

Delaware State Council on Housing



Annual Report
June 30, 2020



The Delaware State Council on Housing fully supports Equal Housing Opportunity, the principles of the United States Fair Housing Act (Title VIII of the Civil Rights Act of 1968) and Delaware Fair Housing Act (Delaware Code Title 6, Chapter 46), and the elimination of discrimination in housing based upon race, color, national origin, creed, sex, marital status, familial status, source of income, age, sexual orientation or disability.

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Foreword

“All people in Delaware shall have access to affordable and appropriate housing.” This is the Vision Statement of the Delaware Council on Housing, however it can be an unrealistic expectation for some Delawareans. With rents at an all-time high and housing prices out of reach for many people, the pressure to obtain affordable living arrangements, particularly for seniors, African Americans and Latino households, is a very real struggle.

According to the U.S. Department of Housing and Urban Development (HUD), housing cost burden occurs when households are spending more than 30% of their income on housing expenses. A staggering statistic in Delaware is that 28% of Delaware households, including renters and homeowners, were housing cost burdened in 2017. Within this group, over 44% were severely cost burdened, spending upwards of 50% of their incomes on housing. This means that the lowest-income households are disproportionately spending a larger share of their income on just housing alone.

This metric is important because people are trading off between housing costs and other expenses, such as food, clothing, transportation, and healthcare. The more people are spending on housing, the less money they have to spend on other necessities that can impact their overall well-being. When families decide between paying housing costs or other living expenses, a household could be deciding between housing and homelessness. In any given month, cost burdened households are left with very little money for anything else, much less the resources to deal with a crisis.

But in 2020, a worldwide health crisis occurred that impacted all aspects of life, including the housing sector. The COVID-19 pandemic created added stress and uncertainty for Delawareans, as well as communities across the nation, that were still recovering from the effects of the 2008 housing crisis. Federal stimulus funds, including the dollars allocated under the Coronavirus Aid, Relief, & Economic Security Act (CARES) Act, have provided much-needed assistance to homeowners and renters during this public health crisis.

The Delaware State Housing Authority has responded to this crisis with strategic measures to protect tenants and mortgage-holders while supporting builders and lenders. In FY2020, DSHA spearheaded partnerships with other jurisdictions to ensure the utilization of federal stimulus funds for urgent needs, including rent and utility assistance, foreclosure prevention, and homelessness. DSHA should be commended for its responsiveness and leadership in these challenging times. This report will provide detail on these and other initiatives that were undertaken in FY2020 to increase the availability affordable housing for low- to moderate-income Delawareans.

Executive Summary

As required by Senate Bill 86, as amended, and passed by the 144th General Assembly in January, 2008 (Exhibit 1), the Delaware State Council on Housing (hereafter referred to as the Council on Housing or Council) presents this Annual Report, covering July 1, 2019 – June 30, 2020. (The enabling legislation, functions and organization of the Council on Housing are contained in Appendix A to this report.)

The Council on Housing advises the Governor, General Assembly, and the Delaware State Housing Authority (DSHA) on housing matters and allows an avenue for citizen involvement. The Council continues to support DSHA's commendable progress in providing affordable housing and community revitalization to the state's low- and moderate-income families and neighborhoods. DSHA offers an array of well-managed and effective programs that address the range of housing needs experienced by Delaware households. In response to the 2020 COVID-19 crisis, DSHA expanded services to meet the needs of individuals and families experiencing housing insecurity as a result of the pandemic. These services were lifelines for many Delawareans in crisis.

One of the primary state investments in the development of affordable housing is the Housing Development Fund (HDF). Significant funding for affordable purchase and rental housing continues under the HDF. In fiscal year 2020 alone the Council approved resolutions recommending approximately \$12.5 million in loans and grants from the Housing Development Fund resulting in the creation or preservation of 3,904 units of affordable housing or households assisted. These funds also supported homeless services, affordable rentals, homeownership, foreclosure prevention, housing rehabilitation, housing counseling, and coordinated planning for homeless services. Housing initiatives launched this year have created and sustained jobs in the building industry through the creation and rehabilitation of affordable rental housing sites and through the subsidizing of mortgages for first-time homebuyers purchasing new-construction single-family homes.

The Council believes that Delaware receives an excellent return on its investments in housing. Not only is every dollar allocated used for housing but every dollar spent out of the HDF is leveraged on average by \$4 of funding from other sources. In addition to direct leverage, investment in affordable housing spurs significant other economic activity and creates jobs.

To assist Delawareans facing financial hardships in FY2020 as a result of the COVID-19 crisis, DSHA received federal stimulus funds to expand and enhance existing housing programs and create new programs to address emergent housing needs. The Delaware Housing Assistance Program (DEHAP), launched in March 2020, is an effective response to the housing instability experienced by many Delawareans during the pandemic. This program provides emergency housing assistance to renters affected by shutdowns, closures, layoffs, reduced work hours or unpaid leave due to the COVID-19 crisis. It is a much-needed program that has assisted over 2,000 households since its inception.

We know investment in housing is good policy for business and the economy, for working families, and for community quality of life. The need for affordable housing in the State of Delaware remains great and is increasing. The 2020 COVID-19 crisis and related economic downturn have imposed great stress on the housing system and on working families with low incomes. As we look to the future, we need to maximize the positive impact we may have as our housing market, economy, and neighborhoods eventually recover from the COVID-19 crisis. In addition to a report on the work of the Council and the Housing Development Fund, this report includes a set of policy recommendations formulated by the Council to address these pressing housing issues.

Recommendations for Changes in Law/Policy/Funding

The members of the Council on Housing congratulate Governor Carney and the members of the General Assembly for their continued support of affordable housing and community development programs that benefit Delaware's families, neighborhoods and communities. The Housing Development Fund, Affordable Rental Housing Program, State Rental Assistance Program (SRAP), Strong Neighborhoods Housing Fund (SNHF) and Downtown Development Districts (DDD) program represent diverse investments that reflect how impactful housing is to positive social and economic outcomes.

We commend the Governor and General Assembly for again investing in neighborhood redevelopment with the addition of \$3 million for the Strong Neighborhoods Housing Fund in the FY2021 budget. This fund, first established by an allocation of settlement funds in FY2015, targets the redevelopment of vacant and abandoned property in distressed neighborhoods. Since its creation, the SNHF has invested \$14 million to impact over 250 homes in distressed neighborhoods from Wilmington to Laurel, leveraging over \$36 million in other private investment in these projects. We also support the continued expansion of the Downtown Development District program to more communities in 2021 and applaud the designation of additional districts in 2019.

We are also optimistic about the establishment of the federal Opportunity Zones in 2019 and commend the State's efforts to facilitate investment in the 25 designated Opportunity Zone census tracts in Delaware. Selecting only 25 census tracts for this designation, the maximum Delaware was allowed, was surely a difficult challenge, when so many tracts are eligible and many communities could benefit. The Council would support the designation of additional Opportunity Zones in 2021, should Congress allow future expansion of this program.

Safe, decent and affordable homes are a part of Delaware's infrastructure and support for these efforts should not be an afterthought in the budget process. It is critical that funding for these programs be prioritized and reliable. A secure place in the State's annual base budget and one or more dedicated revenue sources are necessary to ensure long-term sustainable funding.

The Council opposes any funding cuts to federal programs, such as the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), Housing Opportunities for Persons With AIDS (HOPWA), and HOME Investment Partnerships programs. Rather, the Council strongly supports the recent increases in these entitlement funds to address emergent housing needs during the pandemic. In addition, the Council supports the additional housing services funded during the pandemic by the CARES Act, such as the Delaware Emergency Housing Assistance Program (DEHAP). These stimulus funds have acted as a safety net for many

Delawareans whose housing stability was impacted during the COVID-19 crisis. Any reductions in federal funding would increase affordable housing needs in Delaware and place greater demand on state resources.

Based on the Council's experience and review of research such as the Delaware Housing Needs Assessment 2015-2020, we believe the following seven principal objectives should continue to guide Delaware's efforts with the ultimate goal of providing affordable housing options to its citizens while targeting community development and strengthening communities:

1. Preserve and expand the availability of affordable rental housing in Delaware;
2. Increase access to homeownership for qualified first-time and low-income homebuyers, continuing to support DSHA financing tools that help families achieve homeownership;
3. Make substantial investment in Delaware's housing stock to improve substandard conditions;
4. Promote the development of energy efficient homes;
5. Promote the development of accessible dwellings to meet needs of Delawareans with disabilities and the state's aging population;
6. Implement ways to offer better housing solutions to extremely-low-income families; and
7. Advance policies that promote diverse and inclusive communities and offer equal access to housing for all of Delaware's residents.

Specifically, we recommend that the Governor, General Assembly, the Director of DSHA and other local, county and state officials collaborate and focus to maximize impact of scarce resources to:

1. Support the Housing Development Fund by increasing the General Fund base budget and Affordable Rental Housing Program (ARHP) in the bond bill, as these funds are focused on creating and preserving affordable rental housing, the State's most pressing housing need.
2. Support financial mechanisms and programs (including the Housing Development Fund) to increase responsible homeownership, and help preserve homeownership for homeowners needing assistance with home repair or who are facing foreclosure and able to regain financial stability. Homeownership is a critical economic driver, but also one of the most important ways low- and moderate-income families build wealth.
3. Increase funding for the State Rental Assistance Program (SRAP). SRAP provides rental housing options for low-income youths exiting foster care, reuniting families, and people exiting or at risk of entering Delaware's long-term care institutions. SRAP is a proven program that serves the needs of Delaware's most vulnerable, but the needs exceed resources. While capacity has been added specifically for the population served by the Division of Substance Abuse and Mental Health (DSAMH), the annual budget allocation of \$3 million has not been increased since it was first included in the Operating Budget in FY2013.

4. Strengthen the State's Fair Housing laws to create protections to end housing discrimination and promote fair housing opportunities for all, particularly historically marginalized groups. Other policies such as the Landlord Tenant Code, local planning policies, credit and arrest and conviction history checks, and others, can also have a disparate impact on protected classes and should be reviewed. The Analysis of Impediments to Fair Housing Choice study, released in 2019 produced many such recommendations, which should be carefully considered and supported.
5. Invest in strategies that reduce and prevent homelessness in Delaware by supporting systems change that advances evidence-based best practices in response to local needs and increasing investments in these programs. Approaches such as prioritizing low-barrier permanent housing, outreach, and rapid rehousing, have been successful in the effort to end veteran homelessness and are evidence-based practices in addressing homelessness.
6. Reduce regulatory barriers to the development of affordable housing such as conditional zoning for higher densities and reduce or eliminate impact fees. Housing must be a critical component of local and economic development planning to foster affordable housing growth that is integrated both in the community and accessible to employment opportunities and transportation.
7. Advance State, County and local policies and strategies that address blight in distressed neighborhoods and rebuild successful downtown areas as vibrant places to live, work, and engage in community life. Ongoing funding for the Downtown Development Districts (DDD) program and the Strong Neighborhoods Housing Fund, created to address vacant, abandoned or foreclosed properties as part of neighborhood revitalization efforts, is critical to these goals.
8. Use federal stimulus funds to create new programs and/or expand existing programs to assist individuals and families experiencing housing instability resulting from the COVID-19 crisis and continue to respond to ongoing needs during the pandemic and the recovery timeframe.

HDF Activities

The Housing Development Fund (HDF) is authorized under Title 21 of the Delaware Code and provides financing for developers and homeowners through sponsor agencies. Activities of the sponsor agencies include the acquisition and/or rehabilitation of existing housing, the adaptive re-use of non-residential buildings, and new construction to provide affordable housing to low- and moderate-income families and individuals in Delaware.

The HDF is funded through a number of sources. The state allocates a base budget in the amount of approximately \$4 million from the General Fund each year. The Housing Development Fund received an additional allocation of \$6.0 million in the State Fiscal Year 2020 Bond Bill earmarked for the affordable rental housing development. In addition to state funding, the HDF receives income from a portion of the Recorder of Deeds fee – a dedicated revenue source. Lastly, income generated from interest earnings and repayments of HDF loans are recycled back into the fund.

In FY20, the Council recommended the funding of sixteen loans and grants for a total of approximately \$12.5 million to organizations working in affordable rental housing, homeownership, housing counseling and homeless services. In all, HDF funds supported the creation and/or preservation of 3,904 units of affordable housing or households assisted. An overview description of the FY20 Allocations is included in Exhibit 2.

HDF INCOME SOURCES IN FY 2020

Base Budget (General Fund)	\$4,000,000
Affordable Rental Housing Program (Bond Bill)	\$6,000,000
Recorder of Deed Fees	\$1,141,216
Interest Income	\$4,352,338
Loan Repayments	\$7,326,260
Fund Transfers	\$9,727
Total	\$22,829,541

HDF Project Highlight: QUAKER ARTS

Alliant Capital, has acquisition and renovation of four (4) separate buildings on five (5) separate parcels located on West Street in Wilmington to create a total of 53 new affordable housing units known as Quaker Arts. The project will be a preservation and conversion of three existing apartments buildings and two commercial buildings in Wilmington, New Castle County, Delaware. The project will feature 53 family units for tenants whose income is between 30 and 80% of the Area Median Income ("AMI"), and will have a preference for those involved in the arts. The development will include twenty-three (23) efficiency units, six (6) one-bedroom units, twenty (20) two-bedroom units, and four (4) three-bedroom units. The Development will meet handicap accessibility requirements with eight (8) fully accessible units. Common areas will include four art studio spaces which can be reserved by the tenants, a computer lab for written word artists, a fitness/multipurpose room for dance artists and four music rooms for musical artists. In addition, there will be a community garden, and a community room with a meeting/study room, art vaults, a kitchenette, and office space.

Alliant Capital will partner with Connections CSP, one of Delaware's largest nonprofits. Collaborating with government, community, corporate, and other philanthropic partners to maximize services for the state's most vulnerable citizens, CSP operates in 100 separate locations in Delaware. Their team is made up of more than 1,700 full-time employees with the mission to provide a comprehensive array of healthcare, housing, and employment opportunities to individuals and families. This is Alliant's first transaction with Connections CSP.

The Housing Development Fund supported this project with a \$3.7 million loan. Quaker Arts, LLC was also awarded about \$1,056,242 in Low-Income Housing Tax Credits. The project also received support from HTF, and equity through other agencies and programs like DE SEU, philanthropic support, additional loans from DSHA and TRF.

Construction completion is expected in October 2021.

HDF Project Highlight: Better Homes of Seaford – Herring Ridge

Better Homes of Seaford (BHS) was formed in 1969 as a partnership between the City of Seaford and citizens who sought to improve low-income housing within the community. The group's mission is to provide comfortable and safe housing with related facilities and services for the low-income residents of Seaford and the surrounding area. In October 2019, construction began on the group's eighth property, Herring Ridge. This was a new construction project on just over 6 acres that BHS already owned and adjoins its property, Hampton Circle. The site consists of 34 units for the elderly, with an attached community building that will house management offices, maintenance area, community meeting room, computer room, kitchen, and exercise room. Herring Ridge received an allocation of 2018 Low Income Housing Tax Credits in the amount of \$643,394. One of the most unique aspects of the project is that one-third of the rental units will be affordable to residents at 30% Area Median Income, with no federal rental subsidy based at the project.

The construction is brick and vinyl siding and units will be equipped with energy efficient appliances and heat pumps. The Housing Development Fund supported this project with a \$4.3 million construction loan. Better Homes of Seaford was awarded about \$645,000 in Low Income Housing Tax Credits, which will leverage about \$5.6 million in equity. DSHA is also providing about \$1.7 million in HOME funds to support the affordability of the project.



Non-HDF Activities

In an effort to become knowledgeable on housing matters and to influence housing policy more broadly, Council also engaged with many housing partners throughout the state. Individual members of the Council attended many housing workshops and trainings, conferences and other events, served on funding review panels, and participated in housing studies. Council also provided testimony supporting increased funding for the Housing Development Fund at public hearings during the state budget process including the Budget Public Hearing, Joint Finance Committee Hearing, and Bond Bill Committee Hearing.

The Council on Housing was proud to support the State's quick response to the housing impacts related to the COVID-19 pandemic. We commend Governor Carney for the administration's recognition that housing assistance would be a vital component of response to the pandemic and dedicating flexible resources through the Coronavirus Relief Fund to emergency rental and mortgage assistance.

The administration and Department of Health and Social Services early on moved to expand street outreach and hotel placements for individuals experiencing homelessness. The commitment of state and local agencies and nonprofit providers to responding in this crisis has led to many new and exciting partnerships. For example, the HUD-funded jurisdictions in Delaware (DSHA, City of Dover, City of Wilmington, New Castle County) dedicated CARES Act funding to supporting hotel placements and rapid rehousing to help these families move on from hotel placement into permanent housing, bringing together the jurisdictions, multiple Divisions of DHSS, and nonprofit providers.

It has been a year of rapidly changing circumstances, funding, and needs. Over the course of 2020, especially leading up to the necessary loosening of the moratorium on evictions and foreclosures in early July, DSHA and its partners developed strategies around both foreclosure prevention and eviction prevention. Briefly, these are:

Foreclosure

- **Awareness Campaign:** The Governor, DSHA and Department of Justice coordinated on new outreach to homeowners about their options, resources, and the importance of reaching out for help as soon as possible.
- **Counseling Capacity:** DSHA quickly communicated with providers to assess housing counseling capacity, needs, and a plan and costs to increase that capacity to assist homeowners.
- **Financial Assistance:** DSHA relaunched a modified version of its longstanding Delaware Emergency Mortgage Assistance Program (DEMAP) tailored to the challenges homeowners are currently facing.

Eviction

- **Financial Assistance:** DSHA launched the Delaware Housing Assistance Program (DEHAP) in late March to provide rental assistance and subsequently revamped and relaunched the program in August.
- **Dispute Resolution:** The Courts moved quickly to institute new dispute resolution and mediation processes for pre-COVID and post-COVID eviction filings. DSHA and the Courts have been working together closely to ensure a referral pipeline to DEHAP and that DEHAP can play a role in mediation.
- **Legal Services:** Through Home4Good and additional HUD funding through the CARES Act, additional funding has been allocated for eviction prevention legal services.

The Council on Housing's support and the Housing Development Fund was especially vital in the establishment of the DEHAP program. Without Council's quick action and approval of HDF funding for DEHAP, DSHA would not have been able to confidently launch the program so quickly. While later federal funding through the CARES Act Coronavirus Relief Fund became available, the HDF funding remains on deck to assist as there is significant uncertainty, at the time of this report, about how long the federal funding will remain available. From April – October 2020, DEHAP assisted close to 2,000 households with approximately \$4.7 million in rental assistance.

Exhibits

Exhibit 1:

Chapter 40 of the Delaware State Code, states that, “The Council shall issue an annual report to the Governor, the Housing Director and the General Assembly on its activities, as well as the housing needs of this State, key statistics and trends, HDF expenditures and any recommendations for changes in law, policy and/or funding related to housing.”

Exhibit 2:

Housing Development Fund FY 2020 detailed allocations:

COH Approved Projects in FY20	Homeownership	Rental Units	Council Date	Loan Amount	Location	Grant Amount
House of Joseph Residence		7	8/14/2019	\$272,297	HDF	
2 Fish Renovations Overlook Colony Rehab	4		11/13/2019		New Castle	\$200,000
Central DE Habitat, Milford Homeownership	2		11/13/2019		Sussex	\$100,000
DSCLT, Governor's Grant	4		11/13/2019		HDF	\$120,000
Sussex Habitat Ellendale	4		11/13/2019		HDF	\$140,000
Sussex Habitat Milton	3		11/13/2019		HDF	\$105,000
New Castle Habitat Wilmington Renovations	3		11/13/2019		HDF	\$135,000
DSHA's - Statewide Emergency Repair Program	200		11/13/2019		HDF	\$600,000
Milford Housing Development Corp. - Harmony Hill Homeownership	4		12/11/2019		HDF	\$200,000
DSHA - Preferred Plus Mortgage Assistance Program		577	12/11/2019		HDF	\$1,500,000
Pre-Purchase Homeownership Education and Counseling Funding		1687	2/12/2020		HDF	\$300,000
Home4Good			3/11/2020		HDF	\$500,000
Village at Iron Branch			3/11/2020	\$771,618	HDF	
DEHAP/ERRP		1250	4/8/2020		HDF	\$2,000,000
Quaker Arts		53	5/13/2020	\$2,590,264	HDF	
RAD II: Holly Square, McLane Gardens, & Peach Circle		106	5/13/2020	\$3,000,000	HDF	
FY2019 Subtotal	224	3680		\$6,634,179		\$5,900,000

Exhibit 3: Home4 Good update FY2020

In FY2019 Delaware State Housing Authority (DSHA) and the Federal Home Loan Bank of Pittsburgh (FHLBank Pittsburgh) announced \$1.2 million in Home4Good funding awards to programs across the state working to reduce homelessness. The funding will be used to address four key areas: homelessness prevention, homelessness diversion, rapid re-housing, and innovation.

Focus Area	Organization	Program Name	Target Area	Funding Amount
<i>Rapid Re-Housing</i>	Catholic Charities	Rapid Re-Housing Service	Statewide	\$75,000
	Family Promise of Northern New Castle County	Rapid Re-Housing, Pathway to Housing	New Castle County	\$100,000
	Ministry of Caring	Rapid Re-Housing	Statewide	\$100,000
	People’s Place	Rapid Re-Housing	Kent County	\$80,000
	YWCA of Delaware	Rapid Re-Housing	Statewide	\$100,000
<i>Homelessness Diversion</i>	Family Promise of Northern New Castle County	Shelter Diversion – Pathway to Diversion	New Castle County	\$50,000
	YWCA of Delaware	YWCA Diversion Program	New Castle County, Sussex County	\$50,000
	Ministry of Caring Diversion	Homeless Diversion	New Castle County	\$50,000
<i>Homelessness Prevention</i>	Catholic Charities	Basic Needs	Statewide	\$75,000
	Rehoboth Community Resource Center	Homelessness Prevention	Kent County, Sussex County	\$75,000
	Lutheran Community Services	Homelessness Prevention	New Castle County	\$115,000
	West End Neighborhood House	Statewide Security Deposit Program	Statewide	\$90,000
	Salvation Army	Homelessness Prevention	Kent County, Sussex County	\$50,000
<i>Innovation</i>	Community Legal Aid Society, Inc.	Legal Aid for Eviction Defense	Statewide	\$200,000
	Sussex Community Crisis Housing Services	Housing Locator	Sussex County	\$35,000
	"West End Neighborhood House	Innovation	Wilmington	\$60,000
	NCC DOCS	Innovation	New Castle	\$30,000

Appendix A: Enabling Legislation, Functions, and Organization

The Council on Housing is authorized by the Delaware Code, found at Title 31, Chapter 40, Subchapter IV, §4040. Its principal duties are to study, research, plan and advise the Governor, Housing Director and General Assembly on housing matters and recommend funding of loans and grants through the Housing Development Fund. The Council on Housing consists of 11 members appointed by the Governor, and meets the second Wednesday of each month. The Council's meeting minutes, agendas and bylaws are available at <http://www.destatehousing.com/DirectorsOffice/council.php>.

According to state code, Council membership must include 2 members from each county, 2 members that reside in the City of Wilmington and 3 members at large, 1 of which is a member of a tenant organization and there shall be no more than a bare majority representation of one major political party over the other major political party. The term of appointment to the Council is 3 years. Members are eligible for reappointment.

The members of Council as of June 30, 2020 are:

Vincent M. White (Chair)

Dianne W. Casey (Vice Chair)

Donna G. Mitchell

Connie S. Harrington

Francis R. Julian

Douglas A. Motley

Corrine M. Massey

Garrett Grier

Norma H. Zumsteg

Four (4) standing committees – Loan Review, Communications, Operations, and Housing Policy – support the work of the Council. The Loan Review committee reviews Housing Development Fund applications with DSHA staff prior to action by the full Council and determines which applications are ready for full Council consideration. The Communications committee prepares and disseminates communications to the Governor, members of the General Assembly and the public. The Operations committee oversees all governance, compliance, nominating and member services duties of Council. The Housing Policy Committee assists the Council to review program policies concerning activities conducted by the Delaware State Housing Authority and to develop sound policy positions regarding affordable housing needs and initiatives in Delaware.

In Memoriam Ralph W. Peters, Jr. (1932-2020)

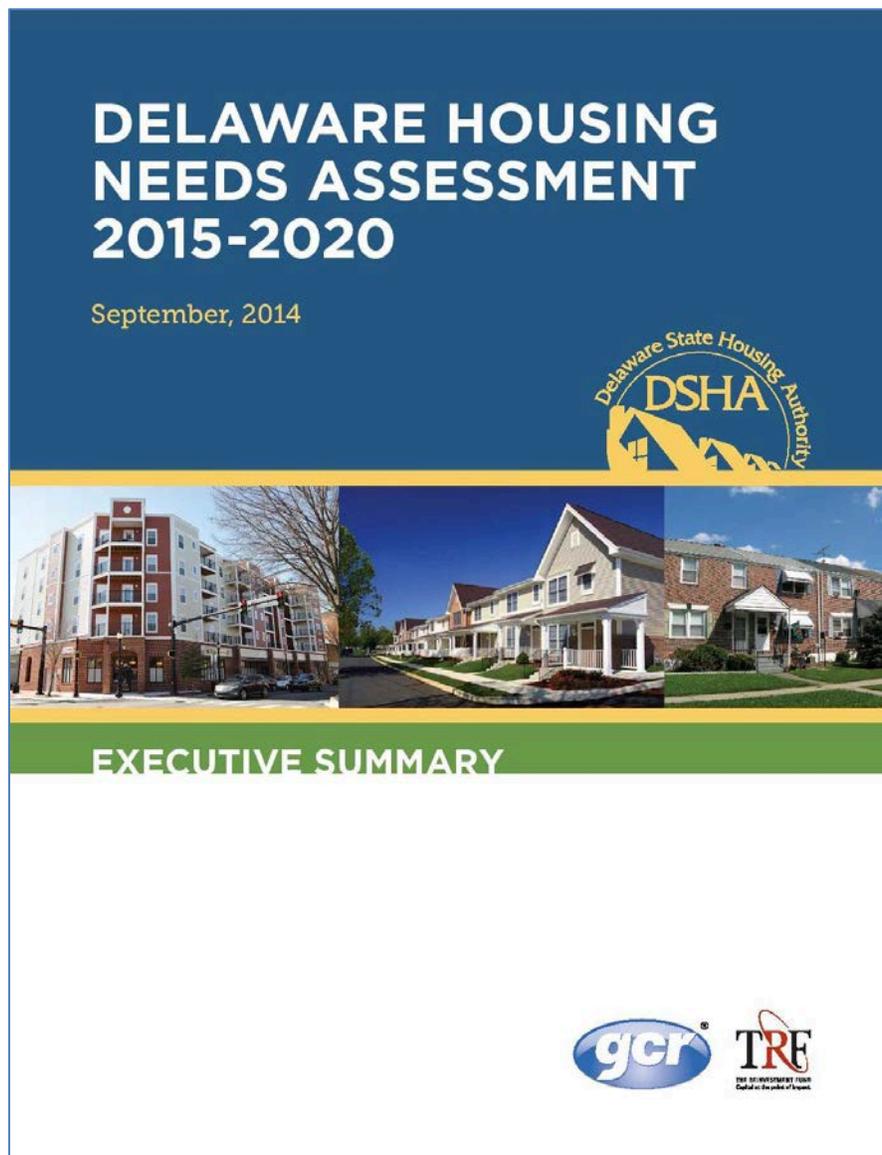


The Council on Housing honors the life and leadership of Ralph W. Peters, Jr. who passed away in September 2020. Ralph served on the Council from 2008 - 2019 including 2 years as President. Ralph was a tireless and ardent supporter of affordable housing in Delaware. Ralph frequently voiced the need to build more affordable housing throughout Delaware to meet the state's needs most at risk.

He had an aptitude for distilling mundane, overlooked budgetary information into real-world discussions. While serving as a member and Chair of the Council on Housing, Ralph's leadership style was engaging, thoughtful, and hospitable, allowing the newest to the oldest member of the Council to feel appreciated. Ralph's voice of acceptance and inclusion will echo loudly in the minds and hearts of those who were lucky enough to hear it. He will eternally be remembered as a champion for Delaware's most at-risk citizens and their need for safe, and decent affordable housing.

Appendix B: Delaware Housing Needs Assessment Overview

The following is a reproduction of the Overview taken from the Executive Summary of the Delaware Housing Needs Assessment 2015-2020 for the state of Delaware study conducted by the Delaware State Housing Authority. The excerpt is included here with the permission of DSHA. The full report is available at www.destatehousing.com.



DELAWARE HOUSING NEEDS ASSESSMENT



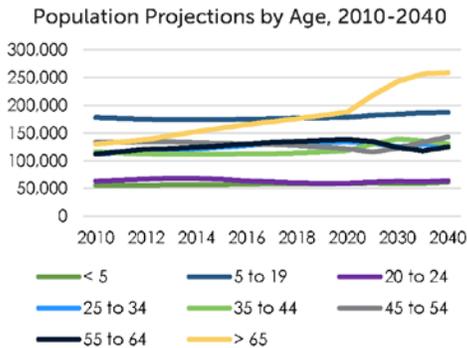
The Delaware State Housing Authority's *Housing Needs Assessment, 2015-2020* addresses the state's most pressing housing issues and provides an estimate for future housing demand between 2015 and 2020. The report was developed over a one-year period, from September 2013 through August 2014, using quantitative data and feedback from housing stakeholders, real estate developers, lenders and policy makers.

Because Delaware has a variety of housing markets, the study also illustrates housing needs within neighborhoods and market areas. This will assist policy makers to tailor program responses to neighborhood needs and local markets, where issues of affordability, fair housing, housing shortages and blight are most relevant.

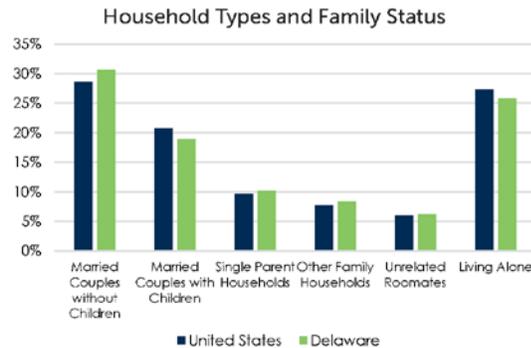
DEMOGRAPHICS

Key Facts

- Delaware is a fast-growing state, estimated to add 42,000 households between 2010 and 2020, representing 12% growth over a 10-year period.
- Household growth can largely be attributed to the influx of retirees into Delaware, attracted by tax incentives, relatively affordable housing stock and beach communities. Over 80% of projected household growth is from out-of-state households moving to Delaware.
- Delaware is less diverse racially and ethnically than national average, with 34% of the population identifying as minority, compared to the 37% in the U.S. (Minority defined as all who identify as non-white and/or Hispanic). 61% of minority households are non-Hispanic African Americans, and 23% are Hispanic. More than half of the state's Hispanic households live in the North New Castle County submarket, with significant populations also in Sussex County.
- Households are becoming smaller, impacting the types of housing most in demand. There are more unmarried adults and couples without children than in previous generations, increasing the demand for smaller units. Married couples without children and single individuals without children account for 31% and 26% of all households, respectively.



Source: Delaware Population Consortium, October 2012



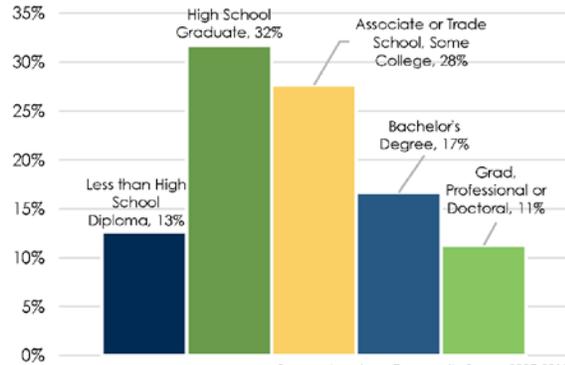
Source: American Community Survey, 2007-2011

ECONOMY

Key Facts

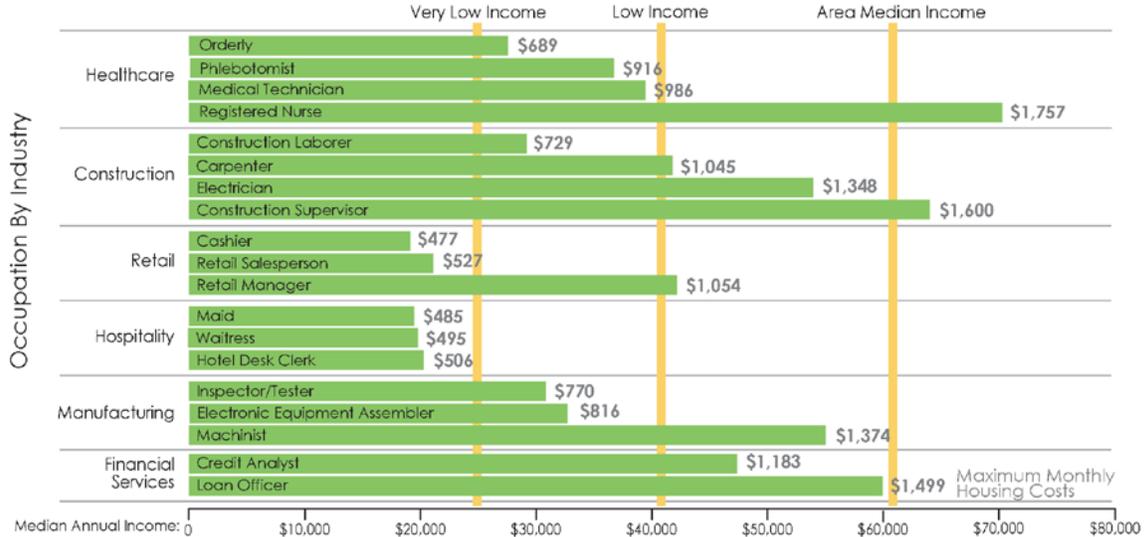
- The economic downturn of 2006-2010 substantially impacted Delaware's economy. The unemployment rate spiked from 3.4% in October 2006 to 8.4% in December 2009, and as of July 2014, is 6.2%, matching the U.S. unemployment rate of 6.2%. Industries with the biggest relative job losses were the banking and credit industries, manufacturing, and construction.
- The state's economy is slowly recovering, and is expected to add 48,450 jobs between 2010 and 2020, representing a 1.07% annual job increase. Occupations with the greatest net job gains include cashiers, retail salespersons and managers and nurses. Many current and future workers in the fastest growing industries and occupations earn low wages, making it challenging to afford market rate rental housing, let alone buy a home. For example, a cook earns below \$30,000 a year and can afford a monthly mortgage or rent payment of \$564.
- Delaware's top five industries are Finance and Insurance; Arts and Entertainment; Management of Companies; Utilities; and Healthcare. With the exception of Arts and Entertainment, the majority of these jobs require specialized training and a post-secondary education. Yet 13% of working-age Delawareans have no high school degree, and another 32% have only a high school degree, limiting the ability of many workers to access these higher paying jobs.

Educational Attainment for Adults 25+ Years Old in Delaware



Source: American Community Survey 2007-2011

Maximum Monthly Rent by Occupation Using HUD Affordability Guidelines



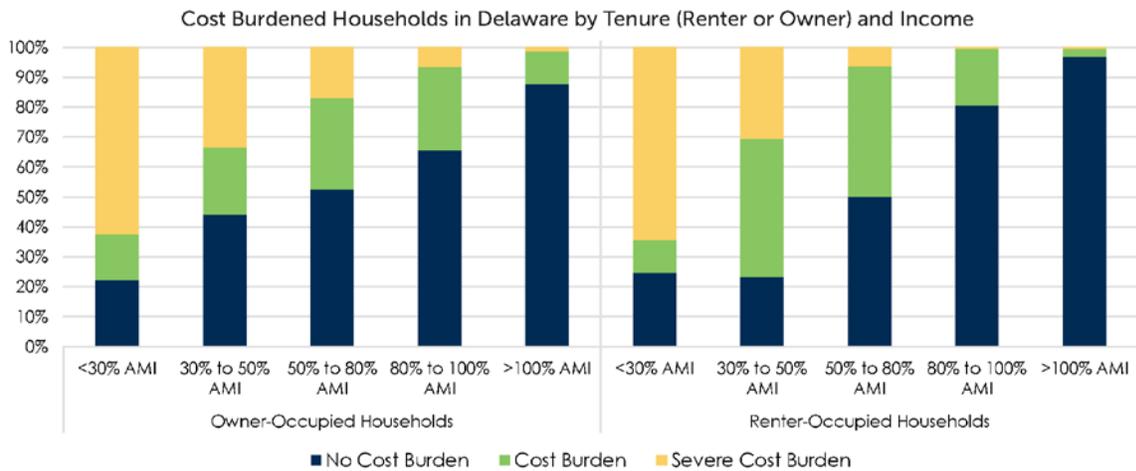
Source(s): Delaware Department of Labor, Delaware Occupation and Industry Projections, August 13, 2012; and income data from Novogradac and Company using New Castle County income limits.

DELAWARE HOUSING NEEDS ASSESSMENT

HOUSING CHALLENGES

The *Delaware Housing Needs Assessment* addresses the housing challenges families face in securing decent housing that is affordable to them. The analysis relies on a dataset published by HUD, the Comprehensive Housing Affordability Strategy (CHAS), which reports the number of households living with housing conditions, defined as follows:

- **Cost Burden** - A household is paying more than 30% of their income on housing, leaving limited funds for other necessities like food, clothing and healthcare. Households paying more than 50% of their income on housing are severely cost burdened.
- **Overcrowding** - A household is living in overcrowded conditions if there are more people than rooms. Severe overcrowding is when there are more than 1.5 persons per room.
- **Inadequate Conditions** - A household is living in inadequate conditions if they do not have complete kitchen facilities (consisting of a sink, kitchen and stove) or complete bathroom facilities (consisting of a sink, toilet, and tub or shower).
- There are currently 44,000 renters and 70,000 owners with housing challenges in Delaware, equivalent to 51% of all renters and 21% of all owners.
- Among renters, the greatest need is among very low and extremely low income renters (<30% AMI or <30% AMI), where 18,365 very low and extremely low-income renter households - with income below about \$25,000 - are severely cost burdened, paying more than 50% of their income for housing costs.
- Among homeowners, the greatest need is among extremely low income homeowners (<30% AMI), where 78% are burdened by the cost of housing, and 63% pay more than 50% of their income on housing costs.
- Hispanic (of any race) and African American homeowners are disproportionately cost burdened in comparison to White, non-Hispanic homeowners. 47% of Hispanic homeowners and 37% of African American homeowners pay more than 30% of their income on housing, compared to 12% among White, non-Hispanic households.



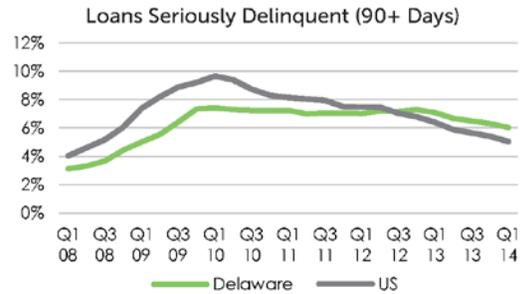
HOUSING CLIMATE

Key Facts

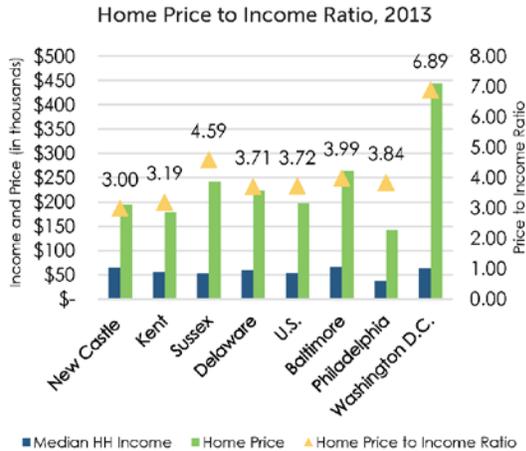
- Delaware's housing market has been extremely volatile in the past decade due to the housing bubble and ensuing collapse of the housing market, leading to an increase in foreclosures and lower home values. From 2006 to 2013, the median sale price for all homes dropped approximately 15%, while the percent of loans past due increased from 3.5% in 2006, peaked at 9.2% in 2010, and had fallen to 6.8% in the second quarter of 2014.
- Fewer households of all ages are homeowners. The greatest drop in homeownership rates is among 35 to 44 year old homeowners, followed by homeowners less than 35 years old, reflecting changes in housing preference, high unemployment and more stringent lending practices.
- More households are renters now than any time in the past 20 years, increasing demand for rental housing stock and limiting availability of rental housing for low income households. Because residential construction has largely focused on single family development in the past two decades, much of the current rental housing stock is older and likely in need of repairs.

	Delaware		U.S.	
	Number	%	Number	%
All Housing Units	403,095	100%	131,034,946	100%
Occupied Rental Units	90,029	22%	38,864,600	30%
Occupied Owned Units	242,808	60%	75,896,759	58%
Vacant Units	70,258	17%	16,273,587	12%
For Rent or Rental	12,103	3%	3,923,897	3%
For Sale or Sold	8,904	2%	2,520,015	2%
Seasonal	38,890	10%	4,885,710	4%
Migrant Workers	182	0%	34,398	0%
Other	10,179	3%	4,909,567	4%

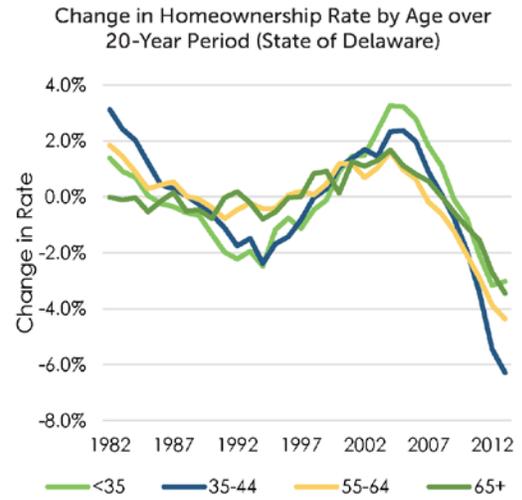
Source: American Community Survey 2007-2011



Source: Mortgage Bankers Association, National Delinquency Survey



Source: American Community Survey 2007-2011



Source: American Community Survey 2007-2011

For the full report and interactive reporting portal, please visit: <http://www.destatehousing.com>

DELAWARE HOUSING NEEDS ASSESSMENT

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