,622	3,905,742
EXPENSES:		
Self Help	(130,401)	(262,547)
Academy Apartments	(45,334)	(67,707)
Acorn Acres	(184,639)	(167,339)
Adams Street	(34,976)	(32,929)
Walnut Street	(36,604)	(27,879)
Greenwood Acres Apartments	(138,890)	(169,128)
Transitional Housing	(31,681)	(36,999)
Blair Apartments	(66,809)	(56,217)
Park Royal	(212,801)	(192,441)
Milton Landing, LP	(222,977)	(254,665)
Marshall Manor, LP	(196,298)	(212,391)
Hurd's Crossing, LP	(196,114)	(167,623)
Construction Services	(349,938)	(1,951,095)
Management and General	(720,246)	(1,027,797)
NET CASH FROM OPERATING ACTIVITIES	1,153,841	951,555
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Property and Equipment	(498,929)	(882,653)
Deposit on Contract	(325,000)	-
Restricted Accounts	(96,022)	(66,600)
Acquisition of Acorn Acres Operating Account	-	5,152
Investment Transactions	-	(10,000)
NET CASH FROM INVESTING ACTIVITIES	(919,951)	(954,101)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Long-Term Borrowings	880,697	693,491
Proceeds from Short-Term Borrowings	150,000	1,359,586
Capital From Limited Partner	-	108,275
Principal Payments on Short-Term Borrowings	(935,697)	(90,906)
Principal Payments on Long-Term Borrowings	(405,314)	(2,687,613)
NET CASH FROM FINANCING ACTIVITIES	(310,314)	(617,167)
NET CHANGE IN CASH AND EQUIVALENTS	(76,424)	(619,713)
CASH AND CASH EQUIVALENTS:		
Beginning of Period	738,657	1,358,370
End of Period	$ 662,233	$ 738,657

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2010

	MEMO ONLY	
CASH FLOWS FROM OPERATING ACTIVITIES:	DECEMBER 31,	
	2010	2009
Change in Net Assets/Net Income (Loss)	$ (491,990)	$ (573,603)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES:		
Depreciation and Amortization	647,320	633,631
(Gain)/Loss on Investments	(12,265)	(11,349)
Cost of Lots Sold	596,204	627,286
(Increase) Decrease in Operating Assets:		
Tenant Accounts Receivable	3,197	(16,570)
Construction in Progress	193,639	437,296
Accounts Receivable-Other	9,523	54,728
Unconditional Promises to Give	12,223	(380,283)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	22,669	(30,033)
Accrued Interest Payable	173,322	210,452
NET CASH FROM OPERATING ACTIVITIES	$ 1,153,841	$ 951,555
Cash Paid for Interest	$ 310,802	$ 312,726
NON CASH INVESTING AND FINANCING:		
Harmony Hill Improvements in Accounts Payable	$ 184,234	$ -
Acorn Acre's Assumption of Property and Loan	-	132,521
TOTAL NON CASH INVESTING AND FINANCING	$ 184,234	$ 132,521

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Milford Housing Development Corporation (MHDC) (a Delaware Not-For-Profit, Non-Stock Corporation), (the "Corporation") was organized for the purpose of promoting quality housing opportunities for disadvantaged, elderly and low-income families. The Corporation owns and operates eight apartment complexes consisting of 244 units and an additional 7 units of Transitional Housing, along with various construction activities. Three of the projects are limited partnerships for which MHDC is the general partner. The Corporation and management agent are required to operate the projects in accordance with the terms as outlined in the regulatory agreements, mortgage agreements, management agreements and management plans. In addition, the Corporation has received various grants from USDA, Rural Development, the State of Delaware, businesses and private foundations. The Corporation is a qualified "Community Housing Development Organization", as defined in HUD's HOME Investment Partnerships Program, and as such, is eligible for certain loans and grants.

The Corporation's programs include:

Academy Apartments – Milford, Delaware – 11 units of housing provided assistance by the U.S. Department of Housing and Urban Development (HUD) in the form of Section 8 Housing Assistance Payments. Project financing through USDA, Rural Development (RD) provides interest subsidies pursuant to Section 521 of the Housing Act of 1949.

Transitional Housing – Milford, Delaware – 3 units provide shelter for the temporarily homeless, which are financed by the Delaware State Housing Authority (DSHA) under the HUD HOME program. Residents of the transitional housing are provided counseling services to help them obtain permanent housing, employment, financial assistance, and to help them with substance abuse.

Greenwood Acres – Greenwood, Delaware – 28 units of elderly housing with financing provided by RD under the National Housing Act of 1949. The project receives interest subsidies as well as rental assistance payments from RD.

Self Help Housing – a program that provides technical assistance and construction financing to eligible families constructing their own single family homes. The program is funded by RD and is projected to provide assistance on 23 homes in Kent and Sussex County over a two year period.

Blair Apartments – Milford, Delaware – 10 units of unassisted housing financed by Delaware Community Investment Corporation (DCIC).

Marshall Manor, LP – Milford, Delaware – consists of 36 elderly, low-income housing units. The corporation developed and sponsored this low-income housing project that qualifies for tax credits. The credits were sold to outside investors. MHDC owns Marshall Manor, Inc. which is the general partner in Marshall Manor, LP, the owner of the apartment complex. This project's financial information has been combined into these financial statements.

Cedar Creek Landing – Lincoln, Delaware - a subdivision of eighty two building lots, most of which have been used for the Self Help Housing program. The other lots were sold to qualifying buyers.

Park Royal – Milton, Delaware – 32 units of housing provided assistance by HUD in the form of Section 8 Housing Assistance Payments. Project financing through RD provides interest subsidies pursuant to Section 521 of the Housing Act of 1949. DSHA has also provided funding for this project.

Milton Landing, LP – Milton, Delaware - consists of 48 low-income housing units. The corporation developed and sponsored this low-income housing project that qualifies for tax credits. The credits were sold to outside investors. MHDC owns Milton Landing, Inc. which is the general partner in Milton Landing, LP, the owner of the apartment complex. This project's financial information has been combined into these financial statements.

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Hurd's Crossing, LP – Felton, Delaware – a 36 unit senior housing project. The Project's permanent financing settlement took place on November 13, 2008. The corporation developed and sponsored this low-income housing project that qualifies for tax credits. The credits were sold to outside investors. MHDC is the owner of Hurd's Crossing, Inc., the general partner in Hurd's Crossing, LP. This project's financial information has been combined into these financial statements.

Acorn Acres Apartments - Georgetown, Delaware - On November 30, 2009, Milford Housing Development Corporation agreed to take over operation of the real estate activities and to assume the debt associated with the real estate from Interfaith Mission of Sussex County, Inc. The apartment complex consists of 24 units located in Georgetown, Delaware. Project financing through Rural Development provides interest subsidies pursuant to Section 521 of the National Housing Act. The Delaware State Housing Authority (DSHA) via the Housing Development Fund and the HOME Investment Partnerships Program provided additional financing.

Smyrna Transitional – Smyrna, Delaware – 4 units provide shelter for the temporarily homeless, which are financed by the Delaware State Housing Authority (DSHA) under the HUD HOME program. Residents of the transitional housing are provided counseling services to help them obtain permanent housing, employment, financial assistance, and to help them with substance abuse.

Eastgate Farms – Milford, Delaware – a proposed subdivision to be used for Self-Help lots, multi-family rental and townhouse units.

Harmony Hill – Camden, Delaware – a thirty-one lot subdivision to be used for Self-Help lots.

Broad Acres – Seaford, Delaware – a seventeen lot subdivision to be used for Self-Help lots.

New Horizons – Sussex County, Delaware – a proposed fifty lot manufactured home subdivision that is a derivation of the land trust concept. The land will be owned by a land trust, thereby controlling the cost of the homes and to whom they can be sold. The homes are targeted to families of modest means.

Manchester Manor – Laurel, Delaware – a fourteen lot subdivision used for Self-Help lots with one lot remaining.

Adams Street – Georgetown, Delaware – nine units of unassisted housing financed by First State Community Loan for disadvantaged, single, adult, working men.

Walnut Street – Milford, Delaware – three units of unassisted housing financed by NCALL.

Construction Services – the Corporation is engaged in various construction activities that promote affordable housing. The most significant of these activities was the construction of Hurd's Crossing. Mid-State Residential, LLC, is a single member limited liability company, created by MHDC in November 2008, that was created to reduce liability from the construction services activity.

The following is a summary of significant accounting policies followed in the preparation of the financial statements:

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Corporation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Corporation reclassifies temporarily restricted net assets to unrestricted net assets at that time. Major acquisitions are capitalized while repairs and maintenance charges are expensed to operations. Property and equipment are depreciated using accelerated and straight-line methods.

Income Taxes

The Corporation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Financial Statement Presentation

Under current accounting standards, management is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, management is required to present a statement of cash flows. The accompanying financial statements have been prepared using the accrual method of accounting.

Cash and Cash Equivalents

For purposes of the statement of cash flows, management considers all unrestricted highly liquid investments with an initial maturity of three months or less at acquisition to be cash equivalents.

Estimates

The presentation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from these estimates and assumptions.

Combining Policy

MHDC is the owner of the general partners in Milton Landing Limited Partnership, Marshall Manor Limited Partnership and Hurd's Crossing Limited Partnership. Generally accepted accounting principles require combined financial statements when control is significant, such as a general partner in a limited partnership. These financial statements present all accounts of these entities. Inter-entity receivables and payables have been eliminated. The capital of the Limited Partnerships are not available to the Organization for operational uses.

Accounts Receivable

Tenants' share of rents are due the first of each month and are considered delinquent after the tenth of the month. Rural Development subsidies are requested near the end of the month and are usually received in the subsequent month. HUD subsidy requests are submitted at the beginning of the month and are usually received in the same month. Accounts are written off once a tenant has been evicted. No allowance for doubtful accounts is recognized since the amount is deemed immaterial.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Memo Totals

The accompanying statements of financial position, statement of activities, cash flows and functional expenses reflect totals for 2009. The totals are shown to facilitate financial analysis and are not required by accounting principles generally accepted in the United States of America.

NOTE 2 - RESTRICTIONS ON ASSETS:

The promises to give as of December 31, 2010, are unconditional and primarily are due from the State of Delaware under the Grant in Aid Program and the United States Department of Agriculture, Rural Development, Self Help Housing Program. All promises are due within a one or two year time frame. Other restricted amounts are held in various escrow accounts and require approval from funding sources before amounts can be withdrawn.

Temporarily restricted net assets are available for the following purposes:

Payment of Taxes and Insurance	$	128,808
Payment of Major Repairs, Maintenance and Replacements		937,860
Payment of Self Help Expenses		310,763
Payment of Transitional Housing Operating Costs/Deficits		11,447
Acquisition of East Coast Property Management, Inc.		290,000
Park Royal Site Work		10,018
Residual Receipts and Working Capital Reserves		277,185
TOTAL	$	1,966,081

Under the terms of various agreements, management of the housing projects can make no distributions or pay compensation to the incorporators, officers or Board of Directors, unless approved by the funding source.

The Corporation is required to maintain separate bank accounts for the Self Help Housing program and the Community Housing Development Organization (CHDO) grant.

NOTE 3 – INVESTMENTS

The Corporation has invested in various open end mutual funds and a bank deposit sweep account with Morgan Stanley Smith Barney. The mutual funds have a fair market value of $116,670 and an original cost of $114,294. The sweep account had a balance of $1,203 at December 31, 2010. The mutual funds are carried at fair market value on the statement of financial position. The Corporation also has an endowment fund with Delaware Community Foundation, in which the income and principal is available for unrestricted use. Activity was as follows:

		Morgan Stanley		Endowment Fund		Total Investment
Beginning Balance – January 1, 2010	$	107,176	$	11,637	$	118,813
Dividends and Interest		2,398		2,418		4,816
Unrealized Gains/(Loss)		8,299		(850)		7,449
Ending Balance – December 31, 2010	$	117,873	$	13,205	$	131,078

NOTE 4 - PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost. Depreciation is computed using the following methods and lives:

	USEFUL LIVES	METHODS
Buildings	40 years	SL
Equipment	5 - 10 years	SL and MACRS

Substantially all property and equipment is restricted for use in housing opportunities for the disadvantaged.

	BALANCE 1/1/10	ADDITIONS	RETIREMENTS	BALANCE 12/31/10
Land	$ 5,298,571	$ 658,579	$ 596,204	$ 5,360,946
Buildings	19,250,426	18,415	-	19,268,841
Equipment	1,293,860	51,103	-	1,344,963
TOTAL COST	$ 25,842,857	$ 728,097	$ 596,204	25,974,750
Accumulated Depreciation				(4,755,558)
PROPERTY AND EQUIPMENT (NET)				$ 21,219,192

NOTE 5 - DEBT:

Management has entered into the following loan agreements:

A loan was provided by RD pursuant to its Rural Housing Program under Section 515 of the National Housing Act of 1949 for the construction of Academy Apartments in Milford, Delaware. The loan is secured by a mortgage on the project, a security interest in personal property and an assignment of income to be derived from the project. The terms of the mortgage are as follows:

a. A term of fifty years through June 15, 2030.
b. Monthly principal and interest payments of $807.
c. Interest rate of 9.0% before interest subsidies, per annum.
d. The interest subsidies provide an effective interest rate of 1% per annum.
e. Monthly deposits to an escrow account for the payment of property taxes and hazard insurance premiums.
f. Monthly deposits to a replacement reserve to fund future improvements and replacements.
g. Balance at December 31, 2010 was $217,006.

A loan was provided by the Delaware State Housing Authority through the HOME Investment Partnerships Program, in the amount of $207,462, for the purchase, improvement and construction of three, three bedroom transitional housing units in Milford, Delaware. The loan is secured by a mortgage on the real estate, a security interest in personal property and an assignment of income to be derived from the project. The loan agreement provides for, among other things:

a. Deferred payment of principal for forty years, until September 9, 2034.
b. 0% Interest
c. Additional 5 year deferrals upon DSHA approval.

NOTE 5 – DEBT (CONTINUED):

d. Housing units must be used as transitional housing to defer payment.
e. $12,015 of loan proceeds to be placed in an Operating Deficit Reserve Account with DSHA.
f. During the first two years of transitional operation, rents collected were remitted to DSHA to fund an Operating Reserve Account. The balance in this account can be used in future years to pay operating expenses. Any excess funds may be used to reduce the loan balance.
g. Two months following loan closing, a reserve for replacements account was established with an initial deposit of $12,025. Monthly deposits of $150 commenced 19 months after loan closing. 24 months after closing and on each anniversary thereafter, the monthly deposit increases by 2.5% annually.

A loan, dated December 14, 1995, was provided by RD, under Section 515 of the Housing Act, in the amount of $1,435,121 to construct a 28 unit elderly housing project in Greenwood, Delaware. The loan is secured by a mortgage on real estate, a security interest in personal property and an assignment of income to be derived from the project. The terms of the mortgage are as follows:

a. A term of fifty years.
b. Monthly principal and interest payments of $3,080.
c. Interest rate of 6.5% before interest subsidies.
d. The interest subsidies provide an effective rate of 1%.
e. Monthly deposits to an escrow account for the payment of property taxes and hazard insurance premiums.
f. Monthly deposits to a replacement reserve to fund future improvements and replacements.
g. Balance at December 31, 2010 was $1,264,089.

A loan, dated April 3, 2008, was provided by DCIC in the amount of $573,000 for the renovations of Blair Apartments and to refinance a previous note with CNB, formally Felton Bank,. The loan is secured by a mortgage on the real estate. The terms of the loan are as follows:

a. Due April 3, 2026.
b. Monthly payment of principal and interest of $2,927.
c. Interest rate of 4.57%.
d. Balance at December 31, 2010 was $548,535.

A loan was assumed from the previous owner of Park Royal Apartments in the amount of $761,165 on July 31, 2002. Such funds were provided by the U.S. Department of Agriculture, Rural Development pursuant to its Rural Housing Program under Section 515 of the National Housing Act of 1949. The loan is secured by a mortgage on the Project, a security interest in any personal property and an assignment of any income to be derived from the Project. The loan agreement provides, among other things for:

a. A term of thirty years, amortized over thirty five years.
b. Monthly principal and interest payments of $2,153.
c. Interest rate of 6.75% before interest subsidies, per annum, 1% after subsidies.
d. Monthly deposits to an escrow account for the payment of property taxes and hazard insurance premiums.
e. Monthly deposits to a replacement reserve.
f. Balance at December 31, 2010 was $700,816.

NOTE 5 – DEBT (CONTINUED):

A loan was provided by RD to renovate Park Royal Apartments. The total amount of the loan was $573,820, including accrued and capitalized interest of $23,820. The loan is secured by a mortgage on the Project, a security interest in any personal property and an assignment of any income to be derived from the Project. The loan agreement provides, among other things for:

a. A term of thirty years, amortized over thirty five years.
b. Monthly principal and interest payments of $1,691.
c. Interest rate of 6.75% before interest subsidies, per annum, 1% after subsidies.
d. Monthly deposits to an escrow account for the payment of property taxes and hazard insurance premiums.
e. Balance at December 31, 2010 was $538,019.

DSHA provided a loan for renovating Park Royal Apartments in the amount of $1,059,457. The term of the loan is for thirty years with interest at 3% per annum. Payments on this mortgage are deferred. DSHA holds a third mortgage on the property. Balance at December 31, 2010, including accrued interest of $197,546, was $1,257,004.

A loan was provided by The Housing Assistance Council (HAC) in the amount of $715,080 to refinance the purchase of raw land known as Eastgate Farms. The loan matures on July 31, 2011, or when the property is sold, whichever is earlier, with interest at 5%. Interest is due and payable quarterly. HAC holds a mortgage on the land. Balance at December 31, 2010, including accrued interest of $116,371, was $831,451.

The Housing Assistance Council (HAC) is working with MHDC to transfer a $300,000 loan from Broad Acres to Harmony Hill. The loan matures on December 31, 2012, with no interest. Once the transfer is complete HAC will hold a mortgage on the land and/or improvements at Harmony Hill.

A loan was provided by The Housing Assistance Council (HAC) in the amount of $150,000 to purchase raw land known as Harmony Hill. The loan matured on December 31, 2010, or when the property is sold, whichever is earlier. The loan was refinanced in 2011 with HAC. If the loan is not paid by the due date interest will accrue at the prevailing rate. Interest is due and payable in installments upon closing on the sale of the lots. HAC holds a mortgage on the land. Balance at December 31, 2010, was $144,000.

Wilmington Savings Fund Society provided a loan in the amount of $300,000 to refinance the main office and shop for the Corporation. Interest is due and payable monthly at a rate of 4.25%. All principal and any unpaid interest are due on February 15, 2011. The loan is secured by a mortgage on property in Greenwood, Delaware known as Greenwood Acres, Phase II and property in Camden, Delaware known as Harmony Hill. Balance as of December 31, 2010 was $152,805.

Wilmington Savings Fund Society provided a loan in the amount of $710,000 to refinance the purchase of land. The loan bears an interest rate of 4.25% and is payable monthly. All principal and unpaid interest is due and payable on July 3, 2012. The loan is secured by a mortgage on property in Greenwood, Delaware known as Greenwood Acres, Phase II and property in Camden, Delaware known as Harmony Hill. Balance as of December 31, 2010 was $137,250.

Fulton Bank (formerly Delaware National Bank) provided a loan on June 2, 2005 in the amount of $490,000 for the purchase of Broad Acres. This loan was refinanced in 2010 and bears interest at 4.00%. Principal and interest of $2,530 is due monthly. The bank holds a mortgage against the property. Balance at December 31, 2010, was $247,498.

DSHA provided a loan on August 18, 1997 in the amount of $213,000, which MHDC assumed with the acquisition of Smyrna Transitional Housing on September 8, 2007. The term of the loan is for thirty years with interest at 0% per annum, maturing September 1, 2027. Payments on this mortgage are deferred. The loan is secured by a mortgage on the real estate. Balance at December 31, 2010, was $213,000.

NOTE 5 – DEBT (CONTINUED):

Wilmington Trust Company, via the Federal Home Loan Bank, provided a loan on December 8, 1996 in the amount of $24,000, which MHDC assumed with the acquisition of Smyrna Transitional Housing. The term of the loan is for 15 years with interest at 0% per annum, maturing December 31, 2011. Payments on this mortgage are deferred and will be forgiven at the time of maturity. The loan is secured by a mortgage on the real estate. Balance at December 31, 2010, was $24,000.

The Corporation obtained financing in the amount of $260,000 from NCALL for the purchase of 117 N. Walnut Street in Milford, Delaware. The loan is due on January 1, 2012. Interest at 6.5% is payable in monthly installments of $1,626. NCALL holds a mortgage against the property financed. As of December 31, 2010, the balance was $254,229.

The Corporation has available a $500,000 line of credit with Wilmington Savings Fund Society. The loan is due February 15, 2011. Interest on the loan is fixed at 5.75% and is payable monthly. The loan is secured by a mortgage on property in Greenwood, Delaware known as Greenwood Acres, Phase II and property in Camden, Delaware known as Harmony Hill. At December 31, 2010, $286,500 was outstanding

The Corporation obtained financing for two pieces of equipment from CNB, formally Felton Bank. The loans mature on December 23, 2013. Principal and interest are payable monthly in the amount of $1,974 plus interest of 6%. The Bank holds a security interest against the equipment financed. As of December 31, 2010, the balance was $71,040.

The Corporation obtained a line of credit from County Bank for $1,170,000. The loan matures on June 17, 2012. Interest is payable monthly at 5.5%. The loan is secured by a first mortgage on property in Camden, Delaware known as Harmony Hill. As of December 31, 2010, $936,775 had been drawn on this loan.

The Corporation obtained financing in the amount of $190,000 from First State Community Loan Fund (FSCLF) to pay off a NCALL loan for Adams Street in Georgetown, Delaware. The loan matures on January 15, 2015. The interest rate is variable, currently at 6%, which is payable in monthly installments of $1,139. FSCLF holds a mortgage against the property financed. As of December 31, 2010, the balance was $187,993.

Milton Landing, LP's permanent loan closing occurred on November 20, 1998:

First mortgage loan from DCIC for a 30 year term with interest at 7.32% per annum. The original loan amount was $304,000, payable in monthly installments of $2,088. Balloon payment due after 20 years. The Partnership has given DCIC a first mortgage lien and a security interest in all the personal property of the project as well as an assignment of all rents and leases. Balance at December 31, 2010 was $250,301.

Second mortgage loan through the Housing Development Fund, administered by DSHA. 30 year term with interest at 3% per annum. The loan amount was $1,701,365. Payment on the second mortgage is deferred. The Partnership has given DSHA a mortgage lien and a security interest in all the personal property of the project as well as an assignment of all rents and leases. Balance at December 31, 2010 including accrued interest of $611,484, was $2,312,849.

Third mortgage loan from DSHA under the Home Program in the amount of $746,570. 3% interest over 30 years, with deferred payment. The Partnership has given DSHA a mortgage lien and a security interest in all the personal property of the project as well as an assignment of all rents and leases. Balance at December 31, 2010, including accrued interest of $271,281, was $1,017,851.

NOTE 5 – DEBT (CONTINUED):

Marshall Manor, LP's permanent financing settlement took place on June 25, 2003:

First mortgage loan through Rural Development in the amount of $1,000,000. 50 year term, with interest of 6%, subsidized to 1%, payable in monthly installments of $2,123. Balloon payment in 30 years. Balance at December 31, 2010 was $971,145.

Second mortgage loan through the Housing Development Fund, administered by DSHA, in the amount of $114,438. 30 year term. Deferred payment, but accruing interest at 3%. Balance at December 31, 2010, including accrued interest of $16,063, was $130,500.

Third mortgage loan through the "HOME" Loan Program, administered by DSHA, in the amount of $880,000. 30 year term. Deferred payment, but accruing interest at 3%. Balance at December 31, 2010, including accrued interest of $197,096, was $1,077,096.

Hurd's Crossing, LP's permanent financing settlement took place on November 13, 2008:

First mortgage loan through Rural Development in the amount of $1,002,715, which includes capitalized interest of $2,715. 50 year term, with interest of 5.75%, subsidized to 1%, payable in monthly installments of $2,127 beginning in January, 2009. Balloon payment in 30 years. Balance at December 31, 2010 was $995,337.

Second mortgage loan through the "HOME" Loan Program, administered by DSHA, in the amount of $1,450,000. 30 year term. Deferred payment, but accruing interest at 3%. Balance at December 31, 2010, including accrued interest of $92,721, was $1,542,721.

As part of the Acorn Acres acquisition, the following debt was assumed as of November 30, 2009:

First mortgage loan in the original amount of $1,052,349, including accrued interest of $52,349, dated August 2, 2001. Such funds were provided by the U.S. Department of Agriculture, Rural Development pursuant to its Rural Housing Program under Section 515 of the National Housing Act of 1949. The loan is secured by a mortgage on the Project, a security interest in any personal property and an assignment of any income to be derived from the Project. The permanent loan agreement provides, among other things for:

a. A term of fifty years with a balloon payment after thirty years;
b. Monthly principal and interest payments of $2,295;
c. Interest rate of 6.75% before interest subsidies, per annum, 1% after subsidies;
d. Monthly deposits to an escrow account for the payment of property taxes and hazard insurance premiums;
e. Monthly deposits to a replacement reserve;
f. Balance at December 31, 2010 was $1,024,243.

Second mortgage loan from DSHA via the Housing Development Fund, in the amount of $304,736. Interest accrued at the rate of 1% during construction and at 3% after permanent closing, but payments are deferred until the RD mortgage is paid in full, but no later than 30 years from April 14, 2004. The loan is secured by a mortgage on the Project, a security interest in any personal property and an assignment of any income to be derived from the Project. Balance at December 31, 2010, including accrued interest of $61,415, was $366,151.

Third mortgage loan from DSHA via the HOME Investments Partnership Program, in the amount of $725,000. Interest accrued at the rate of 1% during construction and at 3% after permanent closing, but payments on the permanent loan are deferred until the RD mortgage is paid in full, but no later than 30 years from April 14, 2004. The loan is secured by a mortgage on the Project, a security interest in any personal property and an assignment of any income to be derived from the Project. Balance at December 31, 2010, including accrued interest of $146,112, was $871,112.

NOTE 5 – DEBT (CONTINUED):

Fourth mortgage in favor of Fulton Bank, formerly Delaware National Bank, has been recorded against the Project in the amount of $137,500. This mortgage was given in consideration of the Affordable Housing Program Subsidy granted by the Federal Home Loan Bank of Pittsburgh to construct the project on August 2, 2001. The mortgage is for a 15-year period and has no repayment terms as long as the Project is in compliance with the program regulations. This liability is not reflected on the Statement of Financial Position.

All loans with Wilmington Savings Fund Society are cross collateralized so that collateral for one loan collateralizes all loans with Wilmington Savings Fund Society.

The loans are scheduled to mature as follows (estimated):

December 31, 2011	$	1,535,186
December 31, 2012		1,778,815
December 31, 2013		133,460
December 31, 2014		117,212
December 31, 2015		434,792
Thereafter		15,079,313
TOTAL	$	19,078,778

NOTE 6 - ECONOMIC DEPENDENCE:

The Corporation is economically dependent on federal and state funding sources. Any significant reduction in this funding would have a direct impact on operations.

NOTE 7 - CREDIT RISK:

The Corporation uses financial institutions that insure accounts with the Federal Deposit Insurance Corporation (FDIC). During the year the Corporation had amounts invested at various banks in excess of federally insured limits. At December 31, 2010, the excess was $29,870 .

NOTE 8 – USDA RURAL DEVELOPMENT 502 BORROWER FUNDS:

USDA Rural Development 502 Borrower funds were reviewed and no discrepancies were noted.

NOTE 9 – PENSION PLAN:

The Corporation maintains an Internal Revenue Code Section 403(b) deferred compensation plan. MHDC contributed $5,776 to the plan for 2010.

NOTE 10 – DEPOSIT ON CONTRACT:

The Corporation entered into an agreement with Patricia Batchelor to purchase 100% of her ownership interest in East Coast Property Management, Inc. for $650,000. A deposit was paid to Patricia Batchelor in the amount of $325,000 with the remaining $325,000 to be paid over sixty months with interest at 5%. The agreement is to be effective as of January 1, 2011.

NOTE 11 – REAL ESTATE ACTIVITIES:

The Organization capitalizes acquisition, predevelopment, development and carrying costs of land and improvements to be held for sale as part of the Self Help Program. The costs are allocated to each building lot based on either a square footage or resale value formula. As the lots are sold, a prorated portion of the total cost is written off against the sale.

NOTE 12 – IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with Accounting Standards Codification (ASC), No. 360, "Accounting for the Impairment or Disposal of Long-Lived Assets", management reviews its properties for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recovered. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses have been recognized during the year ended December 31, 2010.

NOTE 13 – PRIOR PERIOD ADJUSTMENT:

Acorn Acres' subsidy receivable had not been fully recognized in 2009 and prior years. The 2009 balances have been restated to reflect this change. The net effect is to increase subsidy receivable by $8,263, decrease rental income by $791, and increase beginning net assets by $9,054 in 2009.

Certain prior year amounts reflected on the statement of financial position and statement of cash flows have been reclassified to give a clearer presentation of the results of operations.

NOTE 14 – SUBSEQUENT EVENTS:

Subsequent event inquiries and testing were performed through the report date, April 11, 2011, the date the report was available for issuance.

NOTE 15 - CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS:

The Corporation's operations are concentrated in the low income real estate market. In addition, the Corporation operates in a heavily regulated environment. The operations of the Corporation are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD, RD and/or DSHA. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by HUD, RD and/or DSHA. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES

SUPPLEMENTAL INFORMATION

DECEMBER 31, 2010

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
SUPPLEMENTAL INFORMATION
REVENUE AND EXPENSES BY ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES						
	SELF HELP	ADAMS STREET	WALNUT STREET	ACADEMY APARTMENTS	GREENWOOD ACRES APARTMENTS	TRANSITIONAL HOUSING	BLAIR APARTMENTS
REVENUE							
Rental Income	$ -	$ 24,900	$ 8,298	$ 83,136	$ 194,700	$ 23,232	$ 70,543
Grants Received	-	-	-	-	-	6,095	-
Interest Income	175	71	-	1,690	169	521	9
Other Income	-	20,912	186	2,478	5,258	1,102	1,924
TOTAL REVENUE	175	45,883	8,484	87,304	200,127	30,950	72,476
EXPENSES							
Compensation and Related Expenses	251,202	-	-	9,506	14,647	2,372	7,984
Advertising	3,211	-	-	-	47	208	-
Automotive	10,448	-	-	249	-	-	226
Project Costs	639	-	-	-	-	-	-
Depreciation and Amortization	8,416	5,131	6,265	10,293	38,137	11,448	21,151
Organizational Costs	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-
Dues and Subscriptions	3,514	-	-	-	-	4	-
Insurance							
Property and Casualty	4,552	404	769	2,480	4,267	2,644	2,809
Workman's Compensation	3,552	-	-	438	157	108	295
Interest	-	15,987	14,144	2,206	22,268	-	25,275
Maintenance and Repairs	-	7,509	10,481	13,518	13,363	11,249	17,197
Occupancy							
Bad Debts	-	-	-	-	-	-	-
Electricity and Fuel	-	7,696	11,020	2,937	5,203	3,032	139
Management Fees	-	-	-	7,074	17,472	-	3,000
Security	-	-	-	-	5,980	-	-
Trash Removal	-	-	-	3,260	2,214	-	30
Water and Sewer	-	-	-	3,036	30,240	420	6,105
Postage	-	-	-	-	-	-	-
Rent	30,000	-	-	-	1,366	5,175	-
Professional Fees	5,000	3,380	40	1,750	7,372	5,278	1,470
Supplies							
Office	5,897	-	-	2,342	1,541	428	1,234
Operating	-	-	-	3,173	9,290	-	729
Taxes							
Real Estate	-	-	-	-	2,539	-	-
Other Taxes	-	-	150	140	1,283	400	-
Telephone	2,694	-	-	2,244	2,142	363	-
Travel and Lodging	3,331	-	-	-	-	-	-
TOTAL EXPENSES	332,456	40,107	42,869	64,646	179,528	43,129	87,644
REVENUE OVER/(UNDER) EXPENSES	$ (332,281)	$ 5,776	$ (34,385)	$ 22,658	$ 20,599	$ (12,179)	$ (15,168)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
SUPPLEMENTAL INFORMATION
REVENUE AND EXPENSES BY ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	PROGRAM SERVICES				
	ACORN ACRES	PARK ROYAL	MILTON LANDING, LP	MARSHALL MANOR, LP	HURD'S CROSSING, LP
REVENUE					
Rental Income	$ 194,700	$ 258,640	$ 272,401	$ 254,806	$ 237,293
Grants Received	-	-	-	-	-
Interest Income	169	479	869	936	413
Other Income	5,258	338	12,457	290	3,438
TOTAL REVENUE	200,127	259,457	285,727	256,032	241,144
EXPENSES					
Compensation and Related Expenses	32,067	40,289	35,039	39,248	37,418
Advertising	61	-	-	-	-
Automotive	-	882	-	-	-
Project Costs	-	-	-	-	-
Depreciation and Amortization	62,500	54,089	85,711	111,422	131,454
Organizational Costs	-	-	-	-	-
Donations	-	-	-	-	-
Dues and Subscriptions	-	-	-	-	-
Insurance					
Property and Casualty	10,714	13,784	15,312	15,045	9,725
Workman's Compensation	1,296	1,862	1,314	2,608	2,116
Interest	53,790	64,685	89,895	50,475	65,212
Maintenance and Repairs	31,383	23,357	28,995	24,601	27,105
Occupancy					
Bad Debts	1,406	1,837	1,461	-	348
Electricity and Fuel	9,787	8,259	13,183	5,832	5,579
Management Fees	14,716	19,813	27,376	26,256	21,874
Security	7,068	2,101	7,768	3,673	2,808
Trash Removal	9,556	10,611	10,899	4,607	3,000
Water and Sewer	16,290	21,452	16,752	14,844	22,376
Postage	-	-	-	-	-
Rent	3,290	973	365	437	2,090
Professional Fees	8,452	8,033	13,532	8,000	8,250
Supplies					
Office	2,831	2,672	2,846	3,279	3,920
Operating	5,274	12,791	6,816	5,403	1,519
Taxes					
Real Estate	-	3,482	15,406	13,351	18,810
Other Taxes	2,907	3,516	6,632	4,887	3,280
Telephone	7,632	2,230	2,691	2,185	2,691
Travel and Lodging	-	-	-	-	-
TOTAL EXPENSES	281,020	296,718	381,993	336,153	369,575
REVENUE OVER/(UNDER) EXPENSES	$ (80,893)	$ (37,261)	$ (96,266)	$ (80,121)	$ (128,431)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL EXPENDITURES/LOANS
U.S. Department of Agriculture - Rural Development		
Rural Rental Housing Loans		
ACADEMY APARTMENTS	10.415	$ 217,006
ACORN ACRES	10.415	1,024,243
GREENWOOD ACRES	10.415	1,264,089
HURD'S CROSSING, LP	10.415	995,337
MARSHALL MANOR, LP	10.415	971,145
PARK ROYAL APARTMENTS	10.415	1,238,835
TOTAL		$ 5,710,655
U.S. Department of Agriculture Rural Development		
Interest Subsidy		
ACADEMY APARTMENTS	10.415	$ 17,647
ACORN ACRES	10.415	46,383
GREENWOOD ACRES	10.415	60,338
HURD'S CROSSING, LP	10.415	38,621
MARSHALL MANOR, LP	10.415	37,761
PARK ROYAL APARTMENTS	10.415	54,023
TOTAL		$ 254,773
U.S. Department of Agriculture Rural Development		
Section 523 Mutual and Self Help Grant and Technical Assistance		
MILFORD HOUSING DEVELOPMENT CORPORATION	10.420	$ 342,500
U.S. Department of Housing And Urban Development		
Home Investment Partnership Program Loans		
ACORN ACRES	14.239	$ 871,112
MARSHALL MANOR, LP	14.239	1,077,096
MILFORD TRANSITIONAL HOUSING	14.239	207,462
HURD'S CROSSING, LP	14.239	1,542,721
MILTON LANDING, LP	14.239	1,017,851
TOTAL		$ 4,716,242

NOTE 1 – BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Milford Housing Development Corporation and Affiliates and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

MILFORD HOUSING DEVELOPMENT CORPORATION AND AFFILIATES
SUPPLEMENTAL INFORMATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2010

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Control Deficiencies identified?	No
Material weaknesses identified?	No
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major programs:	
Material weakness(es) identified?	No
Reportable condition(s) identified not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	No
Identification of major programs:	

CFDA Number	Name of Federal Program or Cluster
10.415	Section 515 Financing

Dollar threshold used to distinguish between Type A and Type B programs	$300,000
Auditee qualified as low-risk auditee?	Yes

SECTION II – COMBINED FINANCIAL STATEMENT FINDINGS:

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

None

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

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Terrence Johnson, C.P.A.
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Gary W. Tuttle, C.P.A.
John E. Cullen, Jr., C.P.A.
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL (COMBINED REPORT APPLICABLE TO INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS AND INTERNAL CONTROL OVER COMPLIANCE FOR MAJOR FEDERAL PROGRAMS)

TO THE BOARD OF DIRECTORS
MILFORD HOUSING DEVELOPMENT CORPORATION
MILFORD, DELAWARE

We have audited the combined financial statements of Milford Housing Development Corporation and Affiliates as of and for the year ended December 31, 2010, and have issued our report thereon dated April 11, 2011. We have also audited the Project's compliance with specific program requirements that could have a direct and material effect on each of its major programs for the year ended December 31, 2010 and have issued our reports thereon, dated April 11, 2011.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and the Circular require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether the Project complied with compliance requirements referred to above that could have a direct and material effect on a major program.

The management of Milford Housing Development Corporation and Affiliates is responsible for establishing and maintaining effective internal control over financial reporting and internal control over compliance with the compliance requirements referred to above. In planning and performing our audits of the combined financial statements and compliance, we considered the Projects' internal control over financial reporting and its internal control over compliance with the specific program requirements that could have a direct and material effect on a major program to determine the auditing procedures for the purpose of expressing our opinions on the combined financial statements and compliance but not for the purpose of expressing an opinion on the effectiveness of the Projects' internal control over financial reporting and internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting and internal control over compliance.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct (1) misstatements of the combined financial statements or (2) noncompliance with specific program requirements of a program on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control such that there is a reasonable possibility that (1) a material misstatement of the combined financial statements or (2) material noncompliance with specific program requirements of a program will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described in the third paragraph of this report and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above.

This report is intended solely for the information and use of management, others within the entity, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Lank, Johnson & Tull

Seaford, Delaware
April 11, 2011

Robert B. Lank, C.P.A.
Terrence Johnson, C.P.A.
Richard L. Tull, C.P.A.

Gary W. Tuttle, C.P.A.
John E. Cullen, Jr., C.P.A.
Robert B. Lank, Jr., C.P.A.

LANK, JOHNSON & TULL
Certified Public Accountants

P.O. Box 418 • 521 N. Market St. Ext. • Seaford, Delaware 19973
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Seaford Office
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Fax (302) 422-4782

Dover Office
(302) 736-2618
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC PROGRAM REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM

TO THE BOARD OF DIRECTORS
MILFORD HOUSING DEVELOPMENT CORPORATION
MILFORD, DELAWARE

We have audited Milford Housing Development Corporation and Affiliate's compliance with the specific program requirements governing federal financial reports, fair housing and nondiscrimination, mortgage status, replacement reserves, residual receipts, distributions to owners, equity skimming, cash receipts, cash disbursements; tenant application, eligibility and recertification; tenant security deposits, management functions, unauthorized change in ownership/acquisition of liabilities, and unauthorized loans of project funds, that could have a direct and material effect on Milford Housing Development Corporation and Affiliate's major program for the year ended December 31, 2010. Compliance with those requirements is the responsibility of management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133. Those standards and the Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, Milford Housing Development Corporation and Affiliates complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major programs for the year ended December 31, 2010.

This report is intended solely for the information and use of management, others within the entity, and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Lank, Johnson & Tull

Seaford, Delaware
April 11, 2011

STAFF REPORT

Milford Housing Development Corp (MHDC)
Home Repair Project

This project formally under the stewardship of USDA completed emergency home repairs through RC & D, and in November of 2011, the Stewardship of RC & D was transferred to Milford Housing Development Corporation.

Since receiving a CDBG grant from the city in 2005, RC & D has completed emergency home repairs on 60 homes in the City of Dover eliminating unsafe housing conditions.

The 2012 grant application for MHDC has met all the threshold requirements and will service 100% very low income homeowners in need of emergency home repairs. Their grant request for $40,000 is a realistic amount to complete a minimum of 15 homes. This activity is consistent with Goal 2 of the 2010 Consolidated Plan by preserving the existing housing stock in the City of Dover.

977 East Masten Circle
Milford, DE 19963

MHDC
AFFORDABLE HOUSING SOLUTIONS

302-422-8255 *phone*
302-422-8260 *fax*
www.milfordhousing.com

February 13, 2012

Ms. Tracey Harvey
Community Development Department
City of Dover
15 E. Loockerman Street
Dover, DE 19901

RE: City of Dover CDBG FY12-14 Multi-Year Grant Application – Home Repair Project

Dear Ms. Harvey,

I am pleased to submit the enclosed grant application to the City of Dover for the Community Development Block Grant (CDBG) program. Please find our application and accompanying attachments attached. We are hoping the City of Dover will consider our request in the amount of $**40,000** per fiscal year for the Home Repair Project. If awarded, all funds will go directly to eliminating housing conditions that pose a threat to health or safety for very-low to low-income homeowners who reside in city limits. Further, this grant request would provide additional assistance in bridging any funding gaps with our agency's growth.

On behalf of MHDC's Board of Director's and staff, we would like to reiterate our sincere appreciation for the support provided by the City of Dover. Please find enclosed one original and eight copies of our Home Repair Project application and the required exhibits.

If you have any questions, comments, or require additional information, please do not hesitate to contact either me or Valerie DeMarco, our development director at 302-422-8255 or via email at rhuxtable@milfordhousing.com and vdemarco@milfordhousing.com, respectfully.

Warmest Regards,

Russell Huxtable
Vice President/COO

MHDC
AFFORDABLE HOUSING SOLUTIONS

City of Dover CDBG Application FY2012-2014

Application Cover Sheet

Reference:	City of Dover CDBG Application FY2012-2014
Date of Application:	February 13, 2012
Program Name:	Home Repair Project
Grant Request:	$40,000
Purpose of Grant:	MHDC is requesting grant support from the City of Dover's Community Development Block Grant (CDBG) program for FY2012-2014. Funds will be used to provide home repairs for very-low to low-income homeowners who resident within city limits. Attached please find the application and required exhibits.
Contact Info:	Valerie A. DeMarco, Development Director, (302) 422-8255
Organization Name:	Milford Housing Development Corporation (MHDC)
Organization Address:	977 E. Masten Circle, Milford, DE 19963
Telephone Number:	(302) 422-8255

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient

Milford Housing Development Corporation (MHDC)
977 E. Masten Circle
Milford, DE 19963
Ph: (302) 422-8255

B. Name, position and signature of person submitting application:

Valerie DeMarco, Development Director

Name and position of authorizing official:

Russell Huxtable, Vice President/COO

C. Name, address and phone number of Contact Person:
(If different from B above)

Same as above

FY 2012 only

Activity:
Amount Requested: $ **40,000**
List Source of Cash Matching Funds $ **(See Attachment)**

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
Home repairs to eliminate unsafe housing conditions for homeowners	**15-45 persons**	**15-45 persons**	**100%**	**$40,000.00**	**$40,000.00**

Source of Data:

MHDC's Home Repair Project maintains a database of clients whose homes have been approved for repairs within the City of Dover CDBG program guidelines. Clients provide proof of household income and homeownership. Additionally, the City of Dover refers qualifying households to the project on an ongoing basis. Income limits are defined by HUD.

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG

Project: Sub-Recipient Personnel	Title(s)
Russell Huxtable	Vice President/COO
Fred Traute	Preservation Manager
Fran Cardaci	Field Coordinator

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project.

4. Application Work Plan

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

- **Program activities included in this application include: 1) Housing rehabilitation of owner-occupied housing units found in violation of the City of Dover's Housing Code. This is the highest priority activity for this application.**

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

- **Program activity is 'Housing Rehabilitation'. This activity is fully described as home repairs that eliminate housing conditions which threaten the health and/or safety of qualified City of Dover homeowners. The objective is to reduce the number of City of Dover households living in substandard and/or dangerous housing conditions.**
- **The total number of units to be rehabilitated/repaired is 15 minimum, per year of grant funding period. Total number of units to be repaired during all three years of the grant period is 45.**
- **Households must be very-low to low-income as defined by the U.S. Department of Housing and Urban Development (HUD). Households served must be 50 percent and below Area Median Income (AMI) as defined by HUD.**

- Housing type is homeownership units. Clients must provide proof that they own the home in order to qualify for repairs.
- Target area is defined as the geographic city limits for the City of Dover. The project is city-wide and will focus on preserving the existing housing stock in the City.
- Repairs traditionally average $2,500 per home, with low points around $500 and higher points costing roughly $5,000 for more substantial repairs such as roof repairs or hot water heaters.
- The need for home repairs is based on: 1) Overwhelming demand for such services as received daily from the City of Dover by residents; 2) Rising numbers of cost-burdened households, as it relates to housing costs; and 3) Rising number of elderly residents and persons with disabilities facing diverse and critical housing needs. Sources include: City of Dover and the Delaware State Housing Authority.

C. Provide a timetable showing monthly milestones for completion of each activity.

- Within each fiscal year of this application, MHDC expects to complete a minimum of 15 home repairs for qualified City of Dover homeowners who are very-low to low-income. MHDC expects to complete 4-5 repairs per quarter, each year.
- The repair activities will be focused on eliminating conditions of an immediate health or safety hazard to the homes' occupants. Over the years, typical repairs included: replacement of furnaces, electrical repairs, plumbing repairs, construction of entrance steps and wheelchair ramps, modifying bathrooms for safety and accessibility, replacement of broken windows, roof repairs or replacements, and the installation of hardwired smoke/co detectors.
- Repair activities will meet City of Dover code regulations. Contractors will complete code-work and skilled volunteers may be enlisted to complete carpentry type repairs.

D. Attach drawings, plans or other documentation necessary to describe program activities.

- N/A

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

- Activities carried out support the overall goals of the City of Dover's Consolidated Plan and its priorities on housing issues. Goal 3 of the 2010 Consolidated Plan is to preserve the existing housing stock in the City of Dover. Home repair activity is consistent with this goal.

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

- The proposed program address the City of Dover's second priority of addressing

housing needs. Improving the quality of existing housing stock will address this need by bringing the units up to code requirements.

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

- **The Home Repair Project has consistently been funded by the City of Dover for many years. In the past six years, 60 homes within the City of Dover, have received repairs through the CDBG sub-recipient grant funding through the project.**
- **Award dates and amounts include:**

  FY2006 - $25,000
  FY2007 - $25,000
  FY2008 - $25,000
  FY2009 - $25,000
  FY2010 - $35,000
  FY2011 - $40,000

The project has consistently performed well and met all monitoring requirements of the City during these funding periods.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

- **Please see attached.**

5. Each application should also describe the following:

A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area.

- **The proposed project does not involve efforts to coordinate with businesses regarding the development of community.**

6. Have you received a sub-recipient grant from the previous funding year? **Yes**
   If yes give the total amount $ **40,000**.

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment	
Decent Housing	X
Economic Opportunity	

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility	
Affordability	
Sustainability	X

Please provide a proposed outcome based on the information below that applies to your activity

MHDC's Home Repair Project defines the projected outcome as the removal of a housing condition that qualifies as hazardous or unhealthy and is in immediate need. During each fiscal year of the grant funding period, MHDC will complete a minimum of 15 home repairs for very-low to low-income households within Dover city limits. In sum, the Home Repair Project's goal is to complete a minimum of 260 emergency home repairs throughout the state of Delaware.

MHDC is requesting that a maximum cap of $7,500 be used for home repairs. Most homeowners do not need this full amount of funding, but on occasion the homeowner may need a new roof or furnace which cost more than the $5,000 per home the Project had been using in the past with City of Dover CBDG.

If granted, MHDC's Home Repair Project will complete at least 15 home repairs, 100% of those units will meet the City of Dover's Housing Code, 100% of repaired units will have immediate threats to safety and/or health eliminated, and no homeowner served will be forced to relocate. Indicators for measurement include: Housing inspections, Certificates of Occupancy, client satisfaction surveys, client case files, interviews, program budget, financial records, organization records and program records.

Number of persons, households, units, or beds assisted as appropriate **15 homeownership units per funding year.**

Income level of persons or households by: Very Low **95** %
Low **5** %
Moderate %

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served. **15 – 45 persons served based on household size of those served per year. In total, roughly 45-135 persons will benefit from this activity.**

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability.



City of Dover CDBG Application FY2012-2014

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Exhibit 1: Mission & Background

Exhibit 2: Board of Directors

Exhibit 3: Staff Resumes

Exhibit 4: Demographic & Statistical Report

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Exhibit 6: Most Recent Audit

MHDC
AFFORDABLE HOUSING SOLUTIONS

Milford Housing Development Corporation

The mission of Milford Housing Development Corporation (MHDC) is to provide decent, safe, and affordable housing solutions to people of modest means.

Agency Background

MHDC is a value-driven, nonprofit affordable housing developer. Although our headquarters are located in the City of Milford, we provide services throughout the state of Delaware, with a primary focus area of Kent and Sussex Counties. Our mission is to provide decent, safe, affordable housing solutions to people of modest means. We are known for our open-minded approach, commitment to quality, and caring and sound passion for client and staff alike. The agency was founded in 1977 by local residents who saw a dire need for affordable housing options in the community. Like other nonprofits, the agency was led only by a volunteer, yet dedicated board of directors for many years. During this time, several significant housing projects were accomplished. In 1994, the agency hired its first employee and growth quickly began. Within three years, MHDC had completed development of its first affordable, senior rental complex. In addition, MHDC became the first and only Delaware-recipient of the Self-Help Housing Program award from the U.S. Department of Agriculture's Rural Development (USDA RD) that very same year.

Whether it is rental housing for families or seniors, transitional housing for single mothers, home repairs for the elderly and people with disabilities, or first-time home for low- to moderate-income families, MHDC handles every aspect of housing construction. This includes acquiring the land, securing the appropriate zoning and permits, preparing building plans, warehouse materials, completing site preparation and overseeing or handling construction.

Services Provided

MHDC's provides a variety of housing solutions, tailored uniquely to meet each individual's needs, including:

- TRANSITIONAL HOUSING - MHDC owns and operates seven units of transitional housing for families experiencing undue hardships or women and children who are victims of domestic violence. Rent is income restricted and is based on a small percentage of each family's household income.
- MULTI-FAMILY RENTAL PROGRAM - MHDC owns seven affordable rental complexes, consisting of 244 units for families and seniors at or below 60 percent Area Median Income (AMI). East Coast Property Management (ECPM), the property management company owned by MHDC also provides management services to over 2,000 affordable rental units in Delaware.
- EMERGENCY HOME REHAB PROGRAM – MHDC became stewards of this well-known, high-performing program in the fall of 2011. During 2010, the program completed repairs on roughly 300 homes in Delaware with the assistance of project volunteers who donated over 8,300 hours. Roughly half of all those served by the program were of minority status and 65 percent of all homes repaired were owned by senior citizens and/or persons with disabilities.
- SELF-HELP HOUSING PROGRAM – MHDC's premier homeownership program is offered as an alternative path to homeownership for families. MHDC staff provides eligibility determination, loan packaging/processing, pre-construction training, construction training, onsite construction guidance skill training, and post-homeownership counseling. Working in small groups of families, participants help build each other's homes during a year-long construction process at 30 hours a week. Families average over $32,000 in sweat equity per home. To date, over 125 affordable homes have been developed through the program.
- NEW CONSTRUCTION, SINGLE-FAMILY HOUSING PROGRAM - Provides conventional homeownership programs where participants design homes based on individual choice. MHDC completes all phases of the construction.
- PRESERVATION ACTIVITY - MHDC prevents existing affordable housing units from becoming substandard, by acquiring vacant, foreclosed homes, rehabilitating them, and bringing them up to code. Funding is secured and packaged by MHDC staff through loans and grants.

Other activities include pre- and post-occupancy homeownership counseling, financial literacy training, and construction-based job training. We believe providing these services meets the needs of our communities, fulfills our mission, and promotes community stabilization.

MHDC
AFFORDABLE HOUSING SOLUTIONS

BOARD OF DIRECTORS

MHDC's activities are governed by a well-respected Board of Directors. Our board represents a cross-section of the communities we serve and are able to lend insight and direction for our housing activities.

- ***Matthew T. Parks, Board Chairperson*** – Currently employed as the Community Reinvestment Act (CRA) Officer at Discover Bank, Greenwood, DE.
- ***Thomas Houlihan, Vice Chair*** – Currently employed as the Head of Commercial and Community Development Lending at ING Direct, Wilmington, DE.
- ***Kevin J. Gillis, Board Member*** – Currently employed as the Delaware Sales Manager at Citizens Bank, Wilmington, DE.
- ***Gary Smith, Board Member*** – Currently employed as the Director of Capital Resources for the Delaware Economic Development Office (DEDO).
- ***Timothy Riley, Board Member*** – Currently employed by the Kent Conservation District, Dover, DE.
- ***Margaret (Peggy) Gallego, Board Member*** – Currently retired. Previously employed as a Radiology Assistant at Milford Memorial Hospital, Milford, DE.
- ***Linda Rogers, Board Member*** – Currently retired. Previously employed as the President of Milford Jaycees, Milford, DE.
- ***June Barto, Board Member*** – Currently retired. Previously employed as the Secretary to the Milford City Council and as a Teacher's Assistant at Milford School District both located in Milford, DE.
- ***Rev. James M. Holt, Board Member*** – Current serves as Senior Pastor of Mt. Enon Baptist Church, Milford, DE. Previously served in the U.S. Air Force as a Chief Master Sergeant until his retirement in 1983.
- ***Harold Truxon, Board Member*** – Currently working part-time as a Greeter at Wal-Mart. Previously a local restaurant owner in Ellendale, DE.
- ***Richard. Beauchamp, Board Member*** – Currently retired. Previously employed as the Assistant Manager at Discover Bank, Greenwood, DE.

MHDC
AFFORDABLE HOUSING SOLUTIONS

STAFF BACKGROUND

MHDC's ability to meet program goals is demonstrated by the experience and expertise of our management team and key program staff. MHDC's management structure comprises David Moore, President/CEO and Russell Huxtable, Vice President/COO, both of whom report directly to MHDC's Board of Directors. As the agency's key leader, Mr. Moore has worked in the nonprofit housing industry at a management level for over two decades. He is responsible for the long-term vision of the agency and its accordance with MHDC's mission.

Mr. Huxtable oversees operations of MHDC's housing programs and has over ten years experience in management and nonprofit housing. Mr. Huxtable has 10 years management experience, 12 years nonprofit housing experience, 10 years Self-Help Housing experience, and a Bachelor's degree in Political Science. He is President of National Rural Self-Help Housing Association and an appointee to the State of Delaware Council on Housing.

Key program staff members include:

(1) Fred Traute, Housing Preservation Manager. Fred has Fred has 36 years Air Force and Federal Civil Service experience in a variety of Maintenance, Quality and Management capacities. He recently completed the Non-Profit Management Certificate Course at the University of Delaware and comes to our Project by way of volunteerism;

(2) Frances Cardaci, Preservation Coordinator. Fran retired from the USAF following a career that included flying as a C-5 Instructor Flight Engineer and as an Instructor Weapons Director aboard AWACS aircraft. She served as Chief of Operations Group Readiness in the 552 Air Control Wing at Tinker, responsible for the deployment preparedness of2000 airmen in five squadrons. Fran earned a bachelor's degree in Business Management from Wilmington College in 1990 and an MBA from Oklahoma City University in 1996. As a former small business owner and marketing research analyst for a major building contractor she brings a breadth of knowledge and experience to help ensure the Project's continued success; &

(3) Debbie White, Intake Coordinator. Ms. White She is often the first contact a client in need has with our program. Debbie's considerable background and in depth knowledge of the housing and construction industries enables her to get to the root of a client's issues and get the appropriate help on its way. In addition to completing client intakes, Debbie maintains client and volunteer files, prepares PowerPoint presentations of prospective clients for the project's oversight committees while also handling the day to day office operations.

The project also employs two full-time preservation construction staff members and utilizes volunteers for many of their home repairs.

First State RC D Emergency Home Repair Project
Demographic and Statistical Summary FY 2011
1July 2010 thru 30 June 2011

CLIENT PROFILE BY HEAD OF HOUSEHOLD ON COMPLETED REPAIR SITES**								
Head of Household Type	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Co-Headed	0	0	3	8	2	10	5	18
Female Headed	1	9	6	29	6	32	13	70
Male Headed	0	1	1	5	1	3	2	9
Disabled/Elderly Headed	3	12	19	82	21	87	43	181
Disabled Headed	*0*	*2*	*8*	*38*	*9*	*47*	*17*	*87*
Elderly Headed	*3*	*7*	*5*	*21*	*6*	*23*	*14*	*51*
Disabled Elderly	*0*	*3*	*6*	*23*	*6*	*16*	*12*	*42*
Single Person	1	2	5	10	10	51	16	63
TOTALS	5	24	34	134	40	183	79	341

CLIENT PROFILE BY AGE OF FAMILY MEMBERS IN HOMES COMPLETED								
Age Group	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Children under 18	2	19	24	89	17	87	43	195
Disabled child	*0*	*0*	*1*	*5*	*0*	*3*	*1*	*8*
Adults 18-64	5	23	36	150	43	181	84	354
Elderly 65 & Older	5	9	13	52	17	71	35	132
Disabled adult over 18	*0*	*1*	*17*	*76*	*30*	*119*	*47*	*196*
TOTALS	12	51	73	291	77	339	162	681

CLIENT PROFILE BY SHELTER TYPE ON COMPLETED REPAIR SITES								
Shelter Type	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
Stick Built	5	23	9	44	20	62	34	129
Mobile Home	0	1	25	80	19	106	44	187
Double Wide	0	0	0	11	1	14	1	25
TOTALS	5	24	34	135	40	182	79	341

PROFILE OF COMPLETED HOUSEHOLDS BY RACE/ETHNICITY								
Race/Ethnicity	New Castle		Kent		Sussex		Totals	
	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD	4th Qtr	YTD
White	1	3	16	77	21	94	38	174
Black	4	21	17	53	17	76	38	150
Hispanic	0	0	1	1	2	7	3	8
Native American	0	0	0	3	0	3	0	6
Asian American	0	0	0	0	0	0	0	0
Multiracial (MR)	0	0	0	0	0	3	0	3
TOTALS	5	24	34	134	40	183	79	341

**Completed = homes in which all approved repairs have been completed.

First State RC D Emergency Home Repair Project
Demographic and Statistical Summary FY 2011
1July 2010 thru 30 June 2011

NUMBER OF HOMES COMPLETED				
	New Castle	Kent	Sussex	TOTAL
1st Quarter	0	9	12	21
2nd Quarter	12	55	102	169
3rd Quarter	7	36	29	72
4th Quarter	5	34	40	79
TOTAL FYTD	24	134	183	341

HOMEOWNER/FAMILY COMPLETED REPAIRS (PROJECT SUPPLIED MATERIALS)					
	New Castle	Kent	Sussex	TOTAL	Percent
1st Quarter	0	0	0	0	
2nd Quarter	0	0	0	0	
3rd Quarter	0	0	0	0	
4th Quarter	0	0	0	0	
TOTAL FYTD	0	0	0	0	0%

VOLUNTEERS ASSISTED WITH OR COMPLETED REPAIRS					
	New Castle	Kent	Sussex	TOTAL	Percent
1st Quarter	0	1	8	9	
2nd Quarter	0	9	15	24	
3rd Quarter	0	19	27	46	
4th Quarter	0	25	16	41	
TOTAL FYTD	0	54	66	120	35%

JOINT CDBG PROJECT REPAIRED HOMES				
	New Castle	Kent	Sussex	TOTAL
1st Quarter	0	2	0	2
2nd Quarter	0	1	1	2
3rd Quarter	0	0	0	0
4th Quarter	0	0	0	0
TOTAL FYTD	0	3	1	4

* County CDBG Program

**Dover CDBG Subrecipient Grant Program

***USDS-Rural Development

MHDC
AFFORDABLE HOUSING SOLUTIONS

FUNDING SOURCES

Home Repair Project Funding Sources - 2012

Source	Amount	Status
Delaware State Housing Authority	$375,000.00	Approved
DE Grant-in-Aid	$33,000.00	Approved
Palmer Home Foundation	$35,000.00	Pending
Rawlins & Potter Trusts	$40,000.00	Pending
City of Dover CDBG Sub recipient	$40,000.00	Pending
Discover Bank	$35,000.00	Pending
JP Morgan Chase	$240,000.00	Expected
Kent County Levy Court	$6,500.00	Approved
Misc/Indiv. Donations	$3,500.00	N/A
Total Revenue	**$808,000.00**	

STAFF REPORT
NCALL
Housing Counseling/ Foreclosure Prevention

NCALL is one of the top Housing Counseling agencies in the State of Delaware which consistently provides outstanding services to its clients and a leader in providing affordable housing.

NCALL's funding request is crucial to our declining economy to assist in decreasing record high foreclosures and increase affordable housing options in the City of Dover to stabilize our neighborhoods.

NCALL has maintained a very successful partnership with the city providing housing counseling and providing the closing documents to the city for its settlements assistance program with a total of 81 closings year to date since the initiation of the program.

The management staff of NCALL is fully experienced in federal grants management as well as the requirements in regards to federal regulations.

This project is consistent with Goal 3 of the 2010 Consolidated Plan by encouraging owner occupied housing to low to moderate income persons.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH FUND, INC.

"First in housing services, because we care."

February 10, 2012

BOARD OF DIRECTORS

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Ms. Tracey N. Harvey
Community Development Manager
City of Dover
15 E. Loockerman Street
Dover, DE 19901

Dear Tracey,

On behalf of the Board of Directors for the National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL), I am pleased to submit to the City of Dover this application for the Community Development Block Grant program. Specifically, **we are requesting $12,500 toward our Foreclosure Prevention and Pre-Purchase Homeownership Counseling services relevant to Dover residents.** Thank you so much for the assistance you provided as we developed this application!

As required, I have enclosed one original and eight copies of our application package, which includes the Application Form, a detailed Work Plan, resumes for the three key staff members who oversee our Foreclosure Prevention and Homeownership programs, a copy of NCALL's Mission Statement and Organizational Background and Purpose, and a copy of our FY2011 Annual Report; one copy of our Audited Financial Statements for FY2011 also is enclosed. If you have any questions or need more information, please don't hesitate to contact me at 302-678-9400 or *jmyer@ncall.org*; in the meantime, thank you again for your valuable guidance!

Sincerely,

Joe L. Myer
Executive Director

Enclosures:

<u>1 original/8 copies</u>
Application Form
Work Plan
Staff Resumes
NCALL Mission Statement
NCALL Background/Purpose
FY2011 Annual Report

<u>1 copy</u>
FY2011 Audited Financial Statements

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL)

363 Saulsbury Rd.; Dover, DE 19904

302-678-9400

B. Name, position and signature of person submitting application:

Joe L. Myer

Executive Director

Name and position of authorizing official:

Joe L. Myer

Executive Director

C. Name, address and phone number of Contact Person:
(If different from B above)

FY 2012 only

Activity: Foreclosure Prevention Counseling
Pre-Purchase Homeownership Counseling
Amount Requested: $12,500
List Source of Cash Matching Funds $N/A

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

	1. Activity	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
FY2012	Foreclosure Prevention Counseling	25 homes saved	15	60%	$7,500 (15x500)	$4,500
	Pre-Purchase Homeownership Counseling	15 closings	10	67%	$5,000 (10x500)	$3,350
FY2013	Foreclosure Prevention Counseling	25 homes saved	15	60%	$7,500 (15x500)	$4,500
	Pre-Purchase Homeownership Counseling	15 closings	10	67%	$5,000 (10x500)	$3,350
FY2014	Foreclosure Prevention Counseling	25 homes saved	15	60%	$7,500 (15x500)	$4,500
	Pre-Purchase Homeownership Counseling	15 closings	10	67%	$5,000 (10x500)	$3,350

Source of Data: NCALL's CounselorMax data tracking system -- historical data for FY2011 and FY2012

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG Project:

Sub-Recipient Personnel	Title(s)
Karen B. Speakman	Deputy Director
Lisa Spellman	Foreclosure Prevention Director
Denise R. Freeman	Housing Counseling Director

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project. ATTACHED

4. Application Work Plan SEE SEPARATE ATTACHMENT FOR ITEMS A-H

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

C. Provide a timetable showing monthly milestones for completion of each activity.

D. Attach drawings, plans or other documentation necessary to describe program activities.

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

5. Each application should also describe the following:

   A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area. N/A

6. Have you received a sub-recipient grant from the previous funding year? No
   If yes give the total amount $____N/A_____.

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment	____
Decent Housing	X
Economic Opportunity	____

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility	____
Affordability	____
Sustainability	X

Please provide a proposed outcome based on the information below that applies to your activity

Number of persons, households, units, or beds assisted as appropriate 40

Income level of persons or households by: Very Low 0 %
Low 60 %
Moderate 40 %

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served. 40 Dover residents served -- 60% low/mod (foreclosure); 67% low/mod (homeownership)

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability.

Application Work Plan

Each proposed program activity must address each of the following areas through fiscal year 2014.
Items C thru H will only need to be completed for the current fiscal year.
Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

Foreclosure Prevention Counseling
Pre-Purchase Homeownership Counseling

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

Foreclosure Prevention Counseling—Foreclosure filings in Delaware tripled from 2,000 in 2007 to 6,000 in 2009, reaching a record of 6,450 in 2010. While the number of foreclosure filings decreased somewhat in 2011 (to just over 5,000), primarily because banks took longer to process them, the number of actual sheriff's sales increased significantly, from 1,876 in 2010 to 2,539 in 2011. And, New Castle County Executive Paul Clark recently stated that "Delaware has the 10th highest mortgage-foreclosure rate in the country." NCALL's Foreclosure Prevention program helps households transfer into more stable mortgage products, modify existing loans, or overcome hardships to keep their homes. After a group orientation, counselors work individually with clients to access all potential remedies—including the Home Affordable Modification Program, Delaware Emergency Mortgage Assistance Program (DEMAP), and the now mandatory Delaware Foreclosure Mediation Program—and diligently communicate with loan servicers. With NCALL's help, neighborhoods can remain stable; because foreclosure is devastating to all parties—children, seniors, neighborhoods, businesses—every house saved, every mortgage made affordable, and every hardship overcome is a sound investment. Fewer resources are required to save homes than to help families start over. In addition, when homes are occupied, neighborhoods are better maintained and visually appealing, property values are optimal, and residents feel safer. Also, according to the *Kids Count in Delaware/Families Count in Delaware: Fact Book 2009*, losing a family home can have a wide array of ill-effects on the emotional and physical health of a child. A child forced out of their home due to foreclosure can face excessive mobility, which may lead to poorer academic achievement, delinquent behavior, and poor health outcomes. In Delaware, about 4,300 children will be impacted by the foreclosure crisis . . . which, based on 2010 Census figures, translates to approximately 50 children in the City of Dover alone. NCALL is turning things around for these children and their families; since launching our Foreclosure Prevention program four years ago, we have helped save over 450 homes, 206 in FY2011 alone! Of the 206 positive outcomes in FY2011, 42 (20%) were from Dover, representing nearly $5 million in mortgages.

Pre-Purchase Homeownership Counseling—Homeownership education and counseling prepares families for successful homeownership in a difficult economy. After a group orientation, counselors begin meeting with new clients one-on-one, providing a full financial analysis and individual counseling on all aspects of the home-buying process. Specifically, households receive help in clearing up credit problems, saving for down payments or security deposits, paying off debts, consolidating bills, instituting a family budget, learning about their housing options, and accessing various down payment and settlement help programs (including attractive 30-year fixed rate mortgage products). When ready to close, NCALL's clients complete their counseling with a full-day group session that prepares them for all aspects of purchasing a home.

Workshop speakers include realtors, current home owners, insurance agents, mortgage officers, attorneys, and home inspectors. NCALL's Pre-Purchase Homeownership Counseling is an important service during this buyers' market, helping families to become informed consumers and to achieve an important asset—their first home—which enables them to secure long-term financial stability. Studies show that homeownership has a positive impact on family and even overall community benefits such as educational achievement, civic participation, health, safety, and property values.

In FY2011, NCALL provided Pre-Purchase Homeownership Counseling to 91 clients from Dover, 28 of whom (15% of the 192 closings overall that were achieved by NCALL's Homeownership clients that year) were able to purchase their first home. Indeed, Dover is the largest city that NCALL serves, whereby more than $4 million mortgages were leveraged in FY2011, at an average mortgage of just under $150,000. NCALL also handles the majority of Dover First Start down payment assistance.

Overall, NCALL's Homeownership and Foreclosure Prevention services provide households with education about the entire homeownership process and tools for budgeting so that they can make solid, informed decisions, qualify for affordable mortgage products, and avoid potential crises. With falling home prices, those who are adequately prepared can take advantage of homeownership opportunities; rather than paying rent, an investment in a home leads to equity and net worth that can be used for college, retirement, or other family goals. Subsequently, NCALL's default and foreclosure prevention assistance helps homeowners to preserve this important investment for the long term.

C. Provide a timetable showing monthly milestones for completion of each activity.

NCALL's Foreclosure Prevention Counseling and Pre-Purchase Homeownership Counseling programs are both ongoing, year-round programs.

The 2012 monthly and overall milestones specific to Dover clients are as follows:

	Monthly Average	Annual
Families attending Foreclosure Prevention workshops	8	100
Families who become Foreclosure Prevention clients	6	75*
Families attending Homeownership orientation workshops	8	100
Families who become Homeownership clients	6	70*
Families with positive Foreclosure Prevention outcomes		25**
Families who close on their first home		15**

* *75 + 70 = 145 families receiving counseling services*
** *25 + 15 = 40 positive outcomes during 12 months*

At the same time, both Foreclosure Prevention and Homeownership clients regularly meet one-on-one with NCALL's counselors, who provide a full financial analysis for all clients, review actual credit reports, work in person and via phone for as long as it takes to resolve default and/or foreclosure issues for Foreclosure Prevention clients, and provide Homeownership clients with personalized guidance on all aspects of the home-buying process.

Separate group orientation workshops for Foreclosure Prevention and Homeownership clients are held monthly in Dover.

D. Attach drawings, plans or other documentation necessary to describe program activities.

See attached FY2011 Annual Report (one copy of NCALL's FY2011 Audited Financial Statements also has been provided to the City of Dover).

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

• *Encourage owner-occupied housing in low- to moderate-income areas.*

– The City, through the Neighborhood Stabilization Program, will purchase foreclosed properties, renovate, and sell to qualifying home buyers.

- NCALL's Foreclosure Prevention Counseling will help to ensure that Dover homeowners stay in their homes.
- NCALL's Pre-Purchase Homeownership Counseling will educate, prepare, and qualify Dover households for homeownership.

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

As per the City's Consolidated Plan:

Section VI ACTION PLAN

vi.9 Service Delivery and Management

– NCALL will provide homeownership counseling directly to low- and moderate-income homebuyers in Dover.

In 2012, based on historical data for the two most recent fiscal years (FY2011 and FY2010), NCALL anticipates providing **75 Dover households with Foreclosure Prevention Counseling** and **70 Dover households with Pre-Purchase Homeownership Counseling**. Of these numbers, 25 of the Dover Foreclosure households will achieve a positive outcome, **15 of whom will be of low to moderate income**, and 15 of the Dover Homeownership clients will close on a new home, **10 of whom will be of low to moderate income.**

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

Foreclosure Prevention Counseling and Pre-Purchase Homeownership Counseling are ongoing programs that address immediate and long-term needs within the City of Dover. Each home saved and first-time homebuyer stabilizes the City of Dover and empowers families to achieve their housing goals. Each success builds on the many previous successes that NCALL has helped to facilitate. **Saving a home** benefits the family, their neighborhood, the City of Dover, and the lender. New **first-time homebuyers** leverage new mortgages and stabilize local property taxes while adding economic impact.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

City of Dover CDBG funds will help to save mortgages and leverage foreclosure prevention remedies such as DSHA's DEMAP program and more affordable loan modifications. City of Dover CDBG funds also will help to leverage first-time homebuyer mortgages and Dover First Start and other housing assistance for LMI households. While there is no formal match, Foreclosure Prevention Counseling is expected to save $3,750,000 in mortgages (25 x $150,000), and Pre-Purchase Homeownership Counseling is expected to leverage another $2,250,000 in new mortgages (15 x $150,000).

KAREN B. SPEAKMAN

101 Maple Glen Drive
Dover, DE 19904
(302) 734-9399

EXPERIENCE

1981-Present **Deputy Director of National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL), Dover, DE**

Assist the Executive Director in the management and program administration of this nonprofit corporation, which is a multi-faceted affordable housing corporation based in Dover, Delaware that offers regional housing development technical assistance services and financial assistance to nonprofit corporations as well as educational and counseling services to assist Delaware households reach their housing goals. Responsibilities include being the leader for the Housing Development Technical Assistance Team supervising two Housing Development Specialists and Consultant(s). Also, supervise the Housing Counseling Director and Foreclosure Prevention Director. As a member of the management team, I am involved with proposal writing, developing program budgets, personnel administration and financial management. In addition, I provide housing technical assistance to nonprofit housing corporations in developing affordable housing, which includes assembling housing development and financing applications. This technical assistance also includes providing occasional training and conducting workshops.

1979 – 1981 **Housing Specialist with NCALL Research, Inc.**
Responsibilities included helping housing development corporations in organizing, developing strategies for land search, determining the housing need, and packaging federal and state housing financing applications. Also, conducted and assisted in housing development workshops. Earlier at NCALL, I was the Rehabilitation Coordinator, and oversaw the health and safety rehabilitation of farmworkers' homes, using FmHA Section 504 Repair Loan and Grant funds.

Summer 1976 **Summer Intern for the City of Wilmington in the Homestead Division**
Worked with the director and other specialists in reviewing prospective homeowners for the Homestead Program, checking references (credit, job, and personal) of the applicants, and inspecting potential Homestead houses. Also, packaged single family loan applications for HUD financing.

EDUCATION

1979- Present Attended various national and regional seminars and conferences relevant to housing and community development. Earned a Professional Certification in Affordable Housing, NeighborWorks America (2009) and a Certified HOME Program Specialist - Regulations, U.S. Department of Housing and Urban Development (2008)

1974 – 1978 University of Virginia. Awarded degree of Bachelor of Arts, with distinction, in Urban Affairs. Urban Affairs was an interdisciplinary major drawing primarily from the Sociology, Government, and City Planning Departments. Requirement for the B.A. degree involved writing a thesis that was entitled, "Innovations in the Rehabilitation of Inner City Housing."

PERSONAL INFORMATION

Active member of Christ Episcopal Church in Dover. Involved with the Dover/Caesar Rodney AFS Chapter (AFS Intercultural Program, an international exchange organization for students and adults that operates in more than 50 countries.) I was an exchange student for a year in 1973 to South Africa. Enjoy friends, reading, traveling, and walking.

AWARDS/MEMBERSHIPS

National Rural Housing Coalition (Board Member and Executive Committee member, and presently the Treasurer)
Central Delaware Habitat for Humanity, Board Member
Delaware Housing Coalition, member
Delaware Chapter of National Association of Housing and Redevelopment Officials, member (Housing Ambassador for 1993 and previous President and Board Member)
Fair Housing Award Recipient in 1998 from Housing Opportunities of Northern Delaware

Lisa M. Spellman, MBA
1218 Harrison Drive
Dover, DE 19901
(302) 674-5188 (home) / (302) 399-7167 (cell)
spellman05@comcast.net

OBJECTIVE

To obtain a position within a stable, strong company that allows for growth and advancement. To be able to utilize extensive experience acquired from multiple financial industries including not for profit and for profit organizations as well as strong speaking and training skills.

EXPERIENCE

January 09 – Present NCALL Research, Inc., Dover DE

Foreclosure Prevention Director

Conduct orientations for families in default of mortgages

Conduct financial literacy workshops for default and pre-purchase clients

Work with clients one-on-one to resolve mortgage delinquencies

Work with loan servicers to resolve client defaults

Maintain records and originate monthly and quarterly Default Prevention and Financial Literacy reports to funders

Maintain a computer database programs to compile, originate and report client statistical information.

May 2008 – Present NCALL Research, Inc., Dover, DE

Foreclosure Prevention Specialist

Conduct Foreclosure Prevention workshops

Conduct Financial Literacy Money Workshops

Provide one-on-one sessions with families for default foreclosure resolution

Work with mortgage lenders for quick resolution of mortgage defaults

April 2003 – 12/31/08 NCALL Research, Inc., Dover, DE

Self-Help Housing Specialist, Certified Housing Counselor

- Train nonprofit organizations in becoming HUD certified agencies
- Trained nonprofit organizations in establishing housing counseling services for their clients
- Train and provide technical assistance to nonprofit organizations in 21 states
- Co-produce housing counseling manual & best practice power point presentations for nonprofit organizations
- Train organizations in mortgage application processing, analyzing credit reports, pre-qualifying applicants

- Monitor grantees' progress. Assist with problem resolution
- Plan and conduct workshops, training sessions, and conferences. Develop and present power point presentations for training sessions and conferences
- Conduct meetings with organizations' staff, Board of Directors, state and Rural Development personnel
- Participate in T & MA contract activities

October 2001 – April 2003 First State Community Loan Fund, Wilmington, DE

Program Manager-Asset Building

- Managed a million-dollar portfolio for the Delawareans Save! Individual Development Accounts (IDA) Program
- Developed and maintained several databases to track participants' financial activities
- Maintained government information database to track statistical data
- Trained five sites to utilize *All Your Money* savings program
- Tracked progression of Delawareans Save! IDA Program's administration in three counties of Delaware through five sites
- Marketed the Delawareans Save! IDA Program to the low and moderate-income Delawareans
- Maintained and updated the Delawareans Save! Procedures manual

May 2000 – October 2001 American Express Financial Advisors, Wilmington, DE

Financial Advisor

- Worked with clients to identify their financial needs, goals and objectives through comprehensive financial planning
- Met bi-annually with clients to provide ongoing personal service and support
- Conducted financial seminars

August 1995 – May 2000 NCALL Research, Inc., Dover, DE

Certified Housing Counselor

- Worked with clients to establish and achieve homeownership goals
- Educated clients on the mortgage process
- Helped to resolve debt/credit issues and to establish savings habits
- Conducted home buying seminars to educate potential homebuyers on the mortgage process, goal setting, savings and budgeting
- Pre-qualified potential homebuyers

Key Accomplishments:

- Certified Housing Counselor
- Certified Mortgage Default Prevention Counselor
- Received the Peacemaker Award through the NAACP, Sussex County for commitment to community involvement
- Co-chaired Delaware's first national housing counseling conference
- Co-editor of monthly homebuyer newsletter

EDUCATION

MBA, Wilmington College, 821 Silver Lake Blvd., Dover, DE 19901. 1998 – 1999.

Bachelor of Science in Business Management, Wilmington College, 821 Silver Lake Blvd, Dover, DE 19901. GPA 3.16.

AFFILIATIONS

Delaware Federation of Housing Counselors, member 2009

Delaware Federation of Housing Counselors. Past member. August 1995 – May 2000

Zeta Phi Beta, Sorority. Member since 1991

Past committee member, Gala Auction to benefit Housing Counseling. 1999 – 2003.

SKILLS

Organization and time management

Strong Verbal and written communication

Proficient in EXCEL, Word, Internet, Windows, Power Point, MS Publisher, Management Information Systems Independent Database Accessibility (MIS IDA)

Public speaking

REFERENCES

Sherry DeZwarte, Self-Help Housing Coordinator, NCALL Research, Inc. (302) 678-9400.

Karen Speakman, Deputy Director, NCALL Research, Inc. (302) 678-9400.

Sheila Harrigan, Deputy Director, First State Community Loan Fund (302) 652-6774.

DENISE R. FREEMAN
325 Pebble Drive Camden-Wyoming, DE 19934
(302) 697-4125 home
(302) 242-2004 cell

OBJECTIVE

Accustomed to working in a fast-paced, ever changing environment while successfully handling various responsibilities simultaneously. Proficient in managing personnel, training and client relations with extensive experience in the banking, financial and customer service industries. Strong organizational skills with a sharp eye for detail.

EXPERIENCE

Jan '09 – Present **Housing Counseling Director** **NCALL Research, Dover, DE**

- Oversee delivery of housing counseling services at the offices in Dover, Georgetown and Newark
- Responsible for supervising, planning, being team leader of Homeownership Counseling program
- Be fully knowledgeable of first time homebuyer mortgage programs and other related housing assistance programs

Feb '99 – Dec '08 **Certified Homeownership Specialist** **NCALL Research, Dover, DE**

- Educate clients on the mortgage process
- Responsible for counseling clients on budgeting, credit repair and savings
- Facilitate homeownership seminars and workshops to educate potential homeowners on various mortgage products and community reinvestment programs
- Assist families in resolving credit problems and overcoming barriers to homeownership

Oct '05 – Dec '08 **Retail Sales Associate- On Call Floor Manager** **Macy's, Dover Mall Dover, DE**

- Provide assistance to customers with variety of products to select and purchase
- Provides scheduling assistance to Human Resources Manager

Aug '98 – Feb '99 **Pressure Sales Representative** **SUNROC Corporation, Dover, DE**

- Assist Regional and National Representatives on the various water and bottle coolers.
- Ensure orders are processed accurately and in a timely manner
- Provide assistance to customers with questions or problems regarding their coolers.

Jun '96 – Apr '98 **Trainer** **NationsBank Card Services, Dover, DE**

- Trained and developed new and existing associates on customer service and policies.
- Supervised and managed an average of 25 new associates per month.
- Conducted needs assessments, established class schedules, prepared written performance evaluations and managed office.

Jan '93 – Jun '96 **Call Center Credit Analyst** **NationsBank Card Services, Dover, DE**

- Analyzed credit information to determine risk and creditworthiness
- Received incoming calls for customer service assistance
- Evaluated applications for credit limit increases, reinstatements and liability changes
- Trained new and existing associates on all systems as well as Visa and Mastercard product knowledge

May '92 – Feb '93 **Consumer Loan Assistance** **Bank of Delaware, Wilmington & Dover, DE**

- Pulled and analyzed credit bureau reports
- Prepared applications for automobile, mobile home and home equity loan customers
- Researched, administered and transferred auto titles to owners

EDUCATION

- Bachelor of Science Degree in Human Resource Management, Wilmington University – 2002 – 3.67 GPA – Cum Laude
- Wayne Community College, Goldsboro, NC – Business Management, 20 hours
- Community College of the Air Force
- Certified as a Professional Housing Counselor by the National Federation of Housing Counselors and NeighborWorks America

SPECIAL SKILLS

Computer literate in Windows XP, Microsoft Word, Excel, Access, PowerPoint, Internet. Type 60 wpm, operate various copiers and fax machines, 10 key adding machine, multiple line phone, HP Real Estate Calculator and projectors.

- Visa and MasterCard Certified Trainer – Norfolk, VA
- Making a Great Impression on the Customer (MAGIC) Trainer – Norfolk, VA

ACTIVITIES AND MEMBERSHIPS

VP – Delaware Federation of Housing Counselors
Member – Diamond State Community Land Trust
Member – Delta Epsilon Rho, Wilmington University
Previous VP & President, POLYTECH, Band Boosters Club, Woodside, DE
Previous Secretary, Delaware Federation of Housing Counselors
Previous Member and facilitator, CHOICES Program, Dover, DE
Previous Member, Children and Families First, Georgetown, DE
Previous VP, PTO for Central Middle School, Dover, DE
Previous VP & President, Females Investing in Security for Tomorrow, Dover, DE
Previous Member, Urban Bankers Association

NCALL RESEARCH, INC.

Our Mission, Vision & Values







MISSION

To promote affordable housing and improved communities for low and moderate income people primarily in rural areas. To that end we seek to:

- Provide training, technical assistance, and support, to organizations to enhance their capacity.
- Encourage, support, and educate people to obtain and preserve decent, affordable housing.
- Provide innovative and flexible financing and services targeted to affordable housing and community development efforts to enhance borrower capacity to better serve low and moderate income communities.
- Increase public awareness about effective community housing efforts and the need to improve housing conditions.
- Formulate and advocate improved public policy.

VISION

A decent and affordable home and a suitable living environment for every family.

VALUES

As guiding principles for the organization, as concepts honored when making decisions, and as the manner in which we relate to our stakeholders, NCALL embraces these values as we strive for Excellence:

Professionalism • Resourcefulness • Responsiveness • Accountability • Integrity

Professionalism—*Exemplifying quality in all aspects of the organization.*

Resourcefulness—*Opening every door possible to create opportunities and reach solutions.*

Responsiveness—*Learning community needs with a motivation to act.*

Accountability—*Exercising stewardship of resources and achieving measurable results.*

Integrity—*Openness and honesty in decisions, finances, and all we do.*

NeighborWorks® CHARTERED MEMBER

United Way

363 Saulsbury Road • Dover, DE 19904 • Phone: 302-678-9400 • Fax: 302-678-9058 • www.ncall.org

NCALL RESEARCH, INC.

Organizational Background and Purpose

The National Council on Agricultural Life and Labor Research Fund, Inc. (NCALL) is a Dover-based organization that was incorporated in 1955. We began providing housing development services in 1976, added homeownership counseling in 1989, became a Treasury-certified Community Development Financial Institution (CDFI) in 2004, launched financial literacy training in 2005, and added default and foreclosure prevention counseling at the end of 2007. During this time, NCALL has become a leader in affordable housing development and services in Delaware, creating affordable housing alternatives and helping families statewide with housing needs to access homeownership.

Consistently a top homeownership producer in Delaware and the Mid-Atlantic, NCALL is recognized by the U. S. Department of HUD as a "model housing counseling agency" and is a NeighborWorks® America (NWA) chartered organization . . . one of only two in Delaware. As such, NCALL undergoes an NWA Program Review every three years, which examines all aspects of NCALL, including management, governance, planning, policies and systems, financial health, personnel, and production.

NCALL had its most recent NWA review in January 2009, and the Final Report concluded that NCALL exceeded all criteria and aspects of the review. In part, the report stated, "The review team was impressed with the organization's production, engaged and active Board of Directors, and the development and implementation of operating and tracking systems by which they measure their workload and impact. NCALL is to be congratulated for modeling best practices and attracting and retaining well trained staff who embrace the mission of the organization." This and other factors led to a continued NWA rating of "Exemplary" for NCALL, which was reaffirmed in August 2011 by NWA's Organizational Health Tracking System Committee.

Within the national NWA network of 235 organizations, NCALL ranks 9th in number of clients who become homeowners, 13th in direct investment, 17th in producers of residential units, and 24th in foreclosure mitigation counseling; **in 2010, all of NCALL's rankings were #1 in NWA's Mid-Atlantic District,** which included Delaware, Pennsylvania, Maryland, Virginia, and Washington, DC.

NCALL's dedicated staff of housing counselors provides individual clients with ongoing, year-round homeownership education and counseling (more than 7,000 first-time home buyers so far), financial literacy training (over 1,000 graduates to date), and default and foreclosure prevention assistance (close to 500 homes saved in just four years—206 in FY'11 alone!—and many more in process). Because NCALL is based in Dover, the majority of its foreclosure prevention and homeownership counseling occurs in Kent County, and **more clients come from the City of Dover than from any other city or town in Delaware.**

As an intermediary, NCALL helps locally based nonprofits develop multi-family housing projects through a variety of services like organizational development, financial packaging, and asset management; to date, this has resulted in the production or preservation of 50 affordable apartment communities. Furthermore, NCALL provides technical assistance to self-help housing grantees in a 21-state region via a USDA contract, and the CDFI Loan Fund provides credit opportunities to nonprofit organizations that may not otherwise have access to resources for serving lower-income families. In seven years, NCALL's Loan Fund has originated more than $35 million in 52 loans to 25 organizations that have created more than 500 affordable housing units and nearly 50,000 square feet in community-based facilities space.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.

REPORT ON AUDIT OF FINANCIAL STATEMENTS

SEPTEMBER 30, 2011

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.

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INDEPENDENT AUDITORS' REPORT

January 18, 2012

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.
Dover, Delaware

We have audited the accompanying statement of financial position of National Council on Agricultural Life and Labor (NCALL) Research, Inc., a nonprofit organization, as of September 30, 2011 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2010 financial statements and, in our report dated January 20, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NCALL Research, Inc. as of September 30, 2011 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2012 on our consideration of NCALL Research, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of NCALL Research, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget

BARBACANE
THORNTON
&COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.

Circular A-133, "Audits of States, Local Governments and Nonprofit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2011 AND 2010

	2011	2010*
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 4,210,108	$ 3,588,295
Accounts receivable	13,338	12,810
Grants receivable	168,550	249,086
Interest receivable	328	892
Prepaid insurance	6,518	37,909
Investments	840,342	848,900
Loans receivable, net of allowance for uncollectible accounts of $72,448 for 2011 and $15,750 for 2010, respectively	1,376,521	465,128
Foreclosed real estate held for resale, net of allowance for loss on sale of $100,000 for 2011 and 2010	50,000	50,000
Total Current Assets	6,665,705	5,253,020
NONCURRENT ASSETS:		
Property and equipment	1,492,197	1,508,442
Less: Accumulated depreciation	(252,405)	(235,130)
	1,239,792	1,273,312
Loans receivable, net of allowance for uncollectible accounts of $127,552 for 2011 and $299,250 for 2010, respectively	1,435,933	2,362,275
Endowment	14,324	14,722
Total Noncurrent Assets	2,690,049	3,650,309
TOTAL ASSETS	$ 9,355,754	$ 8,903,329
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 19,203	$ 37,856
Accrued wages	48,457	43,060
Accrued compensated absences	73,587	67,900
Accrued interest	-	3,125
Deferred revenue	24,681	48,783
Total Current Liabilities	165,928	200,724
NONCURRENT LIABILITIES:		
Notes payable for loan fund	2,150,000	2,150,000
Total Noncurrent Liabilities	2,150,000	2,150,000
TOTAL LIABILITIES	2,315,928	2,350,724
NET ASSETS		
Unrestricted:		
Undesignated	4,721,355	4,830,938
Designated for operating reserve	540,000	-
Designated for building reserve	86,250	75,000
Designated for working capital reserve	150,000	150,000
Designated for compensated absences	73,587	67,900
Total Unrestricted	5,571,192	5,123,838
Temporarily restricted	277,311	356,187
Permanently restricted	1,191,323	1,072,580
TOTAL NET ASSETS	7,039,826	6,552,605
TOTAL LIABILITIES AND NET ASSETS	$ 9,355,754	$ 8,903,329

* Restated for comparative purposes.

The accompanying notes are an integral part of these financial statements.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Summarized Totals for 2010)

REVENUE, GAINS AND PUBLIC SUPPORT	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2011	Totals 2010
Public Support:					
Grants and contracts	$ 36,005	$1,713,571	$ 250,000	$1,999,576	$1,887,559
Contributions	274,474	195,675	-	470,149	416,005
Total Public Support	310,479	1,909,246	250,000	2,469,725	2,303,564
Revenue:					
Interest income - investments	17,445	-	-	17,445	33,066
Interest income - loans	149,456	-	-	149,456	160,105
Fee income	279,435	-	-	279,435	214,347
Rents	17,400	-	-	17,400	17,400
Unrealized gain on investment	-	-	-	-	1,089
Other	2,935	-	-	2,935	6,987
Total Revenue	466,671	-	-	466,671	432,994
Net assets released from restriction:					
Satisfaction of program restrictions	2,119,379	(1,988,122)	(131,257)	-	-
TOTAL REVENUE, GAINS AND PUBLIC SUPPORT	2,896,529	(78,876)	118,743	2,936,396	2,736,558
EXPENSES AND LOSSES					
Program Services:					
Self-Help Housing	480,370	-	-	480,370	450,109
Farmworker Housing Technical Assistance	75,779	-	-	75,779	81,141
Farmworker Emergency Housing Assistance	23,070	-	-	23,070	16,846
Rural Community Development Initiative:					
Virginia	138,865	-	-	138,865	89,972
Delaware	35,341	-	-	35,341	6,585
CHDO Technical Assistance Intermediary	39,641	-	-	39,641	42,691
Rural Housing and Economic Development	51,517	-	-	51,517	35,191
Housing Counseling Program	316,173	-	-	316,173	277,719
Foreclosure Prevention	229,667	-	-	229,667	170,398
Rural Delaware Homeownership Initiative	122,489	-	-	122,489	126,180
Loan Fund	472,874	-	-	472,874	385,226
Total Program Services	1,985,786	-	-	1,985,786	1,682,058
Support Services:					
Management and general	408,323	-	-	408,323	347,680
Development	54,433	-	-	54,433	75,835
Total Support Services	462,756	-	-	462,756	423,515
Total Expenses	2,448,542	-	-	2,448,542	2,105,573
Unrealized loss on investment	633	-	-	633	-
TOTAL EXPENSES AND LOSSES	2,449,175	-	-	2,449,175	2,105,573
CHANGE IN NET ASSETS	447,354	(78,876)	118,743	487,221	630,985
NET ASSETS, BEGINNING OF YEAR	5,123,838	356,187	1,072,580	6,552,605	5,921,620
NET ASSETS, END OF YEAR	$5,571,192	$ 277,311	$1,191,323	$7,039,826	$6,552,605

The accompanying notes are an integral part of these financial statements.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Summarized Totals for 2010)

	Program Services								
	Self-Help Housing	Farmworker Housing Technical Assistance	Farmworker Emergency Housing Assistance	Rural Community Development Initiative - VA	Rural Community Development Initiative - DE	CHDO Technical Assistance Intermediary	Rural Housing and Economic Development	Housing Counseling Program	Foreclosure Prevention
EXPENSES:									
Salaries	$ 237,628	$ 28,512	$ 3,758	$ 7,937	$ 18,156	$ 28,432	$ 24,937	$ 221,274	$ 162,464
Payroll taxes	17,181	2,044	263	554	1,304	2,137	1,902	16,074	11,782
Pension	6,157	370	69	129	323	690	586	2,828	2,700
Employee benefits	39,040	4,382	660	1,339	2,290	4,947	4,267	35,884	33,944
Total Salaries and Related Expenses	300,006	35,308	4,750	9,959	22,073	36,206	31,692	276,060	210,890
Accounting and audit fees	-	-	-	-	-	-	-	-	-
Allocation of occupancy costs	10,080	1,365	105	210	840	1,680	1,575	9,120	8,820
Bad debt expense	-	-	-	-	-	-	-	-	-
Consultant fees	80,947	35,023	18,215	127,836	12,428	-	15,000	-	-
Consumables	201	82	-	-	-	-	-	98	90
Credit report charges	-	-	-	-	-	-	-	10,565	-
Depreciation	-	-	-	-	-	-	-	-	-
Dues/Registration/Training	3,660	1,075	-	860	-	-	730	6,048	2,250
Equipment and maintenance	509	1,346	-	-	-	-	-	2,377	-
Insurance	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
Internet and technical services	3,439	-	-	-	-	-	-	-	-
Janitorial services and supplies	-	-	-	-	-	-	-	-	-
Legal fees	-	-	-	-	-	-	-	-	-
Loan participation fees	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	1,161	-
Office supplies	-	-	-	-	-	-	-	440	206
Printing and postage	2,397	263	-	-	-	551	-	1,422	124
Property tax/maintenance expenses	-	-	-	-	-	-	-	-	-
Publications	277	-	-	-	-	-	-	-	-
Telephone	1,823	9	-	-	-	122	57	1,309	1,243
Travel and per diem	77,031	1,308	-	-	-	1,082	2,463	7,573	6,044
Utilities	-	-	-	-	-	-	-	-	-
Subtotal	480,370	75,779	23,070	138,865	35,341	39,641	51,517	316,173	229,667
Allocation of indirect costs	100,287	16,375	4,600	28,688	7,613	8,416	7,582	68,808	48,345
TOTAL EXPENSES	$ 580,657	$ 92,154	$ 27,670	$ 167,553	$ 42,954	$ 48,057	$ 59,099	$ 384,981	$ 278,012

Continued on next page.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2011
(With Summarized Totals for 2010)

(continued)

	Program Services			Support Services			Totals	
EXPENSES:	Rural Delaware Homeownership Initiative	Loan Fund	Total Program Services	Management and General	Development	Total Support Services	2011	2010
Salaries	$ 94,176	$ 131,017	$ 958,291	$ 268,100	$ -	$ 268,100	$ 1,226,391	$ 1,116,644
Payroll taxes	7,090	8,782	69,113	19,287	-	19,287	88,400	81,241
Pension	1,561	2,245	17,658	3,765	-	3,765	21,423	17,921
Employee benefits	11,492	27,936	166,181	23,066	-	23,066	189,247	166,088
Total Salaries and Related Expenses	114,319	169,980	1,211,243	314,218	-	314,218	1,525,461	1,381,894
Accounting and audit fees	-	7,250	7,250	15,650	-	15,650	22,900	25,900
Allocation of occupancy costs	4,920	4,620	43,335	(43,335)	-	(43,335)	-	3,334
Bad debt expense	-	170,679	170,679	-	-	-	170,679	75,000
Consultant fees	-	29,379	318,828	2,235	9,616	11,851	330,679	233,495
Consumables	119	156	746	15,706	1,134	16,840	17,586	17,095
Credit report charges	-	-	10,565	-	-	-	10,565	6,814
Depreciation	-	2,400	2,400	937	33,943	34,880	37,280	35,797
Dues/Registration/Training	542	1,200	16,365	15,867	4,630	20,497	36,862	34,438
Equipment and maintenance	390	-	4,622	10,402	289	10,691	15,313	23,898
Insurance	-	8,200	8,200	11,683	-	11,683	19,883	19,653
Interest expense	-	46,953	46,953	-	-	-	46,953	58,529
Internet and technical services	-	6,310	9,749	11,455	-	11,455	21,204	16,473
Janitorial services and supplies	-	-	-	7,695	-	7,695	7,695	6,527
Legal fees	-	15,417	15,417	-	-	-	15,417	6,652
Loan participation fees	-	3,042	3,042	-	-	-	3,042	24,476
Miscellaneous	-	155	1,316	2,000	4,035	6,035	7,351	5,607
Office supplies	-	-	646	1,169	-	1,169	1,815	1,702
Printing and postage	75	1,200	6,032	10,593	-	10,593	16,625	15,449
Property tax/maintenance expenses	-	1,587	1,587	4,576	-	4,576	6,163	4,551
Publications	-	-	277	2,245	-	2,245	2,522	1,717
Telephone	733	690	5,986	6,630	8	6,638	12,624	11,773
Travel and per diem	1,391	3,656	100,548	3,455	778	4,233	104,781	80,382
Utilities	-	-	-	15,142	-	15,142	15,142	14,417
Subtotal	122,489	472,874	1,985,786	408,323	54,433	462,756	2,448,542	2,105,573
Allocation of indirect costs	25,837	56,517	373,068	(379,809)	6,741	(373,068)	-	-
TOTAL EXPENSES	$ 148,326	$ 529,391	$ 2,358,854	$ 28,514	$ 61,174	$ 89,688	$ 2,448,542	$ 2,105,573

The accompanying notes are an integral part of these financial statements.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 487,221	$ 630,985
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	37,280	35,797
Bad debt expense	170,679	75,000
Unrealized loss (gain) on investment	633	(1,089)
(Increase) in accounts receivable	(528)	(5,390)
Decrease (Increase) in grants receivable	80,536	(83,201)
Decrease in interest receivable	564	892
(Increase) Decrease in loans receivable	(155,730)	1,092,193
Decrease (Increase) in prepaid expenses	31,391	(24,739)
(Decrease) in accounts payable	(18,653)	(128,752)
Increase in accrued wages	5,397	43,060
Increase (Decrease) in compensated absences	5,687	(544)
(Decrease) Increase in accrued interest	(3,125)	3,125
(Decrease) Increase in deferred revenue	(24,102)	31,017
NET CASH PROVIDED BY OPERATING ACTIVITIES	617,250	1,668,354
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	848,900	170,174
Purchase of investments	(840,577)	-
Purchase of property and equipment	(3,760)	(32,032)
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,563	138,142
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	-	(1,322,523)
NET CASH USED BY FINANCING ACTIVITIES	-	(1,322,523)
NET INCREASE IN CASH AND CASH EQUIVALENTS	621,813	483,973
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,588,295	3,104,322
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 4,210,108	$ 3,588,295
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 50,078	$ 55,404
Taxes paid	$ -	$ -

The accompanying notes are an integral part of these financial statements.

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 GENERAL

The National Council on Agricultural Life and Labor ("NCALL") Research, Inc. was organized in 1955 as a nonprofit corporation and has been providing rural housing technical assistance and affordable housing services since 1976. NCALL Research, Inc. competes for funding in the form of contracts, grants and cooperative agreements from the federal, state and private sectors when it is available. The mission of the Organization, simply put, is:

"To promote affordable housing and improved communities for low and moderate income people primarily in rural areas. To that end, we seek to:

- Provide training, technical assistance and support, including financial, to organizations to enhance their capacity.
- Encourage, support and educate people to obtain and preserve decent, affordable housing.
- Provide innovative and flexible financing and services targeted to affordable housing and community development efforts to enhance borrower capacity to better serve low and moderate income communities.
- Increase public awareness about effective community housing efforts and the need to improve housing conditions.
- Formulate and advocate improved public policy."

NCALL Research, Inc. is governed by a 15-member Board of Directors from the Organization's service area.

NCALL Research, Inc. was chartered as a NeighborWorks Organization ("NWA") in 2003. The affiliation with NWA requires ongoing reporting and regular management reviews. NCALL was again rated "Exemplary" in 2011. It also provides opportunities for grant and capital funding, along with training slots for NWA's training institutes. NCALL Research, Inc. is one of only two organizations within Delaware with the NeighborWorks designation.

NCALL Research, Inc. was certified as a Community Development Financial Institution ("CDFI") during fiscal year 2005 by the U.S. Department of Treasury. As of September 30, 2011, this certification was in good standing.

As a CDFI, NCALL Research, Inc. chose to participate in the Comprehensive Ratings for CDFI Investments ("CARS") review and rating process during 2010. The process was a positive experience and yielded a substantial report and rating of AA+2 for impact performance, financial strength, and policy work.

NCALL Research, Inc.'s Board of Directors undertook strategic planning during fiscal year 2010 yielding a current three-year plan for the Organization for fiscal years 2011-2013.

Financial Statement Presentation

In accordance with the section of the Financial Standards Accounting Board's Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, NCALL Research, Inc. is required to report information regarding its financial

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, NCALL Research, Inc. is required to present a statement of cash flows.

Recognition of Donor Restrictions

Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Temporarily Restricted Net Assets

This type of net asset includes funds restricted by funding sources. NCALL Research, Inc. reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

RHS Self-Help Housing Technical and Management Assistance Contract (Self-Help Housing)

NCALL Research, Inc. is funded by the Rural Housing Service, USDA, to provide technical and management assistance and training to new and operating self-help housing grantees throughout the 21-state northeast region. The region extends from Virginia north to New England and west to Minnesota. NCALL Research, Inc. is responsible for providing technical and management assistance in construction, accounting, scheduling and housing development to local self-help housing programs. NCALL Research, Inc. also is called upon to conduct training, publish newsletters and help resolve problems. NCALL Research, Inc. is operating a contract award through October 31, 2011 and has a notice to proceed with a new contract with a base year and four option years.

Farmworker Housing Technical Assistance/Farmworker Emergency Housing Assistance

NCALL Research, Inc. is a member of the Southeast Housing Consortium ("SEHC") which is a group of nonprofit organizations specializing in rural and farmworker housing. Members of the SEHC are subgrantees of a grant awarded by the U.S. Department of Labor ("DOL") Employment and Training Administration, operated under the authority of the Workforce Investment Act ("WIA"), Section 167. Florida Nonprofit Housing, Inc. ("FNPH") serves as grantee/lead agency for the SEHC, with responsibility for monitoring subgrantee activities. The SEHC's goals are to eliminate substandard housing and alleviate excessive housing cost for agricultural workers. Under the allowable activities of the grant program, NCALL Research, Inc. provides technical assistance to nonprofit organizations who develop or preserve farmworker housing in Delaware, Maryland and Virginia. Services can include packaging housing financing, providing asset management services and problem solving. A smaller DOL grant through FNPH is for direct housing assistance to farmworkers and is identified as Farmworker Emergency Housing Assistance.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Rural Community Development Initiative - Virginia

NCALL Research, Inc. competed for and received a USDA Rural Community Development Initiative ("RCDI") grant to provide housing, organizational development and housing counseling technical assistance to three nonprofit organizations on the Eastern Shore of Virginia. These include Eastern Shore of Virginia Housing Alliance, New Road Community Development Group and District One Community Action Group.

Rural Community Development Initiative - Delaware

NCALL Research, Inc. competed for and received a USDA Rural Community Development Initiative grant to provide organizational development and homeownership technical assistance to the Diamond State Community Land Trust in Delaware.

CHDO Technical Assistance Intermediary

NCALL Research, Inc. received a cooperative agreement from the U.S. Department of Housing and Urban Development ("HUD") to provide technical assistance to qualifying nonprofit organizations in Delaware that plan to apply for "HOME" funding to develop affordable housing. NCALL is authorized to work with eligible and would-be Community Housing Development Organizations ("CHDOs") as a Technical Assistance Intermediary by HUD. NCALL's services include assessments, direct technical assistance for organizational and housing project issues and training. NCALL received this cooperative agreement through the federal bidding process.

Rural Housing and Economic Development

NCALL Research, Inc. received a HUD Rural Housing and Economic Development grant for a 36-month period to provide technical assistance for affordable apartment development, asset management and nonprofit capacity building, as well as homeownership counseling within the communities of Georgetown, Seaford and Millsboro in Sussex County, Delaware.

Housing Counseling Program

NCALL Research, Inc. is funded by grants and fees from a variety of financial institutions and governmental entities to assist low and moderate income families to become first-time homebuyers throughout Delaware. The education and counseling provided by NCALL Research, Inc. enables families to become more knowledgeable about the homebuying and mortgage approval process, while helping families prepare financially for the step to homeownership. NCALL Research, Inc. assists qualified families to obtain affordable home mortgage financing including down payment and settlement assistance. The program also assists families with budget and financial management, submission of mortgage applications, understanding homeownership responsibilities and the settlement process through group workshop sessions and individual counseling. NCALL Research, Inc. is participating with the Neighborhood Stabilization Program providing housing counseling services. A Delaware Bank Commission grant enabled NCALL to begin marketing its Growing Your Money Financial

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Literacy Program to the community at subsidized apartment complexes and Delaware Technical Community College campuses. Financial Literacy classes continue to be offered to homeownership and foreclosure clients in all counties.

Foreclosure Prevention

Responding to community needs and strategic planning by the Board of Directors, NCALL Research, Inc. began its mortgage default and foreclosure prevention services within Delaware in 2008. Services included monthly prevention workshops along with individual counseling offering remedies and support. Demand for foreclosure prevention has increased significantly, and two new counselors were hired in 2010 with funding from the Delaware State Housing Authority, which continued again in 2011. NCALL Research, Inc. is part of various initiatives from the Attorney General's Office and Delaware's Foreclosure Mediation Program. Foreclosure Prevention is also supported by the NeighborWorks' National Foreclosure Mitigation Counseling funding.

Rural Delaware Homeownership Initiative

NCALL Research, Inc. is funded by the Delaware State Housing Authority's Housing Development Fund and various other funding sources to implement a loan application packaging program through USDA, Rural Development. The services to potential homeowners include: credit and budget counseling, training on program specifics, financial management classes when necessary, development of family budgets, assistance with the search for land or housing, preparation of federal applications and follow-up throughout the entire Rural Development application process. These services are available to clients in rural areas throughout the State of Delaware.

Loan Fund

During fiscal year 2005, NCALL Research, Inc. became certified as a Community Development Financial Institution and a Community Development Entity by the U.S. Department of Treasury. These certifications reflect the authority of the Loan Fund to offer additional products and services to better address the affordable housing, community development and nonprofit credit needs of its customer base. A committee of six NCALL Research, Inc. board members oversees the Loan Fund and is responsible for recommending policies and the loan approval process. NCALL's Board of Directors is responsible for Loan Fund governance. NCALL Research, Inc. has been actively seeking capital, investments and loan participations while building Loan Fund infrastructure to address the substantial community development demand. Experienced staff managing the fund includes a loan fund director and manager. A substantial CARS rating of AA+2 along with strategic planning in 2010 for FY 2011-2013 is benefiting capitalization and expansion plans.

Cash and Cash Equivalents

For purposes of the statement of cash flows, NCALL Research, Inc. considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investments

In accordance with FASB ASC, investments are reported at market value. Donated securities also are reported at fair market value as of the date of receipt. All realized and unrealized gains and losses arising from fluctuations in market values, sales or other disposition of assets are accounted for in the class of net assets that owns the assets.

Grants and Accounts Receivable

Grants and accounts receivable are stated at unpaid balances. Receivables are considered impaired if full principal payments are not received in accordance with the payment terms. Grants and accounts receivable are considered by management to be fully collectible and, accordingly, no allowance for uncollectible accounts has been recorded as of September 30, 2011 and 2010.

Loans Receivable

Loans receivable represent funds advanced to qualified nonprofit organizations that have a primary mission of affordable housing and/or community development. Loans are stated at unpaid principal balances less an allowance for uncollectible accounts. The allowance for uncollectible accounts is estimated to be five percent of the outstanding loan balance plus any amounts known to be uncollectible. Past due status is determined based on contractual terms. Loans are considered impaired if full principal or interest payments are not anticipated in accordance with the contractual terms. Loan security is outlined in the promissory notes.

Foreclosed Real Estate

Foreclosed real estate includes both formally foreclosed property and in-substance foreclosed property. In-substance foreclosed properties are those properties for which the institution has taken physical possession, regardless of whether formal foreclosure proceedings have taken place.

At the time of foreclosure, foreclosed real estate is recorded at the fair value less cost to sell, which becomes the property's new basis. Any write-downs based on the asset's fair value at date of acquisition are charged to the allowance for uncollectible accounts. After foreclosure, valuations are periodically performed by management and property held for sale is carried at the lower of the new cost basis or fair value less cost to sell. Costs incurred in maintaining foreclosed real estate and subsequent adjustments to the carrying amount of the property are included in income or loss on foreclosed real estate.

Property and Equipment

NCALL Research, Inc. capitalizes all expenditures for property in excess of $5,000. Property and equipment are stated at cost at date of acquisition or fair market value at date of donation. Property and equipment are depreciated on the straight-line method over the estimated service lives of the respective assets. Estimated service lives for furniture and equipment are five

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

to 10 years. The estimated service lives for the buildings are 30 to 50 years. Expenditures for maintenance, repairs, minor renewals and betterments which do not improve or extend the useful life of the respective asset are expensed.

Income Taxes

No provision has been made for income taxes since NCALL Research, Inc. qualifies as a tax-exempt organization under the Internal Revenue Code, Section 501(c)(3), and its activities do not result in any income tax liability. In accordance with the section of FASB ASC regarding accounting for uncertainty in income taxes, NCALL Research, Inc. is required to recognize the financial statement effects of a tax position if it is more likely than not that the position will be sustained upon examination. NCALL Research, Inc. has no uncertain tax positions that qualify for recognition in the financial statements.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that NCALL Research, Inc.'s tax returns will not be challenged by the taxing authorities and that NCALL Research, Inc. will not be subject to additional tax penalties and interest as a result of such challenge. Generally, NCALL Research, Inc.'s tax returns remain open for federal income tax examination for three years from the date of filing.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Prior Year Financial Statements

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with NCALL Research, Inc.'s financial statements for the year ended September 30, 2010, from which the summarized information was derived.

NOTE 3 INVESTMENTS

Investments consist of certificates of deposit with original maturities of more than three months. The value of these investments as of September 30, 2011 and 2010 amounted to $840,342 and $848,900, respectively. Interest accrues at rates ranging from 0.10 percent to 1.19 percent.

NOTE 4 FORECLOSED REAL ESTATE HELD FOR RESALE

Foreclosed real estate held for resale represents property acquired through loan default. As of September 30, 2011 and 2010, NCALL Research, Inc. had title to one foreclosed property due to loan default. The outstanding principal on this loan at the time of foreclosure was $300,000, with $150,000 of the loan being lent by the Loan Fund and the remaining portion of $150,000 being lent by a third party (the "participant"). Upon the sale of this property, NCALL Research, Inc. must remit the first $150,000 of the proceeds from the sale to the participant rather than the participant sharing *pro rata* in any losses. As of September 30, 2011 and 2010, NCALL Research, Inc. has estimated that it will recognize a loss of $100,000 for both years on its portion of the loan when this property is sold and, accordingly, an allowance for loss on foreclosed assets held for resale has been recorded in the statement of financial position.

NOTE 5 BAD DEBT EXPENSE

For the year ended September 30, 2011, bad debt expense in the amount of $170,679 is comprised of the following:

Increase in allowance for uncollectible accounts	$ 170,679

For the year ended September 30, 2010, bad debt expense in the amount of $75,000 is comprised of the following:

Increase in allowance for uncollectible accounts	$ 50,000
Increase in allowance for foreclosed real estate	25,000
TOTAL	$ 75,000

NOTE 6 ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

For the year ended September 30, 2011, the change in the allowance for uncollectible accounts is as follows:

Allowance for uncollectible accounts at October 1, 2010	$ 315,000
Adjustment to increase the allowance for uncollectible accounts	170,679
Loan charged off against the allowance	(285,679)
Allowance for uncollectible accounts at September 30, 2011	$ 200,000

For the year ended September 30, 2010, the change in the allowance for uncollectible accounts is as follows:

Allowance for uncollectible accounts at October 1, 2009	$ 315,000
Adjustment to increase the allowance for uncollectible accounts	50,000
Loan charged off against the allowance	(50,000)
Allowance for uncollectible accounts at September 30, 2010	$ 315,000

NOTE 7 LOANS RECEIVABLE SOLD WITHOUT RECOURSE

NCALL Research, Inc. has sold loans receivable to financial institutions with no recourse to the Organization. The outstanding balance of the no-recourse loans at September 30, 2011 and 2010 was $1,225,228 and $3,201,006, respectively. The loans mature at various times through February 2013. NCALL Research, Inc. services, administers and collects the receivables on behalf of the purchaser. NCALL Research, Inc. has not recognized a servicing asset or liability because it is impracticable to estimate its fair value.

NCALL Research, Inc. sold a loan participation in the amount of $220,265 to Community Housing Capital. In the event of default, Community Housing Capital's loan participation is repaid prior to NCALL Research, Inc.'s portion of the loan.

NOTE 8 OPERATING LEASES

NCALL Research, Inc. leases office space to three organizations and one tenant. These leases expire at various times through June 2012. The schedule of future minimum leases to be received is as follows:

Year Ending September 30,	Amount
2012	$ 4,725

Rental income totaled $17,400 for both 2011 and 2010.

NOTE 9 INDIRECT COSTS

As required by federal funding sources, in accordance with Office of Management and Budget Circular A-122, NCALL Research, Inc. maintains separate accounts to identify indirect costs. While most costs (direct costs) can be identified as pertaining to a specific program, other costs (indirect costs) actually apply to more than one program. These costs are accumulated in an "indirect cost pool," then allocated semi-monthly to grants and contracts based upon a predetermined rate of 21 percent for 2011 and 2010 of total direct costs. This provisional indirect cost rate has been carefully developed to allocate costs in a consistent, equitable and reasonable manner and has been approved by NCALL Research, Inc.'s cognizant agency, the U.S. Department of Labor. The allocation on pages 5 and 6 is shown to assist funding sources in determining the total cost of each program.

NOTE 10 PROPERTY AND EQUIPMENT

As of September 30, 2011 and 2010, fixed assets consisted of the following:

	2011	2010
Land	$ 250,000	$ 250,000
Buildings	1,148,386	1,144,625
Furniture and equipment	93,811	113,817
Accumulated depreciation	(252,405)	(235,130)
TOTAL	$1,239,792	$1,273,312

NOTE 11 TEMPORARILY RESTRICTED NET ASSETS

Net assets were temporarily restricted by donors for the following programs:

	September 30,	
	2011	2010
Foreclosure Prevention	$ 168,283	$ 256,474
Self-Help Housing	78,802	74,202
CHDO Technical Assistance Intermediary	7,094	7,352
Solar Panels	20,000	-
Rural Housing and Economic Development	3,132	18,159
	$ 277,311	$ 356,187

NOTE 12 BOARD-DESIGNATED NET ASSETS

In fiscal year 2011, the Board established an operating reserve to stabilize NCALL Research Inc.'s finances and to provide a rainy day fund. Use of this reserve requires authorization from the Board. As of September 30, 2011, the value of this fund was $540,000.

The Board established a replacement/maintenance reserve to provide funding for future repairs made to the buildings in Dover and Georgetown. As of September 30, 2011 and 2010, the value of this fund was $86,250 and $75,000, respectively.

The Board established a working capital reserve to provide funding for sufficient cash flow while awaiting reimbursement of expenditures. As of September 30, 2011 and 2010, the value of this fund was $150,000.

The Board established a reserve to provide funding for future employee compensated absence liabilities. As of September 30, 2011 and 2010, the value of this fund was $73,587 and $67,900, respectively.

NOTE 13 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets were restricted as follows:

	September 30, 2011	September 30, 2010
NeighborWorks America capital grant	$1,181,323	$1,062,580
Trust endowment	10,000	10,000
	$1,191,323	$1,072,580

NeighborWorks America capital grants are restricted for making loans and for capital projects. The capital grants are permanently restricted although proceeds on capital projects, or interest earned, over and above the corpus may be transferred to unrestricted net assets for furthering NCALL Research, Inc.'s mission. However, should NCALL Research, Inc. become defunct, all remaining grant funds, interest earnings, capital projects proceeds, and the loan and capital projects portfolios representing the use of these funds will revert to NeighborWorks America.

In September 2011, NeighborWorks America released from restriction $131,257 in prior year grant funds previously classified as permanently restricted net assets by NCALL Research, Inc. Accordingly, this amount has been shown as net assets released from restriction in the statement of activities.

NCALL Research, Inc. was the beneficiary of a trust administered by the Delaware Community Foundation. The permanently restricted amount in this fund is $10,000. Amounts above $10,000 are not restricted. The assets of the trust are included in the statement of financial position of NCALL Research, Inc. at fair value.

NOTE 14 PENSION/RETIREMENT PLAN

NCALL Research, Inc. sponsors an Internal Revenue Code Section 401(k) retirement plan. All full-time employees are eligible to contribute to the plan after completing one year of employment, with the Organization matching employee contributions up to $1,200 for the calendar year.

The total pension expense for 2011 and 2010 was $21,423 and $17,921, respectively.

NOTE 15 COMPENSATED ABSENCES

NCALL Research, Inc. allows employees to accumulate unused annual leave per fiscal year to be paid upon retirement or leaving employment. The balance in this account as of September 30, 2011 and 2010 was $73,587 and $67,900, respectively.

NOTE 16 CONCENTRATIONS

NCALL Research, Inc. received 28 and 27 percent of its total revenue and public support from the U.S. Department of Agriculture during the years ended September 30, 2011 and 2010, respectively.

NCALL Research, Inc. received 22 and 24 percent of its total revenue and public support from NeighborWorks America during the years ended September 30, 2011 and 2010, respectively.

NOTE 17 LONG-TERM DEBT

Notes Payable for Loan Fund

In December 2005, NCALL Research, Inc. entered into an unsecured note agreement for the loan fund with Wells Fargo Regional Community Development Corporation in the amount of $250,000. This note bears interest at a fixed rate of 2.5 percent and requires semi-annual installments of accrued interest due and payable on March 31 and September 30 of each year. The entire unpaid balance of principal is due in full on December 16, 2015. As of September 30, 2011 and 2010, the outstanding balance on this note was $250,000.

In December 2006, NCALL Research, Inc. received a recoverable grant for the loan fund in the amount of $400,000 from JPMorgan Chase Bank. NCALL Research, Inc. is required to repay this grant without interest no later than December 1, 2012. As of September 30, 2011 and 2010, the outstanding balance was $400,000.

In November 2007, NCALL Research, Inc. entered into an unsecured note agreement for the loan fund with Barclays Bank Delaware in the amount of $500,000. The note bears interest at the three-month LIBOR rate plus .10 percent (0.35 and 0.63 percent at September 30, 2011 and 2010, respectively). Accrued interest is due on January 1, April 1, July 1 and October 1 of each year with the entire unpaid principal balance due in full in November 2014. As of September 30, 2011 and 2010, the outstanding amount of this note was $500,000.

In September 2008, NCALL Research, Inc. entered into an unsecured note agreement for the loan fund with Bank of America in the amount of $1,000,000. The note bears interest at a fixed rate of 4.0 percent. Accrued interest is due on January 1, April 1, July 1 and October 1 of each year. Principal payments of $300,000 are due in September 2016 and 2017 with the remaining principal of $400,000 due in September 2018. As of September 30, 2011 and 2010, the outstanding amount of this note was $1,000,000.

In December 2010, the Loan Fund entered into an unsecured revolving line of credit agreement with the Delaware State Housing Authority in the amount of $375,000. Any outstanding balance against this line of credit will bear interest at a fixed rate of 3.0 percent. Accrued interest is payable on January 1, April 1, July 1 and October 1 of each year with the entire unpaid principal balance due in full on December 6, 2020. As of September 30, 2011, the Loan Fund had not drawn against this line of credit.

NOTE 17 LONG-TERM DEBT (cont'd)

In September 2011, the Loan Fund entered into an unsecured note agreement with PNC Bank in the amount of $1,250,000. The note bears interest at a fixed rate of 3.25 percent. Accrued interest is payable on March 1, June 1, September 1 and December 1 of each year with the entire unpaid principal balance due in full on September 14, 2016. As of September 30, 2011, the Loan Fund had not drawn against this note.

The maturity of the long-term debt is as follows:

Year Ending September 30,	
2012	$ -
2013	400,000
2014	-
2015	500,000
2016	550,000
2017 and thereafter	700,000
	$ 2,150,000

NOTE 18 COMMITMENTS

Loans committed but not disbursed as of September 30, 2011 were as follows:

Loan Amount	Disbursed at 09/30/2011	Commitment
$ 1,762,257	$ 1,154,293	$ 607,964

Loans committed but not disbursed as of September 30, 2010 were as follows:

Loan Amount	Disbursed at 09/30/2010	Commitment
$ 1,280,448	$ 569,719	$ 710,729

The amounts above represent NCALL's portion of the loan and exclude the amount of the loan subject to a participation agreement.

NOTE 19 FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at September 30, 2011 and 2010 are as follows:

	Fair Value Measurements at Reporting Date Using:	
	Fair Value	Level 2*
September 30, 2011		
Endowment	$ 14,324	$ 14,324
Certificates of deposit	840,342	840,342
Total	$ 854,666	$ 854,666
September 30, 2010		
Endowment	$ 14,722	$ 14,722
Certificates of deposit	848,900	848,900
Total	$ 863,622	$ 863,622

Level 1 – Financial assets valued using level 1 inputs are based on unadjusted quoted market prices within active markets.

Level 2 – Financial assets valued using level 2 inputs are based on quoted prices in markets that are not active or for which all significant inputs are unobservable, either directly or indirectly.

Level 3 – Financial assets valued using level 3 inputs are determined by valuation methodologies that are unobservable and significant to the fair value measurements.

NOTE 20 RECLASSIFICATION OF PRIOR YEAR FINANCIAL STATEMENTS

In the current year financial statements, the current and long-term portions of the loans receivable balances have been reported net of the allowance for uncollectible accounts. In the prior year financial statements, the entire allowance for uncollectible accounts balance was netted against the current portion of the loans receivable balance. The prior year amounts in this report have been restated to conform to the current year presentation.

NOTE 21 SUBSEQUENT EVENTS

NCALL Research, Inc. has evaluated all subsequent events through January 18, 2012, the date the financial statements were available to be issued.

SINGLE AUDIT INFORMATION

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3411 Silverside Road
Wilmington, Delaware 19810

T 302.478.8940
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www.btcpa.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

January 18, 2012

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.
Dover, Delaware

We have audited the financial statements of National Council on Agricultural Life and Labor (NCALL) Research, Inc., a nonprofit organization, as of and for the year ended September 30, 2011, and have issued our report thereon dated January 18, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered NCALL Research, Inc's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NCALL Research, Inc's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of NCALL Research, Inc's internal control over financial reporting.

A deficiency in internal control exists when a design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

BARBACANE THORNTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCALL Research, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the audit committee, the Board of Directors and federal awarding agencies and pass-through entities; and is not intended to be and should not be used by anyone other than these specified parties.

Barbacane, Thornton & Company LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 18, 2012

To the Board of Directors
National Council on Agricultural Life and Labor (NCALL) Research, Inc.
Dover, Delaware

Compliance

We have audited the compliance of National Council on Agricultural Life and Labor (NCALL) Research, Inc. (a nonprofit organization), with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on NCALL Research, Inc.'s major federal program for the year ended September 30, 2011. NCALL Research, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and recommendations. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of NCALL Research, Inc.'s management. Our responsibility is to express an opinion on NCALL Research, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about NCALL Research, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on NCALL Research, Inc.'s compliance with those requirements.

In our opinion, NCALL Research, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2011.

Internal Control Over Compliance

The management of NCALL Research, Inc. is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered NCALL Research, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal

BARBACANE THORNTON &COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NCALL Research, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the audit committee, the Board of Directors and federal awarding agencies and pass-through entities; and is not intended to be and should not be used by anyone other than these specified parties.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2011

FEDERAL GRANTOR/PROJECT TITLE	Source Codes	CFDA Number	Expenditures
U.S. Department of Agriculture Rural Development			
Self-Help Housing Technical and Management Assistance	D	10.420	$ 711,349
Rural Community Development Initiative	D	10.446	103,957
TOTAL U.S. DEPARTMENT OF AGRICULTURE			815,306
U.S. Department of Housing and Urban Development			
Housing Counseling Grant	D	14.169	31,044
Rural Housing and Economic Development	D	14.250	44,072
Home Investment Partnership Program	D	14.239	47,799
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			122,915
U.S. Department of Labor			
Passed through Florida Nonprofit Housing, Inc.			
Migrant and Seasonal Farmworkers	I	17.247	118,163
TOTAL U.S. DEPARTMENT OF LABOR			118,163
U.S. Department of the Treasury			
Passed through Neighborhood Reinvestment Corporation			
National Foreclosure Mitigation Counseling Grant	I	21.000	39,146
Expendable Grant	I	21.000	364,950
Capital Grant	I	21.000	250,000
TOTAL U.S. DEPARTMENT OF THE TREASURY			654,096
TOTAL FEDERAL AWARDS			$1,710,480

SOURCE CODES:

D - Direct Funding
I - Indirect Funding

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the Schedule of Expenditures of Federal Awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The Schedule of Expenditures of Federal Awards reflects federal expenditures for all individual grants which were active during the fiscal year.

SCHEDULE OF

FINDINGS AND RECOMMENDATIONS

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued [*unqualified, qualified, adverse or disclaimer]*:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes ___X___ No
- Significant deficiency(ies) identified? ____ Yes ___X___ None reported
- Noncompliance material to financial statements noted? ____ Yes ___X___ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes ___X___ No
- Significant deficiency(ies) identified? ____ Yes ___X___ None reported

Type of auditors' report issued on compliance for major programs [*unqualified, qualified, adverse or disclaimer]*:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ____ Yes ___X___ No

Identification of major program:

CFDA Number	*Name of Federal Program or Cluster*
21.000	National Foreclosure Mitigation Counseling Grant, Expendable Grant and Capital Grant

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee qualified as low-risk auditee? ___X___ Yes ____ No

NATIONAL COUNCIL ON AGRICULTURAL LIFE AND LABOR RESEARCH, INC

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

STAFF REPORT
Serenity Place
Substance Abuse Treatment
Rehabilitation Cost

This nonprofit organization serves male individuals who are recovering from a substance addiction which has been in existence for 20 years. Serenity Place has a structured recovery program that will enable their clients to successfully transition back into society.

The grant request is for $30,000 to renovate damage caused by a fire, with projected cost of $300,000 to rebuild. To date, they have raised $60,000 and are applying for additional grant funding to cover the cost. Without confirmation of additional funding, there is no guarantee that this project will be completed in the allotted time frame.

This activity is consistent with Goal 1 of the 2010 Consolidated Plan by providing aid to special needs persons.

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient

SERENITY PLACE, INC.
327 MARTIN STREET, DOVER DE 19901
(302) 674 8036

B. Name, position and signature of person submitting application:

WILLIAM C. BOYLES
EXECUTIVE DIRECTOR
William C. Boyles

Name and position of authorizing official:

BARRY W. C. PIERCE
BOARD OF DIRECTORS - TREASURER

C. Name, address and phone number of Contact Person:
(If different from B above)

FY 2012 only

Activity: REBUILD OUR TREATMENT CENTER
Amount Requested: $ 30,000.00
List Source of Cash Matching Funds $

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG Project:

Sub-Recipient Personnel	Title(s)
WILLIAM C. BOYLES	EXECUTIVE DIRECTOR
BARRY W.C. PIERCE	BOARD OF DIRECTORS - TREASURER

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project. SEE ATTACHED EXHIBIT A

4. Application Work Plan — SEE ATTACHED EXHIBITS B THRU C

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

A. Each program activity must be addressed separately. Program activities must be listed in order of priority with the program activity of highest priority first. This order of priority for program activities must be followed on all forms contained in this application.

B. Each program activity must be fully described. For rehabilitation programs, this description must include the number of units to be rehabilitated, rental properties to be rehabilitated, any special population groups the rehabilitation program will address, the target area, and the need for the rehabilitation activity.

C. Provide a timetable showing monthly milestones for completion of each activity.

D. Attach drawings, plans or other documentation necessary to describe program activities. SEE ATTACHED EXHIBIT D

E. Describe each activity's conformance with the goals and objectives of the City's Consolidated Plan.

F. Describe the extent to which the proposed project(s) will address one or more significant priorities identified by the City's Consolidated Plan.

G. Describe the extent to which the project builds upon previous work or supplements other work that will be funded from other sources.

H. Describe source and amount of any funds used to leverage the City's portion of the project. Indicate when these funds will be available. Attach documentation of any match.

5. Each application should also describe the following:

   A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area. SEE ATTACHED EXHIBIT C-4-5

6. Have you received a sub-recipient grant from the previous funding year? NO.
   If yes give the total amount $_____.

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment ✓
Decent Housing ____
Economic Opportunity ____

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility ____
Affordability ____
Sustainability ✓

Please provide a proposed outcome based on the information below that applies to your activity
SEE ATTACHED EXHIBIT E
Number of persons, households, units, or beds assisted as appropriate 40 PER YEAR

Income level of persons or households by: Very Low 100 %
Low ____ %
Moderate ____ %

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served. SEE ABOVE

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability. WE ALREADY TRACK THESE CLIENT PARAMETERS.

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

1. Activity	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
REBUILD TREATMENT CENTER					
2012	40	40	100%	30,000.00	30,000.00
2013	40	40	100%		
2014	40	40	100%		

Source of Data: REBUILT TREATMENT CENTER WILL HAVE 20 BEDS. CLIENTS TO STAY SIX MONTHS ON AVERAGE (40 PER YEAR). ALL CLIENTS ARE DRUG ADDICTS AND/OR ALCOHOLICS WHO ARE UNEMPLOYED AND HOMELESS.

EXHIBIT A-1

WILLIAM C. BOYLES
8345 Westville Road
Wyoming, Delaware 19934
(302) 697-0505

EDUCATION

NEW YORK UNIVERSITY GRADUATE SCHOOL OF BUSINESS ADMINISTRATION
Extensive MBA coursework in Finance and Computer Applications, September 1983 – December 1986.

COLUMBIA UNIVERSITY
B.A. Economics, January 1983.

ASSOCIATION OF FINANCIAL PROFESSIONALS
Certified Cash Manager (CCM), June 1993.
Certified Treasury Professional (CTP), August 2001.

EMPLOYMENT

SERENITY PLACE, INC, Dover, Delaware
Executive Director, June 2006 – Present.
Board of Directors, January 2005 – Present.

WON WAY OUT MINISTRIES, INC, Wyoming, Delaware
President and Executive Director, January 2006 – Present.

CHESAPEAKE UTILITIES CORPORATION, Dover, Delaware
President and Chief Operating Officer – Water Business Unit, January 2001 – May 2005.
Vice President and Corporate Secretary, May 1993 – May 2005.
Treasurer, December 1992 – May 2001.
Director of Administrative Services Treasurer, December 1992 – May 1993.
Assistant Treasurer and Assistant Corporate Secretary, May 1991 – December 1992.
Treasury Department Manager, January 1990 – December 1992.
Assistant to the Treasurer, October 1988 – January 1990.

EQUITABLE BANK OF DELAWARE, Dover, Delaware
Manager of Financial Analysis, February 1988 – August 1988.

IRVING TRUST BANK, New York, New York
Group Controller and Assistant Secretary, January 1985 – April 1987.
Senior Financial Analyst, December 1983 – January 1985.

AMERADA HESS CORPORATION
Staff Analyst, January 1981 – December 1983.

MEMBERSHIPS

American Mensa Limited
Association of Financial Professionals
Mid-Atlantic Treasury Management Association
Risk and Insurance Management Society, Inc.
Eastern Finance Association
National Investor Relations Institute
American Society of Corporate Secretaries, Inc.

EXHIBIT A-2

BARRY W.C. PIERCE
20 MUIRFIELD COURT
DOVER, DE 19904
302-734-7555

EDUCATION:

	Franklin Pierce Law Center Concord, NH	J.D. May 1983
	Philadelphia College of Pharmacy & Science Philadelphia, PA	B.S. Cum Laude May 1976
	University of North Carolina Chapel Hill, NC	B.A. Economics May 1971

EXPERIENCE:

2003-present	Consultant pharmacist for Cardinal Healthcare, Inc. Delaware Hospital for the Chronically Ill.
3/87-present	Sole Practitioner in the private practice of law. Active member of Delaware Bar. Concentration on representation of small business entities regarding matters of taxation, accounting, and tax return preparation for individuals, partnerships, s-corporations, c-corporations, LLCs, especially payroll and IRA simple plans. Also handled several estates and financial planning for individuals and businesses.
6/86-2003	Part-time Pharmacist for various pharmacies Registered Pharmacist in Delaware. Worked part and/or full time to supplement income. Millsboro Pharmacy, Rite Aid, Happy Harrys, DHCI, and Christiana Hospital.
9/86-3/87	Legal clerkship with Glenn E. Hitchens of Morris, James, Hitchens & Williams, Dover, De.
12/84-6/86	Associate Lawyer, Cooper Hall Whittum & Shillaber, PC, Rochester, NH Private practice, concentration in tax, business, corporate, trust and probate. Limited experience in divorce, collections and real estate.
8/77-9/84	President, Pierce's Pharmacy, Inc. Loockerman St. Dover, De. Pharmacist/Manager of independent pharmacy with over 15 employees for two stores.

OTHER INFORMATION:

62 year old male, non-smoker, non-drinker, Christian, active AA member with over 8 years continuous sobriety; daughters Kate and Emily, 21 & 19 years old. Active sailor and past commodore of Rehoboth Beach Sailing Association.

EXHIBIT B-1

Serenity Place

327 Martin Street, Dover, DE 19901
302-674-8036

Mission, Goals and Objectives

Serenity Place Inc. is a Not- For-Profit Corporation dedicated to the provision of a structured alcohol and drug free treatment setting for persons recovering from an addiction. Serenity Place Inc. is a live in/work out supervised living environment for recovering male addicts who have successfully completed and were discharged from a more restrictive inpatient and/or residential treatment program.

Individualized treatment plans, which include a Work-Therapy component, developed between the treatment team and the individual resident focuses on the recovering person's transition into the community. Group and individual counseling sessions focus on information, education, and discussion of issues related to recovery, the understanding of the addictions and recovering process and return to the community (residents requiring more intense counseling are referred to the Community Mental Health Center).

Additionally, employment counseling, personal assistance,budgeting and financial management assistance, as well as recreation is provided. Serenity Place Inc. strongly encourages a continuing connection with the recovering community , including Alcoholics Anonymous, with mandatory participation in two (2) in-house meetings and a minimum of three (3) community meetings, with additional meetings encouraged. When appropriate residents are encouraged to continue their education and are given help in connecting with services such as vocational rehabilitation.

A family oriented focus provides an environment that encourages a mutual aid and support system, which combined with the above services, as well as, the support for social and vocational rehabilitation helps the recovering addict in his development as a mature, constructive and responsible member of society.

Concomitant with our mission, the goals of Serenity Place include the following.

- To help the recovering person develop an understanding of his disease and the accompanying recovery process.
- To enable each resident to become a mature, self sufficient, constructive, and responsible member of the community.
- To restore, in as far as possible the residents sense of self worth and responsibility.
- To work with each resident individually and in group to accept the twelve steps of recovery as a foundation for their continuing sobriety.
- To encourage and support the development of a mutual aid and support systems between residents and within the recovering community.

EXHIBIT B-2

In order to uphold the mission and attain the goals and objectives defined Serenity Place will:

- Provide a maximum of 2920 bed days of shelter, meals and a therapeutic program based on 90% occupancy during the first 12 months of the contract year.
- Provide a minimum of fifty minutes of individual counseling for each resident.
- Include each resident in the development of their treatment plan.
- Provide a minimum of one(1), two (2) hour, group meeting each week.
- Assure that each resident attended two (2) in-house recovery meetings each week.
- Assure that each resident attended a minimum of three community recovery meetings (AA/NA) each week.
- Provide employment counseling and help in securing gainful employment.
- Assure that information about educational and vocational rehabilitative services is made available to residents, and to encourage and support residents efforts in this area
- Provide a minimum of two(2) hours each week of educational activities related to recovery issues.
- Provide a monthly house meeting which includes the House Manager and the Executive Director.
- Review each case on a monthly basis using a systematic case review format.
- Provide alumni of the program with after-care counseling as needed.
- Continue to focus on maximizing the potential of each resident through counseling, work therapy, recreation and education.
- Provide AIDS workshops through Kent County Counseling on a quarterly basis for all residents.
- Continue to maintain a handicapped accessible residence.
- Adhere to the policy that no individual, who meets all admissions criteria, will be refused admission to Serenity Place because of any handicap or disability as defined in the Americans with Disabilities Act.
- Maintain and record in a timely manner all files, records and logs, recording forms and instruments in order to provide accurate quantifiable outcome measures for the above goals.

EXHIBIT C - 1

A. ORDER OF PRIORITY FOR PROGRAM ACTIVITIES

This application is for only one activity, the Rebuilding of the Serenity Place Treatment Center. We anticipate that the rebuilding will be completed by December 2012. All requested funding will be spent during FY 2012.

B. DESCRIPTION OF PROGRAM ACTIVITY

On June 7, 2011, a devastating fire ripped through Serenity Place, rendering it unlivable and displacing the 10 men who called it home. Although there was insurance for the 58 year old home, the rebuilding process will be quite costly as the new structure will need to be brought to compliance with the current building code. This calls us to the challenge of raising $300,000.00. We have launched a capital campaign by enlisting the help of local churches, corporations and individuals to partner with us in this endeavor. Rebuilding Serenity Place will enable us to re-establish our program, as detailed below.

Serenity Place is a state-licensed 501 (c) 3 non-profit organization which is partially funded by the Division of Substance Abuse and Mental Health. In existence for 20 years, it houses men who stay for an average of six months as they journey back to becoming productive members of society. All residents of Serenity Place have successfully completed at least a 30 day in-patient treatment program prior to admittance. It serves as a bridge between living in the completely controlled environment of a rehabilitation facility to living self-sufficient, sober lives . The men must find employment and pay a small amount for room and board, allowing them to save the money necessary to become independent citizens upon completion of the program. They must attend individual and group counseling sessions provided by a team of supportive and professional staff members as they strive to meet their goals. These goals may include restoring family relationships, correcting outstanding legal issues, paying off debt, etc. Each resident helps with dinner preparation, daily household chores and learns to healthily resolve conflict in this comfortable, homey, family-like atmosphere. They are required to attend 12 step recovery meetings as a foundation for their continued abstinence, providing them with a valuable support system extending long after their completion of the program.

We hope to accomplish the rebuilding process by the end of 2012. In the meantime, Serenity Place continues to serve our clients by providing the counseling/program portion of services from the administration building at 327 Martin Street (a small office next to the original home not damaged by the fire). Currently, the men are living in a home with three separate apartments in Dover. Our community has generously and swiftly provided many necessary furnishings for our men to live comfortably in this interim facility. **But, in order to rebuild a permanent facility we will need your financial support.**

EXHIBIT C-2

C. ACTIVITY TIMETABLE

February 2012: Sign contract with builder to initiate project design, engineering and drawings.

Submit CDBG application.

Continue to pursue fundraising activities for the Serenity Place Rebuilding Fund.

March to June 2012: Seek City of Dover Planning Department approval and secure building permits.

July 2012: Ground breaking of Serenity Place Rebuilding Project.

July to Dec 2012: Continue and complete Serenity Place Rebuilding Project.

D. ADDITIONAL INFORMATION TO DESCRIBE PROGRAM ACTIVITIES

See attached.

E. ACTIVITY'S CONFORMANCE WITH THE GOALS AND OBJECTIVES OF THE CITY'S CONSOLIDATED PLAN

Serenity Place has been meeting the current goals and objectives of the City's Consolidated Plan for the past twenty years. The rebuilding of Serenity Place will deliver these goals and objectives to up to twice as many persons as we did before our June 2011 fire. We certainly provide aid to special needs persons - persons addicted to drugs and/or alcohol and many of whom are homeless. Our project will rebuild and restore existing housing stock in the City. Some Serenity Place clients eventually seek home ownership, usually in low income areas. Abstinence from drugs and alcohol is the number one way to make our neighborhoods safe and livable – many Serenity Place clients successfully stay clean and sober. They become exemplary citizens who are passionate about helping others who are down and out as they once were. They indirectly assist in aiding economic opportunity in low to moderate income areas as they encourage and offer support to family, friends and neighbors in their neighborhoods. Some former clients have started their own small businesses.

EXHIBIT C-3

F. EXTENT TO WHICH THE PROPOSED PROJECT ADDRESSES THE PRIORITIES IDENTIFIED IN THE CITY'S CONSOLIDATED PLAN

The Serenity Place Substance Abuse Treatment Center provides aid to special needs persons. Those persons addicted to drugs and/or alcohol have a unique set of treatment needs including physical, mental and spiritual issues as well as a lack of life and interpersonal relationship skills. Rebuilding Serenity Place will provide for up to 40 persons each year to receive licensed treatment to address their specific needs.

Rebuilding Serenity Place will not only restore existing housing stock in the City of Dover but will actually double the capacity that was existing before the June 2011 fire.

Serenity Place clients make use of such local services as NCALL in their pursuit of owning their own homes once they are able to become productive members of society and stabilize in their employment and other family responsibilities.

The clients of the Serenity Place program are some of the most law abiding citizens one will meet. They are proud to be held out as an example of how one can regain control of their life and make positive changes in order to transition back into our community. Rebuilding Serenity Place will enable the continuance of providing safe and livable neighborhoods.

Once they complete the program, many of Serenity Place's alumni choose to stay in Dover. They work locally and typically reside in the lower income areas of the City. They become outstanding, caring, law-abiding citizens who are quick to "give back" to others who are in need such as providing rides to work, school and appointments and providing encouragement and moral support to those less fortunate. Rebuilding Serenity Place will aid in providing economic opportunity in low to moderate income areas.

G. EXTENT TO WHICH THE PROPOSED PROJECT BUILDS UPON PREVIOUS WORK OR SUPPLEMENTS OTHER WORK THAT WILL BE FUNDED FROM OTHER SOURCES

Prior to the June 2011 fire, Serenity Place had been operating for twenty years. Many in the health and human services field throughout the State of Delaware are familiar with the work that is accomplished at Serenity Place Treatment Center. We have built an outstanding reputation not only with health care colleagues but also with our fellow residents and businesses within the City of Dover. Serenity Place has maintained an annual contract with the Division of Substance Abuse and Mental Health which supports half of our annual financial need for day to day operations. In November 2011 Serenity Place officially kicked off its Rebuilding Fund Capital Campaign. To date we have raised approximately $60,000 out of our projected need of $300,000. Businesses, churches and other organizations have yet to be solicited for their financial support. We are also in the process of contracting with a professional grant writer to submit grant applications to the better known foundations and trusts who have typically supported the type of work we do.

H. LEVERAGING THE CITY'S PORTION OF THE PROJECT

As we approach other potential donors for financial support we may very well be challenged with a "match" opportunity. We certainly would welcome such an offer. The Serenity Place Rebuilding Project has already received much press coverage in the Dover Post, Delaware State News and WBOC. It is very clear that our project will require a community-wide effort in order to be successful. We fully intend to share with our community the names of those individuals, businesses, churches, foundations and City of Dover Departments who have helped us overcome our challenges in our time of need.

5A. COORDINATING WITH BUSINESSES REGARDING THE DEVELOPMENT OF THE COMMUNITY

All clients of Serenity Place are required to be gainfully employed. Due to the lack of convenient transportation for many of our clients, many seek employment within the confines of the City of Dover. Accordingly, local businesses employ our clients – all of whom are low income residents. Periodically our clients participate in the *Jobs for Life* enrichment program offered by Grace Church. In addition, many of the Serenity Place clients help our community through volunteer service – we assist church-sponsored rebuilding projects with skilled labor, our clients visit local health facilities such as Dover Behavioral Health and the House of PRIDE to chair recovery meetings and bring a message of hope to others, and we participate with the Food Bank of Delaware and the Kent Ecumenical Food Pantry. Some clients interact with the smoking

EXHIBIT C-5

cessation programs conducted by Bayhealth (Kent General) Hospital. We currently have partnered with Lowe's home improvement stores as well as 84 Lumber. Both entities provide Serenity Place with periodic materials donations to help keep our facility clean and in good repair. We envision developing more partnerships in the near future with businesses in the Dover area, especially as we seek to include them in our rebuilding process.

EXHIBIT D-1



SERENITY PLACE
Dover, DE

The Serenity Place Story

How does a man transition from a life of addiction to a calm and confident sense that he is prepared to take his place again as a productive citizen in his community?

To enable him to do just that is the essential mission of Serenity Place, Inc.

It isn't a simple transition. It involves the recovering alcoholic or drug addict getting a job, helping with the daily operation of the Serenity Place home in Dover, and participating in a regular program for reenforcing his commitment to lead a life away from the perils of an addictive habit.

But the sustained effort is worth it, both to the individual involved and to the community at large. And how do you measure the value of having a person regaining control of his life and thereby benefiting not only himself but his family and friends as well?

It was in the early 1990's that a group of recovering alcoholics in the Greater Dover community began an active effort to establish a home setting where men could be assisted in finding firm footing again as citizens without the scourge of addition governing every phase of their lives.

Simply locating a property which would serve the purpose was a major challenge. We all know what NIMBY is - "Not In My Back Yard."

A search turned up a large home at 327 Martin Street in central Dover, not far from the U.S. 13/113 split. The owner, Ed Bennett, then a member of the state's General Assembly as well as a local businessman, owned it. He agreed to a lease. Serenity Place has since bought the property and is paying off the mortgage.

Among the individuals involved in this project at the beginning were Jack Navert and his wife Gayle, with Gayle taking on the assignment of executive director and Jack, in addition to his outside employment, hired as a counselor.

Other individuals involved in the early 1990's were Jim Schmidt, Rev. Ed Middleton and Bill Denman. Jim was the first president of the board of directors.

In 1993, Jim Flood, Sr., founder of the Dover Post, joined the board. Shortly thereafter, he assumed the position of President upon the death of Mr. Schmidt and has been it's trustworthy overseer until present day.

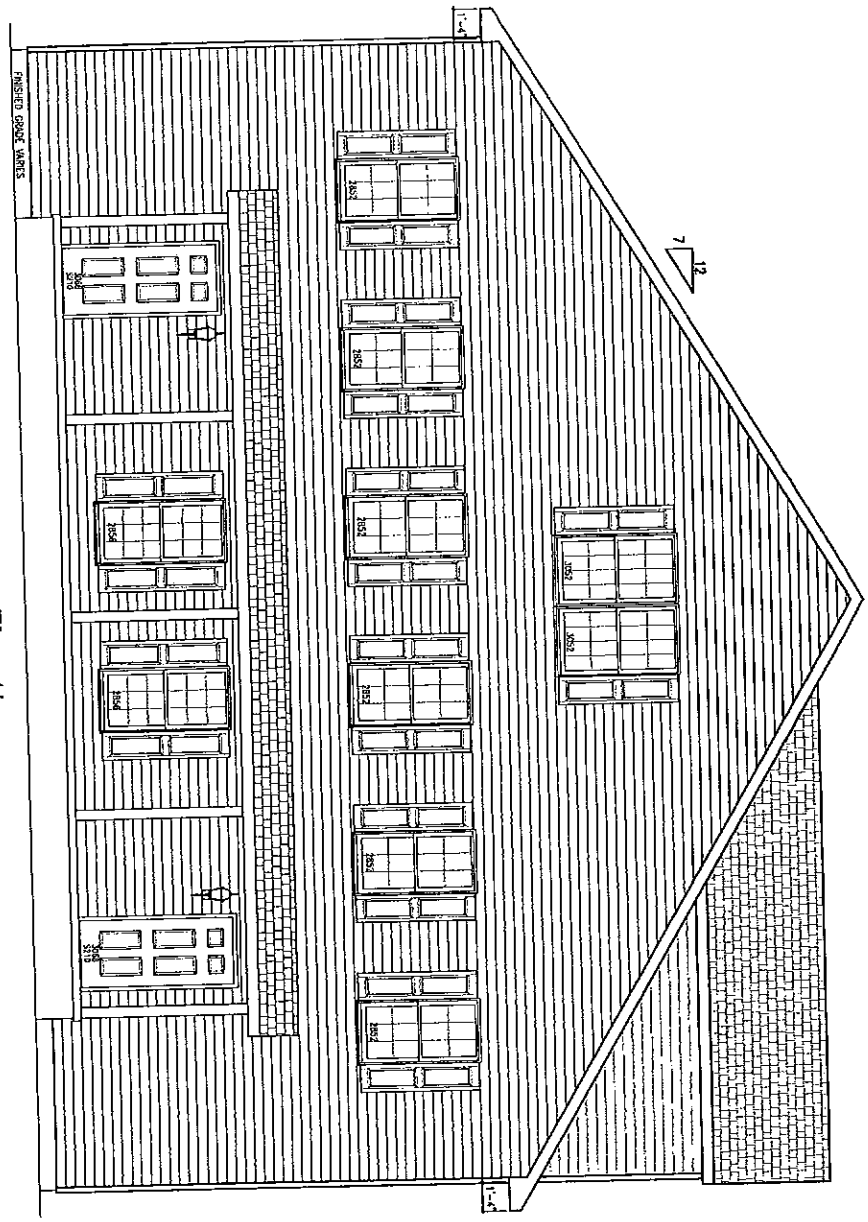
Included in the property was a separate small building rented by the owner of a gun shop. That building is no longer rented out and, having been completely refurbished, serves as the office for Serenity Place. Making use of the building in this way has made it possible to enlarge the capacity of the main house, which now has a capacity of ten men.

Serenity Place is a 501 (c) 3 non-profit corporation which gets the majority of its income from the State of Delaware Division of Substance Abuse and Mental Health.

In addition to the state money, Serenity Place is funded by weekly payments from the men in the house for room and board. Since these two sources do not cover all expenses, Serenity Place also seeks contributions from individuals and groups interested in seeing Serenity Place succeed and hopefully expand to cover the need for additional facilities.

The Serenity Place staff includes the full-time executive director, Bill Boyles, who officially began his duties on June 30, 2007, after a long period of voluntary work to improve the property and work towards a smooth transition in the executive director position. There are also two part-time professionals, a counselor and a clinical supervisor, as well as a number of qualified volunteers.

A local seven-member board of directors is responsible for the operation of Serenity Place.



Front Elevation
SCALE3/16" = 1'-0"

NOTE:
ELEVATIONS MAY SHOW ITEMS NOT PROVIDED BY BERACAH HOMES. PLEASE SEE CONTRACT FOR INCLUDED OPTIONS.
ALL FOUNDATIONS ARE BY THE BUILDER

Concept Only

PROJECT: ##-#### 12/15/2011 1:07 PM	SHEET: PRELEV	NAME:	CUSTOMER
		DRAWN: M. Grimes	DATE: 07/28/2010
		REVISION: Mike Grimes CDB Commercial_PD2_R	SCALE: AS NOTED
		HOUSE STYLE: Two Story: 51' x 58'	

BERACAH HOMES
9590 Nanticoke Business Park Drive
Greenwood, Delaware 19950
www.beracahhomes.com

DE, Kent Co., Dover

EXHIBIT D-2

EXHIBIT D-3

DE, Kent Co., Dover

HOUSE STYLE: Two Story: 51' x 58'

REVISION: Mike Grimes
CDB Commercial_PD2_R

SCALE: AS NOTED

DATE: 07/28/2010

DRAWN: M. Grimes

NAME: CUSTOMER

SHEET: PRE1

PROJECT: ##-#####

12/13/2011 11:17 PM

BERACAH HOMES

9590 Nonlicoke Business Park Drive
Greenwood, Delaware 19950
www.beracahhomes.com

CONCEPT ONLY

First Floor Plan

SCALE: 3/16" = 1'-0"

6'-0" x 24'-0" Covered Porch by Builder

Plan Specifications

* Ceiling Height: 9'-0"
* Exterior Walls: 2x6 @ 16" O.C.
* Floor Joists: 2x12 (Spacing T.B.D. based on floor load)
* R-24 blown in fiberglass, All Exterior Walls
* Tamper Resistant Receptacles
* All Ceiling boxes must be 50# rated
* All Window glazing that is less than 24" from finished floor and greater than 72" above grade shall have window guards installed by the Builder per R612.2

Exhibit D-1
DE, Kent Co., Dover
HOUSE STYLE: Two Story: 51' x 58'
REVISION: Mike Grimes
CDB Commercial_PD2_R
SCALE: AS NOTED
DATE: 07/28/2010
DRAWN: M. Grimes
NAME:
CUSTOMER
SHEET: PRE2
PROJECT: ##-#####
12/13/2011 11:17 PM
BERACAH HOMES
9590 Nonticoke Business Park Drive
Greenwood, Delaware 19950
www.beracahhomes.com
CONCEPT ONLY
Second Floor Plan
SCALE 3/16" = 1'-0"
Plan Specifications
* Ceiling Height: 8'-0"
* Exterior Walls: 2x6 @ 16" O.C.
* Floor Joists: 2x12 (Spacing T.B.D. based on floor load)
* Roof System: 7/12
* R-24 blown in fiberglass, All Exterior Walls
* Tamper Resistant Receptacles
* All Ceiling boxes must be 50# rated
* All Window glazing that is less than 24" from finished floor and greater than 72" above grade shall have window guards installed by the Builder per R612.2
Men's Bedroom #1
Men's Office
Women's Office
Women's Bedroom #1
Hall #2
Women's Bath
Storage
Men's Bedroom #2
Hall #3
Men's Bath #1
Women's Bedroom #2
Men's Bedroom #3
Men's Bedroom #4
Men's Bedroom #5
Men's Bedroom #6
Men's Bedroom #7
Metal Partition
Grab Bars @ 34 1/2"
SH2852
7D
51'-3"
58'-0"

EXHIBIT E

ADDENDUM. PROPOSED OUTCOME

The proposed outcome for the Serenity Place rebuilding project is to provide sustainability for the purpose of creating suitable living environments. This will be accomplished by:

1. Rebuilding permanent housing for the treatment of drug addicts and alcoholics. The project plans for a housing facility that will provide 20 beds for clients.
2. Removing homeless, active addicts and alcoholics from the streets, thus assisting in keeping low and moderate income neighborhoods safe, livable and viable.
3. Placing graduating clients back into the low and moderate income neighborhoods as exemplary and productive members of society.
4. Restoring, in many cases, the father back into his family, emboldened with a new determination to meet his responsibilities to them.

STAFF REPORT
Elizabeth Murphey School

The Elizabeth Murphey School is a non-profit group home that services up to 40 neglected and abused children incorporated in 1992. The Murphey School has previously received CDBG grant funding for renovations and expended the funds in a timely manner.

The grant request for $38,000 is a reasonable request along with the source of matching funds for the cost of the installation of a geothermal heating and cooling system.

This project is consistent with Goal 2 in the 2010 Consolidated Plan by preserving the existing housing stock and meets the low/moderate income requirement.

CITY OF DOVER
FY 2012-2014 Multi-Year
CDBG GRANT APPLICATION FORM

1. General Applicant Information

A. Name, address and phone number of sub-recipient The Elizabeth W. Murphey School
42 Kings Highway Dover DE 19901

B. Name, position and signature of person submitting application:

Michael J. Kopp, Executive Director

Name and position of authorizing official:

Mr. Joseph S. McDaniel, III, President of Board of Directors at the Elizabeth W. Murphey School

C. Name, address and phone number of Contact Person:
(If different from B above)

FY 2012 only

Activity:	Housing Rehabilitation - $73,000
Amount Requested:	$38,000
List Source of Cash Matching Funds	$30,000 from Chichester DuPont & $5,000 from Laffey-McHugh

1. Low/Moderate-Income Benefit:

LOW/MODERATE - INCOME BENEFIT TABLE - Instructions

The amount of benefit to low-and moderate-income persons must be calculated for each activity as described below. Future program years may be estimated as long as 51% of the

population being served is low to moderate income.

1. In column 1, list the activity and fiscal year through 2014.
2. In column 2, show the total number of persons that the activity will serve.
3. In column 3, show the number of low- and moderate-income persons that the activity will serve.
4. In column 4, divide column 3 by column 2 to show the percent of low- and moderate-income persons that the activity will serve.
5. In column 5, show the amount of funds requested for the activity for current fiscal year only.
6. In column 6, multiply column 4 by column 5 to show the amount of those funds that will be used to benefit low-and moderate-income persons.
7. List the sources of data used to calculate benefit in the space provided at the bottom of this page.

LOW/MODERATE-INCOME BENEFIT TABLE

1. Activity	2. Total Persons Activity will Serve	3. L/M Persons Activity will Serve	4. % L/M Persons Activity will Serve	5. Amount Requested for Activity	6. Amount L/M Benefit
Heating System Replacement	4	4	100%	$38,000	$38,000

Source of Data:

2. Management Capacity

A. List the person(s) to be responsible for administering the CDBG Project:

Sub-Recipient Personnel	Title(s)
Michael J. Kopp	Executive Director
Wesley Anderson	Head of Maintenance

B. Attach resumes or other supporting documentation for the personnel of new applicants, which establishes the capacity of the personnel above to effectively manage a CDBG sub-recipient project.

4. Application Work Plan

Each proposed program activity must address each of the following areas through fiscal year 2014. Items C thru H will only need to be completed for the current fiscal year. Attach a mission statement and purpose of your organization.

The Murphey School is requesting funding through this grant proposal to assist us in housing children in our 501(c)3 organization. Children living within our homes have no other home where they may live and are considered homeless under the protection of the McKinney-Vento Act. Each child dependent on our care is provided with a private bedroom. The rehabilitation is essential to the total operation and our ability to provided more housing and long-term care for a 100% low-income population of abandoned, and therefore, homeless children. The following page will describe the project through the components of the work plan as described in the grant application details.

A. During the past several years of economic downturn, we have needed to examine a more efficient way to continue to serve the children we protect. Heating costs and the energy required to even moderate air conditioning has severely impacted our ability to serve even more children. Just one year ago, through private grant funds, we were able to install a geothermal heating and air conditioning system to our largest building. That building happens to be the auditorium that is used by community groups for public gatherings and social activities. The savings and comfort have been amazing. Conversion to geothermal heating is crucial to our financial stability. Because of the success with our first geothermal project, we met with the Longwood Foundation and The Welfare Foundation Executive Directors to provide funding to place geothermal units in five more of our buildings.

Last year, we opened up a new independent living cottage on campus, dedicated to helping young women learn skills needed for life on their own. Placing a geothermal unit in this cottage, which

currently relies on steam for heat and has no central air conditioning system, would assist us in our goal to allow us to become energy independent.

The typical demographics of the 38 children in our care would include 100% very low-income individuals, all of whom qualify for Medicare and food stamp programs. On any given day, we serve a group of 55% non-white and 45% Caucasian children in residential care. The population of this particular cottage is young women aged 14-18; it is designed to help prepare them for living independently.

B. The rehabilitation of the cottage's steam heating system will involve a contractor drilling six wells to a depth of 200 feet and installing a closed-loop system. The loops will be connected to water furnaces in each building to provide efficient HVAC. The systems will also provided pre-heated domestic water and air conditioning for the building.

C. The drilling for the wells will begin as soon as possible after July 1st, 2012, and will conclude no later than September 30th, 2012. Milestones we will observe will include obtaining geothermal well permits, completing the required application for the Green Energy Program, completion of the well drilling, installation of the geothermal heat pumps, and inspection by the City of Dover and the Children's Department.

D. No drawings or pictures have been included.

E. This portion of our requested project conforms to the City of Dover's Consolidated Plan in several areas:

1) Foster children often have difficultly transitioning into the "real" world once their placements end, sometimes even ending up homeless or in shelters. Our program specifically works to teach our children skills to allow them to live independently.
2) It helps preserve existing housing within the city. This building has been in place since circa 1923. It is a steel and red brick structure that has a long, useful life if affordable heating and air conditioning can be added.
3) The program services both low-income and racially non-white individuals.
4) It provided safe and affordable housing for a population in need.
5) It will provide economic opportunities for companies that provide green energy services.

F. According to the City's consolidated plan housing for low-income individuals and programs for youth carry a level of medium priority.

G. This project in is direct line with a targeted plan to get our entire campus energy independent. We intend to have all nine of our buildings fitted with geothermal HVAC systems to eliminate our need for either oil or natural gas.

H. Use of the CDBG funds would be leveraged with funds from the Chichester DuPont ($30,000), and Laffey-McHugh ($5,000).

5. Each application should also describe the following:

A. Describe any efforts to coordinate with businesses regarding the development of the community as it affects low/moderate-income residents of the area.

We work directly with the City of Dover Police Department Youth Officers through grant funds we received through the Criminal Justice Council to provide programming for this high risk group in order to help them avoid legal problems, learn employment skills, and gain independent living skills. We also work directly through HUD to help locate adequate housing for youth leaving foster homes throughout all of Kent County.

6. Have you received a sub-recipient grant from the previous funding year? **No.**
If yes give the total amount $_____.

ADDENDUM
2012 CDBG SUB-RECIPIENT APPLICATION FORM

Please choose the best option that describes the purpose of your activity from the three objectives.

Suitable Living Environment __X__
Decent Housing _____
Economic Opportunity _____

Please choose the best option that will describe the outcome of your activity based on the categories listed below.

Availability/Accessibility __X__
Affordability _____
Sustainability _____

Please provide a proposed outcome based on the information below that applies to your activity

Number of persons, households, units, or beds assisted as appropriate: 4 bedrooms

Income level of persons or households by: Very Low ___X___ %
Low_____ %
Moderate _____ %

If your activity benefits a target area, please show the number of persons served and the percentage of low/mod persons served.

Your close out report will require you to provide breakdowns of those served by race, ethnicity and disability.

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mkopp@murpheyschool.org

Updated: 2/13/2012

The Mission Statement

Mr. Murphey's own words best describe the mission of the School:

"To the establishment of this school, I am devoting the means which I have been able to accumulate during a lifetime of active effort. It is my life's work. Through it I choose to honor the memory of my mother in the community where she lived and to render some service in the community in which I was born and spent my early life.

It is my desire that this institution shall be a fostering home where children who would otherwise be neglected may have a happy childhood; and where they may have the fullest opportunity to develop toward useful and efficient lives."

STAFF REPORT
Homeownership Assistance Program
Downpayment assistance for first time homebuyers

The Homeownership Assistance Program provides first times homebuyers with down payment assistance or closing cost to purchase affordable housing in the City of Dover.

This project services 100% low to moderate income persons. The grant request of $40,000 is a realistic amount with a maximum of up to $10,000 per client to provide downpayment assistance to 4 first time homebuyers purchase property in the City of Dover.

This project is consistent with Goal 3 of the 2010 Consolidated Plan by encouraging owner occupied housing to low to moderate income persons.

The 2011 grant funding for this program has been expended by 65%, and seven (7) first time homebuyers have purchased properties in the City of Dover.

COMMUNITY DEVELOPMENT DEPARTMENT

Department of Planning & Inspections
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Dover, DE 19903
Phone: (302) 736-7175 Fax (302) 736-4217

TO: Parks, Recreation, and Community Enhancement Committee

FROM: Tracey N. Harvey, Community Development Manager

DATE: March 15, 2012

RE: Homeownership Assistance Program funding recommendation

Homeownership Assistance Program (HAP) - The HAP program provides settlement assistance up to $10,000 to first-time homebuyers who purchase affordable housing in the City of Dover.

This program services 100% low to moderate income persons and is consistent with the goals and recommendations outlined in the 2010-2014 Consolidated Plan and the Statewide Analysis of Impediments by affirmatively furthering fair housing.

During the current program year, seven (7) first time homebuyers purchased affordable housing through the Homeownership Assistance Program which is a major milestone with the decline in the economy and current housing market. Housing however, has become extremely affordable and interest rates have been lowered significantly making mortgages more affordable than rent for low to moderate income persons.

The funding request for FY-2012 is for $40,000.00 in order to provide up to $10,000 per client to assist four (4) first-time homebuyers purchase affordable housing in the City of Dover.