

SUBSTITUTE NO. 2 TO ORDINANCE NO. 26-019

AN ORDINANCE TO AMEND CHAPTER 8 OF THE CITY CODE TO ESTABLISH AN AFFORDABLE HOUSING TRUST AND A COMMUNITY ADVISORY BOARD

#0199

Sponsor:

**Council
Member
Darby**

WHEREAS, Wilmington faces an ongoing affordable housing crisis, with rising rents, displacement pressures, and limited access to stable, affordable housing for low- to moderate-income households; and

WHEREAS, Wilmington recognizes the need for dedicated, sustainable funding to preserve, create, and protect affordable housing opportunities; and

WHEREAS, the establishment of an Affordable Housing Trust fund, governed by a community-centered Community Advisory Board, will ensure accountability, equity, and transparency in the allocation of funds; there is a severe shortage of affordable rental and owner-occupied housing within the City for residents having low and moderate incomes; and

WHEREAS, the affordable housing crisis will only worsen due to the overall lack of housing supply, and because housing costs have risen much faster than wages of many City residents; and

WHEREAS, numerous jurisdictions throughout the country have implemented mandatory or voluntary inclusionary zoning policies to set aside a certain percentage of units in a new development as affordable housing for low- and moderate-income households; and

WHEREAS, inclusionary housing programs that are mandatory have proven to be more successful than voluntary programs at generating affordable units; and

WHEREAS, the City has an archaic, dormant section of Code establishing a Low-Income Housing Development Program; and

WHEREAS, City Council believes it is beneficial to City residents to revive this Low-Income Housing Development Program as an Affordable Housing Trust.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON

HEREBY ORDAINS:

SECTION 1. Chapter 8 of the City Code is hereby amended by deleting Sections 8-156 through 8-165 in their entirety.

SECTION 2. Chapter 8 of the City Code is hereby amended by creating a new Article V – Affordable Housing Trust by adding the following underlined language to read as follows:

ARTICLE V. – AFFORDABLE HOUSING TRUST

Sec. 8-156. – Affordable Housing Trust

The City hereby establishes an Affordable Housing Trust to assist low-income borrowers obtain housing. The Housing Trust should be housed in the Department of Real Estate and Housing. This fund shall be used to construct, purchase, and maintain permanently affordable homes.

Sec. 8-157. – Priorities.

The Housing Trust will allocate its resources to address specific housing needs within the city. The fund will prioritize the following areas:

1. Development of Housing and Services for People Who Are Homeless. This allocation will be used to fund the creation of permanent supportive housing and services specifically designed for individuals experiencing homelessness. It also will include support services, including
2. Rehabilitation of Affordable Rental Housing. This funding will be used to rehabilitate existing affordable rental units, ensuring that low- and moderate-income families can access safe and affordable housing. Rehabilitation projects will focus on improving the quality, safety, and energy efficiency of existing housing stock.
3. Creation and Maintenance of Homeownership Opportunities. This portion of the fund will be dedicated to supporting first-time homebuyers and creating affordable pathways to homeownership. Funds will support down payment assistance programs, housing education, and other services to ensure more residents have the opportunity to own homes in Wilmington.
4. Flexible Use. The remaining funds will be available for flexible use, allowing the Housing Trust to adapt to emerging needs and opportunities within the community including, but not limited to, rental assistance and relocation funds and other affordable housing activities approved by City Council consistent with the purposes of the Trust.

Sec. 8-158. – Community Advisory Board.

- (a) Creation. The Wilmington Housing Trust will be overseen by an eleven-member Community Advisory Board, an independent board created by section 8-403 of the Charter, ensuring that community input, transparency, and accountability guide the fund's narratives. The Advisory Board shall include other community leaders, housing experts, and stakeholders who are committed to improving the quality of Wilmington residents.
- (b) Composition. The Board shall consist of thirteen (13) members, nine (9) of whom shall be appointed by the Mayor.
- a. Three (3) Wilmington residents with lived experience of housing insecurity, eviction, or homelessness, nominated by community organizations.
 - b. One (1) small developer representative
 - c. One (1) representative from a tenant advocacy or fair housing organization.
 - d. One (1) representative from a community land trust, resident-owned cooperative, or neighborhood-based housing group.
 - e. One (1) representative from a non-profit affordable housing developer.
 - f. One (1) representative from a homeless service or supportive housing provider.
 - g. One (1) representative from a financial institution, CDFI, or philanthropic foundation engaged in housing equity.
 - h. One (1) representative from the public health or social services sector.
 - i. One (1) representative from the Department of Real Estate & Housing.
 - j. One (1) member of Wilmington City Council, appointed by the President of City Council.
 - k. One community representative, appointed by the President of City Council
- (c) Duration. Members shall serve three-year staggered terms, renewable once.
- (d) Meetings. The Board shall hold at least four public meetings annually, in compliance with 29 Del. C. § 10001, *et seq.*
- (e) Compensation. The non-City Board members shall receive \$150.00 per Board Meeting. Board members shall also receive \$100.00 per approved training, up to \$600 annually, for participation in capacity-building related to housing policy, finance, fair housing, equity, and public accountability.
- (f) Duties and powers of the Board. The Board shall develop recommendations on revenues, allocations, and projects and advise Mayor, City Council, and relevant City departments on prioritizing the allocation of funds from the Housing Trust Fund, with an emphasis on very low- and low-income households. All recommendations for spending must be presented as an Ordinance voted on and approved by City Council. The Community Advisory Board serves in a review, advisory, and recommendation capacity only, and does not possess independent spending authority. Following review by the Board, recommendations for project funding and allocations shall be submitted to Wilmington City Council for consideration. Final approval of projects and funding allocations shall require confirmation by City Council through the adoption of a resolution.
- (g) Reporting. The Board shall publish an annual report to City Council on revenues, allocations, projects, funded, and measurable housing outcomes.
- (h) Operational Accountability.

- a. The Board shall meet on a fixed publicly noticed schedule no less than quarterly.
- b. The Board shall operate within clear review and recommendation timelines to avoid unnecessary delays.
- c. The Board shall issue annual public reports outlining revenues, allocations, projects funded, measurable outcomes, and recommendations

Secs. 8-159–165. – Reserved.

SECTION 3. 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 ____
 day of March 2026

 Assistant City Solicitor

Approved this ____ day of _____, 2026

 Mayor

SYNOPSIS: This Ordinance amends Chapter 8 of the City Code by establishing an affordable housing trust and a community-based oversight Board that is intended to help address the severe shortage of affordable housing in the city.

FISCAL IMPACT STATEMENT: The Office of Management and Budget has reviewed and analyzed Substitute No. 2 to Ordinance 26-019, which amends Chapter 8 of the City Code to establish an Affordable Housing Trust and a Community Advisory Board.

As compared to the original Ordinance, Substitute No. 2 removes the proposed mandatory contribution schedule tied to building permit construction valuation. The original Ordinance would have created a dedicated revenue source through contributions of \$15.00 per \$1,000 of permit construction valuation for projects under \$10,000,000 and \$30.00 per \$1,000 of permit construction valuation for projects exceeding \$10,000,000. Substitute No. 2 does not include this contribution language or otherwise establish a specific dedicated revenue mechanism for the Affordable Housing Trust.

Because Substitute No. 2 does not create a dedicated revenue source, the Ordinance is not expected to generate new revenues upon enactment. Any future deposits into the Affordable Housing Trust would depend on subsequent appropriations, grants, transfers, donations, or other funding sources authorized through separate City action. Accordingly, revenues available to the Trust Fund cannot be estimated at this time and would be contingent upon future budgetary and legislative decisions.

Administrative responsibility for the Trust would be housed within the Department of Real Estate and Housing. Implementation may require staff oversight for fund management, project review, compliance monitoring, reporting, coordination with City Council, and support of the Community Advisory Board. The original fiscal analysis noted that, according to the Director of Real Estate & Housing, a new Administrative Clerk I position may be required if the Trust receives and administers a sufficient volume of funds and financed projects. The annual cost, including salary and benefits, was estimated at \$76,900. Because Substitute No. 2 does not itself create a dedicated revenue stream, the timing and necessity of this staffing cost will depend on future funding levels and program activity.

Substitute No. 2 expands the Community Advisory Board from eleven (11) members in the original Ordinance to thirteen (13) members. Of the thirteen members, eleven (11) appear to be non-City members eligible for meeting stipends, excluding the representative from the Department of Real Estate & Housing and the member of Wilmington City Council.

Substitute No. 2 authorizes compensation for non-City Advisory Board members at \$150 per meeting, with a minimum of four public meetings annually. Based on eleven (11) non-City members, the estimated annual expenditure for meeting compensation would be approximately \$6,600 (11 members x \$150 x 4 meetings). Substitute No. 2 further authorizes up to \$600 annually per Board member for approved training. Assuming all thirteen (13) Board members are eligible for training reimbursement, the estimated maximum annual training expenditure would be \$7,800 (13 members x \$600). Accordingly, the total potential annual Board-related expenditure is estimated to be \$14,400 (\$6,600 for meeting stipends plus up to \$7,800 for training), subject to actual attendance and participation levels.

Overall, Substitute No. 2 creates the structure for an Affordable Housing Trust and Community Advisory Board but does not establish a dedicated revenue source. The immediate fiscal impact consists primarily of potential administrative and Board-related costs. The net fiscal impact cannot be definitively determined at this time because both revenues and program expenditures will depend on future appropriations, available funding sources, staffing needs, project activity, and subsequent approvals by City Council.