

DELAWARE STATE-WIDE
HOUSING NEEDS ASSESSMENT
2003 - 2007

EXECUTIVE SUMMARY

PREPARED FOR:
DELAWARE STATE HOUSING AUTHORITY
SAUNDRA R. JOHNSON, DIRECTOR

PREPARED BY:
MULLIN & LONERGAN ASSOCIATES, INC.
PHILADELPHIA ~ PITTSBURGH, PA

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DELAWARE STATE-WIDE
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PART I

INTRODUCTION

The Delaware State Housing Authority (DSHA) has prepared a State-wide *Housing Needs Assessment* to better understand the needs for housing and housing-related services in Delaware, particularly the needs for low income households. As defined by the *Housing Needs Assessment*, low income households are those with annual income at or below 80 percent of the Median Family Income (MFI). DSHA will use the *Housing Needs Assessment* to help coordinate the use of Federal, State, and local resources available for housing in Delaware over the next five years from 2003 to 2007. Information from the *Housing Needs Assessment* will be used to formulate the Consolidated Plan, the Low Income Housing Tax Credit Qualified Allocation Plan, and DSHA's Strategic Plan. Local jurisdictions and other housing providers will use the information contained in the *Housing Needs Assessment* for planning and reporting purposes as well.

The *Housing Needs Assessment* includes a comprehensive review of factors that will influence housing needs in Delaware as follows:

- Economic trends and projections including employment, income and wages, and educational attainment.
- Demographic trends and projections including total population, the age and race of persons, and households and their dynamics along with demographic changes over time.
- Housing trends and projections including total units, vacancies, units in structures, manufactured housing, age, tenure, values, rents.

Based on the findings from the *Housing Needs Assessment* it is seen that Delaware's population consists of smaller households and an aging population. Overall the population is financially stable with the majority of households classified as middle- and upper-income. The population continues to be concentrated largely in New Castle County. Single-family housing is the preferred housing type although manufactured housing is a major component of the housing stock. The rate of home ownership continues to increase and is above the rate nation-wide. While housing costs have increased, incomes have increased at a higher rate. Through consideration of the trends and projections the following was observed.

- The population will continue to rise, although the rate of increase will decrease from previous years. By County, the greatest increase in population will be in Sussex County, which will result largely from the migration of new households. The southern part of New Castle County will also experience substantial growth.
- The number of new households will increase at a greater rate than persons. Continued formation of households in excess of increased persons will support continued demand for housing.

- The greatest increase in households will be among those with annual income above \$75,000. Households with annual income from \$15,000 to \$24,999 and from \$25,000 to \$49,999 will also increase, particularly in Kent County and Sussex County. A portion of the households with annual income below \$50,000 will need housing assistance by DSHA or other housing providers.
- By age the greatest increase will be among households between age 45 to 54 followed by households age 35 to 44. Households age 25 to 34 will mean fewer of the traditional first-time homebuyers will be in the market. The population of persons age 65 and over is also projected to increase. Sussex County's elderly population will increase the greatest. The elderly population will need housing assistance that supports them with aging in place including housing rehabilitation, adaptive modifications, home-based services, age restricted housing both subsidized and market, and assisted living at a variety of prices.
- The rate of home ownership is expected to increase slightly. The home ownership demand is projected to be about 80,800 homes, or approximately 16,200 annually from 2003 to 2007. Demand will primarily be met through the sale of existing homes. Approximately, half of the demand will be for households with incomes up to \$75,000 and therefore qualify for DSHA homebuyer programs. It is projected that DSHA will provide assistance to about 6,300 homebuyers, or 1,253 annually.
- It is projected that there will be demand for rental housing for approximately 3,000 low income households based on growth and "At-risk" renter households residing in substandard or crowded conditions.
- Based on a survey of exterior conditions, it is estimated that there are 7,490 substandard owner-occupied units, which is 3.5 percent of the owner housing. 1,378 of the units are manufactured homes.
- It is estimated that there are 5,693 substandard renter-occupied units, which is 6.9 percent of the renter-occupied housing. 647 of the units are manufactured homes.

To assist with preparation of the *Housing Needs Assessment*, DSHA hired the firm of Mullin & Lonergan Associates, Inc., a community development and planning consulting firm with offices in Philadelphia and Pittsburgh, Pennsylvania. The consulting team developed the information for the *Housing Needs Assessment* throughout the Spring, Summer, and Fall of 2002 conducting research, field surveys, and interviews with housing developers, housing service providers at State agencies and non-profits, and community development and planning officials in Delaware. The Appendices of the *Housing Needs Assessment* contains a list of the persons interviewed. All the sources of data are cited in the narrative and with the tables that present the data. The Appendices of the document provide a list of abbreviations used and definitions of many of the terms. The data is compiled into a narrative embellished with tables and maps. The following is a summary of the *Housing Needs Assessment*.

ECONOMIC TRENDS AND PROJECTIONS

- Unemployment in Delaware has consistently been low and the number of persons employed has increased due to increased labor force participation by women and minorities. The economy has diversified and the State is well positioned for economic growth in most of its major industry divisions. Continued economic growth and a varied economy will enable households to find jobs that support housing.
- Jobs in manufacturing continue to decrease and many of the well-paying jobs in Delaware require advanced education. The situation will not change, and the gap between high-paying and low-paying jobs will widen. The State's workforce is highly educated supporting its ability to secure well-paying jobs. Persons without an education and technical skills will, however, remain in low wage jobs that do not offer opportunities for advancement. They will be vulnerable to chronic housing problems.
- Median income in Delaware has increased. Since the State's population is getting older and approaching its peak earning years, household incomes will continue to rise. The shift of jobs out of manufacturing into the service sector could, however, act as a drag on median income. The changing demographic and economic characters will impact the ability of the households to house themselves.
- Another effect of jobs shifting from manufacturing to services is that the benefits are not as generous. Reduced benefits, particularly health insurance, reduces disposable income that is available for housing, putting households at a greater risk of experiencing a housing problem.
- The proportion of the State's population that is employed has been rising. From 2000 to 2020, as the baby boomers retire, the employment rate will fall placing pressure on firms to attract in-migrants or net in-commuters to fill jobs. A large net-commuter population may affect the non-profit sector's ability to raise funds to support local activities including housing and support services.
- The number of women in higher paying occupations is growing in the State supporting increased household formation by single women and increasing the rate of home ownership among female headed households.
- Median household income in Delaware, in constant dollars, has increased steadily. Increases in household income in excess of inflation supports the ability of households to remain adequately housed. It is noted, however, that modest paying jobs are dominate in the rural parts of Delaware, represented by Kent County and Sussex County.
- Households in the lowest 20 percent of the income distribution in Delaware have not experienced substantial income gains. The continued rise in housing prices and rents represents a serious challenge for the lowest income households.

DEMOGRAPHIC AND HOUSING TRENDS AND PROJECTIONS

- Projections show that while the State's population will continue to increase, the rate of increase will decrease. The population is projected to be more diverse with a greater increase among minorities than among whites. Minorities have traditionally owned their homes at a lower rate than whites. Households will increase faster than population, and although some areas of the State will experience population decline, all parts will experience an increase of households. The higher rate of household formation will mean continued if not increasing development pressures. Assuming present trends continue, new households will prefer suburban locations.
- As the total population increases, the number of persons by age group will change significantly. Persons age 45 to 64 will increase by 34 percent representing the continued aging of the baby boom population. The population of persons age 25 to 44 is projected to decrease by about six percent. As the baby boomers start becoming elder boomers, the population over age 65 will increase 11 percent. The population of persons age 85 and older, who have the greatest needs among the elderly, is projected to increase by 18 percent.
- Looking at demographic changes as a whole, general trends to expect in housing in the State include weaker demand for small starter homes and apartments because of fewer young people; strong demand for larger homes, move-up homes and renovations because of more middle-aged persons; increased demand for home-based services that enable seniors to age in place due to more elderly persons; and increased demand for alternative forms of assisted living at a variety of prices because of the increase in the very old.
- In the short term, more people are entering age groups where home ownership is more likely meaning home ownership may increase a few percentage points in the coming years just because of demographic changes.
- The baby-boom population is now fully absorbed in the housing market, and is being followed by the baby bust generation. Household size is projected to continue to decrease. The reduction in household size will not, however, be as dramatic as the decrease over the last two decades thus reducing natural household increase.
- The above trend will, however, be countered to an extent. In the next decade the baby boom "echo generation" will come to maturity and launch into the housing market. Migration of households to Delaware is projected to continue. The two factors will lead to an increase in household growth, though not to levels reached in previous decades. It is projected that for every one percent increase in the population, there will be a 1.3 percent increase in households resulting from smaller households.

- The structure of households is changing with a continued increase in smaller households and households headed by a single parent, which has a significant impact on housing. There generally has been an enormous difference in the poverty rates of households with children under the age of 17 that are female-headed as compared to households that are male-headed or married couples. State-wide during the 1990s female-headed households only managed modest increases in household income (\$3,000) in comparison to husband-wife households, whose income increased by an average of \$16,000. The increase of single person households, particularly those that are female-headed, means a greater proportion of the households and the children are at risk of growing up in poverty and will potentially experience housing problems.
- The rate of home ownership in Delaware exceeds the rate nation-wide. Innovative financing alternatives have enabled many low-wealth and low income households to become homeowners supporting the continued increase in home ownership in the State. Also, there are initiatives underway by the Federal government to increase home ownership among minority households, which will support the continued increase in home ownership in the State including increased home ownership by low income households.
- A prolonged economic downturn could be devastating to low income homeowners with limited ability to meet current mortgage payments and equally limited equity or cash reserves to ride out the storm if they lose their job.
- The number of manufactured homes in Delaware more than doubled from 1980 to 2000. Manufactured homes are a solution to affordable housing and that solution has been chosen extensively in Kent County and Sussex County. The increase in manufactured homes has reduced the need for multi-family rental units, which is reflected in the smaller shares for multi-unit construction when compared to New Castle County. Standards that are enforced by HUD, have improved the status of manufactured homes as a vital part of the housing stock and improved living conditions for the low income households residing in manufactured homes.
- The turn to manufactured homes, however, raises important policy issues. Manufactured homes have less of a trickle down benefit in the housing market and have a narrower resale market than site-built housing. In addition, in rural Delaware, part of the supply of manufactured homes has involved the re-circulation of old trailers, which were built before 1976, as a form of low-cost housing. The old trailers are often in poor condition, lack modern conveniences, and lack insulation.

LAND USE TRENDS, PATTERNS, GOALS, AND POLICIES

- As population has increased and the housing stock has increased at a greater rate, Delaware has lost agricultural land and forests and gained developed uses. Increasingly the trend has been toward growth outside of towns in the unincorporated areas.

- Because of increasing sprawl, the decline of the cities and towns, and the loss of agricultural land, land use is a major public policy issue in Delaware. *Strategies for State Policies and Spending*, which forms the basis for *Livable Delaware*, advocates that State funding should promote quality and efficiency, not sprawl and that State policies should foster order and resource protection, not degradation.
- The State's housing policies and strategies are identified in the *Strategies for State Policies and Spending*. In Communities and Urban Centers the State will promote a mixture of housing types and prices, and protection and enhancement of existing housing and choice. Investments in housing in combination with community revitalization and public services will be used to restore and improve existing neighborhoods, promote viable downtowns and reuse of older residential, industrial and commercial zones. In Developing Areas, State investments in housing in combination with community redevelopment, and other services will enhance smaller communities, and support moderate levels of primarily residential growth supplemented with essential neighborhood services. In Developing Areas a broader mix of housing types and rehabilitation efforts to ensure safe and habitable housing will be encouraged. In Rural Areas the State will manage its resources to limit continued development in support of agriculture, agribusiness, and similar economic activities that are land- or water-dependent, to protect water supplies, to preserve critical habitat to support a diversity of species, and to preserve the existing housing stock.
- Comprehensive Plans are subject to alignment with the strategies that form the basis for *Livable Delaware*. New Castle County and Kent County have adopted updated Comprehensive Plans in support of the policies of *Strategies for State Policies and Spending*. Sussex County has prepared a draft Comprehensive Plan, which is being considered for adoption. Each of the County's Comprehensive Plans seek to address anticipated development, including the need for affordable housing.

QUALITY OF LIFE ISSUES

- Generally, the factors that contribute to quality of life support continued growth and development in Delaware. Crime rates in Delaware have steadily dropped since 1995 to 2000. Throughout the State there are a variety of cultural, historical and recreational amenities that will continue to make the State a desirable place to live. A comparison of the cost of living in Delaware against other east coast areas shows that Delaware is less expensive to live in than either Philadelphia or Washington, D.C. Additionally, cost of living data has remained fairly steady since 1995.
- The combination of the lower cost of living and the variety of cultural and recreational amenities in the State support continued growth in Delaware. The lower cost of living in Delaware in relation to adjoining east coast metropolitan areas encourages the location of businesses that will create jobs in the State.

DELAWARE STATE-WIDE
HOUSING NEEDS ASSESSMENT

EXECUTIVE SUMMARY

PART II

HOUSING INVENTORY AND SUPPLY

The *Housing Needs Assessment* provides a description of the housing supply in Delaware in addition to the housing demand from 2003 to 2007. The *Housing Needs Assessment* is particularly concerned with the needs of low income households, which are those with income at or below 80 percent of median family income (MFI). Table II-1, which follows, identifies the percentage of MFI that distinguishes the categories of low income and shows household income at each of the low income categories. The categories of low income are based on the percentage of households' incomes in relation to the U.S. Department of Housing and Urban Development (HUD) determined 2002 MFIs for four person households by County.

The housing supply and inventory section of the *Housing Needs Assessment* provides information regarding housing costs and values in Delaware. Table II-1 shows the affordability range for households at the various categories of low income and demonstrates the monthly housing cost that low income households could afford at a housing expense to household income ratio of 30 percent, without being cost burdened. The affordability ranges are applied to the housing costs and values contained in the *Housing Needs Assessment* identifying the percentage of the housing units that are affordable based on household income in addition to where the units are located. The monthly housing costs identified in the following table represent either a rent or a mortgage payment. Finally, Table II-1 applies the affordability range to determine what value house that households at various income levels in Delaware could afford to buy without being cost burdened.

To determine what price housing unit a household could afford to buy, the following presumptions were made:

- A housing expense to household income ratio of 30 percent was used.
- Five percent of the value of the unit was added to account for closing costs and origination fees.
- Monthly taxes and mortgage insurance were assumed at 0.25 percent of the sales price.
- Households would have a mortgage value of 95 percent and an interest rate of 7.0 percent on a 30-year loan.

Table II - 1
Income Levels and Housing Affordability Range - 2002

	New Castle County		Kent County		Sussex County	
	Median Family Income \$75,900		Median Family Income \$52,100		Median Family Income \$49,700	
	From: (\$)	To: (\$)	From: (\$)	To: (\$)	From: (\$)	To: (\$)
Annual Income						
Extremely Low Income 0-30% MFI	0	22,770	0	15,630	0	14,910
Very Low Income 31-50% MFI	22,771	37,950	15,631	26,050	14,911	24,850
Low Income 51-80% MFI	37,951	60,720	26,051	41,680	24,851	36,760
Low Income Tax Credit 51-60% MFI	37,951	45,540	26,051	31,260	24,851	29,820
Moderate Income 81-100% MFI	60,721	75,900	41,681	52,100	36,760	49,700
Affordability Range - Monthly Housing Cost*						
Extremely Low Income 0-30% MFI	0	569	0	391	0	373
Very Low Income 31-50% MFI	569	949	391	651	373	621
Low Income 51-80% MFI	949	1,518	651	1,042	621	994
Low Income Tax Credit 51-60% MFI	949	1,139	651	782	621	746
Moderate Income 81-100% MFI	1,518	1,898	1,042	1,302	994	1,242
Home Purchase Price						
Extremely Low Income 0-30% MFI	64,500		44,300		42,300	
Very Low Income 31-50% MFI	107,600		73,800		70,400	
Low Income 51-80% MFI	172,100		118,100		112,700	
Moderate Income 81-100% MFI	215,200		147,600		140,800	

Source: US Department of Housing and Urban Development and Mullin & Lonergan Associates, Inc.

* Monthly Housing Cost - 30 percent of gross monthly household income.

Map II-1 on the following page shows Delaware by County, County Census Division (CCD), and the City of Wilmington, the City of Newark, the City of Dover, and the Town of Georgetown.

Number and Location

The 2000 Census recorded 343,072 housing units in Delaware, an increase of 18.3 percent from 1990. Table II-2 shows the distribution of housing by County. Table II-2 also shows the housing stock for the City of Wilmington, the City of Newark, the City of Dover and the Town of Georgetown, which are also included in the County totals.

The 2000 Census recorded 44,336 vacant units. In 2000, Delaware was ranked sixth among the fifty States in the percent of units held for seasonal, recreational, or occasional use with 26,600 units. The vacant housing units held for seasonal, recreational, or occasional use represented 7.8 percent of the State's housing stock and 60 percent of the vacant units in Delaware. About 96 percent (25,438) of the vacant units held for seasonal, recreational, or occasional use, were in Sussex County.

Table II - 2
Housing Supply - 2000

	Housing Units		Vacant Units		
	Total	Occupied	Total	% of Total Vacant for Seasonal Use	% of Total Units that are Vacant Minus Seasonal Use
New Castle County	199,521	188,935	10,586	7.0	4.9
Wilmington	32,138	28,617	3,521	2.0	10.7
City of Newark	9,310	8,989	321	2.5	3.4
Kent County	50,481	47,224	3,257	12.8	5.6
City of Dover	13,357	12,513	844	10.0	5.7
Sussex County	93,070	62,577	30,493	83.4	5.4
Town of Georgetown	1,688	1,554	134	53.7	3.7
Delaware	343,072	298,736	44,336	60.0	5.2

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

Units Per Structure and Manufactured Homes

The 2000 Census reported that about 70 percent (240,028) of the housing units in Delaware were single-family units, 18.7 percent (64,128) in multi-family units, and 11.2 percent (38,281) were manufactured homes. Table II-3 shows the housing stock by units per structure and manufactured homes. Despite an increasingly older population and smaller households, single-family dwellings remain the most popular housing choice by households in Delaware. Higher income households and younger households will continue to move to areas of the State with single-family housing until circumstances require them to move. The increasing elderly population will tend to remain in their single-family housing until circumstances require them to move. The elderly that move to multi-family housing will prefer to remain in their communities making the availability of multi-family housing important to sustaining the elderly population. Multi-family housing may also be influential to attracting to the area younger households that are just forming.

Table II - 3
Units Per Structure and Manufactured Homes - 2000

	Housing Units	Single-family		Multi-family				Manufactured Homes		Other	
		Attached and Detached		Units Per Structure			Total	%	Total	%	
		Total	%	2 - 4	5 - 9	10 or more					
New Castle County	199,521	146,624	73.5	10,885	8,653	28,280	24.0	5,072	2.5	7	0.0
Wilmington	32,138	20,572	64.0	4,385	1,439	5,701	35.9	41	0.1	0	0.0
City of Newark	9,310	6,052	65.0	578	383	2,291	34.9	6	0.06	0	0.0
Kent County	50,481	33,732	66.8	1,918	1,565	3,841	14.5	9,392	18.6	33	0.07
City of Dover	13,357	7,942	59.4	864	815	2,966	34.8	770	5.8	0	0.0
Sussex County	93,070	59,672	64.1	2,838	2,562	3,586	9.7	23,817	25.6	595	0.6
Town of Georgetown	1,688	1,078	63.9	244	164	121	31.3	81	4.8	0	0.0
Delaware	343,072	240,028	69.9	15,641	12,780	35,707	18.7	38,281	11.2	635	0.2

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

Table II-4 provides a review of the manufactured homes in Delaware. Manufactured homes in the State increased by ten percent from 1990 versus 18.3 percent for the total housing supply. The 3,555 manufactured homes placed in Delaware from 1990 to 2000 were 6.7 percent of the 53,153 new housing units developed in the 1990s. 83.1 percent (23,711) of the occupied manufactured homes were owner-occupied and the median value of the manufactured homes in 2000 was \$30,200. The higher valued manufactured homes were in the southern part of Delaware, indicating that the units are newer, larger, and contain more amenities. State-wide 25.4 percent (4,809) of the manufactured homes were vacant. The high rate of vacancy among the manufactured homes is related to their seasonal use, particularly in Sussex County.

Table II - 4
Manufactured Homes - 2000

	Total Manufactured Homes	% of Total Units	Occupied	Owner-Occupied	% of Occupied	Renter Occupied	% Vacant	Median Value (\$)
New Castle Co.	5,072	2.5	4,920	4,522	91.9	398	3.0	19,700
Wilmington	41	0.1	41	33	80.5	8	0.0	35,800
City of Newark	6	0.06	6	0	0.0	6	0.0	0
Kent County	9,392	18.6	8,572	6,507	75.9	2,065	8.7	29,400
City of Dover	770	5.8	674	445	66.0	229	12.5	17,700
Sussex County	23,817	25.6	15,028	12,682	84.3	2,346	36.9	38,000
Town of Georgetown	81	4.8	45	28	62.2	17	44.4	82,600
Delaware	38,281	11.2	28,520	23,711	83.1	4,809	25.4	30,200

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

Owner Housing Supply

The 2000 Census reported that 216,046 units in Delaware were owner-occupied, which was 72.3 percent of the occupied housing stock. The rate of home ownership increased from 70.2 percent in 1990. The rate in the State continues to surpass the rate nation-wide, which in 2000 was 66.2 percent. The rate of home ownership was highest in Sussex County. Sussex County outside of the Coastal Resort Area has the lowest cost housing in Delaware, contributing to the higher rate of home ownership. The migration of retirees to Sussex County also strengthens the rate of home ownership.

**Table II - 5
Owner Housing Supply - 2000**

	Housing Units		Owner-occupied Units		Vacant For Sale Only Units	
	Total	Occupied	Total	Percent of Occupied	Total	Percent of Total Units
New Castle County	199,521	188,935	132,493	70.1	2,220	1.1
Wilmington	32,138	28,617	14,347	50.1	508	1.6
City of Newark	9,310	8,989	4,921	54.7	89	1.0
Kent County	50,481	47,224	33,048	70.0	508	1.0
City of Dover	13,357	12,513	6,600	52.7	74	0.6
Sussex County	93,070	62,577	50,505	80.7	1,290	1.4
Town of Georgetown	1,688	1,554	795	51.2	89	5.3
Delaware	343,072	298,736	216,046	72.3	3,998	1.2

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

As shown in Table II-6, the 2000 Census reported that 87.8 percent (187,554) of the owner-occupied housing units in Delaware were single-family units, which attests to the continued preference for single-family dwellings by owner households. In 2000, 2.2 percent (4,750) of the owner-occupied housing units were in multi-family structures, and 11 percent (23,711) of the owner-occupied housing units were manufactured homes.

**Table II - 6
Owner Housing by Units Per Structure and Manufactured Homes - 2000**

	Total Owner-Occupied	Single-family		Multi-family		Manufactured Homes		Other	
		Total	% of Owner Occupied	Total	% of Owner Occupied	Total	% of Owner Occupied	Total	% of Owner Occupied
New Castle Co.	132,493	124,193	93.8	3,771	2.8	4,522	3.4	7	0.0
Wilmington	14,347	13,067	91.1	1,247	8.7	33	0.2	0	0.0
City of Newark	4,921	4,769	96.9	152	3.1	0	0	0	0.0
Kent County	33,048	26,256	79.4	283	0.8	6,507	19.8	2	0.0
City of Dover	6,600	5,959	90.3	196	3.0	445	6.7	0	0.0
Sussex County	50,505	37,105	73.5	696	1.4	12,682	25.1	22	0.04
Town of Georgetown	795	767	96.5	0	0.0	28	3.5	0	0.0
Delaware	216,046	187,554	86.8	4,754	2.2	23,711	11.0	31	0.01

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

State-wide in 2000 the median housing value in Delaware was \$122,000. The median housing value increased by about 23 percent from 1990 when the median housing value was \$99,700.

Table II - 7
Value of Owner Units - 2000

	Total Owner Units	Median Value (\$)	Value (\$000)								
			Less than 50	50 - 79	80 - 99	100 - 124	125 - 149	150 - 199	200 - 249	250 - 499	500 or more
New Castle Co.	132,493	132,900	6,633	10,770	18,608	23,272	21,947	25,918	12,423	11,165	1,757
Wilmington	14,347	89,300	1,383	4,066	3,554	1,813	1,118	937	544	745	187
City of Newark	4,921	151,800	98	250	212	741	1,085	1,601	512	395	19
Kent County	33,048	103,300	5,093	4,423	6,215	5,959	4,401	4,166	1,271	1,351	169
City of Dover	6,600	107,700	507	789	1,465	1,750	915	752	236	164	22
Sussex County	50,505	99,700	9,173	7,657	8,527	5,913	5,281	6,635	2,603	3,672	1,044
Town of Georgetown	795	86,300	84	216	261	96	72	40	9	8	9
Delaware	216,046	122,000	20,899	22,850	33,350	35,144	31,629	36,719	16,297	16,188	2,970

Source: U.S. Bureau of the Census

Totals for cities/towns are included in County totals.

Applying the findings contained in Table II-1 to the values of the owner-occupied housing shown in Table II-7, Table II-8 shows the percent of the owner units that are potentially affordable based on a household's annual income as a percent of the County's MFI. New Castle County contains the greatest percentage of owner units with values that are potentially affordable to households with income at 80 percent of MFI, even though the County has the highest County-wide median value. Much of New Castle County's housing with values that are potentially affordable by low income households is concentrated in the City of Wilmington. Kent County and Sussex County have a greater percentage of owner-occupied housing with values that are potentially affordable to households with income at 30 percent of MFI. The greater percentage of manufactured homes in Kent County and Sussex County results in a greater percentage of units being valued at a price affordable by extremely low income households.

Table II - 8
Owner Units Affordable as a Percent of MFI

	Percent of Units Affordable to Households At:		
	30 Percent of MFI	50 Percent of MFI	80 Percent of MFI
New Castle County	8.9	32.5	69.7
Wilmington	26.1	57.0	86.1
City of Newark	4.9	16.0	62.9
Kent County	13.7	26.0	60.7
City of Dover	6.8	19.1	61.0
Sussex County	15.4	28.5	56.2
Town of Georgetown	8.9	32.7	76.7

Source: U.S. Bureau of the Census

Totals for cities/towns are included in County totals.

Renter Housing Supply

Table II-9 shows that the 2000 Census recorded 82,698 renter-occupied housing units in Delaware, which was 27.7 percent of occupied units. There were 7,416 vacant for rent units in Delaware, which was 2.2 percent of the total units.

**Table II - 9
Renter Housing Supply - 2000**

	Housing Units		Renter-occupied		Vacant for Rent Units	
	Total	Occupied	Total	Percent of Occupied	Total	Percent of Total Units
New Castle County	199,521	188,935	56,442	29.9	4,572	2.3
Wilmington	32,138	28,617	14,270	49.9	1,247	3.9
City of Newark	9,310	8,989	4,068	45.3	205	2.2
Kent County	50,481	47,224	14,176	30.0	1,120	2.2
City of Dover	13,357	12,513	5,913	47.7	465	3.2
Sussex County	93,070	62,577	12,072	19.3	1,724	1.9
Town of Georgetown	1,688	1,554	759	48.8	0	0.0
Delaware	343,072	298,736	82,690	27.7	7,416	2.2

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

As represented by type and units per structure, the renter-occupied housing stock in Delaware is more diverse than the owner-occupied housing as shown in Table II-10. The 2000 Census reported that about 59.5 percent (49,189) of the renter-occupied housing units were in multi-family units, 34.6 percent (28,650) were in single-family units, and 5.8 percent (4,809) were manufactured homes. The higher rate of renter-occupied units in single-family units and manufactured homes in Kent County and Sussex County than in New Castle County is representative of the more rural character of the two Counties.

**Table II - 10
Renter Housing by Units Per Structure and Manufactured Homes - 2000**

	Total Renter-Occupied	Single-family		Multi-family		Manufactured Homes		Other	
		Total	% of Renter Occupied	Total	% of Renter Occupied	Total	% of Renter Occupied	Total	% of Renter Occupied
New Castle Co.	56,442	17,100	30.3	38,944	69.0	398	0.7	0	0.0
Wilmington	14,270	5,261	36.9	9,001	63.1	8	0.5	0	0.0
City of Newark	4,068	1,122	27.6	2,940	72.3	6	0.1	0	0.0
Kent County	14,176	5,744	40.5	6,354	44.8	2,065	14.6	13	0.1
City of Dover	5,913	1,656	28.0	4,028	68.1	229	3.9	0	0.0
Sussex County	12,072	5,806	48.1	3,891	32.2	2,346	19.4	29	0.2
Town of Georgetown	759	259	34.2	483	63.6	17	2.2	0	0.0
Delaware	82,690	28,650	34.6	49,189	59.5	4,809	5.8	42	0.05

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

The Census provides information regarding gross rents, which is the contract rent plus the estimated average monthly cost of utilities and fuels. Table II-11 shows that State-wide the median gross rent in 2000 was \$639. The median gross rent increased by 29 percent from 1990 when the median gross rent was \$499 per month.

Table II - 11
Gross Rent of Renter Units - 2000

	Total Paying Cash Rent	Median Gross Rent (\$)	Gross Rent (\$)					
			Less than 250	250 - 499	500 - 749	750 - 999	1,000 - 1,499	1,500 or more
New Castle Co.	54,632	670	4,178	6,226	25,257	12,749	4,772	1,450
Wilmington	13,876	596	2,200	2,774	5,188	2,706	910	98
City of Newark	3,942	681	305	403	1,778	740	624	92
Kent County	12,201	573	1,167	3,370	5,185	1,876	560	43
City of Dover	5,633	599	590	1,311	2,369	997	327	39
Sussex County	10,355	507	1,450	3,588	3,617	1,288	356	56
Town of Georgetown	751	487	150	244	230	89	38	0
Delaware	77,188	639	6,795	13,184	34,059	15,913	5,688	1,549

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

Applying the findings contained in Table II-1 to the gross rents of the renter-occupied housing shown in Table II-11, Table II-12 shows the percent of the renter units that are potentially affordable based on a household's annual income as a percent of the County's MFI. While New Castle County has the highest County-wide median gross rent, the County contains the greatest percentage of renter units with rents that are potentially affordable to households with income at 80 percent of MFI, which is related to the availability of assisted rental housing. Nearly one-third of the rental units in the City of Wilmington are either subsidized units or income restricted units and about 30 percent of the rental units in the Middletown/Odessa CCD are assisted rental units. Kent County contains the fewest percentage of renter units affordable to households at 30 percent of the County's MFI.

Table II - 12
Renter Units Affordable as a Percent of MFI

	Percent of Units Affordable to Households At:		
	30 Percent of MFI	50 Percent of MFI	80 Percent of MFI
New Castle County	31.8	83.9	97.4
Wilmington	46.2	88.8	99.3
City of Newark	30.4	78.1	97.7
Kent County	25.1	62.8	95.7
City of Dover	23.6	59.1	93.5
Sussex County	31.1	65.6	95.7
Town of Georgetown	35.7	67.3	94.9

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

Assisted Rental Housing

Based on an inventory of rental housing developments containing five or more units, prepared by DSHA in 2002, Table II-13 shows that there are 13,456 assisted rental housing units in Delaware that are affordable to low income households. These units represent 16.3 percent of the renter occupied units reported in Delaware by the 2000 Census. 65.4 percent (8,806) of the assisted rental units are available to family households and 32.4 percent (4,358) are for elderly households, including the units developed with HUD Section 202 assistance. The remaining 292 units were developed with HUD Section 811 assistance and are available to the disabled.

**Table II - 13
Assisted Rental Housing Inventory - 2002**

	Renter Units			Subsidized Units								Income Restricted Units	
				Public Housing		HUD Assisted		Section 8 Project Based		Rural Development		Low Income Housing Tax Credit	
	Total Occupied	Assisted Rental Units		Family	Elderly	Section 202	Section 811	Family	Elderly	Family	Elderly	Family	Elderly
		Total	% of Total										
New Castle Co	56,442	7,801	13.8	1,186	747	382	155	1,616	1,416	0	0	1,808	499
Wilmington	14,270	4,432	31.0	1,130	687	258	84	874	654	0	0	326	419
City of Newark	4,068	481	11.8	42	36	16	6	0	200	0	0	124	0
Kent Co.	14,176	2,713	19.1	472	142	292	59	310	146	0	0	1,026	266
City of Dover	5,913	1,555	26.3	298	110	292	40	221	0	0	0	534	60
Sussex Co.	12,072	2,934	24.3	156	0	77	78	827	24	280	59	1,125	308
Town of Georgetown	759	375	49.4	0	0	0	16	0	0	24	31	304	0
Delaware	82,690	13,456	16.3	1,814	889	751	292	2,753	1,586	280	59	3,959	1,073

Source: DSHA; U.S. Department of Housing and Urban Development; USDA Rural Development - 284 units in Kent County and 439 units in Sussex County funded with Rural Development funds and Low Income Housing Tax Credits are reported with the totals for Low Income Housing Tax Credits. Totals for cities/towns are included in County totals.

As of September 2002, there were 729 assisted rental housing units that have been approved for funding but not yet completed. Table II-14 shows that 625 (85.7 percent) of the units will be for family households and the remaining 104 units will be available to elderly households.

**Table II - 14
Assisted Rental Units Approved for Funding - 2002**

	Total Units	Family Units	Elderly Units
New Castle County	519	495	24
Wilmington	519	495	24
City of Newark	0	0	0
Kent County	30	30	0
City of Dover	0	0	0
Sussex County	180	100	80
Town of Georgetown	0	0	0
Delaware	729	625	104

Source: DSHA, US Department of Agriculture, U.S. Department of Housing and Urban Development, Federal Home Loan Bank of Pittsburgh - Totals for cities/towns are included in County totals.

POPULATIONS IN NEED OF HOUSING

Households Living in Substandard Housing

During the Summer and Fall of 2002, a sample of housing units was surveyed for exterior housing condition. Substandard condition is a structure found to need two or more structural repairs in order to make the unit structurally sound, safe and habitable. Such rehabilitation is quantified as at least \$30,000 per unit (\$20,000 for a mobile home). The survey results were used to estimate the number of substandard housing units in Delaware.

The total number of substandard housing units is estimated to be 13,183 units. Tables II-15 and II-16 further summarize the survey's findings by tenure and by housing type. Housing type includes typical, which is stick built housing, and manufactured housing. Determining the income of households living in substandard housing is difficult, however, it is expected that the majority of the residents are low income. Low income households in substandard housing need assistance with improvements to provide safe housing.

Owner Rehabilitation Assistance. It is estimated that there are 7,490 owner-occupied units in Delaware that are substandard and in need of substantial rehabilitation. From July 1, 1999 to June 30, 2001, an average of 870 households were assisted annually with rehabilitation compared to projected demand for assistance of 7,490 households during the next five years, or 1,498 annually. Based upon available resources there is a gap of 628 households annually or 3,140 households during the next five years.

**Table II - 15
Owner-Occupied Substandard Housing Units - 2002**

	Total Owner Occupied	Estimated Substandard Housing Units			
		Typical	Manufactured Home	Total	Percent of Total
New Castle County	132,493	3,689	50	3,739	2.8
Wilmington	14,347	779	0	779	5.4
City of Newark	4,921	73	0	73	1.5
Kent County	33,048	455	358	813	2.5
City of Dover	6,600	87	7	94	1.4
Sussex County	50,505	1,968	970	2,938	5.8
Town of Georgetown	795	30	0	30	3.8
Delaware	216,046	6,112	1,378	7,490	3.5

Source: Mullin & Lonergan, Associates, Inc
Totals for cities/towns are included in County totals.
Typical refers to stick built housing.

Renter Rehabilitation Assistance. It is estimated that there are 5,693 renter-occupied units that are substandard and in need of substantial rehabilitation. From July 1, 1999 to June 30, 2001, an average of 482 households were assisted annually with rental rehabilitation compared with a demand for assistance for 5,693 households during the next five years, or 1,139 annually. Based on available resources there is a gap of 657 households annually or 3,285 households during the next five years.

Table II - 16
Renter-Occupied Substandard Housing Units - 2002

	Total Renter Occupied	Estimated Substandard Housing Units			
		Typical	Manufactured Home	Total	Percent of Total
New Castle County	56,442	3,574	20	3,594	6.7
Wilmington	14,270	1,386	0	1,386	9.7
City of Newark	4,068	206	0	206	5.1
Kent County	14,176	419	294	713	5.0
City of Dover	5,913	43	3	46	0.8
Sussex County	12,072	1,053	333	1,386	11.5
Town of Georgetown	759	72	1	73	9.6
Delaware	82,690	5,046	647	5,693	6.9

Source: Mullin & Lonergan, Associates, Inc
Totals for cities/towns are included in County totals.
Typical refers to stick built housing.

At-Risk Households

“At-Risk” households are existing households with annual incomes of less than \$20,000 and paying more than 30 percent of household income for housing costs. Many, but not all of the At-Risk households are housed in a standard unit. Because, however, they have low incomes in combination with excess housing costs they have the potential of experiencing a housing crisis. At-Risk households often live paycheck to paycheck and have very limited ability to save money. Many have jobs that provide little or no opportunity for advancement to higher wage jobs. If they lose their source of income or if their housing cost increases, they cannot afford to pay for their housing.

Table II-17 indicates that there are 10,187 At-Risk owner households and 18,150 At-Risk renter households. About 22 percent of renters are At-Risk compared with only 4.7 percent of homeowners.

Table II – 17
At-Risk Households - 2000

	Owner Households			Renter Households		
	Total Owners	At-Risk Owners	Percent of Total Owners	Total Renters	At-Risk Renters	Percent of Total Renters
New Castle County	132,493	5,913	4.5	56,442	12,098	21.4
Wilmington	14,347	1,440	10.0	14,270	3,964	27.8
City of Newark	4,921	153	3.1	4,068	1,399	34.4
Kent County	33,048	1,576	4.8	14,176	3,489	24.6
City of Dover	6,600	393	6.0	5,913	1,679	28.4
Sussex County	50,505	2,698	5.3	12,072	2,563	21.2
Town of Georgetown	795	41	5.2	759	223	29.4
Delaware	216,046	10,187	4.7	82,690	18,150	21.9

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

New Households

New households in Delaware will also need housing. Demand for housing is based on projections of the household growth according to income by age in Delaware from 2003 to 2007. Housing demand in Delaware through 2007 is considered by the demand for owner-occupied housing and the demand for renter-occupied housing. Factors considered in figuring housing demand by new households and their impact on tenure include 1) composition and size (husband and wife present in addition to the presence of children, versus single adult with children or single adult with no children), 2) age, 3) race, and 4) income. Table II-18 shows the projected total new households in Delaware from 2000 to 2007 representing new housing demand.

Table II - 18
Household Change - 2000 to 2007

	Total Households – 2000	Change in Households 2000 to 2007	Total Households – 2007
New Castle County	188,935	10,858	199,793
Wilmington	28,617	1,179	29,796
City of Newark	8,989	3,370	12,359
Kent County	47,224	3,877	51,101
City of Dover	12,340	960	13,300
Sussex County	62,577	12,996	75,573
Town of Georgetown	1,489	237	1,726
Delaware	298,736	27,731	326,467

Source: Mullin and Lonergan Associates, Inc., Delaware Population Consortium, Easy Analytic, Inc.
Totals for cities/towns are included in County totals.

In New Castle County, the largest household increases are projected to occur in the highest annual income brackets of \$75,000 to \$99,999 and \$100,000 and over. By age the most significant increase is expected to be among households age 45 to 54 years and it is projected that there will be a loss of households in the 25 to 34 years old age bracket.

In Kent County the number of new households at both the lowest end with annual income of less than \$35,000 and the highest end with annual income of \$75,000 or more, will increase. The number of households in the middle income range will decline. Overall, the biggest changes will be in the upper income brackets. Households in the 45 to 54 years old age bracket are projected to increase the most with a decline in households age 25 to 34.

In Sussex County the number of households at all incomes, except the annual income of \$50,000 to \$74,999, will increase. The highest income brackets are expected to experience the largest growth. By age, household formation among those age 65 and over will be particularly strong and there will also be significant increase in households age 45 to 54.

DEMAND FOR AFFORDABLE HOME OWNERSHIP HOUSING

Homeownership Mortgage Assistance

Affordable home ownership demand from 2003 to 2007 is determined by estimating the number of households that will be in the market as homebuyers. For all income levels, the demand will be met through the sale of 80,800 homes or approximately 16,200 annually. The demand will be met primarily through the sale of existing homes. The remaining demand will be for approximately 18,600 new housing units to accommodate the demands of the increased population.

Approximately half of all home ownership demand through 2007 will be for households with annual incomes up to \$75,000 and therefore qualify for DSHA homebuyer programs. The characteristics of the homebuyers eligible for DSHA assistance follow.

- Low Income homebuyers have annual incomes under \$25,000. Approximately 8,750 low-income homebuyers are projected to be in the market through 2007, or 1,750 per year. In 2000 and 2001, fewer than ten percent of DSHA's bond financing participants had incomes under \$25,000.
- First-time homebuyers have incomes between \$25,000 and \$75,000 and are generally younger with ages between 25 to 44 years old. Approximately 16,300 first-time homebuyer households are projected to be in the market through 2007, or 3,260 per year. In 2000 and 2001, three-quarters of DSHA bond financing participants were under the age of 35.
- Affordable homebuyers have the same incomes of the first-time homebuyer, however, do not fit the profile due to age. Approximately 13,000 affordable homebuyers are expected to be on the market through 2007, or 2,600 per year. Extremely few homebuyers over the age 44 participate in DSHA homebuyer programs.

Using current rates of participation, Table II-19 indicates that, through 2007, up to 6,265 households, or 1,253 annually, will seek mortgage assistance from DSHA. While it is hard to quantify the number of homeowners projected to receive DSHA assistance who will buy newly constructed units, it is anticipated that low income households will primarily purchase existing units, which are less expensive.

Table II - 19
First-Time Mortgage Assistance Demand – 2003 to 2007

	Mortgage Assistance
New Castle County	3,339
Wilmington	372
City of Newark	175
Kent County	1,400
City of Dover	243
Sussex County	1,526
Town of Georgetown	61
Delaware	6,265

Source: Mullin & Lonergan Associates, Inc.
Totals for cities/towns are included in County totals.

Table II-20 shows the home ownership demand in Delaware by housing type, that is existing homes, new construction, and manufactured homes, and by household type, that is Low Income, First-time, Affordable, Move-up, High Income, and Elderly. The totals for housing type and household type are the same.

It is important to note that the projections for home ownership demand are based on current market conditions and could change substantially if there are fluctuations in economic conditions, the real estate market, and mortgage interest rates.

Table II - 20
Delaware Home Ownership Demand* - 2003 to 2007

	Year					Total
	2003	2004	2005	2006	2007	2003 to 2007
<i>Demand by Housing Type</i>						
Existing Homes	11,827	12,103	12,381	12,651	13,267	62,229
New Construction	2,575	2,554	2,528	2,515	2,502	12,674
Manufactured Housing	1,121	1,151	1,187	1,209	1,232	5,900
<i>Demand by Household Type</i>						
Low Income	1,728	1,737	1,746	1,755	1,788	8,754
First time	3,273	3,272	3,271	3,267	3,225	16,308
Affordable	2,490	2,530	2,570	2,610	2,732	12,932
Move-up	1,936	1,987	2,040	2,090	2,177	10,230
High Income	2,908	3,079	3,252	3,422	3,785	16,446
Elderly	3,188	3,203	3,217	3,231	3,294	16,133

Source: Mullin & Lonergan Associates, Inc

* Home ownership demand presented in Table II-20 is for housing that will be used by households as their primary year round residence. Demand for housing that will be used as a second home on a seasonal basis is not included.

DEMAND FOR AFFORDABLE RENTAL HOUSING

Preservation of Affordability Needs

Table II-21 presents the needs of existing households for the next five years by geographic area. There are 1,963 assisted rental units that could be lost due to conversion to market rate housing by 2007 as a result of expiration of affordability restrictions, non-renewal of a Section 8 subsidy, or an owner's election to prepay a mortgage. Of the potential 1,963 units, 419 units are family units developed with Federal low income housing tax credits, 1,237 units are family Section 8 project-based, and 307 units are elderly Section 8 project-based. It is estimated, however, that of the total 1,963 units eligible to convert, slightly less than ten percent, or 187 units, eligible to convert actually will convert.

Table II - 21
Assisted Rental Units Potentially Lost to Conversion – 2003 to 2007

	Units Potentially Lost to Conversion	Units Very Likely Lost to Conversion
New Castle County	1,144	187
Wilmington	908	87
City of Newark	0	0
Kent County	267	0
City of Dover	45	0
Sussex County	552	0
Town of Georgetown	82	0
Delaware	1,963	187

Source: Mullin & Lonergan Associates, Inc.
Totals for cities/towns are included in County totals.

New Construction

The other rental housing need is for additional rental units either to accommodate new household growth or to relieve the conditions of "At-Risk" renter households who are cost-burdened and residing in overcrowded or substandard units. Over the next five years, 2,985 units are needed either through new construction or the substantial rehabilitation of vacant dilapidated buildings: an average of approximately 600 units a year. Some important findings regarding the need for new rental units are as follows:

- Most of the need, 1,835 units, is for extremely low-income households, for whom it is impossible to assist without a subsidy.
- Approximately 450 units are for the elderly age 55 and over, of which 205 are for the extremely low-income households.
- 1,290 units are projected based on existing households considered to be "At-Risk" and currently residing in an overcrowded or substandard unit.

- When looking at all income ranges for new demand, the greatest need is in New Castle County with 1,392 units, followed by Sussex County at 892 units, and Kent County with 721 units.
- When looking at the income ranges that are most likely to be served with the LIHTC program, 31 to 50 percent and 51 to 60 percent of area median income, the demand is much lower with only 885 units of rental housing needed. The need is greatest in Kent County with 360 units and in Sussex County with 325 units.

Table II-22 shows the rental housing demand based on new growth and existing At-Risk households in need of housing from 2003 to 2007

Table II - 22
Rental Housing Demand Based on New Growth (2003 to 2007) and Existing “At Risk” Households

	Extremely Low (0-30%)			Very Low (31-50%)			LIHTC (51-60%)			Other Low (61-80%)			Total
	General Age 15-54	Elderly Age 55 and over	Existing “At-Risk”	General Age 15-54	Elderly Age 55 and over	Existing “At-Risk”	General Age 15-54	Elderly Age 55 and over	Existing “At-Risk”	General Age 15-54	Elderly Age 55 and over	Existing “At-Risk”	
New Castle County	0	0	441	135	0	N/A	0	0	N/A	0	0	N/A	576
City of Wilmington	0	0	335	0	0	N/A	0	0	N/A	0	10	N/A	345
City of Newark	60	70	86	0	30	N/A	75	20	N/A	130	0	N/A	471
Kent County	200	50	93	95	0	N/A	100	10	N/A	0	0	N/A	548
City of Dover	25	0	53	85	0	N/A	0	10	N/A	0	0	N/A	173
Sussex County	45	70	233	70	110	N/A	55	20	N/A	100	0	N/A	703
Town of Georgetown	10	15	49	20	30	N/A	15	5	N/A	25	0	N/A	169
Subtotal	340	205	1,290	405	170	N/A	245	65	N/A	255	10	N/A	
Total	1,835			575			310			265			2,985

Source: Mullin & Lonergan Associates, Inc.

Note: Existing “At-Risk” takes the average percentage of overcrowded and substandard renter housing units multiplied by the number of “At-Risk” households to arrive at “At-Risk” demand.

OTHER ASSISTANCE NEEDED

Elderly Households

The 2000 Census recorded 173,245 persons in Delaware age 55 years old and older, which was 22.1 percent of the population. The population of persons age 55 and over increased by about 24 percent from 1990 to 2000 while the total population increased by 17.6 percent. From 2000 to 2007 the population of persons age 55 and over is projected to increase by 16.6 percent.

Table II - 23
Persons Age 55 and Over – 2000 and 2007

	2000		2007		% Change 2000 to 2007
	Persons 55 and Over	% of Total Population	Persons 55 and Over	% of Total Population	
New Castle Co.	99,595	19.9	113,065	21.5	13.5
Wilmington	14,637	20.1	15,400	21.6	5.2
City of Newark	4,289	15.0	4,792	15.9	11.7
Kent County	25,815	20.4	30,521	22.6	18.2
City of Dover	6,854	21.3	7,947	23.3	15.9
Sussex County	47,835	30.5	59,890	33.4	25.2
Town of Georgetown	938	20.2	*	*	*
Delaware	173,245	22.1	202,070	24.0	16.6

Source: U.S. Bureau of the Census, Delaware Population Consortium

Totals for cities/towns are included in County totals.

*Projections not available.

Table II-24 reports on tenure and cost burden for households age 55 and over. In 2000, 87.3 percent of householders age 55 were owners versus 72.3 percent for households of all ages. Among persons age 55 and over, the highest rate of home ownership was 86.6 percent for persons age 65 to 74. 15.5 percent of owner households age 55 and over paid 30 percent or more of their gross income on housing versus about 16 percent among all owner households in the State.

The 2000 Census reported that 44.5 percent of renter households age 55 and over were cost burdened versus 34 percent for all renter households in Delaware. Cost burden was greatest among renters age 75 and over at 53.1. The high rate of cost burden is a result of the oldest householders spending down their savings and living on fixed incomes that do not keep pace with inflation.

Table II - 24
Households Age 55 and Over by Tenure and Cost Burden - 2000

	Households 55 and over	Tenure		Cost Burdened	
		Percent Owners	Percent Renters	Percent Cost Burdened Owners	Percent Cost Burdened Renters
New Castle Co.	61,615	81.8	18.9	16.6	38.6
Wilmington	9,911	61.8	38.2	23.2	40.5
City of Newark	2,692	76.9	23.1	13.5	38.7
Kent County	15,811	82.4	17.6	14.4	29.3
City of Dover	4,154	67.8	32.2	18.2	33.5
Sussex County	28,949	89.9	10.1	13.9	34.0
Town of Georgetown	554	71.3	28.7	11.9	21.6
Delaware	106,375	87.3	16.3	15.5	36.3

Source: U.S. Bureau of the Census
Totals for cities/towns are included in County totals.

There are three distinct generations among the elderly, each with their own distinct housing needs. 1) The “young” elderly, those entering pre-retirement or early retirement years, are ages 55 to 65 and are often in the market for a smaller home, possibly near a recreation area; 2) the elderly age 65 to 75, who are living in the homes usually selected in the pre-retirement period and 3) those in the 75 to 85 age group, who may be widowed, whose health is frailer, who seek a supported environment. The elderly over 85 are often very frail and in need of more extensive care.

Low income elderly households, particularly those that are cost burdened, need assistance that allows them to maintain their units and continue living independently. Assistance would include unexpected emergency repairs that are not budgeted within their fixed housing costs; weatherization to improve energy efficiency; adaptive modifications that allow them continue to reside in their unit; and supportive services, such as home health care and personal care, meals, and transportation, that allow them to age in place and remain living independently. Reverse mortgages, which allow homeowners to access their equity while remaining in the unit, may be of assistance to older low income homeowners providing them funds for home maintenance and support services. Older homeowners considering reverse mortgages need extensive education and support to ensure they are aware of all the options available for accessing the equity in their homes.

As the next decade proceeds, the baby boom generation is moving into early retirement, and will potentially create a large demand for coastal condominiums, elderly housing apartments, and retirement manufactured home communities. This includes a need for 450 additional rental units for low income elderly households from 2003 to 2007.

Approximately 15,700 households age 65 and over will purchase homes in Delaware from 2003 to 2007, or 3,140 annually. They are seeking housing alternatives in order to reduce the size of their dwelling and reduce maintenance. A majority of the elderly home buyers are expected to have annual incomes under \$75,000. In Sussex County, elderly home buyers are projected to be the largest segment of the market through 2007.

Hispanics

The 2000 Census indicates that State-wide the Hispanic population was 4.8 percent of the total population, up from 2.3 percent in 1990. Social service agencies working with the Hispanic community contend the number from the 2000 Census is an undercount because undocumented immigrants were unlikely to respond to the Census. The greatest numbers of persons of Hispanic origin were in Wilmington, while the Town of Georgetown had the population with the greatest percent of persons who were Hispanic.

Overall the annual income of Hispanic households was 30 percent less than for non-Hispanic households. Hispanic households in Delaware are larger than non-Hispanic households. The rate of home ownership for Hispanic households was 41 percent versus 72.3 percent among all households. Table II-25 provides a review of the Hispanic population.

Table II – 25
Hispanic Population - 2000

	Population			Average Household Size		Median Household Income (\$)		Percent Homeowners	
	Total	Hispanic Total	% of Total	Total	Hispanic	All Households	Hispanic Households	All Households	Hispanic Households
New Castle Co.	500,265	26,293	5.3	2.56	3.58	52,419	36,781	70.1	41.0
Wilmington	72,664	7,148	9.8	2.39	3.62	35,116	28,558	50.1	37.1
City of Newark	28,547	721	2.5	2.43	2.69	48,758	43,750	54.5	30.6
Kent County	126,697	4,069	3.2	2.61	3.11	40,950	31,950	70.0	50.8
City of Dover	32,135	1,327	4.1	2.35	2.94	38,669	29,453	52.3	45.0
Sussex County	156,638	6,915	4.4	2.45	4.20	39,208	37,250	80.7	38.6
Town of Georgetown	4,643	1,473	31.7	2.97	5.66	31,875	40,774	50.0	5.0
Delaware	783,600	37,277	4.8	2.54	3.63	47,381	36,290	72.3	41.7

Source: U.S. Bureau of the Census

Totals for cities/towns are included in County totals.

The Hispanic population migrating to Delaware consists largely of economically displaced immigrants from developing countries. The Hispanics have moved to the State to take advantage of the growing economy that offers low skill entry level jobs that do not require advanced education or skills. The jobs offer few opportunities for advancement to higher wage positions. Many households cannot afford decent housing. As a result, many of the Hispanic households double-up to avoid being cost burdened. The true magnitude of over crowding cannot be quantified due to the undercount by the Census. The Hispanic households migrating to the State need housing and support services as required by other low income households. Additionally, services that support the Hispanic immigrants with assimilation will serve to improve their living conditions.

Special Populations

Housing needs for special populations, including emergency housing, supportive housing, group homes, and other housing opportunities are as follows:

- **Veterans** – There is an estimated need for housing for 127 emergency beds, transitions housing beds, and supportive housing units.
- **Persons with HIV/AIDS** – There is an estimated need for 200 housing units.
- **Persons with Mental Illness and Developmental Disabilities** – The unmet housing need is approximately 288 individuals and 45 persons in families.
- **Persons with Drug and Alcohol Addictions** – There is an estimated need for 186 beds for chronic substance abusers and a need for 46 beds for chronic substance abusers in families.
- **Youth** – 55 youth in foster care turn 18 each year, of which DCYF provides independent living arrangements for 18 youth.
- **Prisoners** – The Re-entry Program Grant is targeting extended services for up to 300 offenders in Delaware between 18 and 35 years old, per year to prepare for return to society and provide services after release from prison.

It is important to note that the findings are based on existing information provided by service providers. While indications are that there is a need for housing assistance, sufficient information was not available for the following populations to quantify a need: Migrant Workers; Persons with Physical Disabilities; and Victims of Domestic Violence.

DELAWARE STATE-WIDE
HOUSING NEEDS ASSESSMENT

EXECUTIVE SUMMARY

PART III

SPECIAL GEOGRAPHIC CONSIDERATIONS

COASTAL RESORT AREA

The Coastal Resort Area is in the south east portion of Sussex County fronting along the Delaware Bay and the Atlantic Ocean as shown on Map III-1 following page III-2.

It is one of the fastest growing areas in Delaware. The year round population of the Coastal Resort Area increased from 29,333 in 1990 to 50,650 in 2000. The 72.7 percent population increase during the 1990s was about double the County-wide rate, which was 38.3 percent. Projections indicate that the population will continue to increase. The Coastal Resort Area is becoming a year-round community and is popular among the “young” elderly, consisting of persons entering pre-retirement or early retirement years. The households are financially well off.

The 2000 Census reported 49,257 housing units in the Coastal Resort Area, which was an increase of 24.6 percent from 1990 when there were 39,527 housing units. In 2000 there were 25,935 vacant units with about 91 percent (23,523) held for seasonal use. Units held for seasonal use increased by 35.6 percent from 1990, when the Census reported 17,349 units, indicating the popularity of the Coastal Resort Area as a second home destination.

The 2000 Census reported that 60.6 percent (29,833) of the housing units were single-family units and manufactured homes were also prominent with the Census reporting 13,639 (27.7 percent). Despite the large percentage of manufactured homes, the number increased just 3.8 percent from 13,144 in 1990 to 13,639 in 2000. In Sussex County outside the Coastal Resort Area, the number of manufactured homes increased by 27.3 percent during the 1990s. As affluent households settle in the Coastal Resort Area on a long-term basis, the demand for large single-family units full of amenities and that can be occupied year-round increases.

In the beach front communities housing demand is in excess of supply and there is little vacant land available for the development of new housing. The housing supply in the inland portions generally satisfies the demand because of the on-going construction. Housing sells quickly and the vacancy rate is low leading to continuing price increases.

Housing is predominately owner-occupied dwellings or units available for short-term rent. The supply of year-round rental units is small and units rent quickly. The year-round rental housing consists of upscale units concentrated in the beach front communities. While there are many major housing developments planned or proposed within the Coastal Resort Area, there are no rental developments proposed.

Much of the housing is outside of the affordability level of low and moderate income households. Just two percent of the owner units are affordable to extremely low income households and only six percent of the renter units are affordable to extremely low income households. The majority of the owner units are also beyond the affordability range of households at 100 percent of Median Family Income (MFI). Households that can not afford to live in the Coastal Resort Area have been displaced to western Sussex County.

While there is housing in western Sussex County that is affordable to low income households housing costs have escalated throughout the County due to the “beach effect”. As housing prices

continue to appreciate rapidly, housing costs in western Sussex County will be less affordable impacting the ability of low income households to find decent affordable housing.

The tourist industry is a major sector of the economy in the Coastal Resort Area. The jobs are low wage service jobs that do not support the cost of housing in the Coastal Resort Area. Public transit from western Sussex County to the shore ends in mid-afternoon and there are no fixed route bus services on weekends, when many people need to get to work. Low income persons without a vehicle will have trouble getting to the tourist industry jobs because affordable housing convenient to the places of employment is not readily available. Affordable housing convenient to the jobs in the Coastal Resort Area is important to continued economic growth.

Households earning the mean hourly wage for jobs in the service industries in Sussex County of \$7.70 or \$308 per week are very low income with household income between 31 to 50 percent of MFI. A household earning \$308 per week could afford to pay only \$400 per month without paying more than 30 percent of their gross income for housing. The wages in the occupations projected to have the largest increase in Sussex County will not support housing in the Coastal Resort Area. Households will be at-risk of losing their housing if prices continue to increase at rates similar to those over the last two years.

New and creative mechanisms will be required to ensure there is an inventory of affordable housing in the Coastal Resort Area. Potential programs to consider include zoning setasides and employer assisted housing programs.

TOWN OF GEORGETOWN

Due to its location convenient to low skill entry level jobs and services, Georgetown has become a popular destination for immigrants from Central America. During the 1990s, the Town's total population increased by 24.1 percent from 3,723 in 1990 to 4,634 in 2000. The population of persons of Hispanic origin in Georgetown increased during the 1990s by over 3,000 percent from 54 in 1990 to 1,684 in 2000. The Hispanic population is expected to continue to increase.

The Hispanic immigrants lack education with the 2000 Census reporting that about 90 percent of the adults lack a high school diploma. Many are working at jobs that offer few opportunities for advancement to higher wage positions and nearly 40 percent of the Town's Hispanic population is below the poverty level. Many support households in their native countries, which in combination with low wages, limits their ability to house themselves.

During the 1990s, the total housing stock in Georgetown increased by 22.7 percent. The renter-occupied units, however, increased by 56.2 percent from 486 in 1990 to 759 in 2000 and owner-occupied units decreased by three percent. Much of the renter housing created during the 1990s resulted from the conversion of old owner-occupied units to renter units rather than through the construction of new units. Many of the converted units were not adapted to accommodate more than one household yet, many are occupied by more than one household.

The 2000 Census shows that there are no vacant for rent units in the Town. Because of high demand, landlords easily rent units as they become available, even those that are not well maintained or that have not been modernized. The strong demand, coupled with a lack of available units, has caused rents to continue to rise. In addition, there has been a lack of investment by landlords to ensure compliance with codes and to modernize the units.

Households employed at the low skill jobs cannot afford the median rent. To avoid being cost burdened, the low income immigrant households are sharing units. Census figures show that over crowding is a major problem with 74.3 percent (225) of the Hispanic headed households in the Town living in over crowded units. The true magnitude of over crowding cannot be quantified due to an undercount by the Census.

The combination of older units that are over crowded with low income households raises concerns about the quality of the housing stock in Georgetown and its ability to continue to support the increasing low income immigrant population.

During Summer 2002 a windshield survey of the exteriors of all of the housing units in the Town of Georgetown was completed. The field survey recorded 1,535 housing units including 16 (1.1 percent) that were vacant and abandoned and should be demolished, 102 (6.6 percent) that were substandard in need of major exterior repairs, 399 (26 percent) that were moderate in need of moderate exterior repairs, and 1,017 (66.3 percent) that were sound in need of only minor exterior repair or maintenance.

Service providers report that their ability to assist immigrants with securing safe decent housing is constrained because some are undocumented, which limits their ability to sign a lease or to finance a home. The inability to quantify the number of Hispanic households in need of housing

or related services because of the undercount by the Census, also limits the ability to plan for housing needs in Georgetown.

To address housing problems, Town officials have developed licensing requirements for income generating properties to support improved living conditions through inspections of rental units. In enforcing its codes, there is a need to ensure balance to avoid displacement of households.

Units approved for development or under review could increase housing in the Town by close to two-thirds. None of the units, at this time, are proposed to be assisted units. The availability of new units will, however, allow filtering of older units, which may expand the stock for the immigrant population and alleviate over crowding.

Through 2007, it is projected that there will be the need for 169 new renter housing units in Georgetown to accommodate new growth and existing at-risk low income renter households. There will be the need for 74 units for households at or below 30 percent of MFI, 50 units for households between 31 to 50 percent of MFI, and 45 units for households between 51 to 80 percent of MFI.

During the first five years of residency, immigrants are more likely to live with other family members or friends. After establishing a stable employment record, and building a savings, immigrants tend to move out and rent or buy their own quarters. In addition to housing, services in support of assimilation, such as financial literacy, immigration services, and education services, will serve to improve living conditions for the immigrants in Georgetown. In addition, a growing need, that has not been previously addressed, is helping immigrants learn to read and write in their own language to prepare them for English as a Second Language (ESL) or other advanced education.

CITY OF WILMINGTON

In 1940 the City's population peaked at 112,504. From 1940 to 1980, Wilmington experienced a steep decline losing 42,309 persons, which was nearly 40 percent of its population.

Wilmington's percentage of the total County population has decreased from about 21 percent in 1970 to just 14.5 percent in 2000.

Because of long-term disinvestment and the loss of the middle income population, New Castle County's low income population is concentrated in Wilmington. The 2000 Census identified 14,819 persons with income below the poverty level, which was 21.3 percent of the City's population. The persons below poverty in Wilmington made-up 36.4 percent of the 40,710 persons in the County with income below the poverty level. It is estimated that 56.11 percent of the household population recorded by the 2000 Census, or 38,401 persons, was low income. While the City contained 14.2 percent of the County's household population, about 23 percent of the low income persons in the County were in Wilmington.

While the population declined, the number of housing units increased by 7.2 percent from 29,971 in 1970 to 32,128 in 2000. While smaller households support the development of housing in excess of population growth, the increase in housing units in Wilmington has been out of balance with demand. The large population loss in Wilmington has resulted in the abandonment of units as represented by the number of vacant units. The 2000 Census reported 3,521 vacant units in the City, which was an increase of 31 percent from 1990 when there were 2,688. The *Vacant Property Strategy* completed by the City in April 2002 finds that there is an excess of 2,000 housing units for which there is no current demand.

While the City contains a large percentage of the County's low value and low rent housing units, it is old and in need of substantial rehabilitation. Based on the survey of exterior conditions, it is estimated that there are 779 substandard owner-occupied units, which is 5.4 percent of the owner housing, and 1,386 renter-occupied units, which is 9.7 percent of the renter housing. Rehabilitation costs are often in excess of the values. Rents in Wilmington do not support substantial rehabilitation of rental units. As a result housing rehabilitation requires deep subsidies.

Many of the old units lack amenities and are densely developed. Rehabilitation of the units may make them habitable, but the units are functionally obsolete and do not support modern living. While the City uses its HUD program funds to support rehabilitation, demand consistently outstrips resources.

Despite the low values and rents and the presence of a large number of assisted rental units, low income households in Wilmington are cost burdened. The 2000 Census reported that 21.7 percent (3,120) of owner households paid more than 30 percent of their income for housing and 39.2 percent (5,589) of renter households were cost burdened.

As higher income households left the City, the rate of home ownership declined. The rate of home ownership decreased from 53.2 percent in 1990 to 50.1 percent in 2000. The City's long-term goal is to increase the rate to 60 percent.

Despite the loss of population and large numbers of vacant units, there is, however, a shortage of desirable housing including duplexes and single-family units developed at low densities and units with three to four bedrooms, 1.5 to 2.5 baths, family rooms, and garages.

There is a lack of large tracts of suitable land for the development of housing for a variety of income levels, unlike in the County outside of Wilmington. Assembly of sites for housing in the City requires costly environmental remediation of former industrial sites, or land assembly in residential neighborhoods that requires costly acquisition of occupied deteriorated properties, relocation of residents, and demolition. The extra costs stifle the development of modern housing and as a result, market rate housing for middle income households is not being developed.

The abandoned vacant properties provide opportunities to reshape neighborhoods, create new investment, and build community assets. Wilmington supports redevelopment through funding and regulations that support efforts to move more aggressively to acquire and market, vacant properties for rehabilitation and redevelopment. Lack of sufficient funds, however, stifles large scale redevelopment. Also many of the funding sources available to the City to undertake redevelopment and revitalization are limited in use to projects that benefit low income households. The resources lack flexibility to support activities that fund a wider range of household incomes, particularly moderate income households, thwarting projects for mixed income households. Redevelopment and revitalization will require a variety of partnerships to expand the available funding and to support mixed income activities.

Appendix A

Definitions

Affordable Housing. Affordable housing is generally defined as housing where the occupant is paying no more than 30 percent of gross income for gross housing costs, including utility costs.

Assisted Rental Housing. Housing where the monthly costs to the tenant are subsidized by federal or other programs.

Benchmarks. A point of reference by which something can be measured. In this case, needs are the point of reference in which DSHA's performance is measured with program accomplishments.

Cost Burden. The extent to which gross housing costs, including utility costs, exceed 30 percent of gross income, based on data published by the U.S. Census Bureau.

Income Ranges.

- Extremely Low Income. Households with annual income from 0 to 30 percent of area median income*.
- Very Low Income. Households with annual income from 31 percent to 50 percent of area median income*.
- Low Income Tax Credit. Households with annual income from 51 to 60 percent of area median income*.
- Low Income. Households with annual income from 61 to 80 percent of area median income*.
- Moderate Income. Households with annual income from 81 to 115 percent of area median income*.

* Median income is determined by HUD. Generally as used in this *Housing Needs Assessment*, HUD's median income for a family of four was used in determining the income ranges.

Indicators. Delaware statistics or indexes that, when compared to the same statistics on a nation-wide level, provide a measurement of the well-being of Delaware's housing environment.

Manufactured Housing. A single-family detached housing unit, constructed to the "HUD Code", contains an integral chassis, and is licensed by Delaware's Division of Motor Vehicles. A manufactured home does not include modular or pre-fabricated housing.

Overcrowded. A housing unit containing more than one person per room. (U.S. Census definition).

Rent.

- Fair Market Rents. HUD's estimate of the actual market rent for a modest apartment in the conventional marketplace. Fair market rents include utility costs (except for telephones). Every year, HUD develops and publishes FMRs for every MSA and apartment type. FMRs are established at the 40th percentile rent, the top of the range that renters pay for 40 percent of the apartments being surveyed.
- Income-Restricted. The rental rate for units that are income-restricted due to the Low Income Housing Tax Credit program, Rural Development's 515 program (with no Rental Assistance Payment), units financed with HOME funds or bonds, and other State-funded housing programs. The intent of the restriction is to provide below market rents. However and rarely, a resulting unit will actually be the same as or higher than the prevailing market rent.
- Market. The prevailing rate for which rent is agreed upon by a willing landlord and tenant. Typically considered the "private market" rent and does not have ties to governmental regulation.
- Subsidized. The rental rate for units where the maximum allowable rent is based on 30 percent of the resident's income. Subsidized rents are typically geared for households earning less than 50 percent of the area median income and result from federal programs such as HUD's Section 8 New Construction and Section 202 programs, and Rural Development's 515 (with Rental Assistance Payment).