

Wilmington, Delaware
June 5, 2025

#xxxx

Sponsor:

**Council
Member
Darby**

WHEREAS, the Wilmington City Council 2022-2025 Strategic Plan aims to foster a “Transparent and Well-Represented Wilmington” that promotes transparency in operational affairs, as well as a “Prosperous and Sustainable Wilmington” that exercises responsible oversight of the City’s financial obligations; and

WHEREAS, on September 29, 2016, the City of Wilmington and Wilmington Housing Partnership (WHP) Corporation, a Delaware non-profit corporation, entered into a Loan Agreement wherein WHP covenanted to pay to the City principal of, and interest on, a promissory note issued to secure proceeds from the City in the amount of \$3,378,371.67; and

WHEREAS, WHP failed to pay the principal balance and interest installments on or before their due dates, resulting in a default on the balance owed as of 2019; and

WHEREAS, further investigation of WHP’s economic standing revealed mismanagement concerns, including misuse of funds, accounting errors, and lack of financial viability; and

WHEREAS, Resolution 19-053, A Resolution Requesting a Forensic Financial Audit or Examination Engagement of the Wilmington Housing Partnership (WHP), was adopted by Council on October 2019. The Resolution directed the Auditing Department to coordinate with certified public accountants “ to exercise the City's rights under Section 2.5(a) of the Loan Agreement and to cause to be conducted a forensic audit of the Corporation, specifically regarding the disposition of the \$3,378,371.67 in Loan Proceeds” to begin within 30 days of the passage of Resolution 19-053 and conclude on or before 90 days following the initiation of the audit process; and

WHEREAS, as of July 30, 2024, the loan in question and two additional loans WHP is obligated to repay remain outstanding. The City has not yet conducted a comprehensive forensic audit to investigate the use of monies expended nor have decisive steps been taken to recuperate some portion of the outstanding debt from WHP's remaining asset portfolio.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WILMINGTON that this Legislative body calls on the Audit Review Committee to conduct an extensive forensic audit investigation of the three outstanding loans issued to the Wilmington Housing Partnership (WHP) Corporation by the City of Wilmington.

BE IT FURTHER RESOLVED that this Legislative body directs the Audit Review Committee to prioritize an audit of WHP's assets to determine the feasibility of recuperating some portion of the debt owed to the City of Wilmington.

Passed by City Council,

ATTEST: _____
City Clerk

SYNOPSIS: The Wilmington City Council 2022-2025 Strategic Plan aims to foster a "Transparent and Well-Represented Wilmington" that promotes transparency in operational affairs, as well as a "Prosperous and Sustainable Wilmington" that exercises responsible oversight of the City's financial obligations. This Resolution calls on the Audit Review Committee to conduct an extensive forensic audit investigation of the three outstanding loans issued to the Wilmington Housing Partnership (WHP) Corporation by the City of Wilmington and to determine the feasibility of recuperating some portion of the debt owed to the City.