

AN ORDINANCE TO AMEND CHAPTER 8 OF THE CITY CODE TO CREATE A RENTAL ASSISTANCE PROGRAM

#0197

Sponsor:

Council
Member
Owens

WHEREAS, access to safe, stable, and affordable housing is essential to the health, safety, and general welfare of the residents of the City of Wilmington. The City of Wilmington has experienced rising rental costs in recent years, placing significant financial strain on low-income households; and

WHEREAS, according to the National Low Income Housing Coalition, there was a deficit of 17,211 affordable rental units available to Delaware households with incomes at or below 50% of the AMI (area median income) in 2023. The scarcity of rental housing has contributed to a crisis of affordability, particularly for individuals and families with low- and extremely- low incomes; and

WHEREAS, the Delaware State Housing Authority's (DSHA) *2023 Housing Needs Assessment* reported that an estimated 50% of renters spend more than one-third of their income on rent payments. Cost-burdened households are at heightened risk of eviction, displacement, and homelessness due to unexpected financial hardship, loss of income, medical emergencies, or other economic disruptions. The DSHA's housing survey found that 18% of all respondents who were renters had been involuntarily displaced in the past five years; and

WHEREAS, research has repeatedly identified connections between housing instability and negative outcomes for mental and physical health, as well as academic performance; and

WHEREAS, rental assistance programs have been shown to be a cost-effective tool for preventing homelessness, supporting vulnerable households, and fostering stable communities before a housing crisis escalates; and

WHEREAS, City Council finds that establishing a locally administered Low-Income Rental Assistance Program will serve a valid public purpose by providing temporary financial

assistance to eligible renters facing hardship, thereby promoting housing stability and protecting the public health, safety, and welfare of City residents.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Chapter 8 of the City Code is hereby amended by creating a new Section 8-9 with the following underlined language:

Sec. 8-9. – Low-Income Rental Assistance Program

- (a) Authorization. The Department of Real Estate and Housing is hereby authorized to undertake a program using grant funds or capital budget funds in any fiscal year for the purpose of providing rental assistance to low-income City residential renters.
- (b) Wilmington Low-Income Residential Rental Assistance Program. A revolving fund shall be established for the purpose of making available rental assistance to eligible City of Wilmington residential renters.
- (c) Eligibility. Eligible residential renters must provide to the Department of Real Estate and Housing an affidavit containing the following:
 - a. Identification;
 - b. Verification of where you live;
 - i. A copy of the lease, or
 - ii. in the event of an oral residential lease, verified contact information for the Landlord
 - c. Identification of all persons who live in the household;
 - d. Proof of recent financial hardship;

- e. Verification of rent owed; and
- f. Verification that the household income is equal to or less than fifty-percent (50%) of the Average Median Income for the City of Wilmington.
- (d) Eligible Properties. The rental property must be located within the corporate boundaries of the City of Wilmington.
- (e) Amount. The maximum monthly rent an eligible candidate may receive is \$1,500.00 per month, for a period of no more than four (4) months in any given twelve (12) month cycle, beginning from the date of any previous application approval.
- (f) Administration and Enforcement. The Department of Real Estate and Housing is authorized to prescribe, adopt, promulgate, and enforce rules and regulations relating to any matter pertaining to the administration and enforcement of this section.

Sec. 8-710-8-35. – Reserved.

SECTION 2. This Ordinance shall become effective immediately upon its date of passage by the City Council and approval by the Mayor.

First Reading.....March 5, 2026
Second Reading.....March 5, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 2nd
day of March 2026

John D. Stant II

Assistant City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This ordinance creates a municipal low-income rental assistance program, to be administered by the Department of Real Estate and Housing, to provide eligible low-income residential tenants in the City of Wilmington up to \$1,500.00 of monthly rental assistance, for a maximum of four (4) months in any given twelve (12) month period.

FISCAL IMPACT STATEMENT: The Office of Management and Budget has reviewed and analyzed this Ordinance, which amends Chapter 8 of the City Code to create a Low-Income Rental Assistance Program to be administered by the Department of Real Estate and Housing. The Ordinance authorizes the Department to utilize grant funds or capital budget funds to establish and operate a revolving rental assistance fund. Under the program, eligible low-income residential renters (household income at or below 50% of Area Median Income) may receive up to \$1,500 per month in rental assistance for a maximum of four (4) months within any twelve (12) month period, resulting in a maximum potential benefit of \$6,000 per household per eligibility cycle.

The total fiscal impact of this Ordinance will depend upon the amount of funding appropriated through the annual operating process and the level of grant funding secured. Although the ordinance also references the use of capital funding, spending on activities that are not for capital assets owned by the City would not legally qualify for capital funding. If fully funded and fully utilized, program expenditures will be directly proportional to the number of approved applicants. For example, every 100 households receiving the maximum benefit would result in up to \$600,000 in rental assistance expenditures per twelve-month cycle.

In addition to direct assistance payments, the Department of Real Estate and Housing will incur administrative costs associated with program implementation, including application intake, eligibility verification, compliance monitoring, financial management, and reporting. According to the Director of Real Estate & Housing, a new position of Administrative Clerk I would be required to handle these administrative responsibilities. The annual cost (salary and benefits) of the new position would be \$76,900.

This Ordinance does not appropriate funds; funding will be subject to availability and approval through the City's annual budget process or external grant awards. The overall fiscal impact is therefore dependent upon future appropriations and program participation levels.