

AN ORDINANCE TO AMEND CHAPTER 8 OF THE CITY CODE TO CREATE A SECURITY DEPOSIT AND FIRST MONTH'S RENTAL ASSISTANCE FOR EMERGING TALENT PILOT PROGRAM

#0236

Sponsor:

**Council
Member
Hackett**

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, Delaware landlords legally may ask for a security deposit in addition to first month's rent—tantamount to paying two months' rent upfront; and

WHEREAS, the City wishes to encourage emerging talent to move to the City to live where they work; and

WHEREAS, City Council finds that establishing a locally administered Security Deposit and First Month's Rent Assistance Program will, along with other tenant-focused measures, serve a valid public purpose by providing new renters the temporary financial assistance needed to secure housing, 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 8-10 with the following underlined language:

Sec. 8-10. – Security Deposit and First Month's Rent Assistance Pilot Program.

- (a) Authorization. The Department of Real Estate and Housing is hereby authorized to undertake a program using Neighborhood Stabilization Funds, grant funds, or operating budget funds in any fiscal year for the purpose of providing rent assistance to City residential renters who are emerging talent in the fields of education, healthcare, banking or government.
- (b) Wilmington Residential Security Deposit and First Month's Rent Assistance Program. A revolving fund shall be established for the

purpose of making available rental security deposit and first month's rent assistance to eligible City of Wilmington residential renters.

(c) Eligibility. Eligible residential renters must provide the Department of Real Estate and Housing with an affidavit containing the following information and documentation:

1. Identification;
2. Verification of where you intend to live:
 - i. A copy of the lease, or
 - ii. in the event of an oral residential lease, verified contact information for the Landlord
3. Identification of all persons who live in the household;
4. Proof of funds available to pay one month's rent;
5. Verification that the renter's occupation is in an "emerging talent" field: education, healthcare, banking, or government.

(d) Eligible Properties. The rental property must be located within the corporate boundaries of the City of Wilmington.

(e) Amount. The maximum security deposit and first month's rent assistance an eligible candidate may receive is \$2,000.00:

1. A maximum of \$1,000.00 toward a security deposit; and/or
2. A maximum of \$1,000.00 toward first month's rent

(f) Time Limitation. An eligible candidate may only seek assistance once in any given twenty-four (24) month cycle, beginning from the date of any previous application approval.

(g) 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. 8-811-8-35. – Reserved.

SECTION 2. This Ordinance shall sunset twenty-four (24) months from the date of enactment unless a new Ordinance is passed by City Council and approved by the Mayor.

SECTION 3. This Ordinance shall become effective immediately upon its date of passage by the City Council and approval by the Mayor.

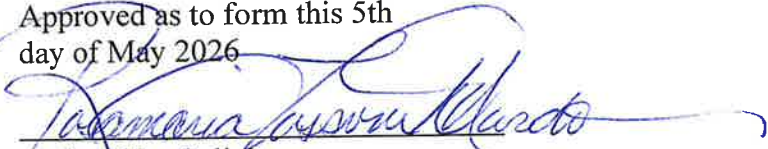
First Reading.....May 7, 2026
Second Reading.....May 7, 2026
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this 5th
day of May 2026



Acting City Solicitor

Approved this ____ day of _____, 2026.

Mayor

SYNOPSIS: This Ordinance creates a municipal Security Deposit and First Month's Rent Assistance Pilot Program, to be administered by the Department of Real Estate and Housing, to provide eligible "emerging talent" residential tenants in the City of Wilmington up to \$2,000.00 in assistance—a maximum of \$1,000.00 for a security deposit and/or \$1,000.00 towards first month's rent—once in any given twenty-four (24) month period.

FISCAL IMPACT STATEMENT: The Office of Management & Budget has reviewed and analyzed this Ordinance, which authorizes the Department of Real Estate and Housing to establish and administer a Security Deposit and First Month's Rent Assistance Pilot Program using available Neighborhood Stabilization Funds, grant funding, or operating budget resources, subject to availability. The program will provide eligible residential tenants in the City of Wilmington with up to \$2,000.00 in assistance, consisting of a maximum of \$1,000.00 for a security deposit and/or \$1,000.00 toward first month's rent, once in any given twenty-four (24) month period.

The Department of Real Estate and Housing anticipates that implementation and administration of the program would require at least one (1) additional full-time equivalent (FTE) position to support program development, applicant intake, eligibility verification, financial processing, and ongoing oversight. Specifically, the position would be a Financial Administrator (Non-Union Grade 7, Step 4), with an annual salary of \$69,500 and estimated benefits of \$42,900, for a total annual personnel cost of \$112,400. This position would be funded through the City's General Fund and would therefore result in a direct annual General Fund expenditure of \$112,400, independent of the program funding sources. The Department also noted that if application volumes exceed several hundred, additional positions may be required.

The following table provides illustrative estimated cost scenarios associated with the proposed rent assistance pilot program (exclusive of administrative costs):

Number of Renters Assisted	\$500 per Renter	\$750 per Renter	\$1,000 per Renter	\$1,500 per Renter	\$2,000 per Renter (max)
100	\$50,000	\$75,000	\$100,000	\$150,000	\$200,000
200	\$100,000	\$150,000	\$200,000	\$300,000	\$400,000
300	\$150,000	\$225,000	\$300,000	\$450,000	\$600,000
400	\$200,000	\$300,000	\$400,000	\$600,000	\$800,000
500	\$250,000	\$375,000	\$500,000	\$750,000	\$1,000,000

Including the General Fund-supported administrative cost, total annual costs would be as follows:

Number of Renters Assisted	\$500 per Renter	\$750 per Renter	\$1,000 per Renter	\$1,500 per Renter	\$2,000 per Renter (max)
100	\$162,400	\$187,400	\$212,400	\$262,400	\$312,400
200	\$212,400	\$262,400	\$312,400	\$412,400	\$512,400
300	\$262,400	\$337,400	\$412,400	\$562,400	\$712,400
400	\$312,400	\$412,400	\$512,400	\$712,400	\$912,400
500	\$362,400	\$487,400	\$612,400	\$862,400	\$1,112,400

Actual costs may vary depending on program utilization, the mix of assistance provided, and administrative expenses associated with implementation.