



DELAWARE STATE HOUSING AUTHORITY

Statewide Housing Needs Assessment 2015 - 2020



Structure Of Report

Housing Needs Assessment

I. Introduction

II. Demographics, Land Use, Economy

III. Households with Housing Challenges

IV. Housing Demand

V. Other Housing Issues

VI. Market Valuation Analysis

VII. Trends in Housing Policy

VIII. Online Housing Portal

IX. Next Steps



I. INTRODUCTION

Purpose

- Data-driven yet approachable and understandable
- Estimated housing demand (renter and ownership) from 2015-2020
- Analysis at the neighborhood and market level
- Understanding what drives markets
- Overview of influential housing trends shaping policy
- Online reporting function



Process

- Raw data collection and analysis
- Geocoding data to understand neighborhood and market level information
- Field surveys for Market Value Analysis and substandard housing assessment
- Phone and email surveys for special needs, public housing and development trends
- Phone interviews with county planning offices
- Preliminary presentation February 2014 for initial findings
- Coordinate data into SQL Server and ESRI reporting tool for online reporting



II. DEMOGRAPHICS, LAND USE AND ECONOMY

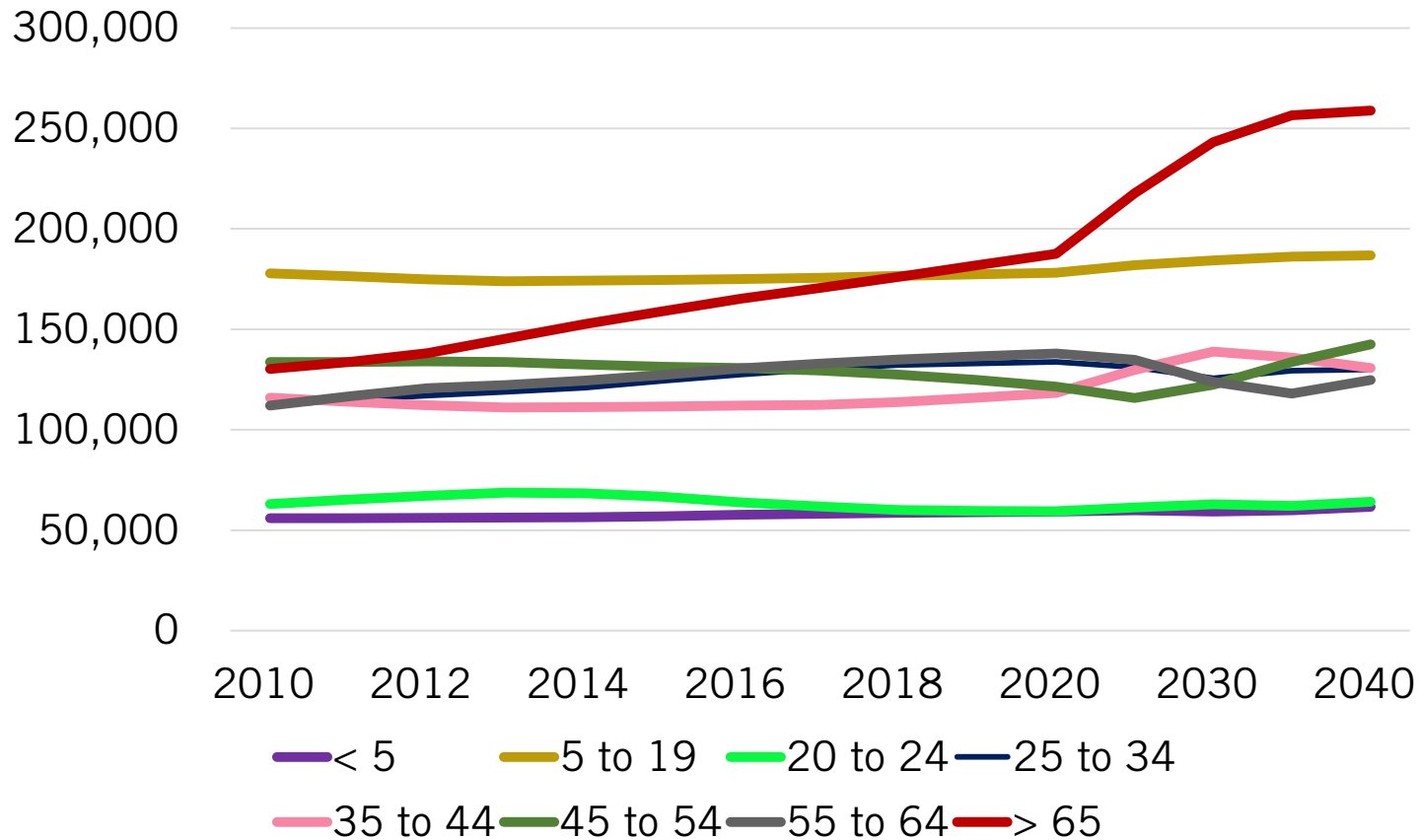
Changing Demographics

- Household growth, particularly among retirees
- Smaller families, but more “doubling up”
- Fewer homeowners and more renters than in 2000s
- Rise of the “supercommuter”
- Growing minority population, especially persons of Hispanic descent
- Concentrations of minority families living in poverty



More Older Residents

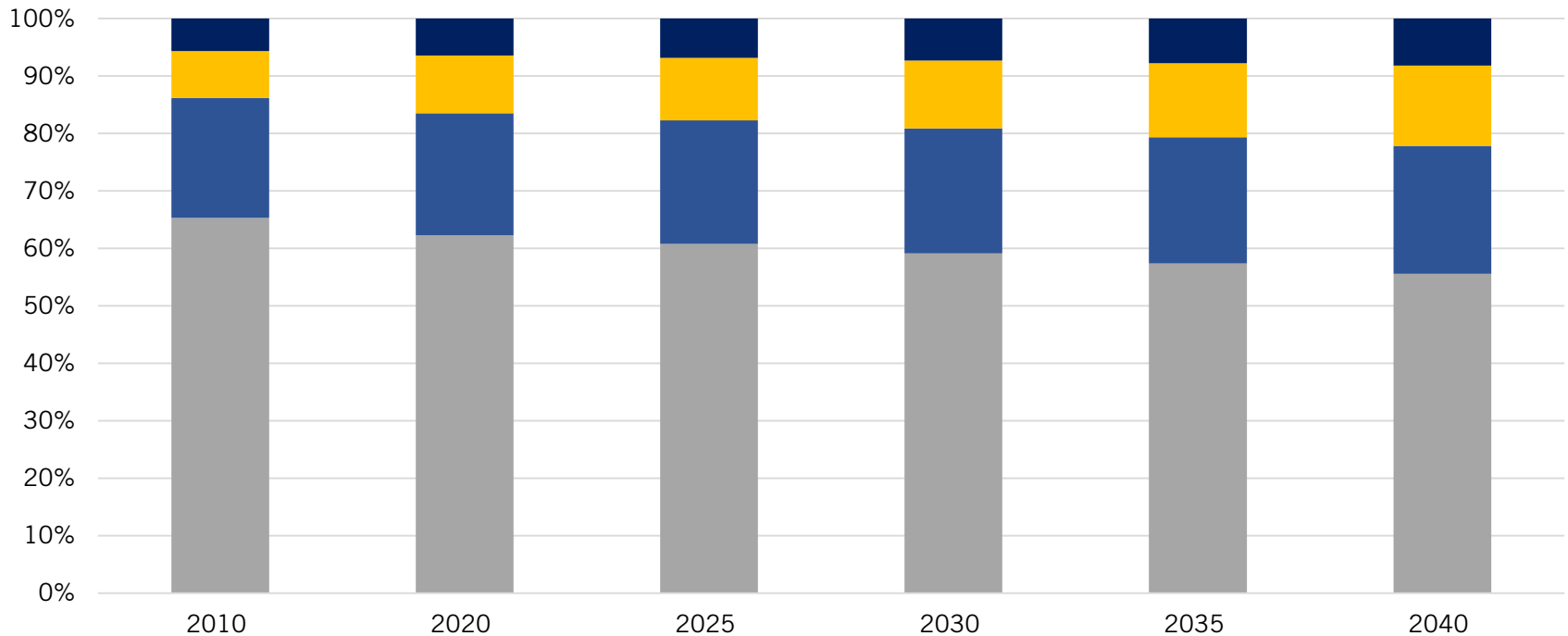
Population Growth by Age



Source: Delaware Population Consortium, 2013

Growing Minority Population

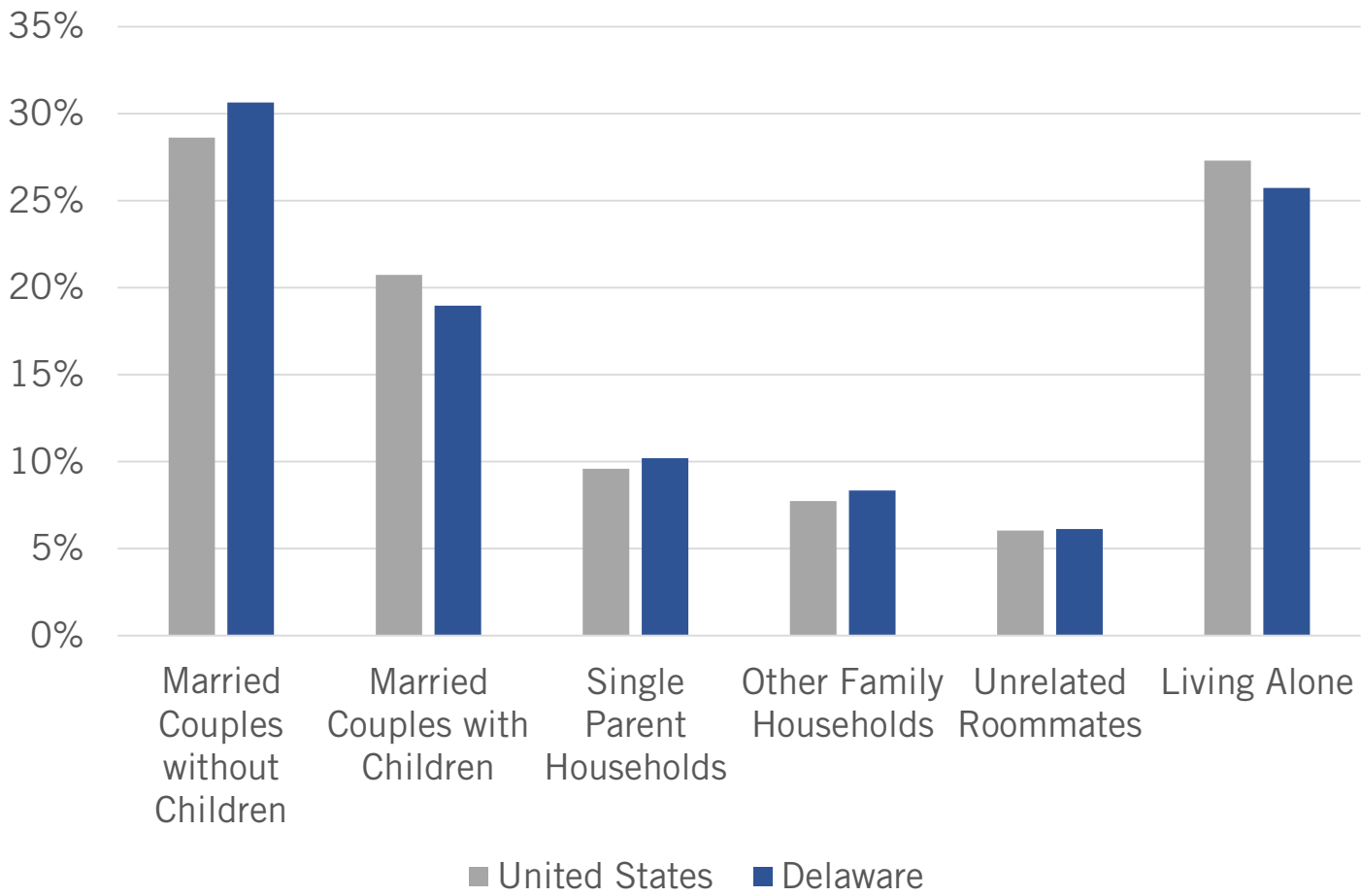
Delaware Population Projections by Race & Ethnicity



- All Other Races, Non-Hispanic (Includes 2 or More Races)
- Hispanic
- African American, Non-Hispanic
- White, Non-Hispanic

Source: Delaware Population Consortium, 2013

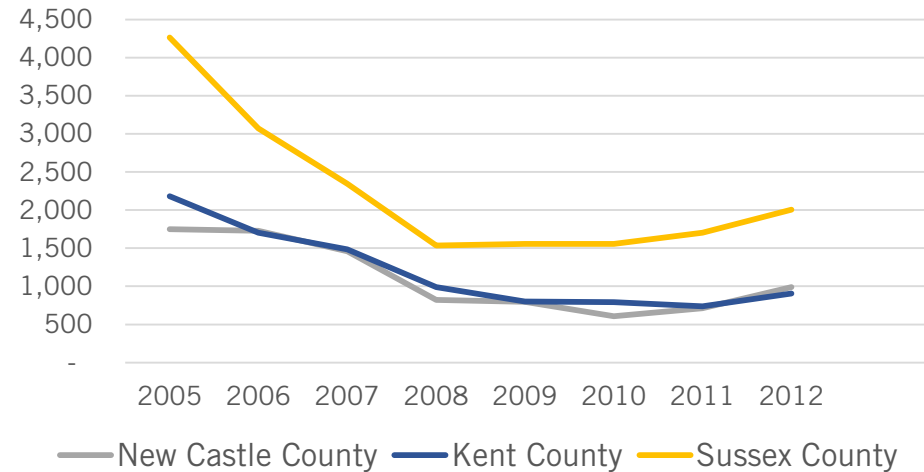
Smaller Households



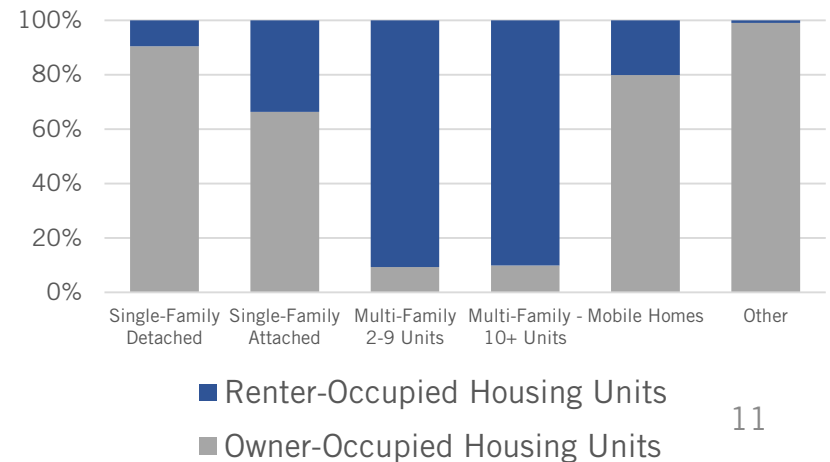
Land Use And Growth

- Exurban development
 - Rapid growth stalled by recession
 - “Leapfrogging”
- Retirement communities
 - Affordable near-coastal development
- Revitalization in Wilmington
 - Stabilizing neighborhoods
 - Effort to attract middle class
- Aging Suburbs
 - Some showing initial signs of distress

Building Permits for Residential Units



Housing Unit Type by Tenure



Land Use Trends – Housing Types

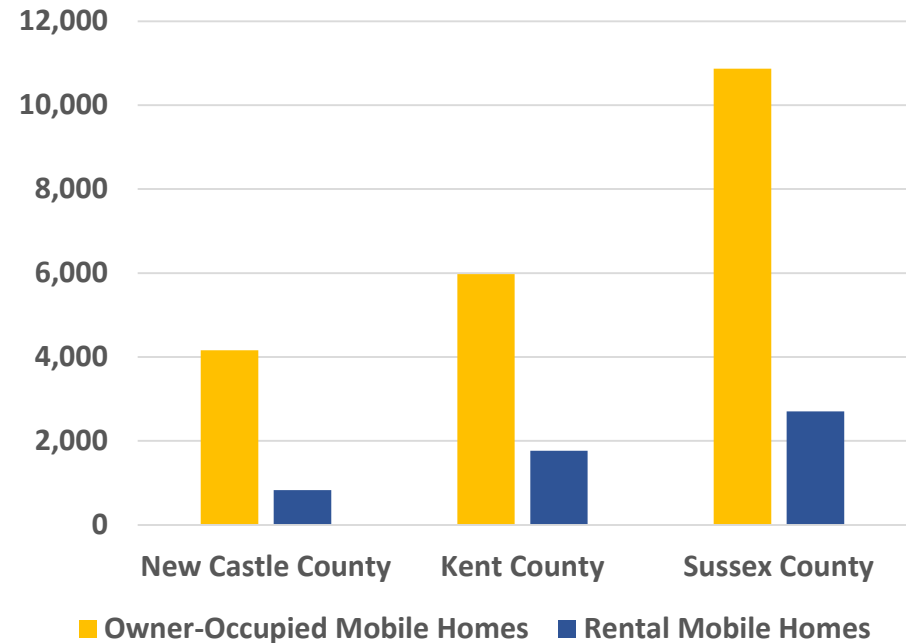


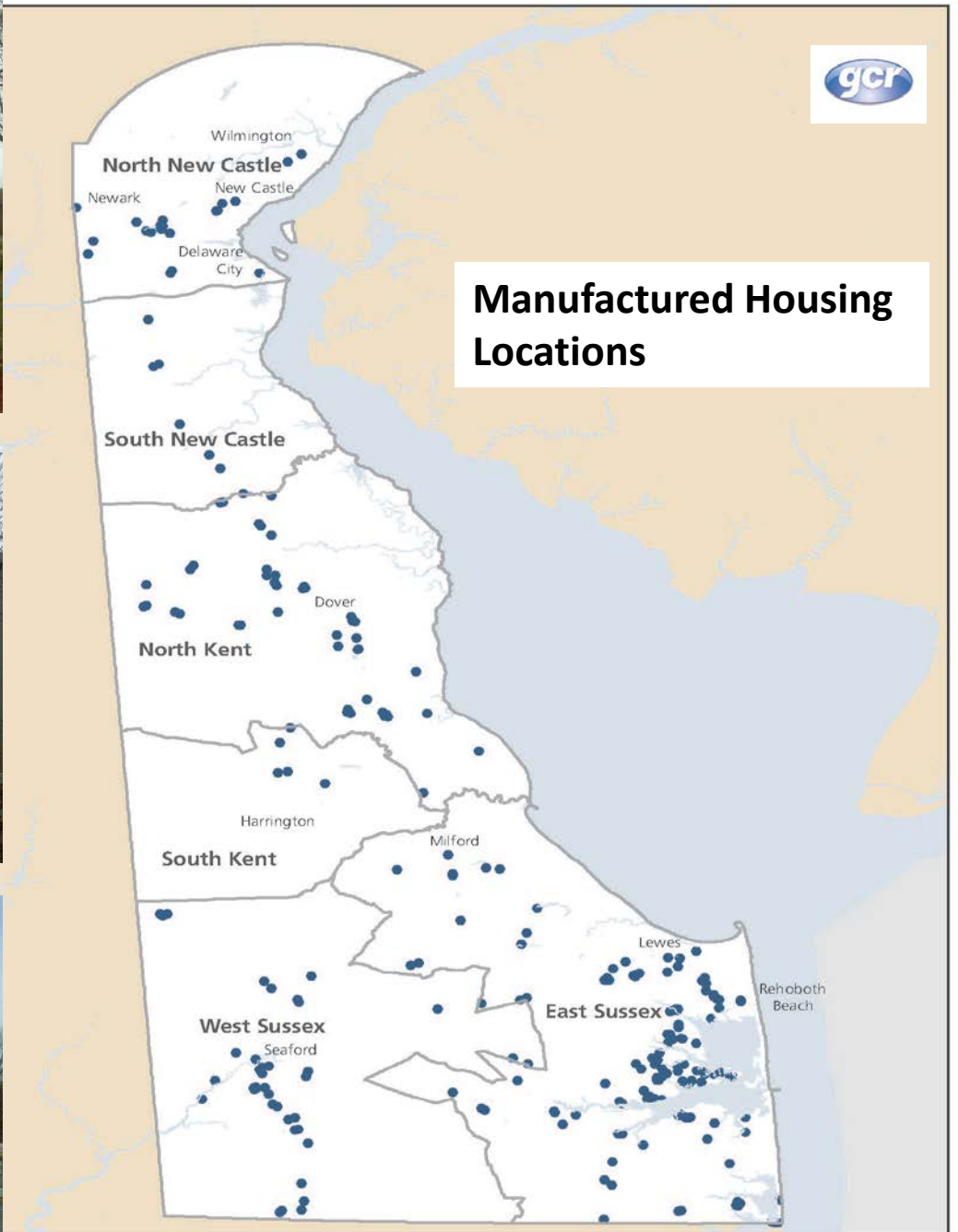
Land Use – Manufactured Homes

	All Units	Manufactured Housing Units	As % of All Units
Delaware	403,095	38,808	10%
New Castle	216,801	5,233	2%
Kent	64,616	8,653	13%
Sussex	121,678	24,922	20%

Source: U.S. Census, ACS 2007-2011

Manufactured Homes by County

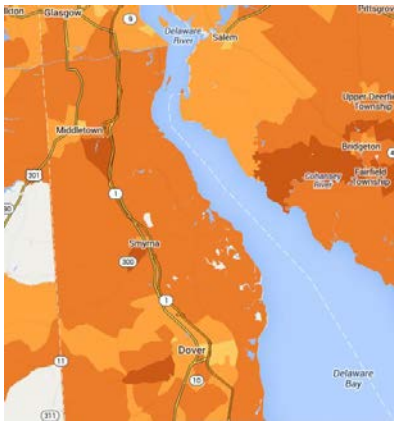
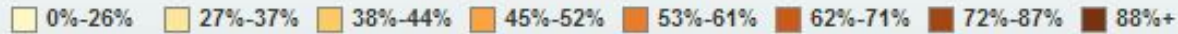




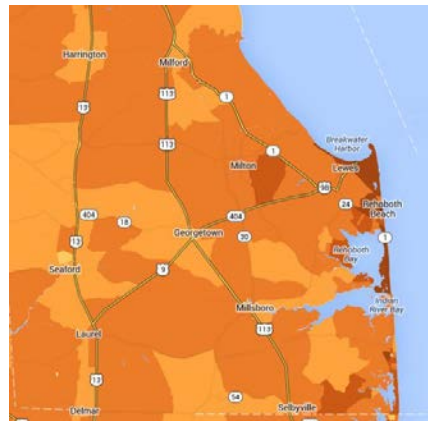
HUD Location Affordability Index

Location Affordability (Housing and Transportation, % of Income)

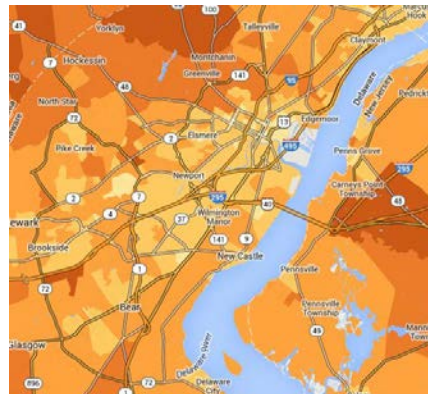
Regional Typical Household



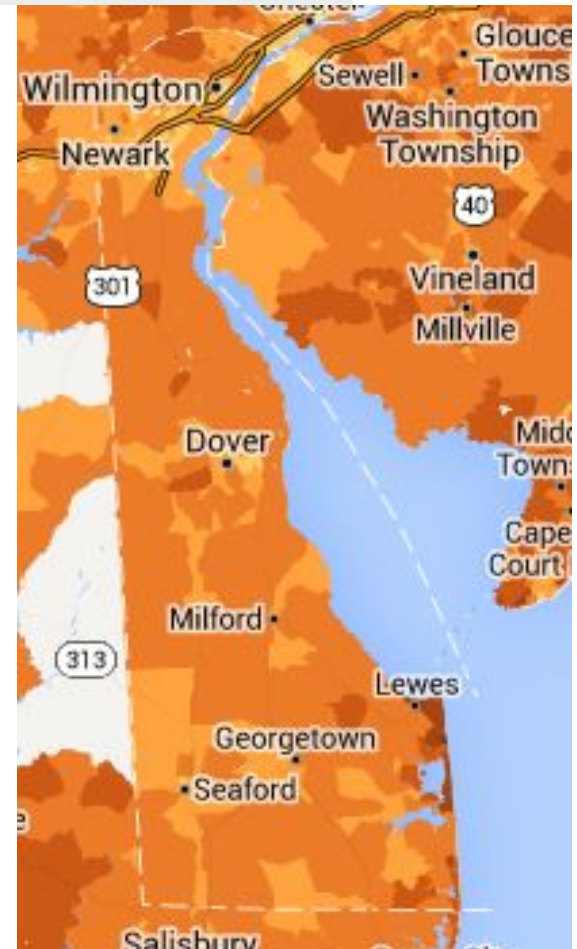
Kent County



Sussex County



New Castle County



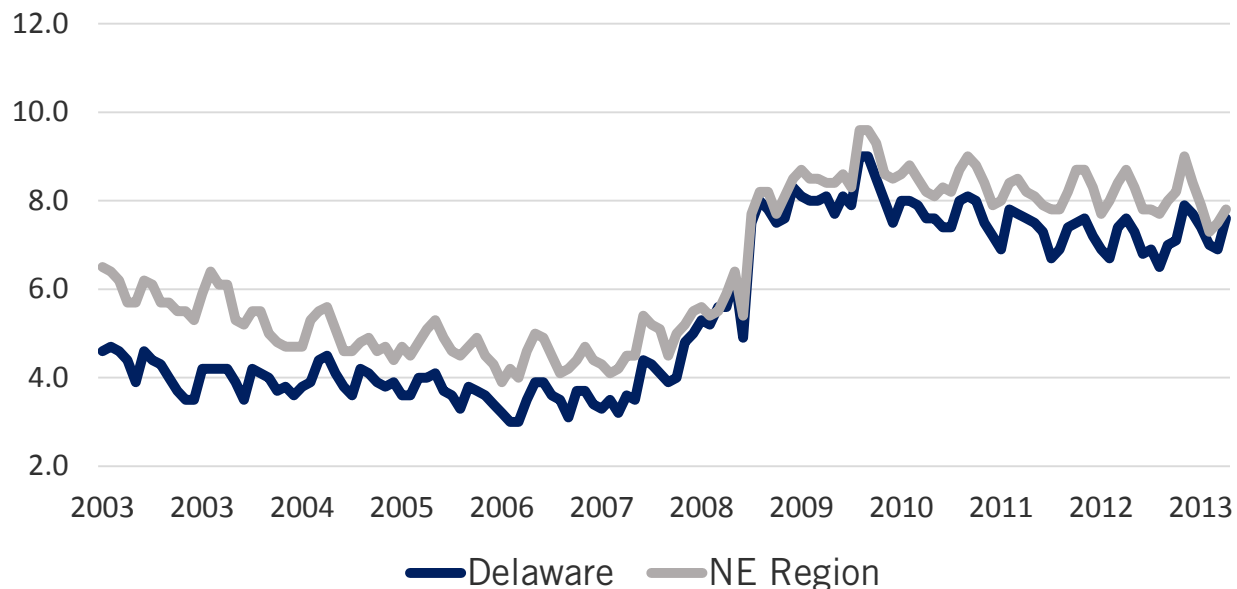
Source: <http://www.locationaffordability.info/>

- High combined costs for coastal areas in Sussex County
- Lowest costs found in urban areas

Slowly Recovering Economy

- Fared better than U.S. but significant job loss
- Banking, construction and manufacturing industries most impacted
- Job growth expected to be sluggish, strongest in health care and service industries

Monthly Unemployment, Not Seasonally Adjusted

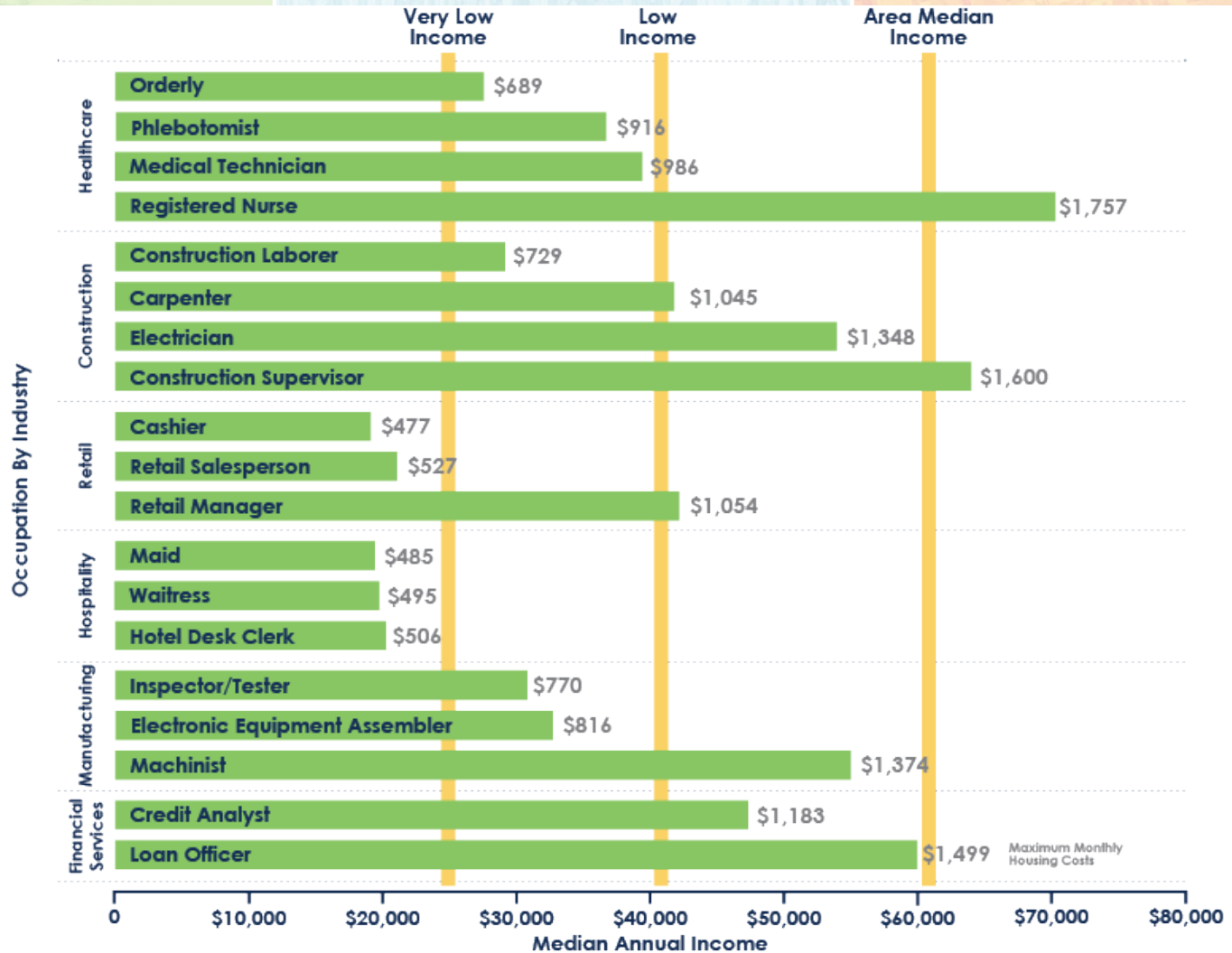


Source: U.S. Bureau of Labor Statistics

Workforce Housing

Many jobs anticipated to serve a growing population are within lower-wage occupations and are located in high cost areas like suburban New Castle and East Sussex, leading to housing affordability challenges.

Housing Affordability By Occupation



Source: GCR Inc. using wage data from Delaware Department of Labor and HUD income data from Wilmington MSA 2013



III. HOUSEHOLDS WITH HOUSING CHALLENGES

Households With Housing Challenges

- Uses HUD Comprehensive Housing Affordability Strategy 2006-2010
 - Households with housing problems include:
 - Households who are cost burdened
 - Households residing in inadequate housing units
 - Households who are overcrowded
- Households with special needs
 - Homeless and at Risk of Homelessness
 - Disability
 - Other

Housing Challenges Summary

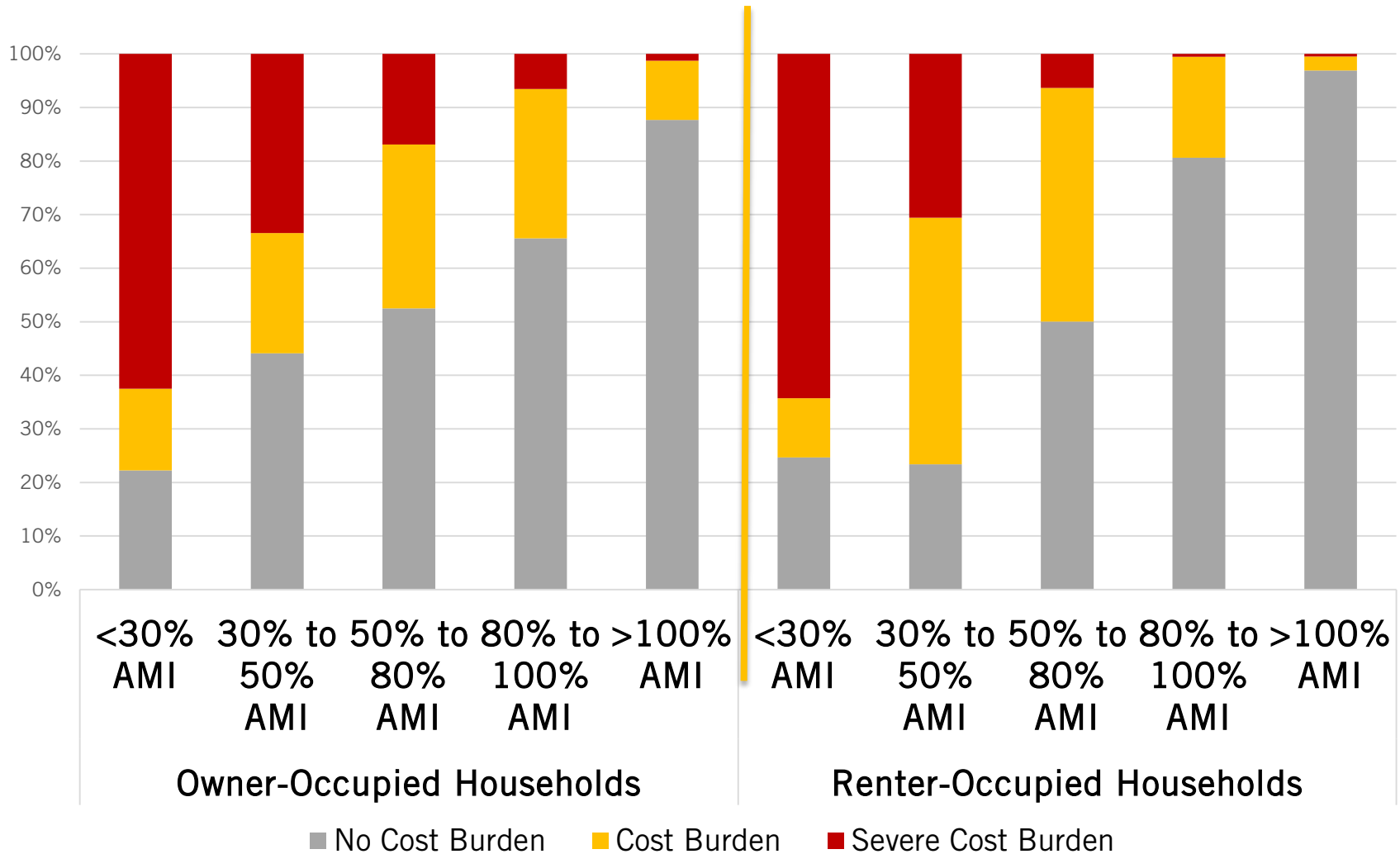
- Extremely Low Income renters and owners (<30% AMI) severely cost burdened
- 4 in 5 Very Low Income renters (<50% AMI) are cost burdened
- Moderate income homeowners also challenged by housing prices
- Hispanic and African American families are disproportionately burdened by the cost of housing
- Seniors and large families are disproportionately challenged (percent)

Income Ranges for 1-Person Households

County	30% AMI	50% AMI	80% AMI
New Castle	\$19,020	\$31,700	\$50,720
Kent	\$15,930	\$26,550	\$42,480
Sussex	\$14,280	\$23,800	\$38,080

Source: HUD Income Limits 2013, Novogradac and Company

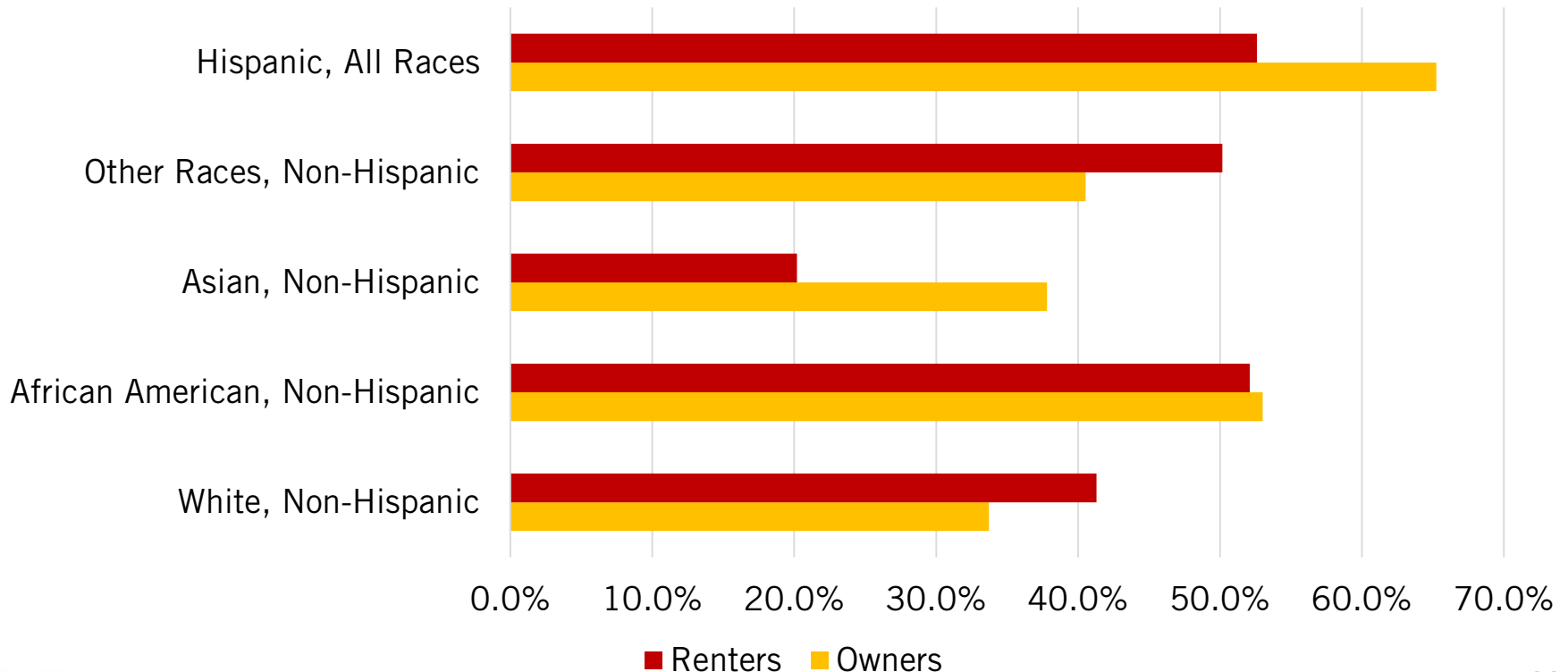
Cost Burden By Income and Tenure



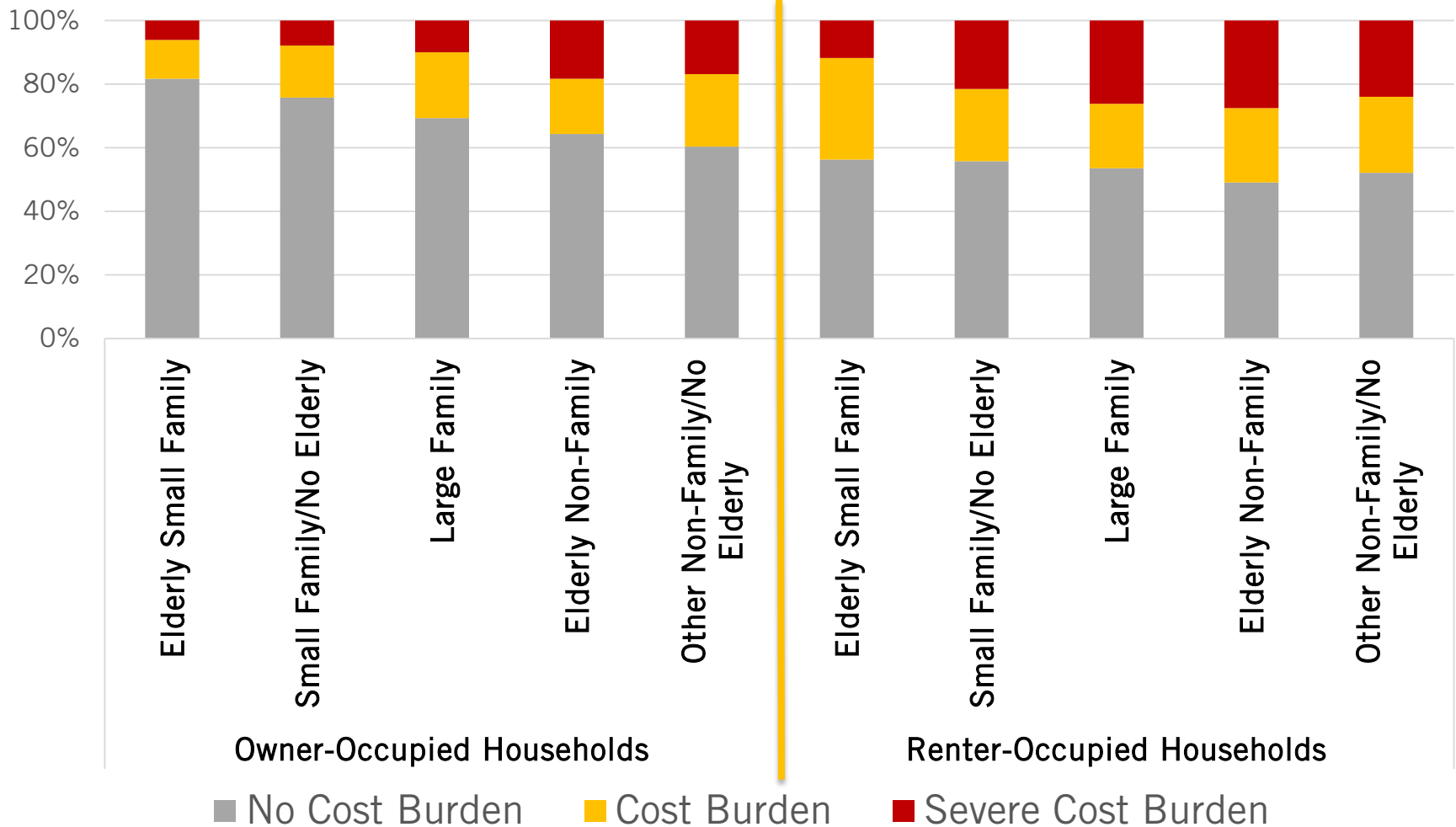
Source: HUD CHAS, 2006-2010

Cost Burden By Race and Ethnicity

- More than 60% of Hispanic homeowners are cost-burdened
- More than half of African American and Hispanic renters are cost burdened

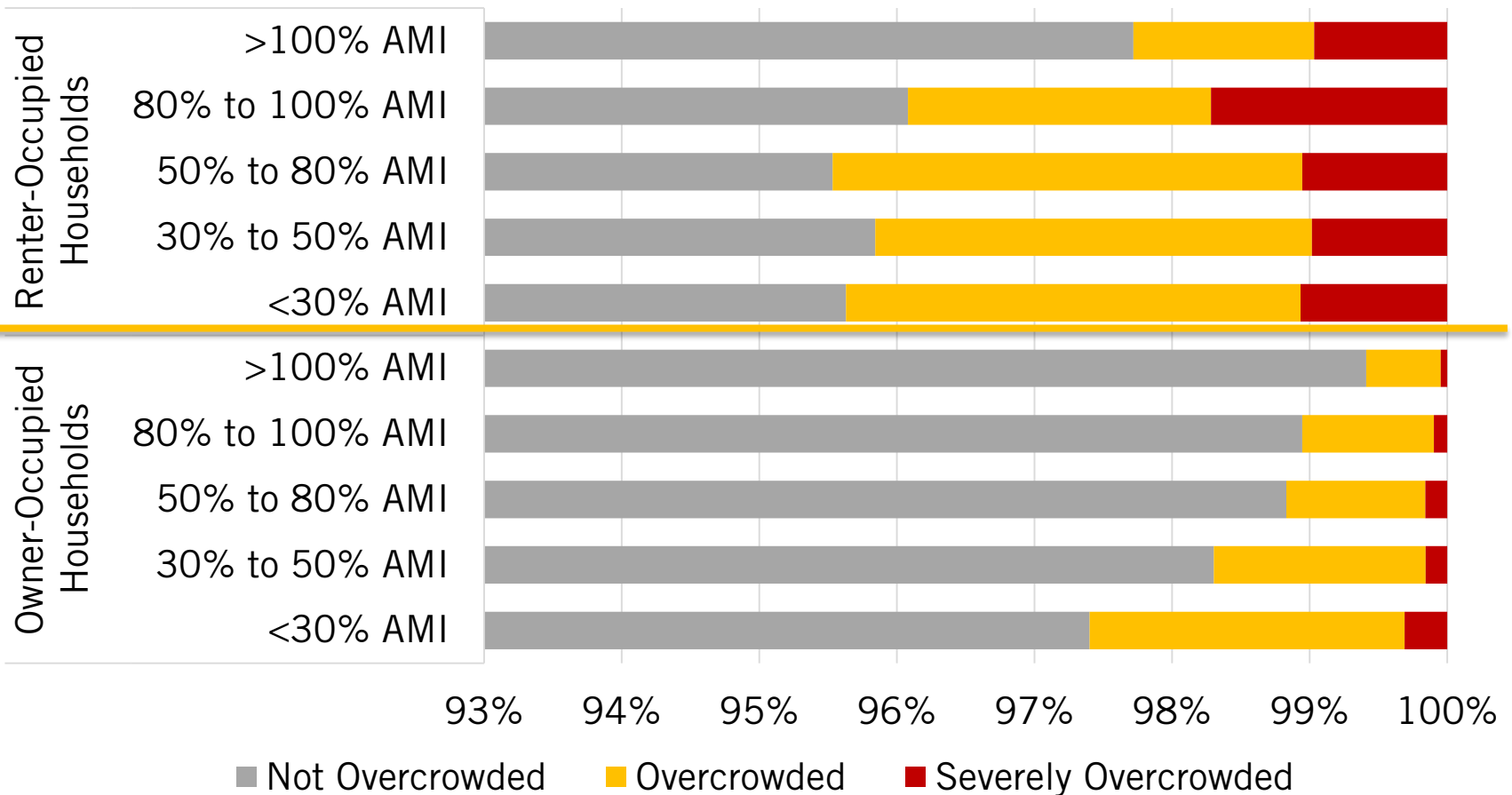


Cost Burden By Family Type

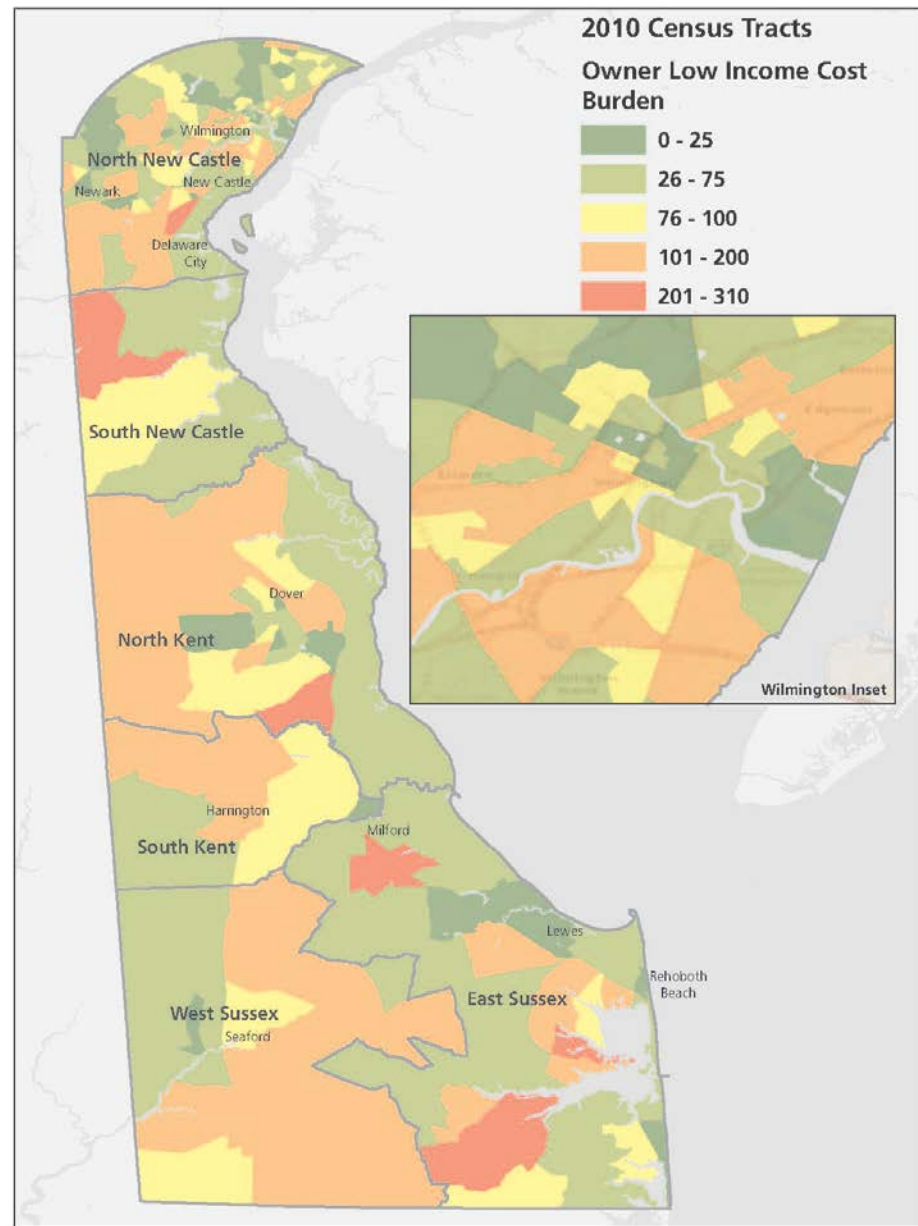
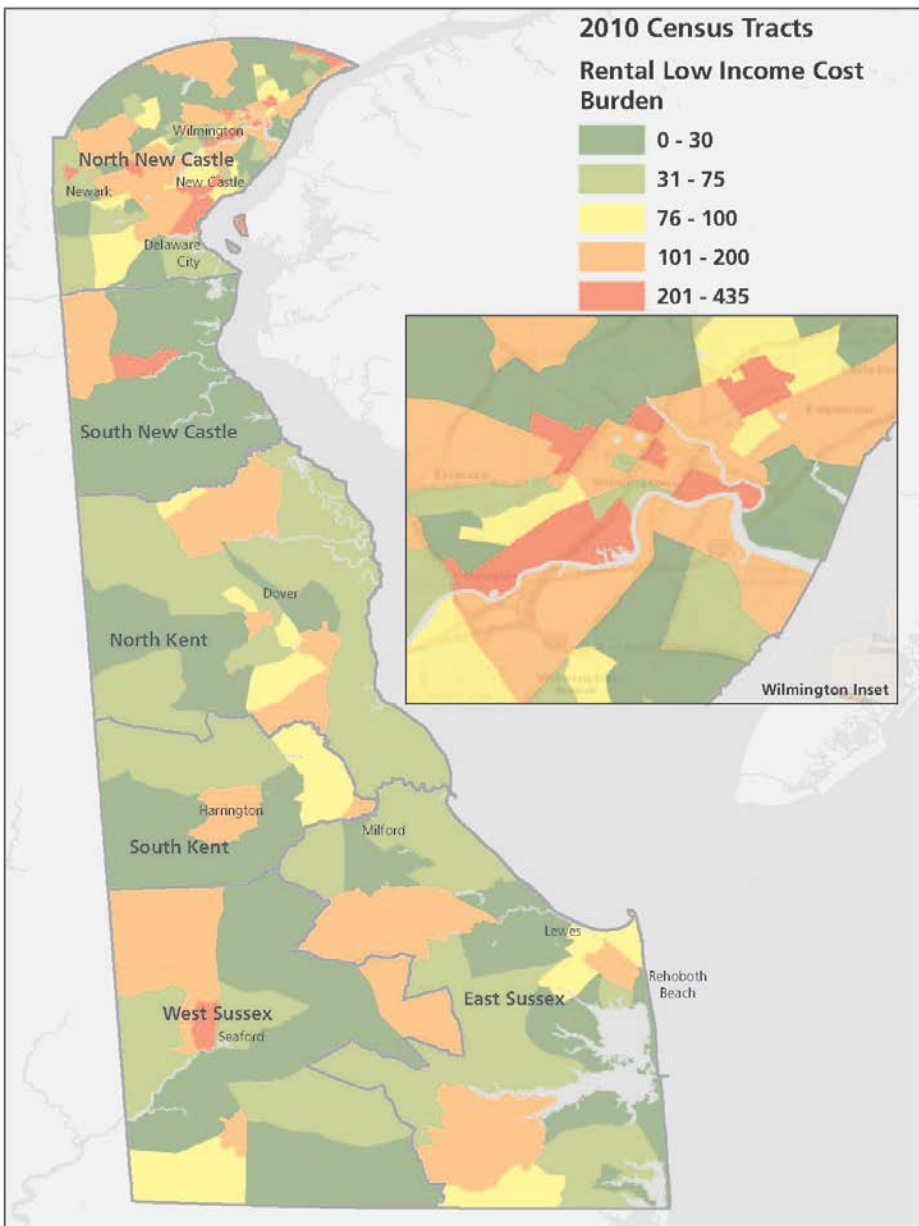


Overcrowding

In Delaware, overcrowding more of an issue among renters and extremely low income owners



Source: HUD CHAS, 2006-2010



Low Income Households Who Have Housing Cost Burdens by Census Tract

Source: HUD CHAS 2006-2010

Households With Special Needs

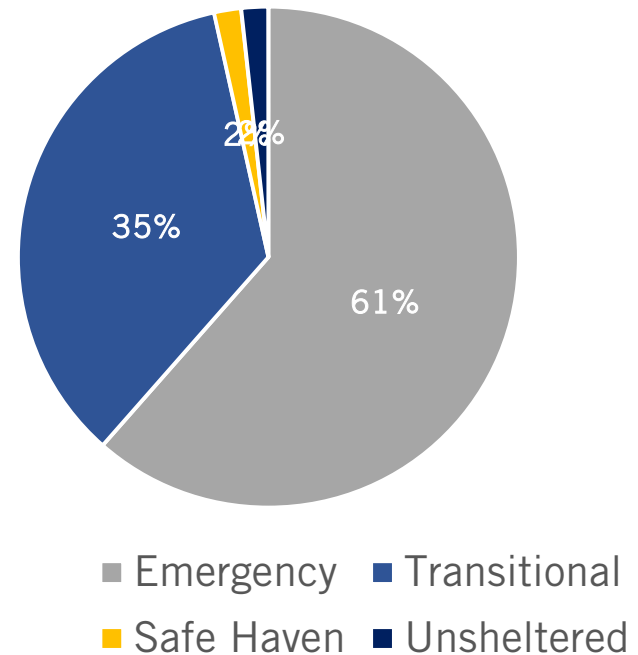
- **Homelessness and Those At Risk**
 - Veterans
 - Chronic Substance Abuse
 - Youth Aging Out of Foster Care
 - Ex-Offenders
- **Disabled Populations**
- **Other Populations**
 - Persons with HIV/AIDS
 - Victims of Domestic Violence
 - Migrant and Seasonal Workers

SURVEY RESPONSES
I. Developers
LNWA
Green Street Development
Delaware Valley Development Company
Better Homes of Seaford
Interfaith Community Housing
MHDC
II. Special Needs
Homeless Planning Council of Delaware
Division of Substance Abuse and Mental Health
Division of Developmental Disabilities Services
Division of Services for Aging and Adults with Physical Disabilities
Arc of Delaware
Department of Services for Children, Youth and their Families
Connections CSP
New Castle County Section 8
Department of Correction

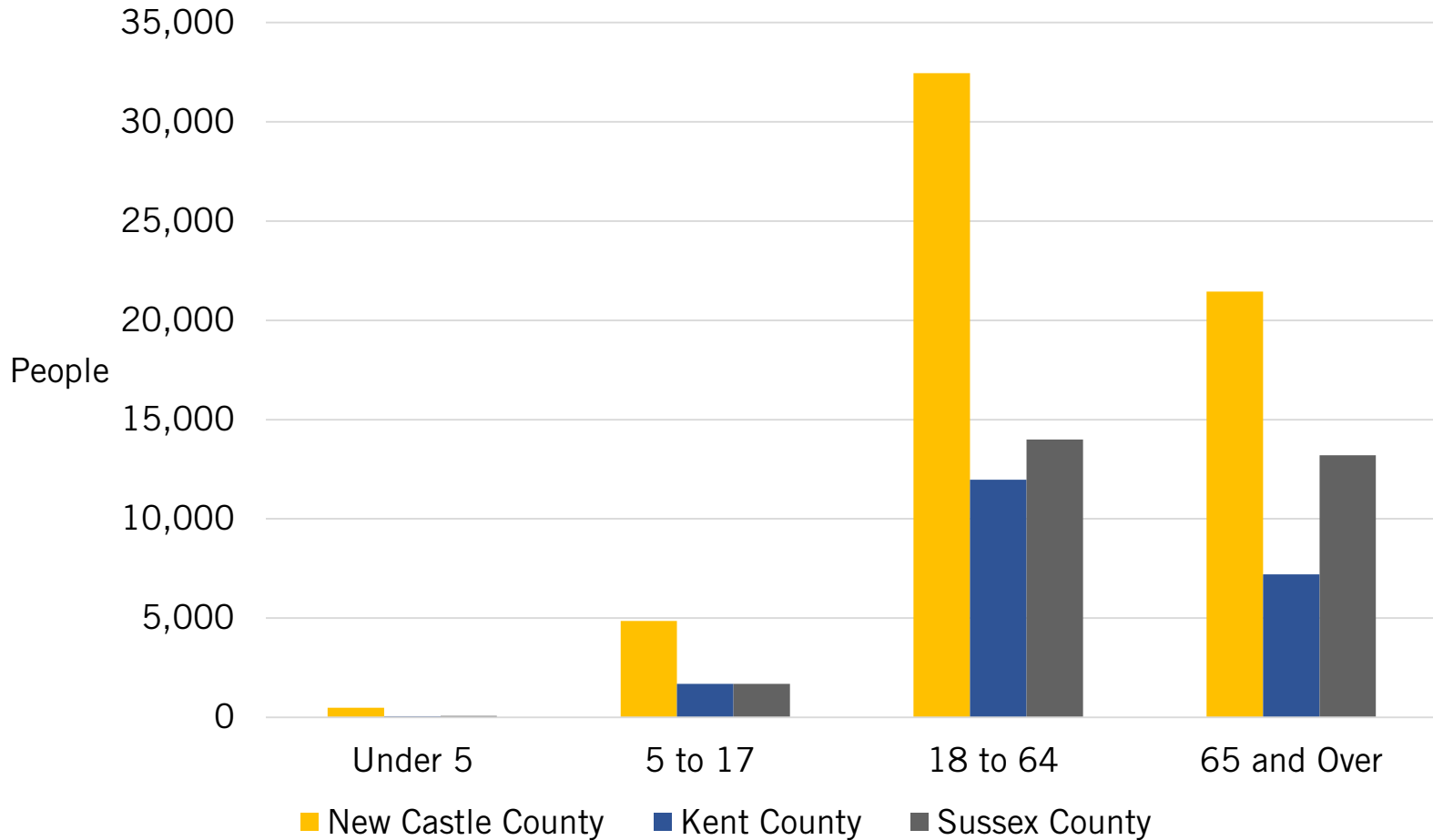
Homelessness And Those at Risk

- Contributing Factors to Homelessness
 - Lack of income, high cost of housing, interpersonal violence, disabling health conditions
- Cost of Homelessness
 - One emergency shelter bed costs \$13,042 annually
- Prevention Strategies
 - Foster children aging out of system
 - Recently released ex-felons
 - Battered women
 - Supportive services

2013 State of Delaware
Point in Time Count



Disability by Age



Source: American Community Survey 2007-2011

U.S. Department Of Justice Olmstead Decision

- 7,000 people in target population-serious and persistent mental illness
- Expanded drop-in centers and peer-to-peer counseling
- Our Care Transitions Program provides wrap around services, flexible spending pool for community based services
- Crisis services: crisis hotline, mobile crisis teams, crisis walk-in centers, crisis stabilization services, crisis apartments
- DSAMH doubled its 150 voucher goal in the 2nd year; 2014 program slated to allocated 750 vouchers



IV. HOUSING DEMAND

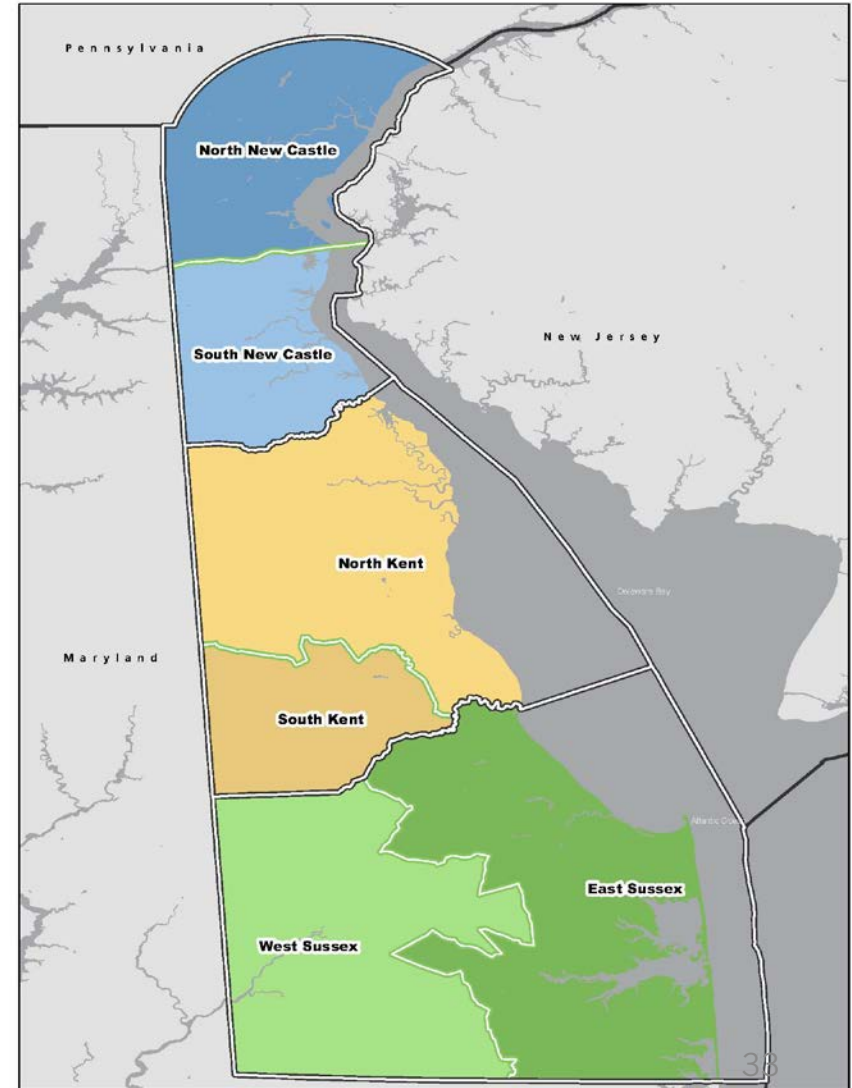
Housing Demand – Overview

- Rental housing – more renters and an aging rental housing stock
- Smaller units – more single persons and small families
- Less expensive homes - reaction to the collapse of the housing market 2007/08
- Senior homeownership demand
- Increased demand in New Castle despite slower population growth – make up for limited development in recent years
- Continued demand from out-of-state retirees, especially East Sussex, tempered by existing vacant or not-yet-built units

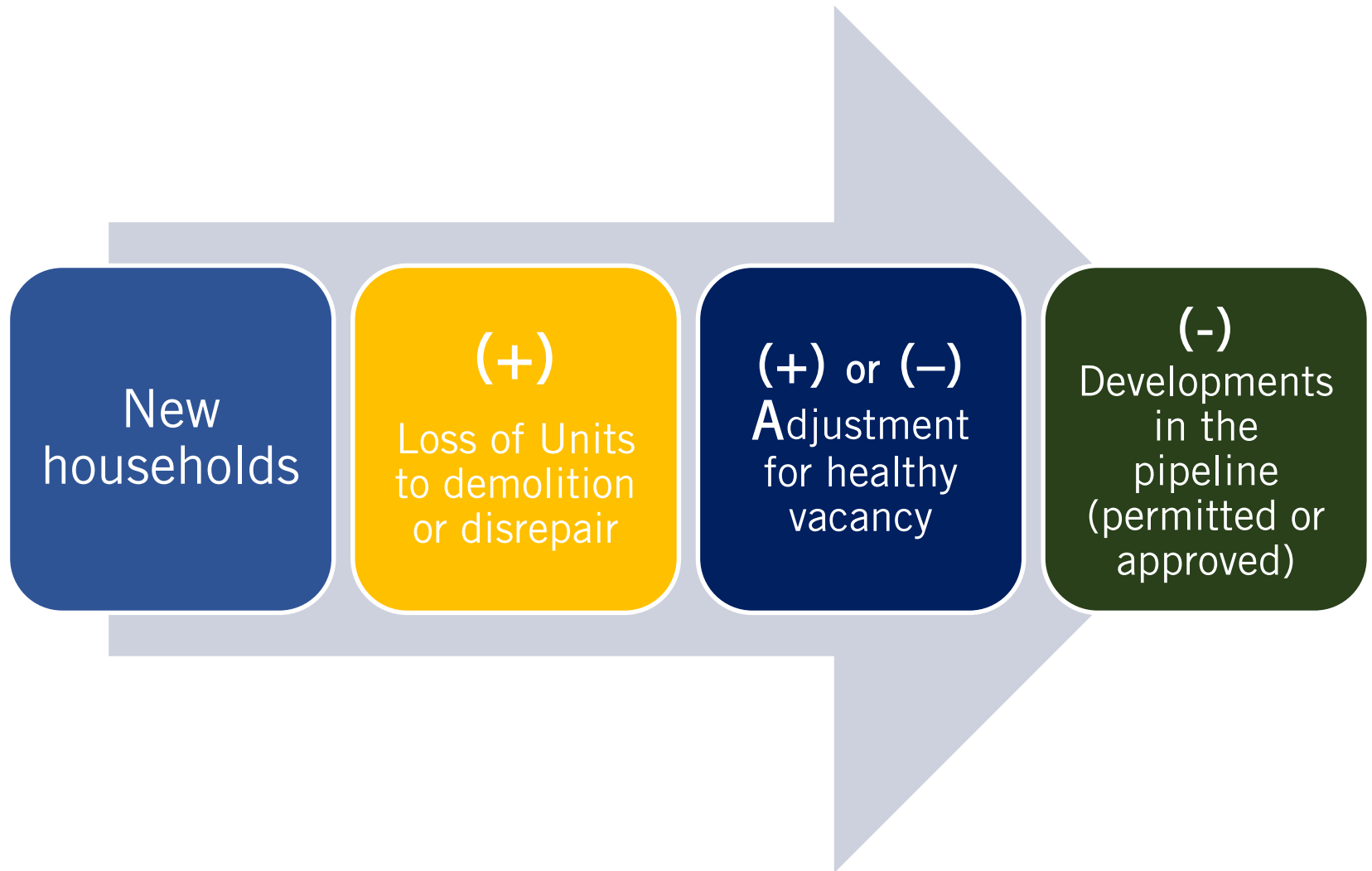
Analysis By Submarket

Six Submarkets divide counties to provide more targeted data and housing solutions.

Submarkets align with Census County Divisions (CCDs), which the state uses to report and analyze data.

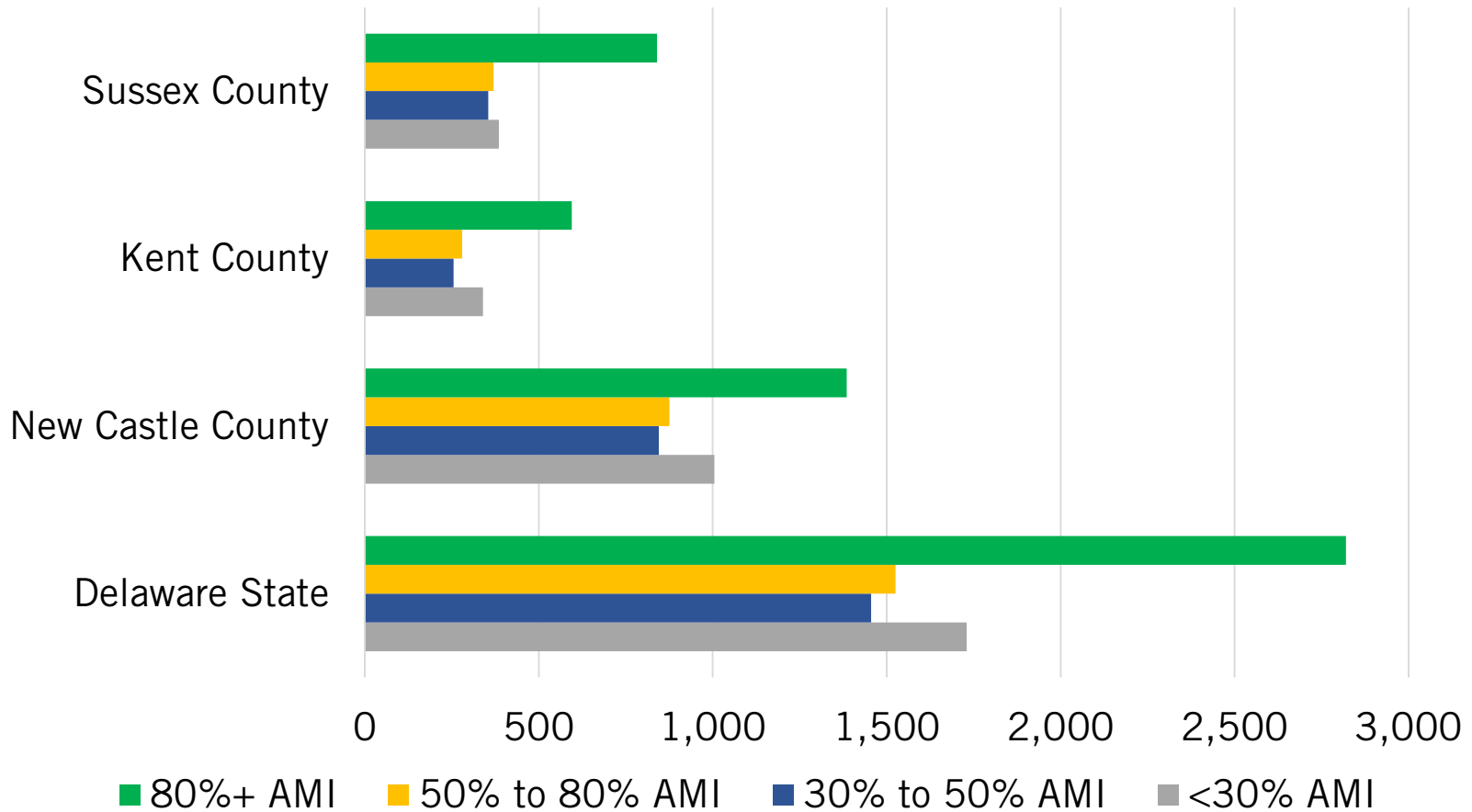


Housing Demand Model – Methodology



Estimated Housing Demand 2015-2020

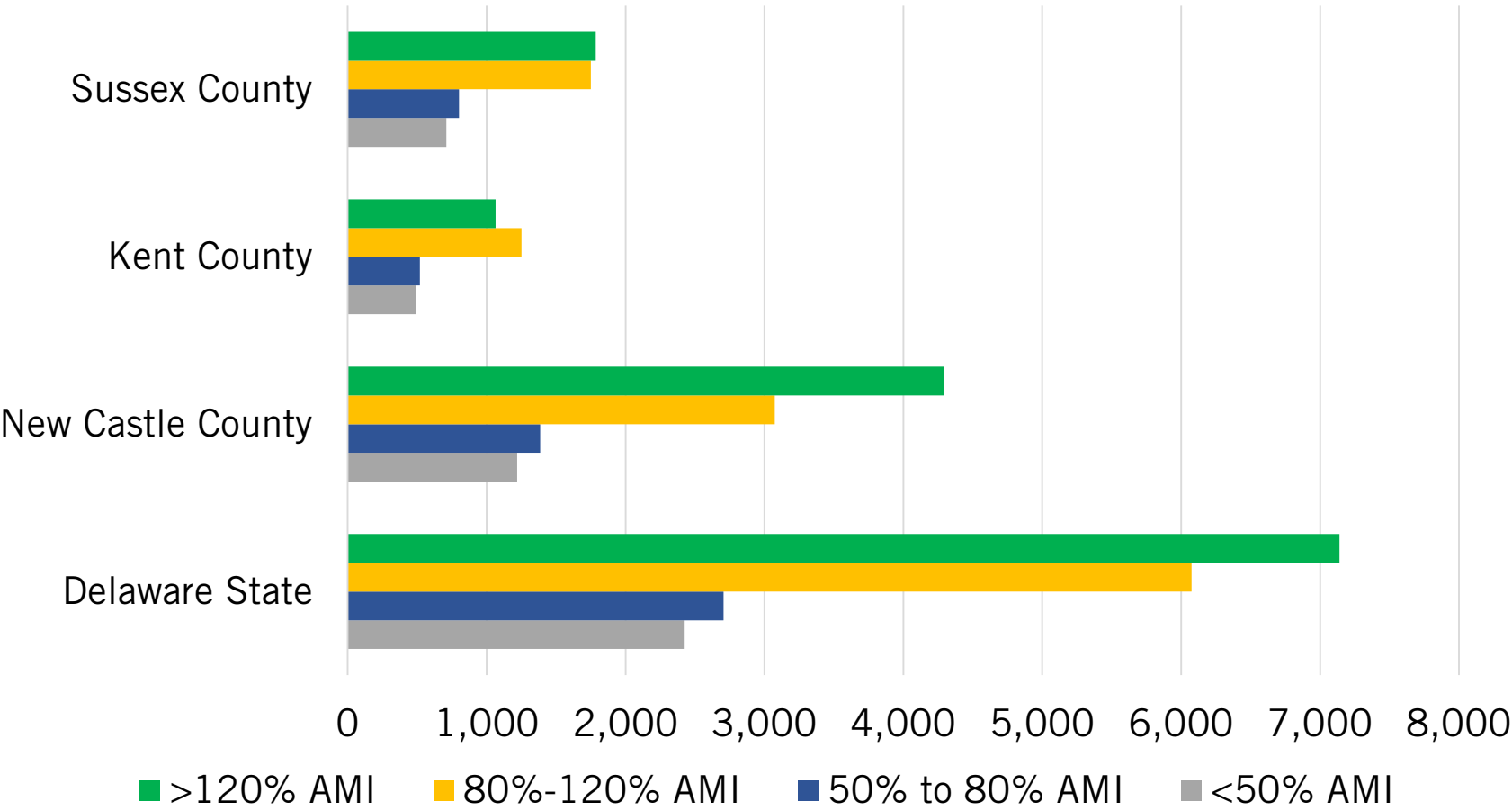
Rental Housing



Source: GCR Inc.

Estimated Housing Demand 2015-2020

Homeownership

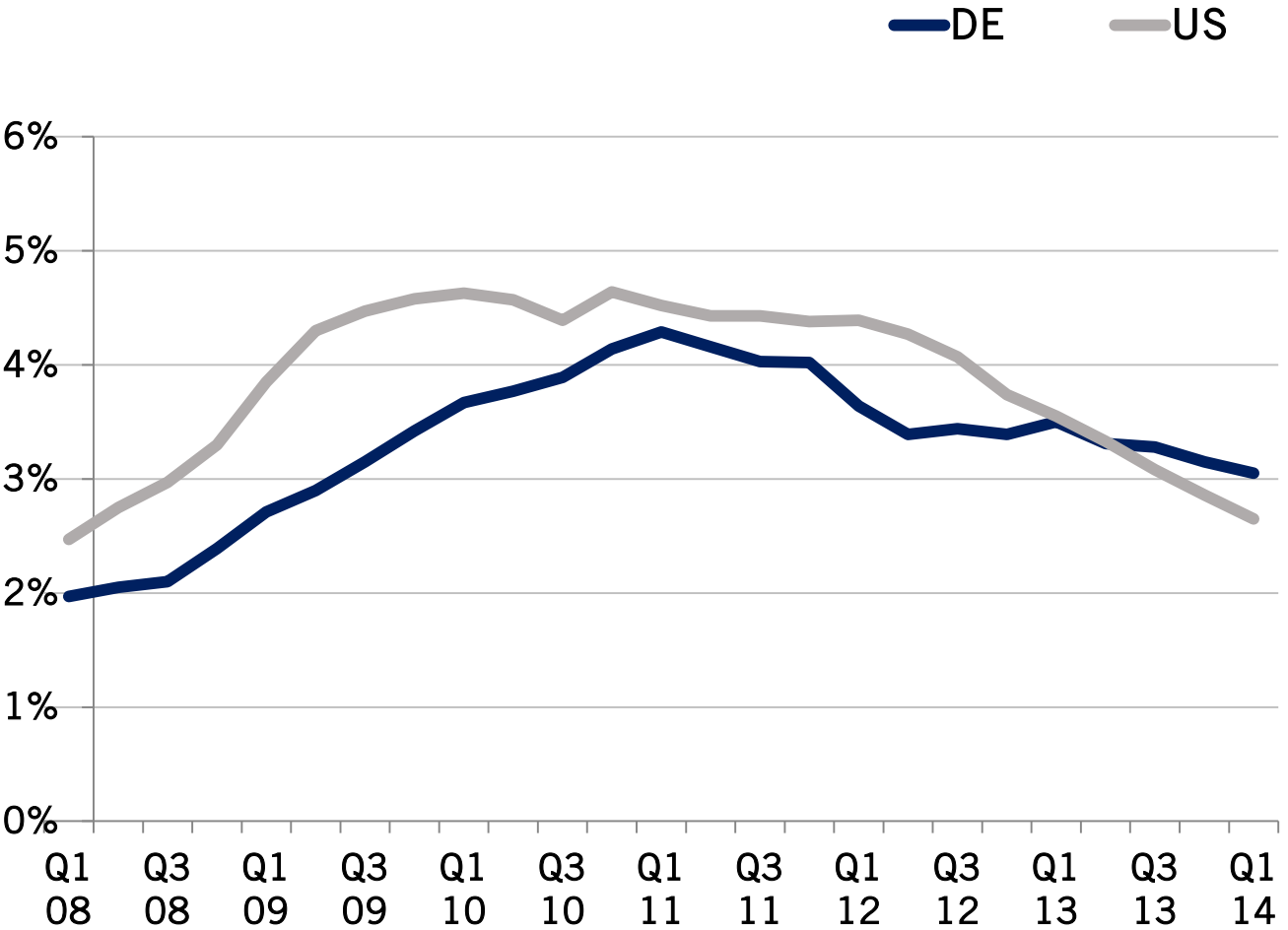


Source: GCR Inc.



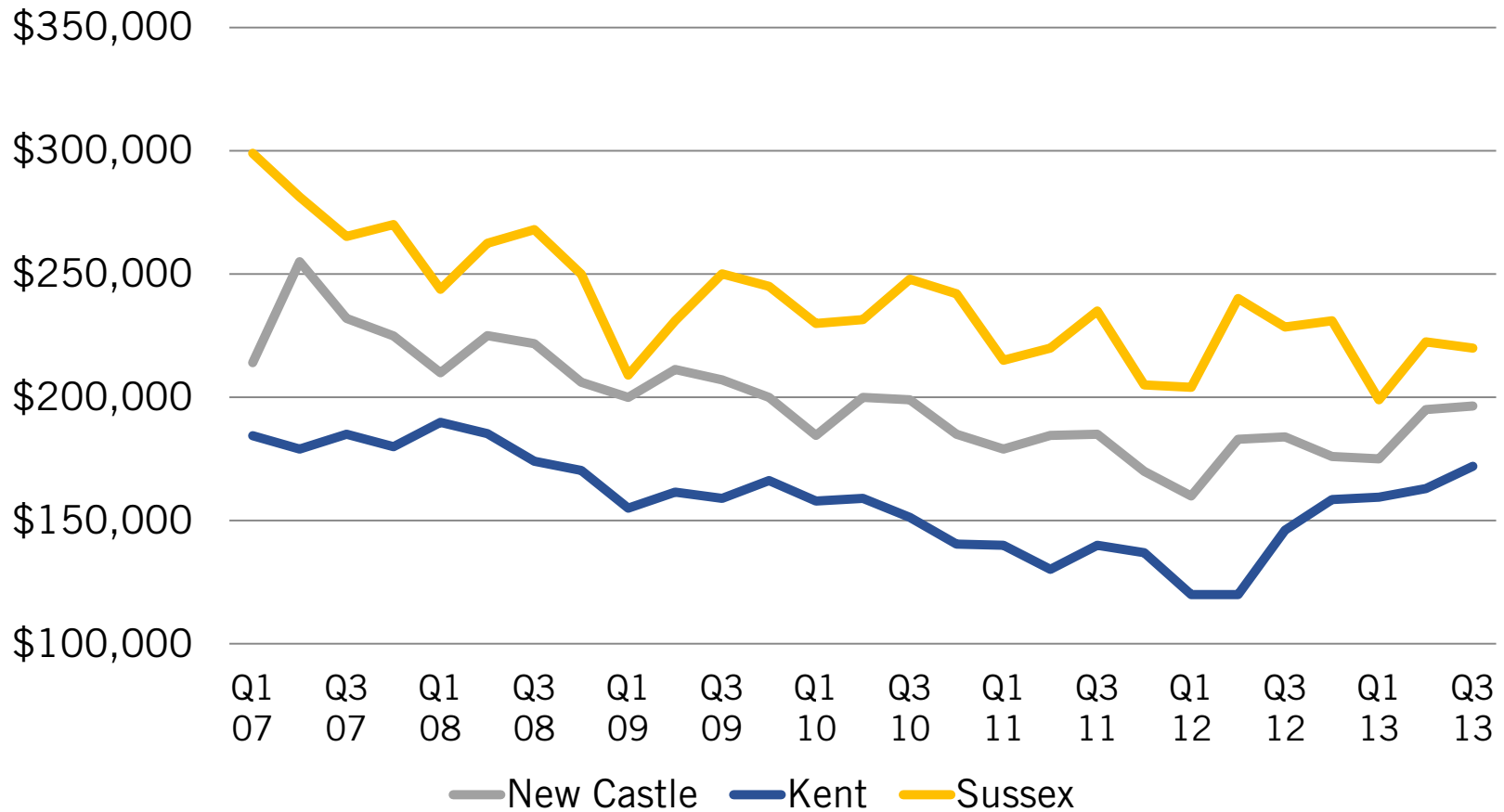
V. OTHER HOUSING CONCERNS

Foreclosure Inventory



Source: Delaware State Housing Authority

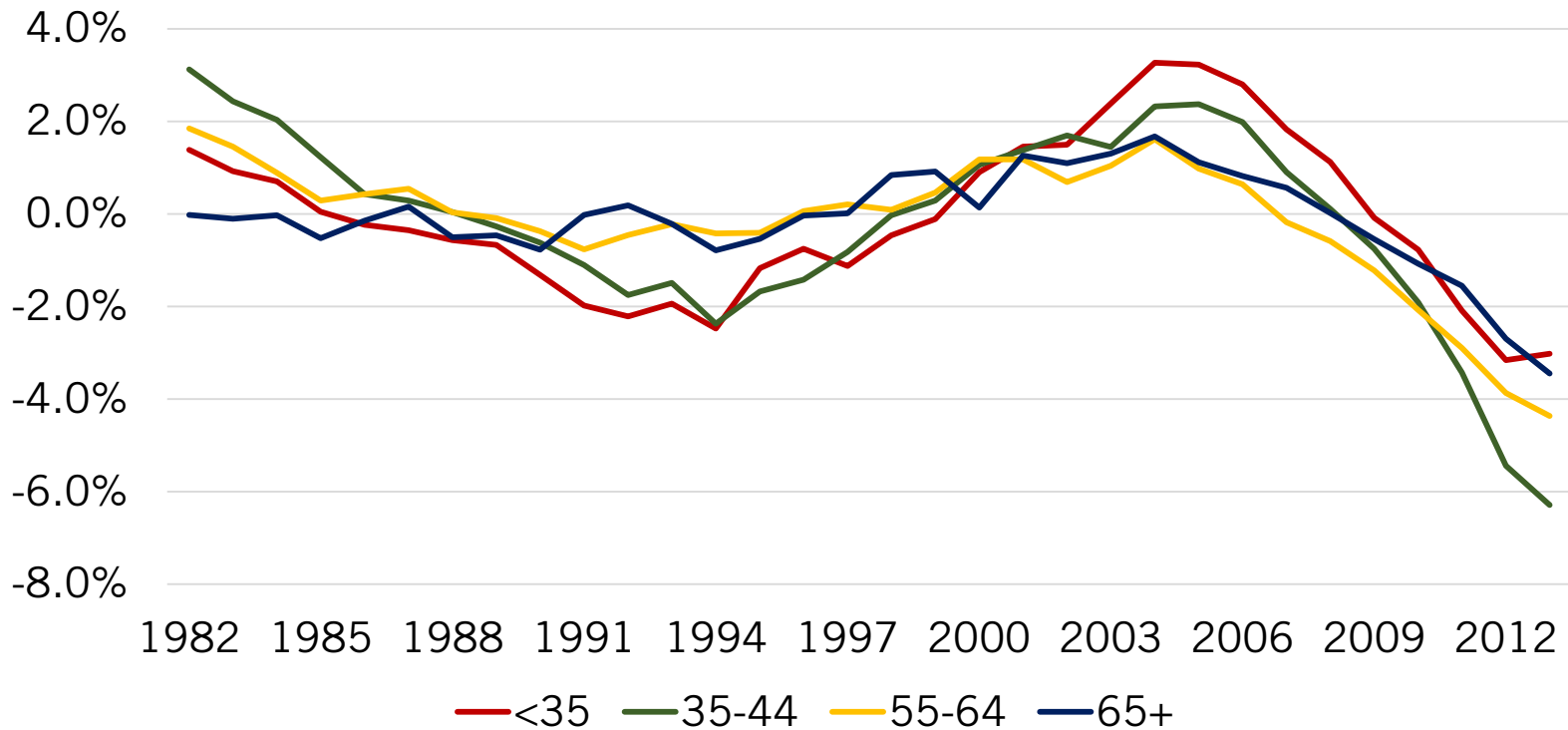
Drop In Home Prices



Source: Delaware State Housing Authority

Decline In Homeownership

Change in Homeownership Rate Compared to 20-Year Average by Age of Homeowner



Source: U.S. Census

Substandard And Blighted Housing

- Rural and distressed urban areas
- 2,703 inadequate homes – missing kitchen or bathroom facilities
- Age of housing and poverty rate of neighborhood good indicators
- Issue with older manufactured housing
- Financially challenging to address since rehabilitation costs oftentimes exceed value



Estimated Substandard Housing

County	Renters	Owners	Total
New Castle	3,912	7,676	11,588
Kent	734	1,903	2,636
Sussex	888	3,209	4,097
Total	5,534	12,788	18,322

Source: GCR Inc.

Aging Subsidized Housing Stock

Approximately 30% of subsidized rental housing is at risk due to age, limited funding to make repairs, or market pressure.

Subsidized Housing Over 25 Years Old Without Substantial Rehab

	Developments	Units
Kent	10	603
<i>Dover</i>	4	276
New Castle	20	2,159
<i>Newark</i>	5	481
<i>Wilmington</i>	12	1,346
Sussex	14	555
TOTAL	44	3,317

Source: Delaware State Housing Authority



VI. MARKET VALUE ANALYSIS – THE REINVESTMENT FUND

The Reinvestment Fund builds wealth and opportunity for low-wealth communities and low and moderate income individuals through the promotion of socially and environmentally responsible development.

We achieve our mission through:

Capital

- Grants, loans and equity investments

Knowledge

- Information and policy analysis; PolicyMap & Policy Solutions

Innovation

- Products, markets and strategic partnerships

The Market Value Analysis (MVA) is a tool designed to assist the private market and government officials to identify and comprehend the various elements of local real estate markets. It is based fundamentally on local administrative data sources.

By using an MVA, public sector officials and private market actors can more precisely craft intervention strategies in weak markets and support sustainable growth in stronger market segments.

Who is using the MVA?

TRF has done this work under contract to cities, states, the federal government and foundations in locations including:

- Philadelphia, PA
- Wilmington, DE
- Washington, DC
- Baltimore, MD
- San Antonio, TX
- St. Louis, MO
- Camden, NJ
- Newark, NJ (and 8 regions across the state)
- Detroit, MI
- Houston, TX
- Reading Area, PA
- New Orleans, LA
- Milwaukee, WI
- Pittsburgh, PA
- Burlington County (NJ) “Riverline Towns” (in process)
- Prince George’s County, MD (in process)

Our Normative Assumptions when Analyzing Markets:

- Public subsidy is scarce and it alone cannot create a market;
- Public subsidy must be used to leverage, or clear the path, for private investment;
- In distressed markets, invest into strength (e.g., major institution of place, transportation hub, environmental amenities, adjacent strong market) – **“Build from Strength”**;
- All parts of a city are customers of the services and resources that it has to offer
 - Tailor government action to the market conditions;
- Decisions to invest and/or deploy resources and programs must be based on objectively gathered data and sound quantitative and qualitative analysis.

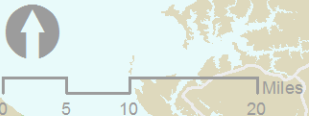
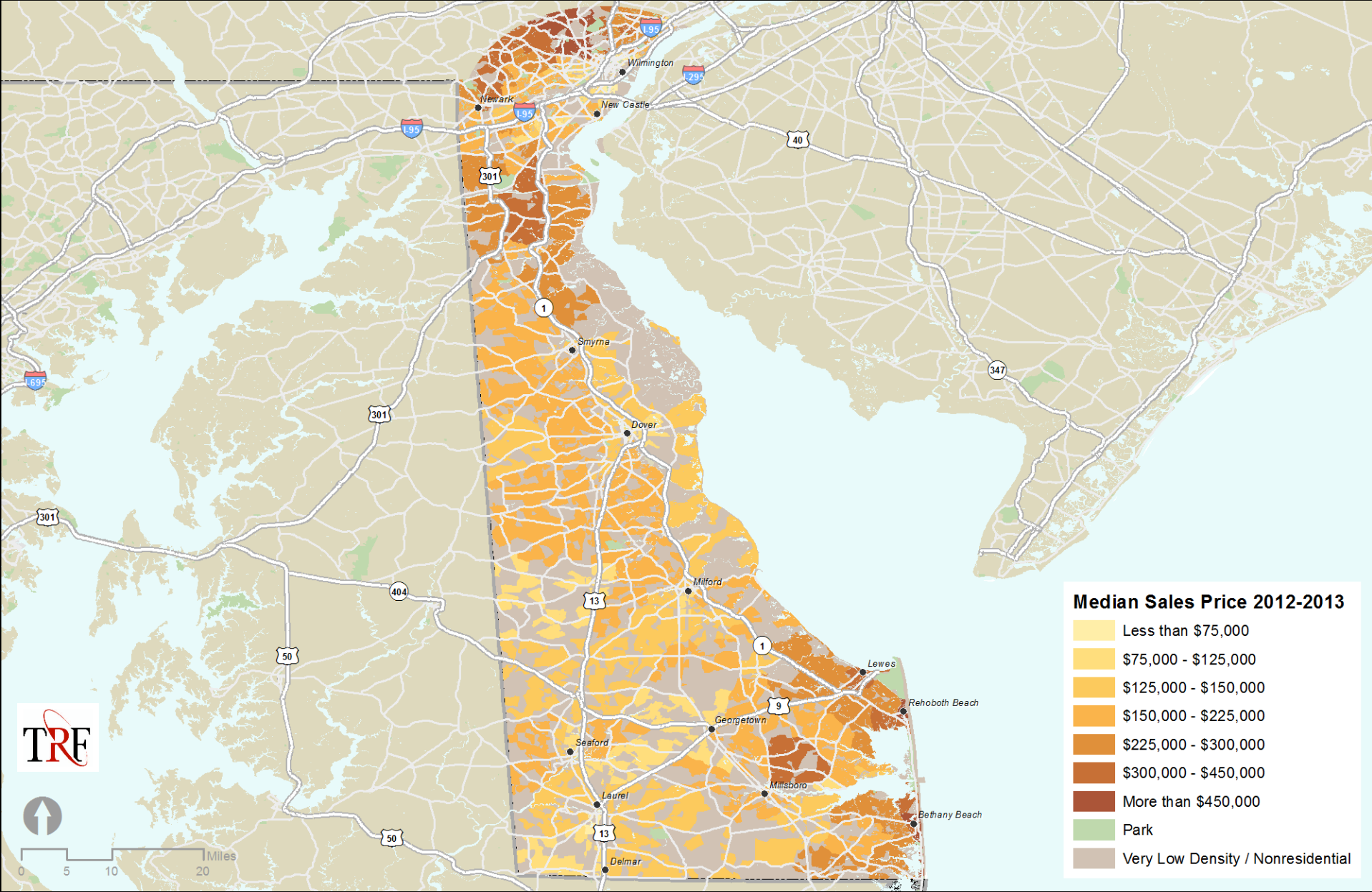
Preparing the MVA

- Acquire local data and geocode to Census tract.
- Inspect and validate data layers.
- Conduct a statistical cluster analysis.
- Identify areas that share common characteristics.
- Map the result.
- Inspect areas of Delaware for conformity with the statistical/spatial representation.
- Re-solve and re-inspect until the MVA accurately represents areas.

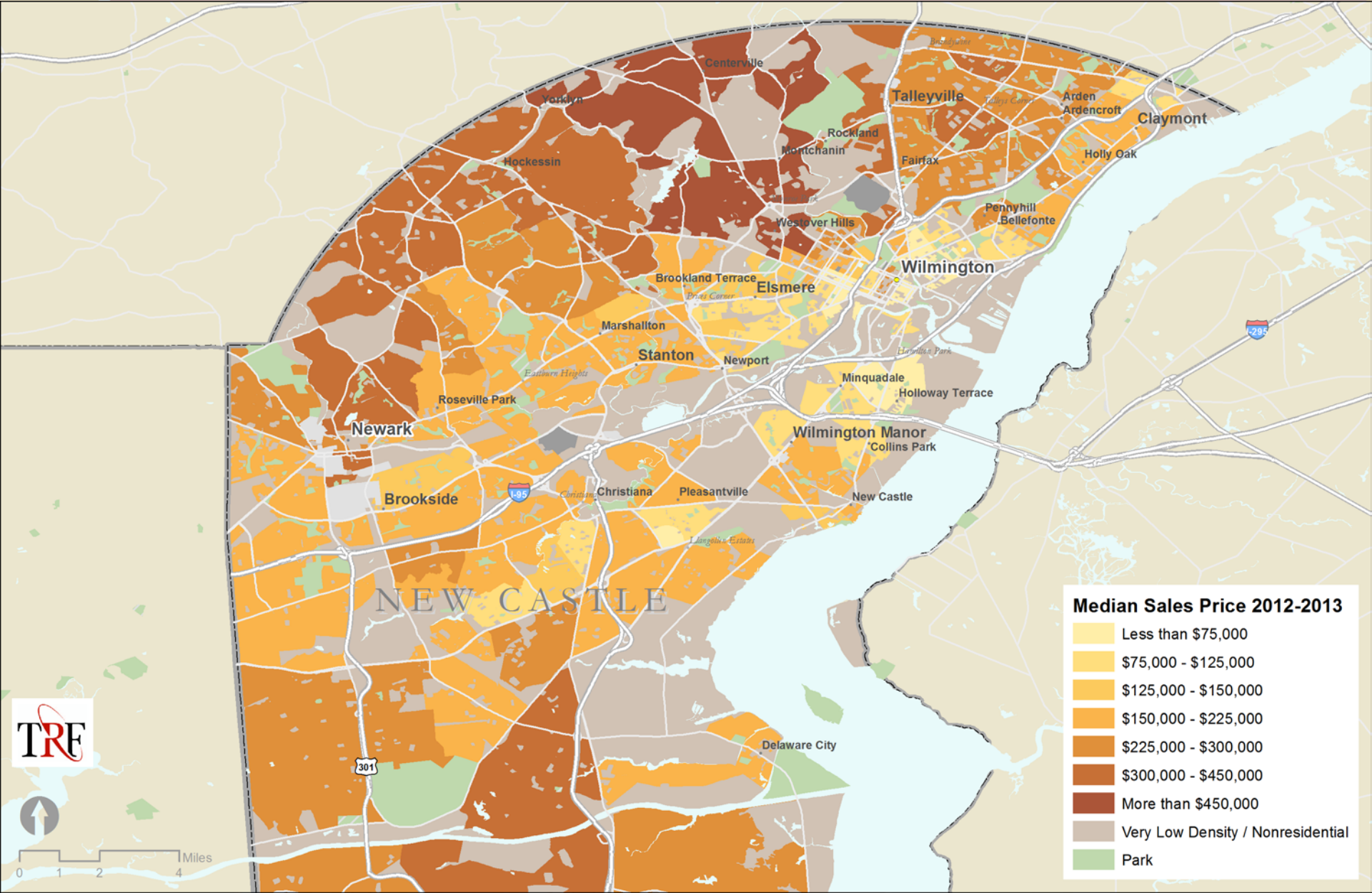
Components of the Delaware MVA

- Median sales price 2012-2013
- Coefficient of variance for sales price 2012-2013
- Foreclosure sales 2010-2013 as a % of residential sales 2011-2013
- Vacant housing units as a % of all housing units, 2013
- Owner-occupied units as a % of all occupied housing units, 2010
- Residences sold that were built 2009-2013 as a % of all residential sales 2012-2013
- HUD subsidized rental stock as a % of all rental units, 2013
- New construction permits and development applications as a % of all housing units 2011-2012
- Mobile homes as a % of all housing units, 2012
- Land area of blocks with low housing density as a % of all land area, 2010
- Agriculture preservation land as a % of all land area, 2013
- USDA Rural Subsidized Housing as a % of all rental units, 2014

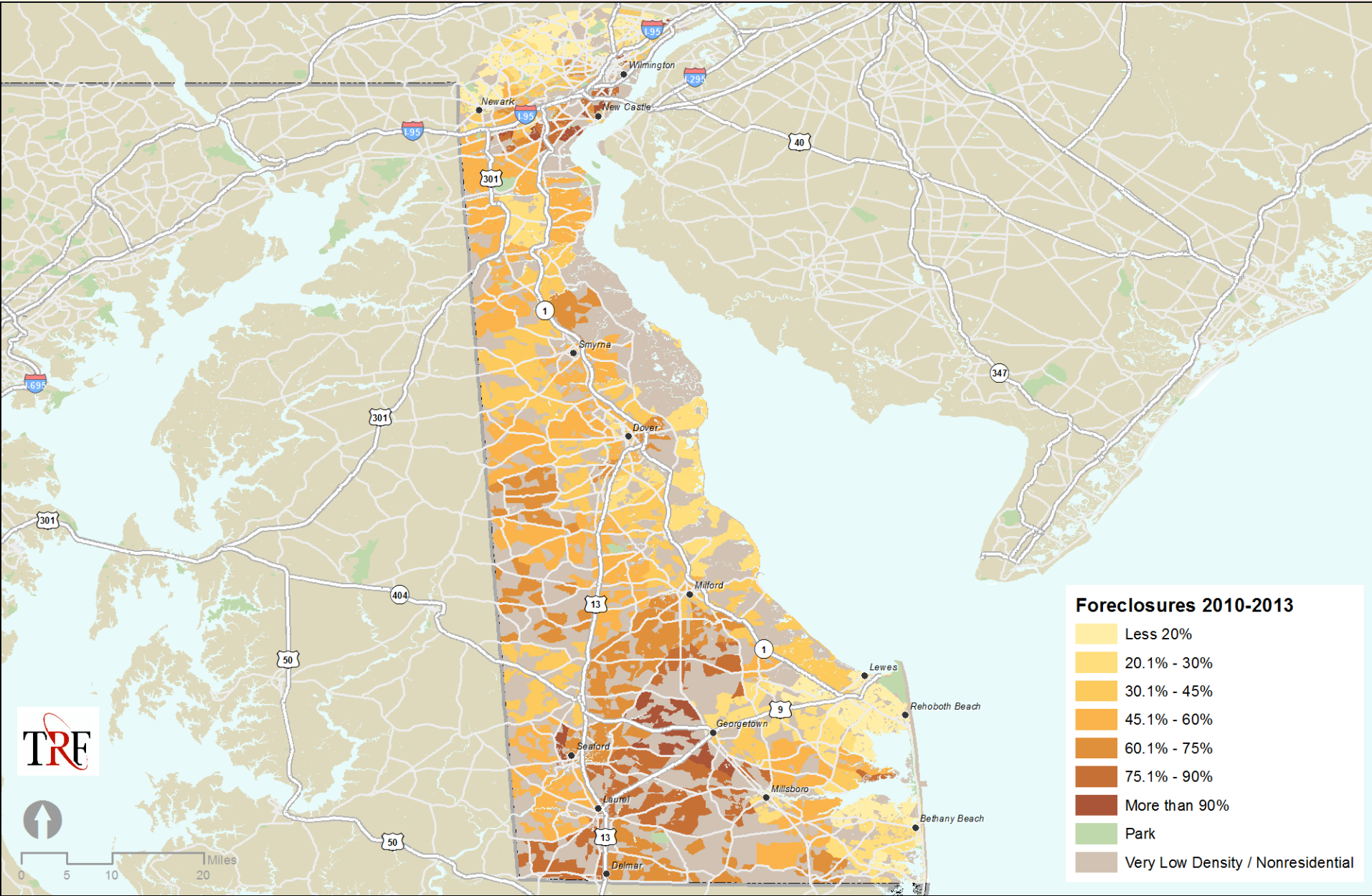
Median Sales Price



Median Sales Price

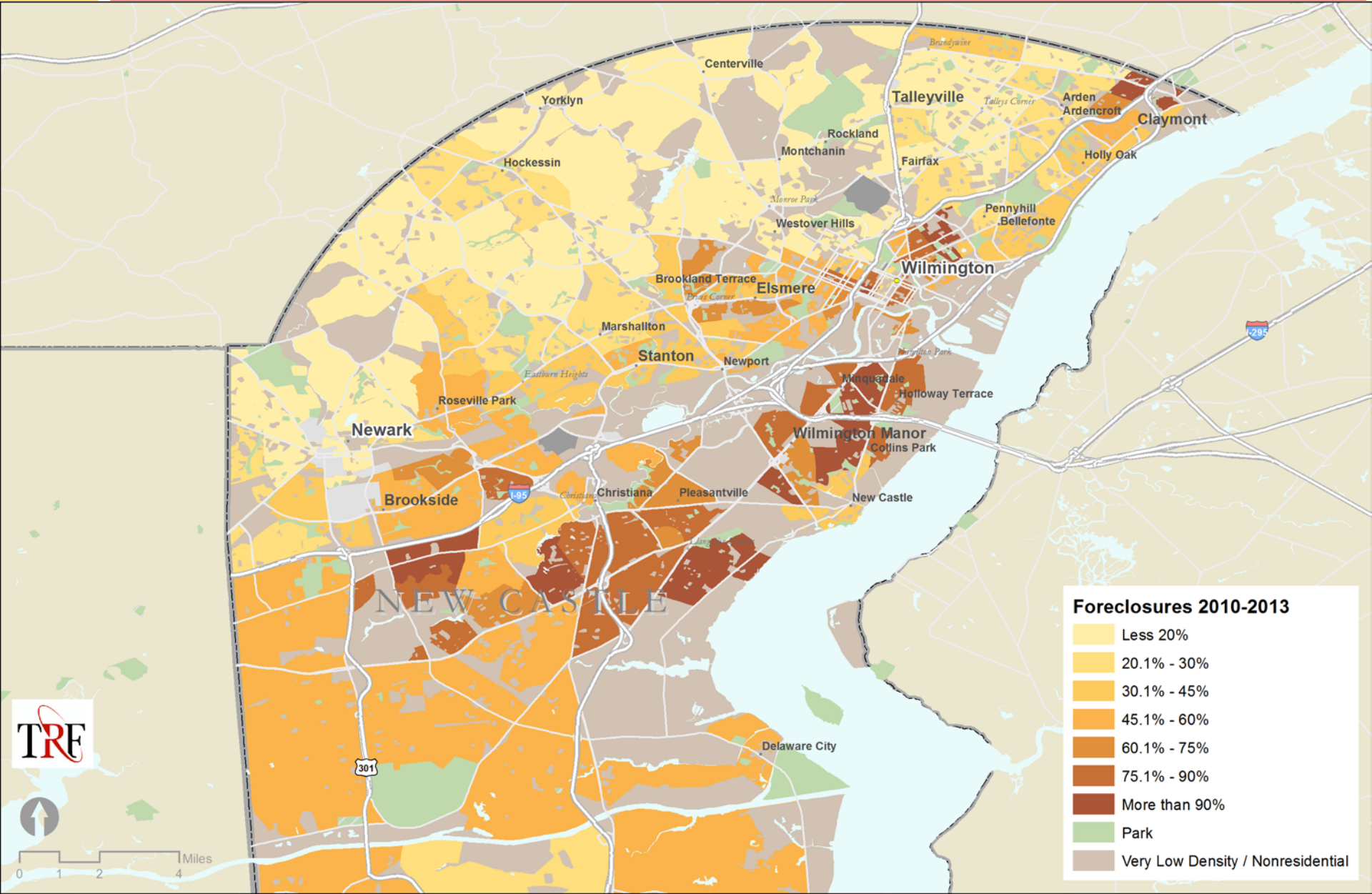


Foreclosure Sales



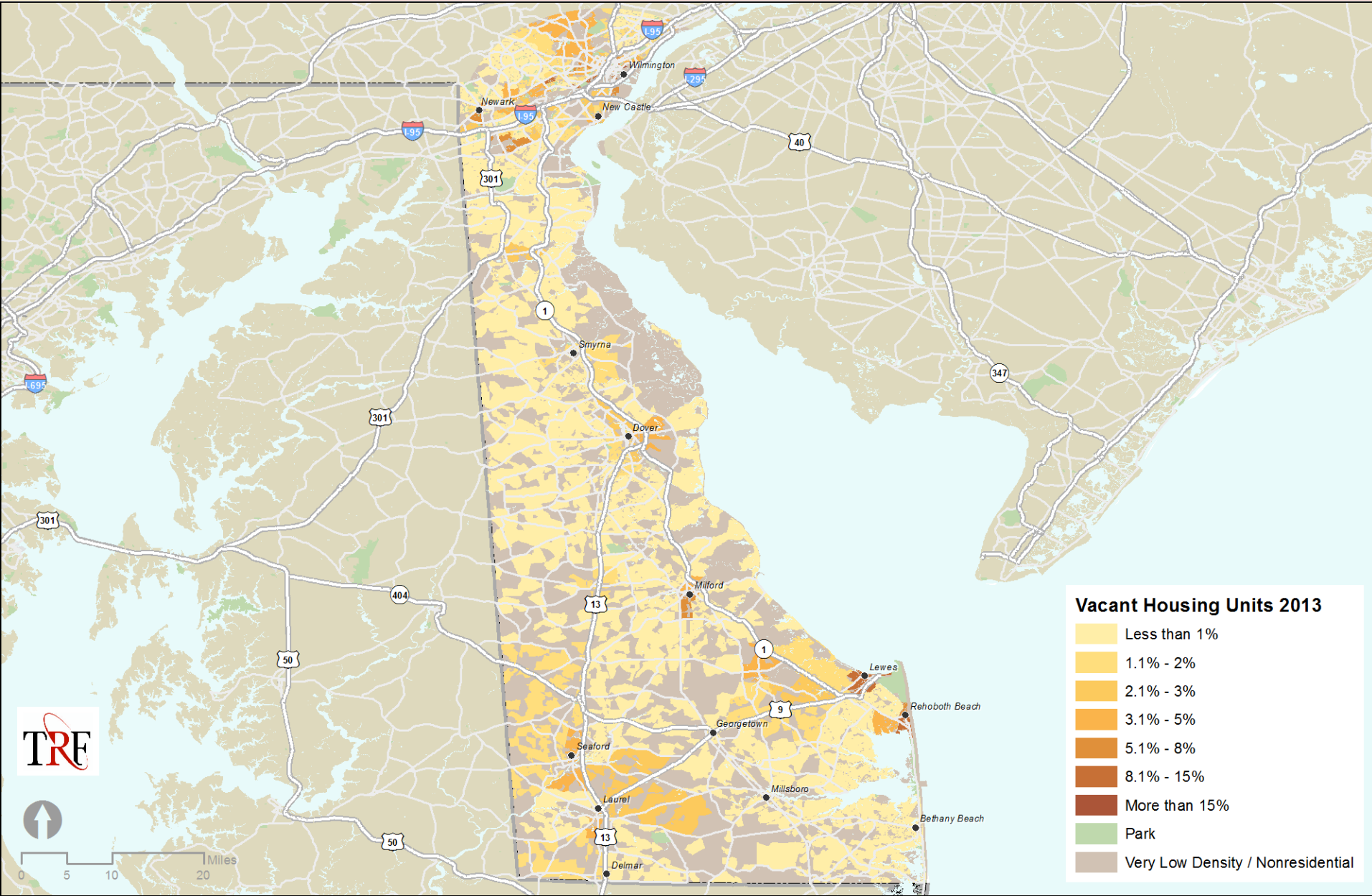
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Foreclosure Sales

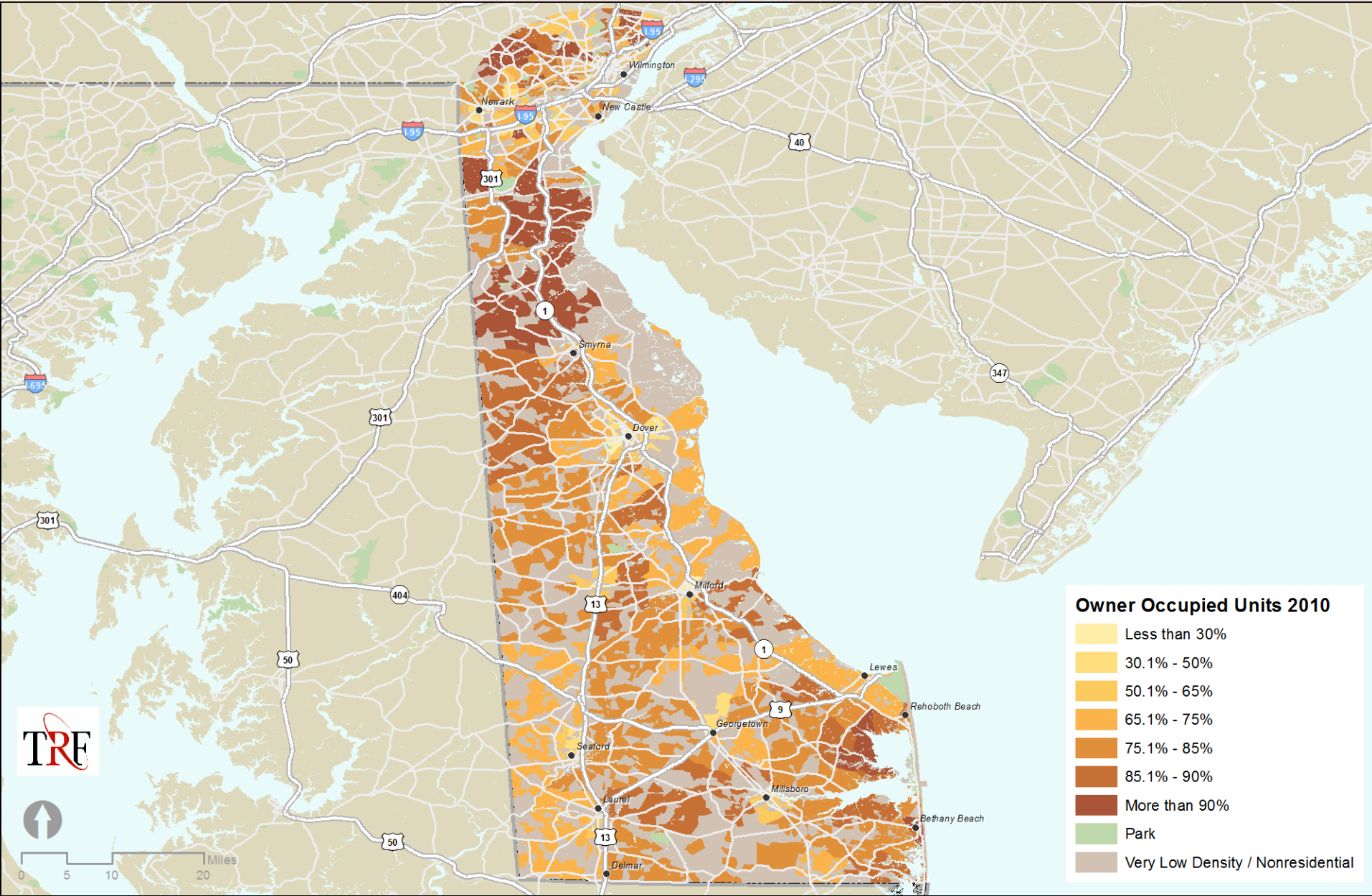


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Vacant Housing Units

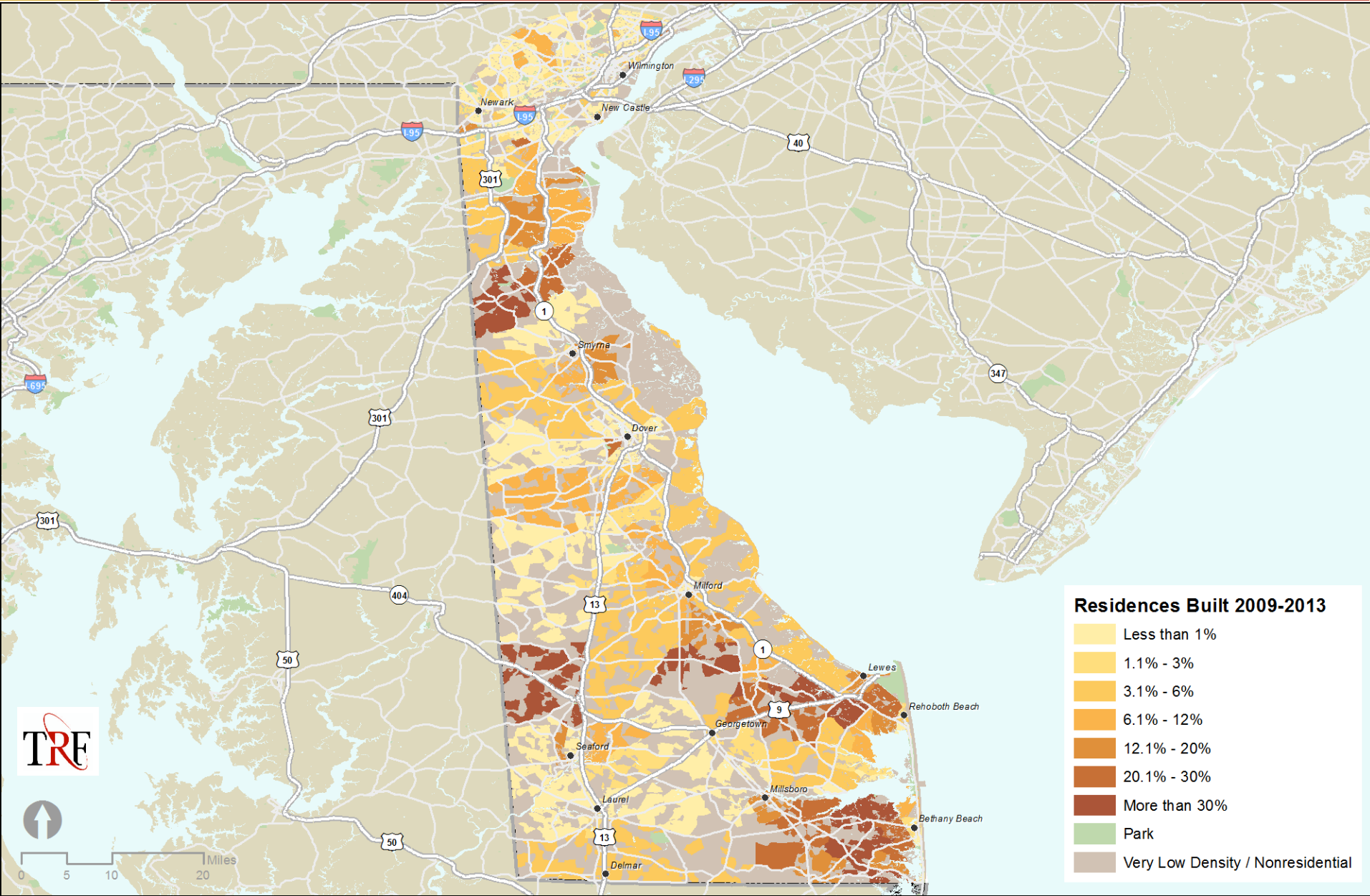


Owner Occupied Units

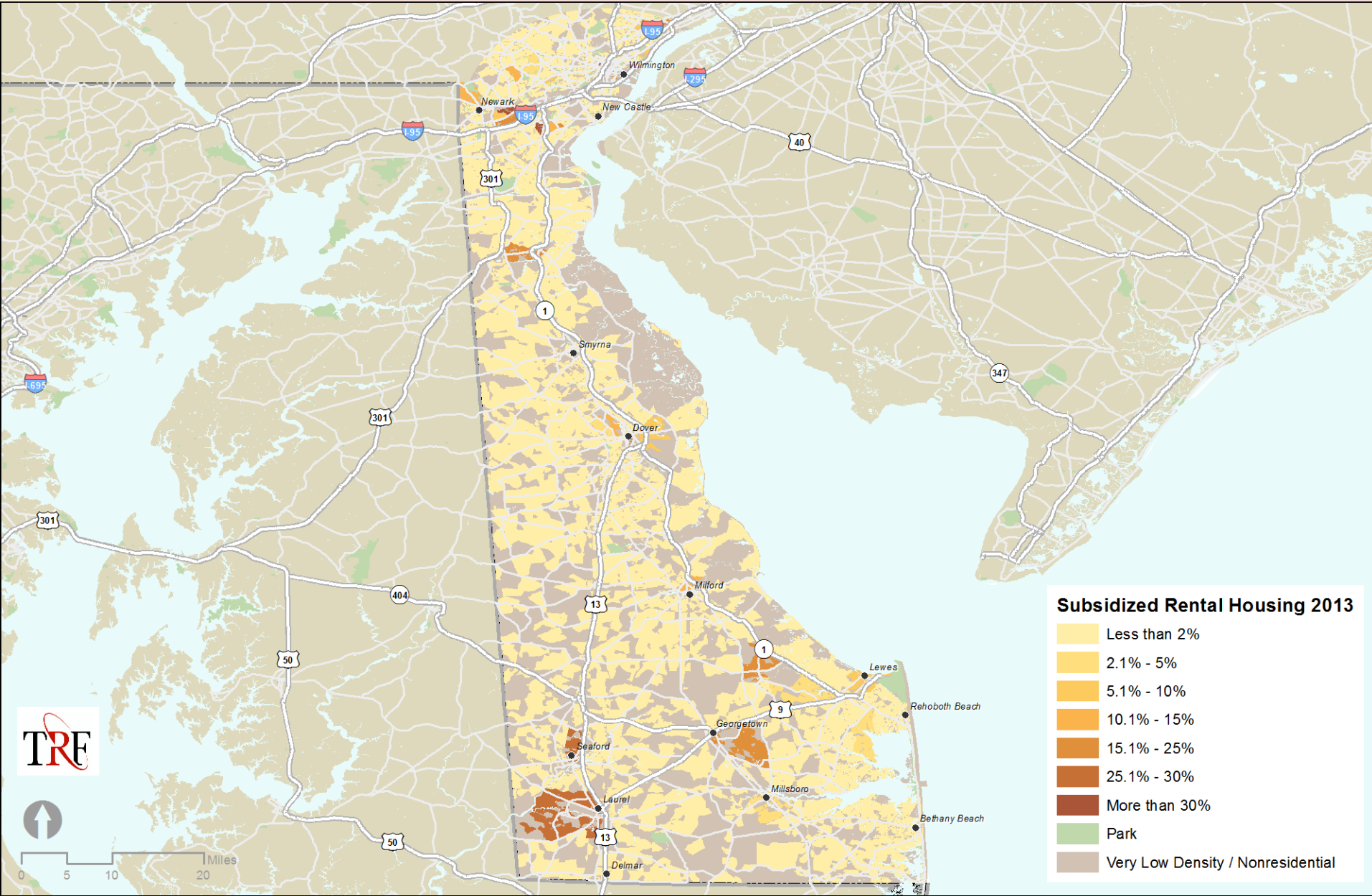


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Residences Sold That Were Built From 2009-2013

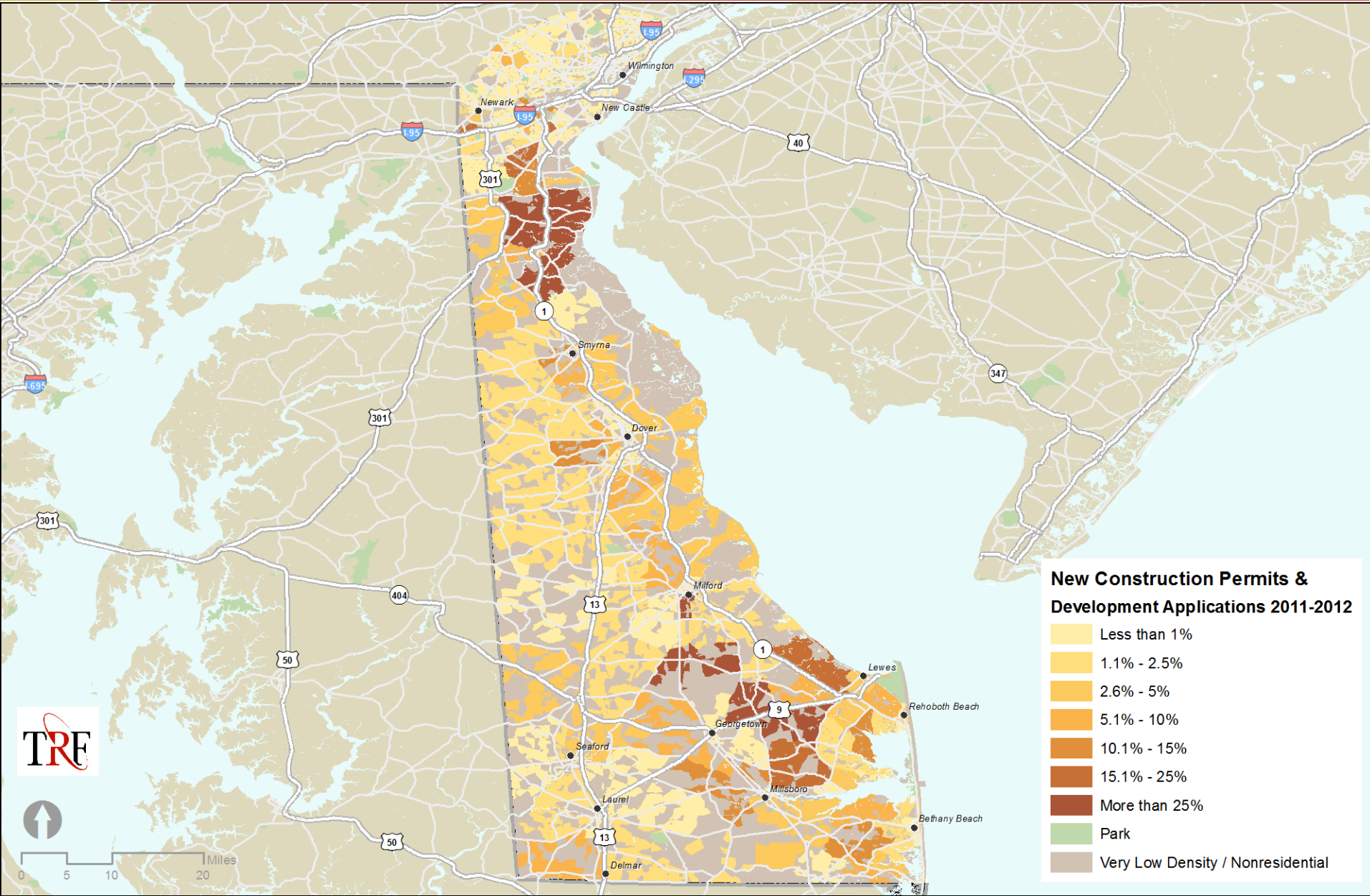


Subsidized Rental Housing

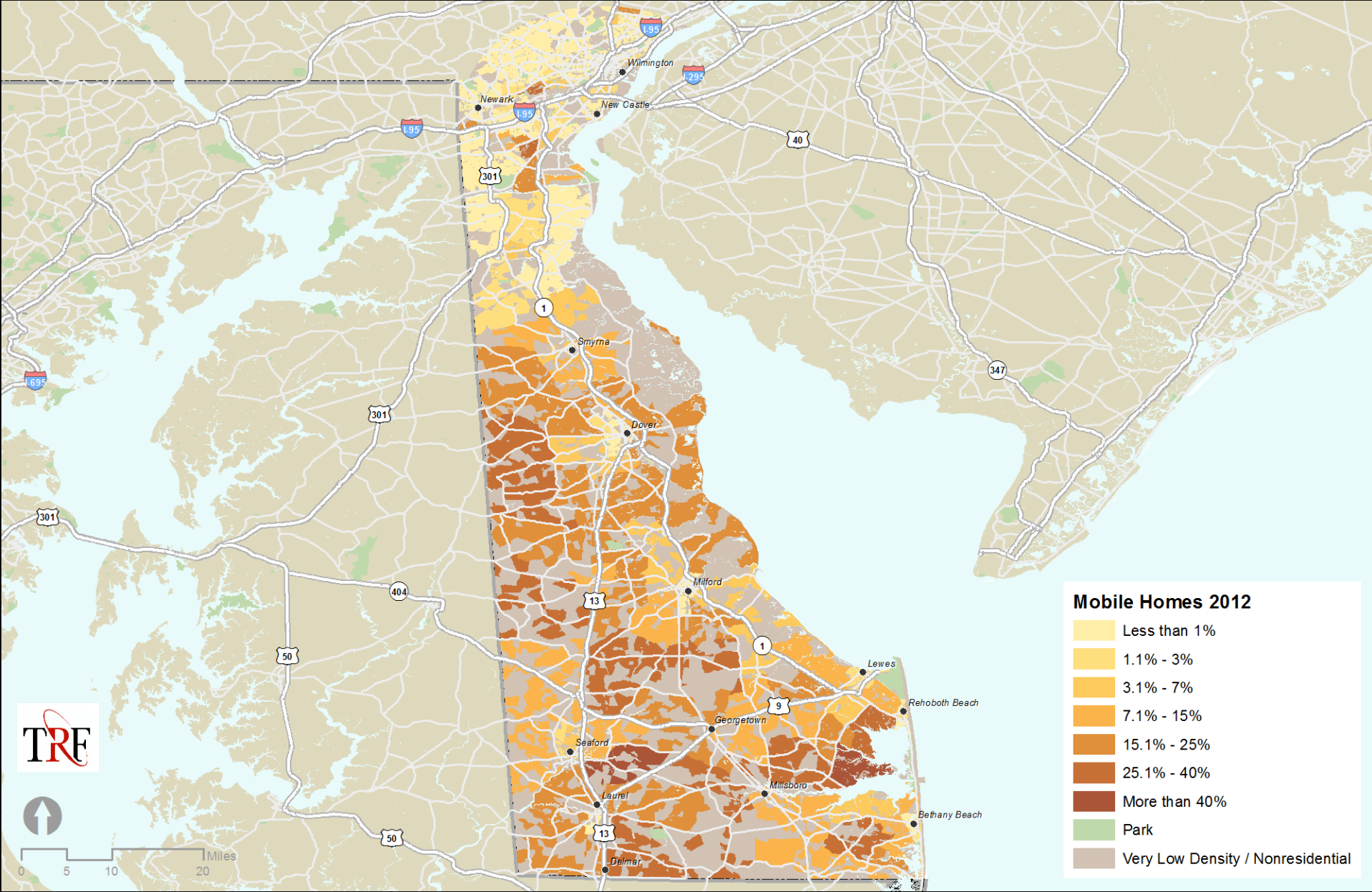


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New Construction Permits And Development Applications

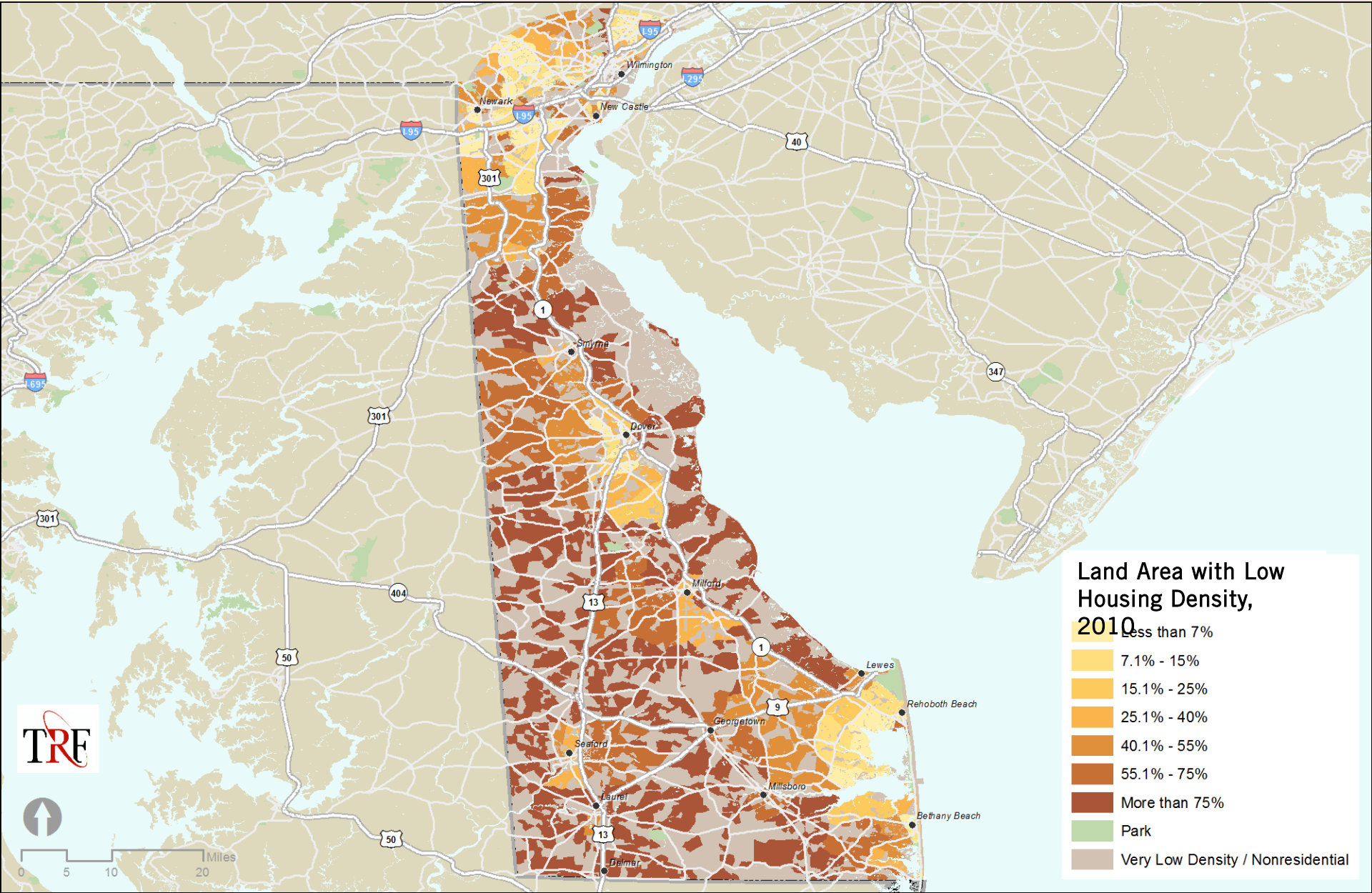


Mobile Homes

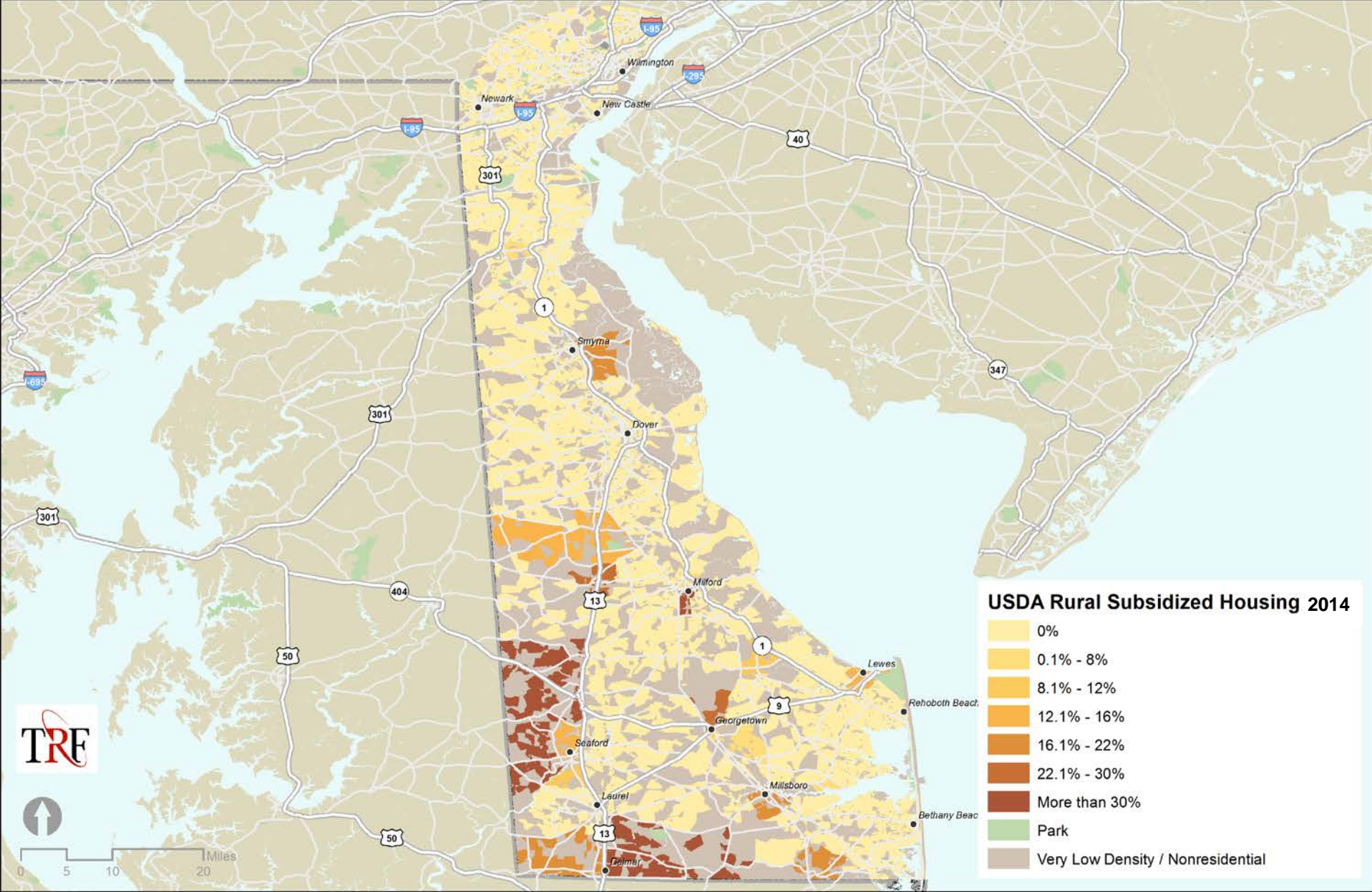


0 5 10 20 Miles

Land Area With Low Housing Density

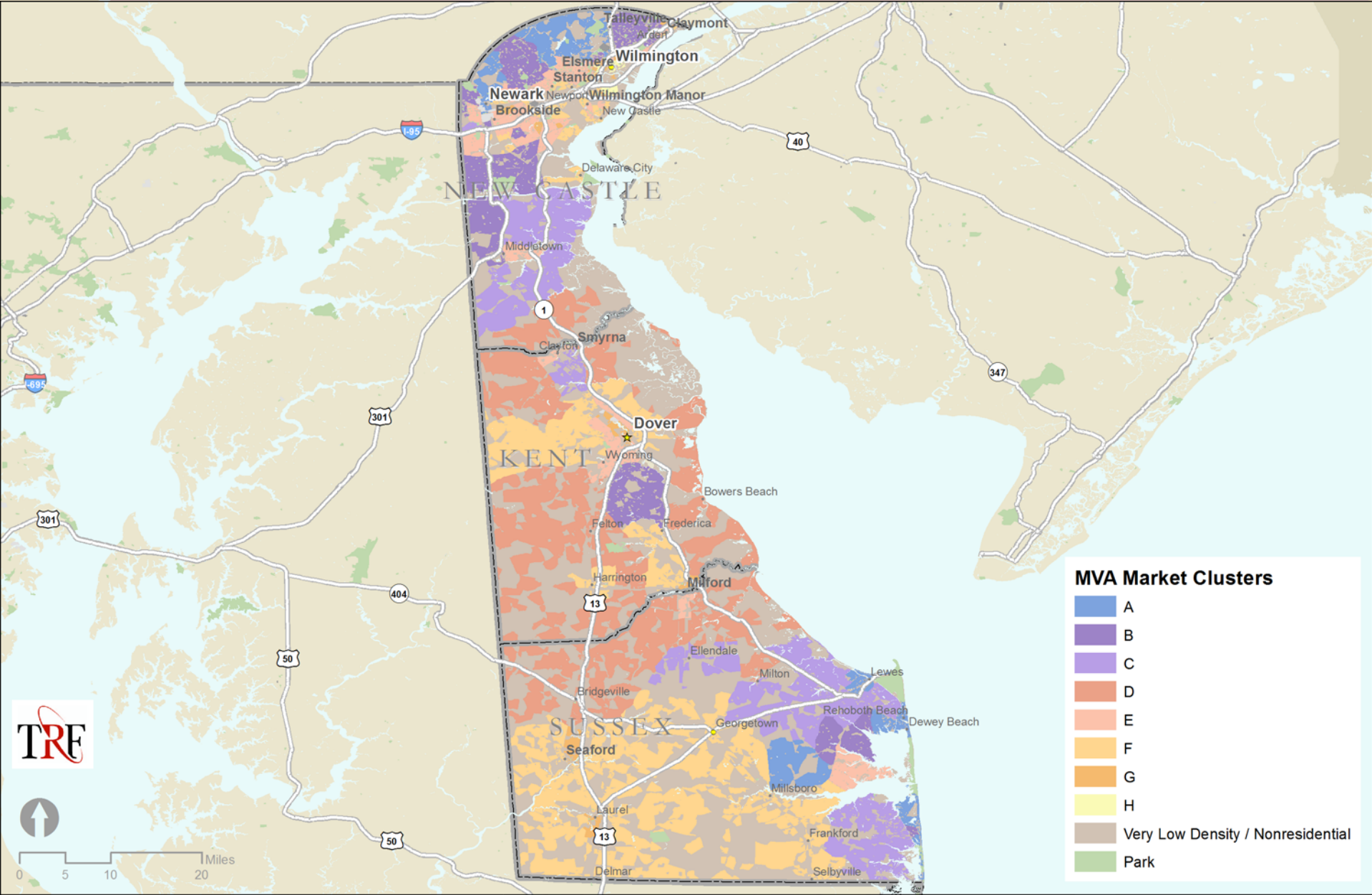


USDA Rural Subsidy



0 5 10 20 Miles

Delaware's MVA, 2014



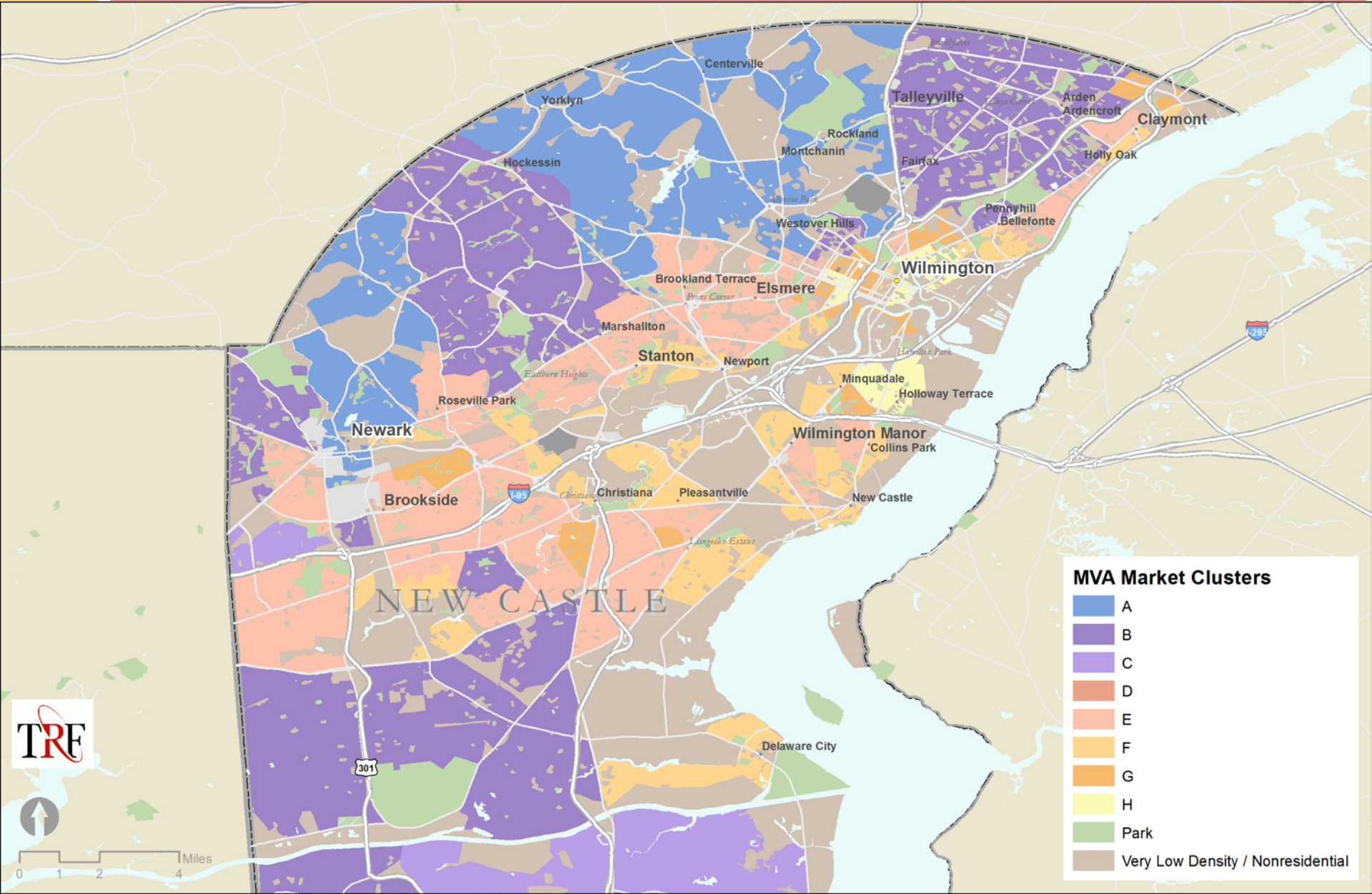
Characteristics Of Delaware's MVA Market Types

Cluster	# Tracts	Median Sales Price 2012-2013	Variance Sales Price 2012-2013	Foreclosures 2010- 2013 by Sales	% Vacant Housing Units, 2013	% Owner Occupied, 2010	% Residences Built 2009-2013 by Sales	% Subsidized Rental Housing, 2013	% New Construction & Development Applications, 2011-2012	% Mobile Homes, 2012	% Land Area with Low Population Density, 2010	% Agriculture Preservation Land, 2013	% USDA Rural Subsidy, 2014
A	18	\$450,718	0.61	14.00%	3.16%	75.02%	3.82%	1.41%	2.38%	4.70%	34.10%	0.94%	0.67%
B	44	\$253,825	0.35	29.05%	0.71%	82.79%	2.03%	1.04%	2.14%	4.03%	12.37%	0.34%	0.00%
C	17	\$245,504	0.56	30.22%	0.62%	84.93%	26.31%	0.29%	24.04%	10.80%	49.76%	6.93%	0.00%
D	16	\$164,880	0.66	53.97%	0.52%	81.83%	8.25%	1.54%	1.84%	17.62%	79.06%	26.52%	4.64%
E	46	\$162,770	0.44	56.58%	2.31%	66.76%	2.58%	2.06%	2.51%	7.10%	13.17%	0.10%	0.74%
F	40	\$154,318	0.58	59.99%	1.80%	69.51%	3.26%	1.73%	2.39%	11.83%	66.75%	4.13%	6.06%
G	21	\$105,805	0.70	65.79%	4.30%	45.41%	0.27%	19.51%	0.73%	0.78%	26.65%	0.25%	0.67%
H	11	\$34,304	0.88	80.00%	9.98%	46.79%	1.12%	4.78%	0.47%	0.63%	31.12%	0.00%	0.00%
Not Classified	5	Null	Null	Null	Null	Null	Null	Null	Null	Null	Null	Null	Null
Study Area	218	\$198,837	0.54	47.75%	2.28%	70.73%	4.71%	3.41%	3.79%	7.28%	34.96%	3.52%	1.73%

Population And Households In Delaware's Markets

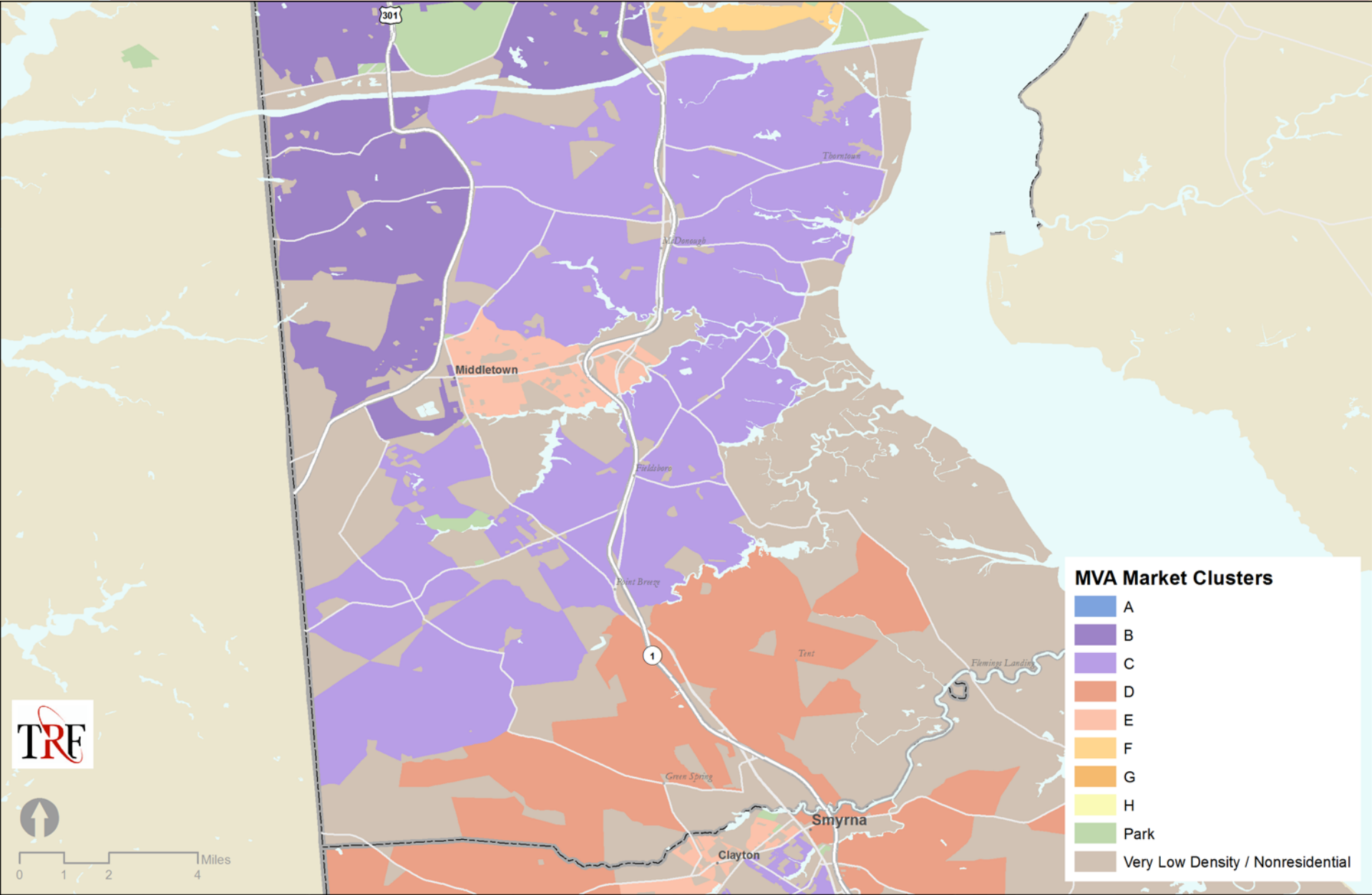
MVA Cluster	Households		Owner Occupied		Renter Occupied		Housing Units		Population		Sales Price 2012-2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Median	Average
A	19,964	6.7%	14,736	7.0%	5,228	6.0%	36,215	10.3%	47,655	6.3%	\$ 450,718	\$524,424
B	69,446	23.4%	56,466	26.9%	12,980	15.0%	77,845	22.1%	179,839	23.6%	\$ 253,825	\$256,582
C	28,112	9.5%	23,980	11.4%	4,132	4.8%	38,767	11.0%	71,841	9.4%	\$ 245,504	\$252,794
D	18,323	6.2%	15,023	7.1%	3,300	3.8%	20,462	5.8%	48,664	6.4%	\$ 164,880	\$176,545
E	72,196	24.3%	47,833	22.8%	24,363	28.1%	80,485	22.8%	184,595	24.2%	\$ 162,770	\$168,498
F	52,614	17.7%	35,858	17.1%	16,756	19.3%	58,006	16.4%	136,062	17.9%	\$ 154,318	\$162,841
G	24,609	8.3%	11,434	5.4%	13,175	15.2%	27,423	7.8%	59,105	7.8%	\$ 105,805	\$117,907
H	10,625	3.6%	4,909	2.3%	5,716	6.6%	12,479	3.5%	30,718	4.0%	\$ 34,304	\$ 51,133
Not Classified	1,092	0.4%	5	0.0%	1,087	1.3%	1,134	0.3%	3,417	0.4%	Null	Null
Study Area Total	296,981		210,244		86,737		352,816		761,896		\$ 197,994	\$211,985

Northern New Castle County



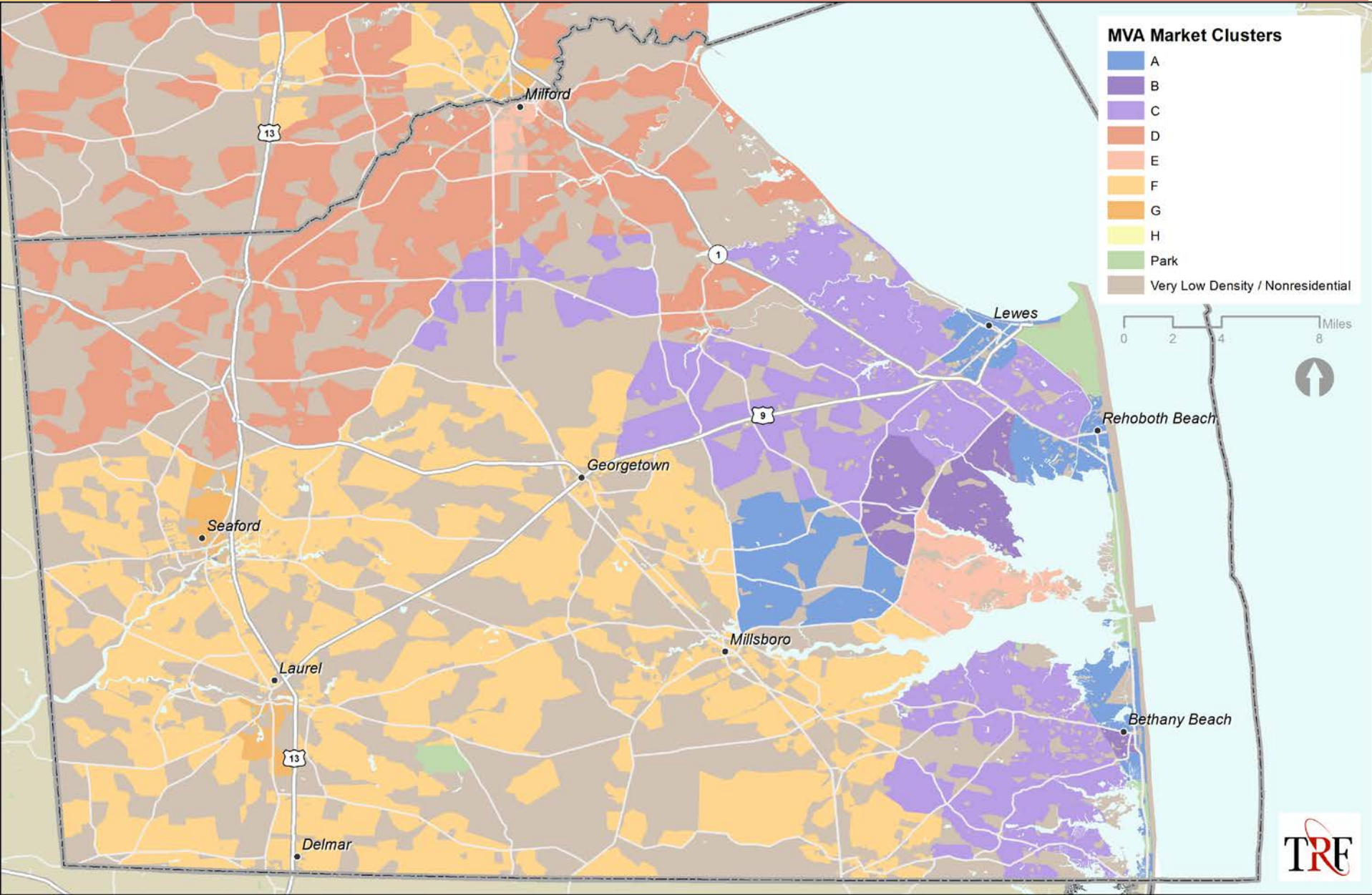
0 1 2 4 Miles

Southern New Castle County



0 1 2 4 Miles

Sussex County With Southern Kent County



Next Step: Client Implementation Plans

Place-based Investment

What are the causes of market stress?

What are the strengths of the area?

Program-based Investment

What area is likely to respond to this activity?

What scale of investment is required?



VII. HOUSING POLICY TRENDS

Market Driven Strategies

Highly Distressed

- Social programs
- Land banking
- Demolition
- Neighborhood partnerships

Distressed

- Preservations
- Strategic development
- Leverage physical and social assets
- Public Private Partnerships

Transitional

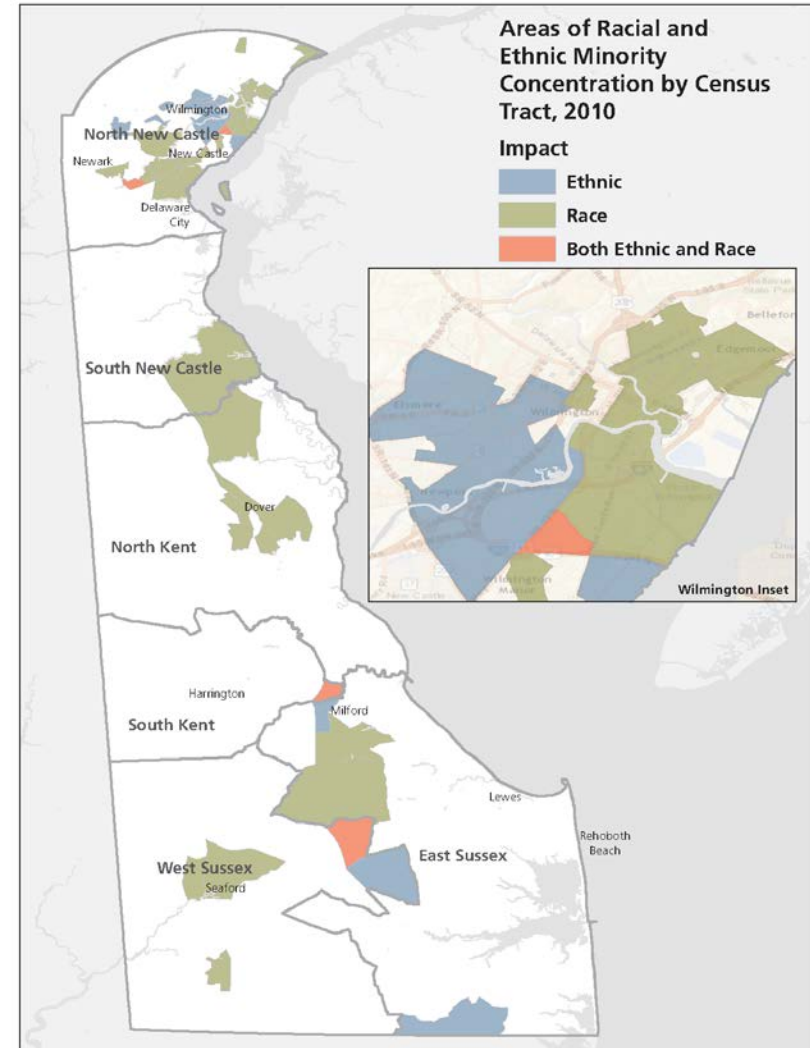
- Neighborhood identity
- Invest commercial districts
- Preservation and rehabilitation
- Encourage mixed income and homeownership

High Value, High Growth

- Support affordable and supportive housing
- Remove investment barriers
- Support commercial anchors
- Ensure code enforcement

Furthering Fair Housing

- Enact policy that discourages concentrations of minorities and poverty
- Liability for outcome, not just intent
- “Fair share” housing, regional economic approach
- Regional Fair Housing approach tied to HUD’s Sustainable Communities



Sustainable Development And Interagency Coordination

- Linking people, jobs and transportation
- Sustainable development
- Equitable housing development
- Workforce development and community wealth
- Healthy lifestyles
- Robust and representative community engagement using local partners and residents



Mispillion Riverside, 2011
Completemunitiesde.org

Aging In Place



- 84% of seniors in Delaware are homeowners; majority of incoming retirees looking to purchase a home
- Aging in place measures:
 - Universal design
 - Accessible bathrooms
 - Access ramps
 - Insulation measures
 - Solar energy
 - Low maintenance landscaping

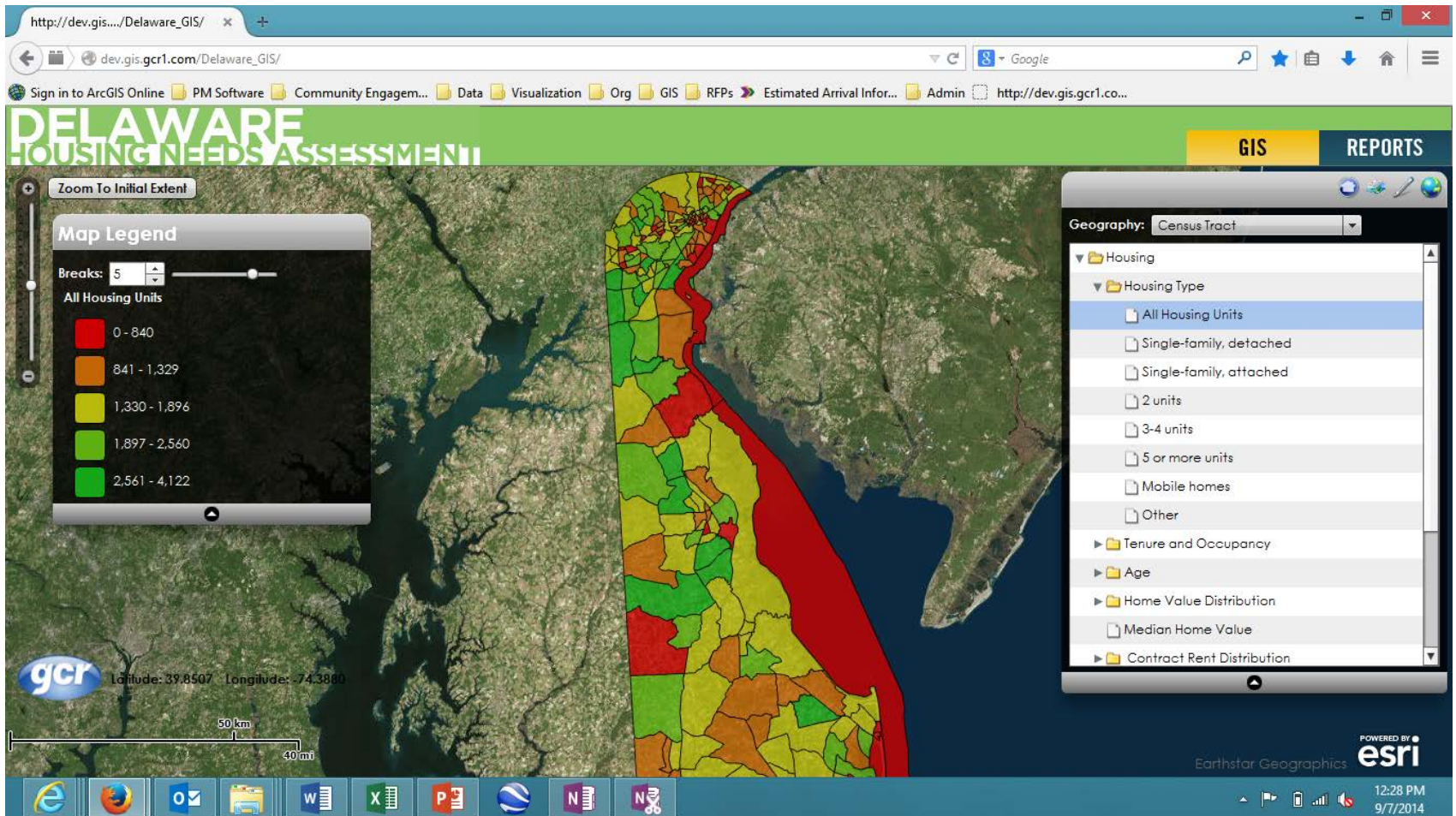


Source: laced.org

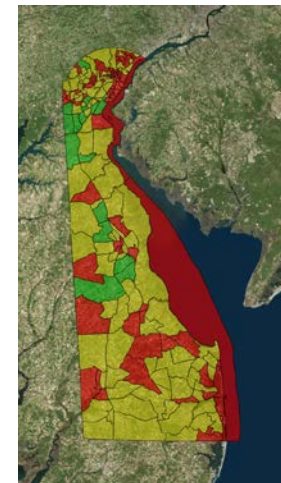
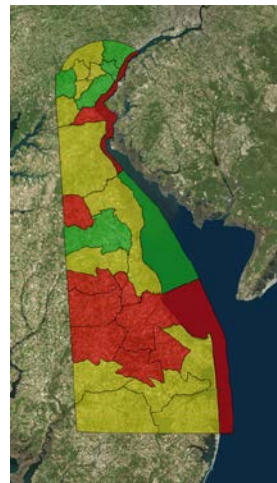
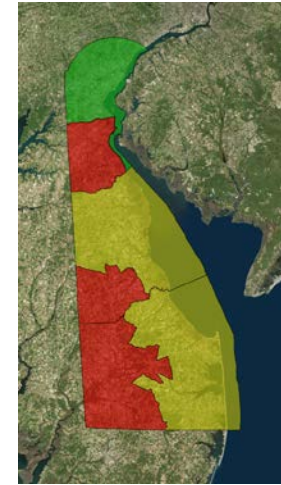
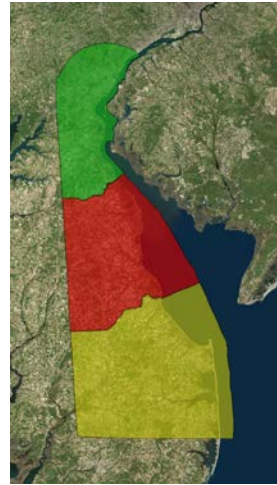
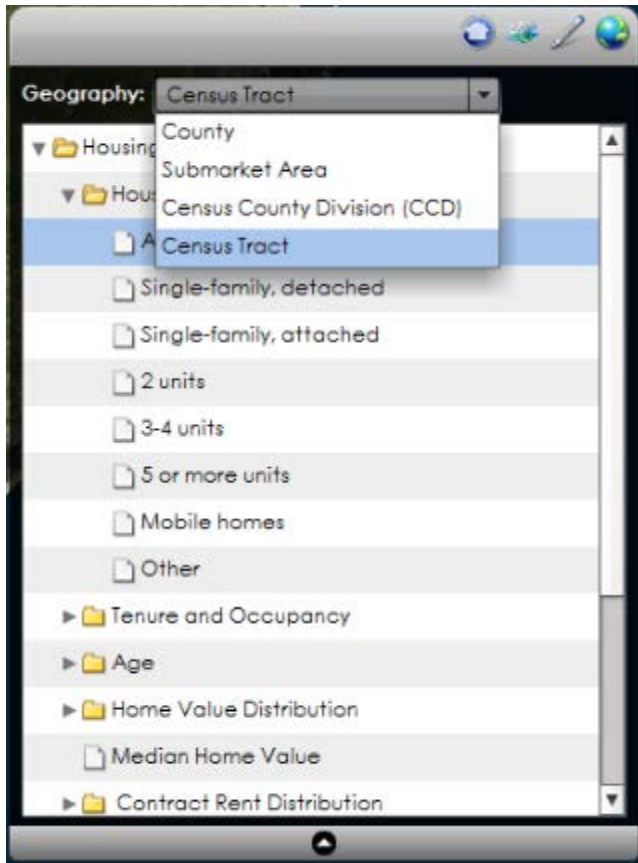


VIII. ONLINE HOUSING PORTAL

Interactive Mapping Framework



Data Available by Geography



Indicators

I. Demographics –

- A. Population and Households
- B. Age Distribution
- C. Median Age Income Distribution
- D. Median Income
- E. Tenure by Income
- F. Race/Ethnicity
- G. Educational Attainment
- H. Households by Family Type
- I. 2020 Projections

V. Market Value Analysis –

- A. MVA Cluster Analysis
- B. Component layers

II. Housing –

- A. Housing Type
- B. Tenure and Occupancy
- C. Age
- D. Home Value Distribution
- E. Median Home Value Contract Rent Distribution
- F. Median Contract Rent

IV. Economy –

- A. Total Jobs
- B. Unemployment Rate
- C. Jobs by Industry
- D. Jobs by Income
- E. Employees Location by Industry
- F. Means to Work

III. Affordable Housing Challenges –

- A. Renter by Income
- B. Owner by Income
- C. Renter by Family Type
- D. Owner by Family Type
- E. Renter by Race/Ethnicity
- F. Owner by Race/Ethnicity
- G. Renter Cost Burden for Seniors (Age 62+)
- H. Owner Cost Burden for Seniors (Age 62+)
- I. Lacking Complete Kitchen and Bathroom Facilities
- J. Overcrowding by Income
- K. Severe Overcrowding by Income

Reporting Function

http://dev.gis.../Delaware_GIS/ Jobvite - Candidate - Details

dev.gis.gcr1.com/Delaware_GIS/ census social explorer

Sign in to ArcGIS Online PM Software Community Engagem... Data Visualization Org GIS RFPs Estimated Arrival Infor... Admin http://dev.gis.gcr1.co...

DELAWARE HOUSING NEEDS ASSESSMENT

GIS **REPORTS**

Geographies: Census County Di...
Areas: Brandywine CCD

Housing Source: American Community Survey 2007-2011

	Brandywine CCD		Delaware	
	Number	Percent	Number	Percent
All Housing Units	33,780	100.00%	403,095	100.00%
Occupied Rental Units	23,558	69.73%	242,808	60.23%
Occupied Owned Units	7,766	22.98%	90,029	22.33%
Vacant Units	2,456	7.27%	70,258	17.42%

Latitude: 39.7487 Longitude: -75.3454

POWERED BY esri

Vacant Units by Type

49.63%

- For Rent or Rented
- For Sale or Sold
- Seasonal/Vacation Homes

Age of Housing Units

Brandywine CCD



IX. NEXT STEPS - DSHA

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Kim Colopinto, Senior Planner

Nathan Cataline, Senior Planner

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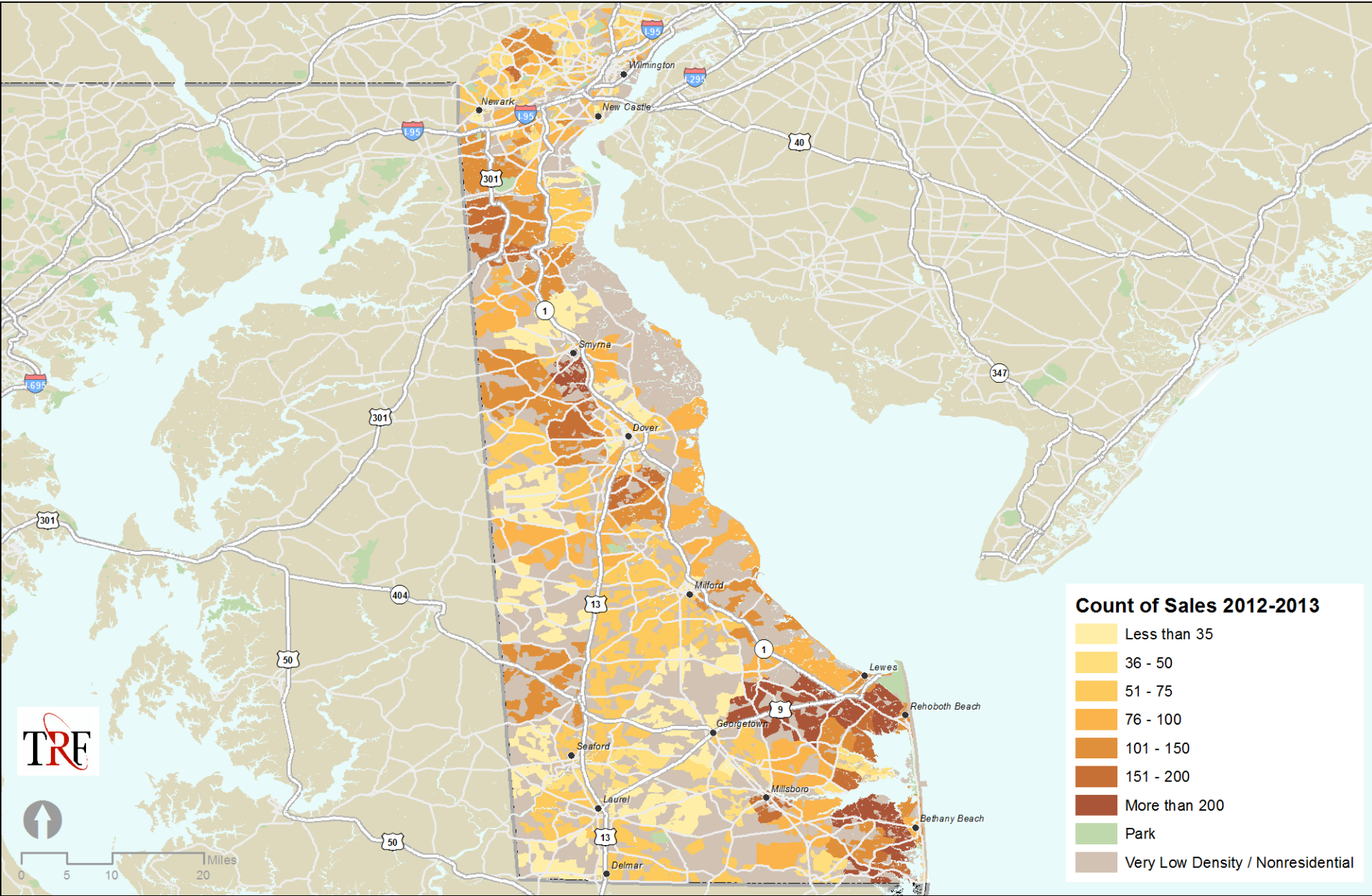
www.trfund.com

215-574-5831



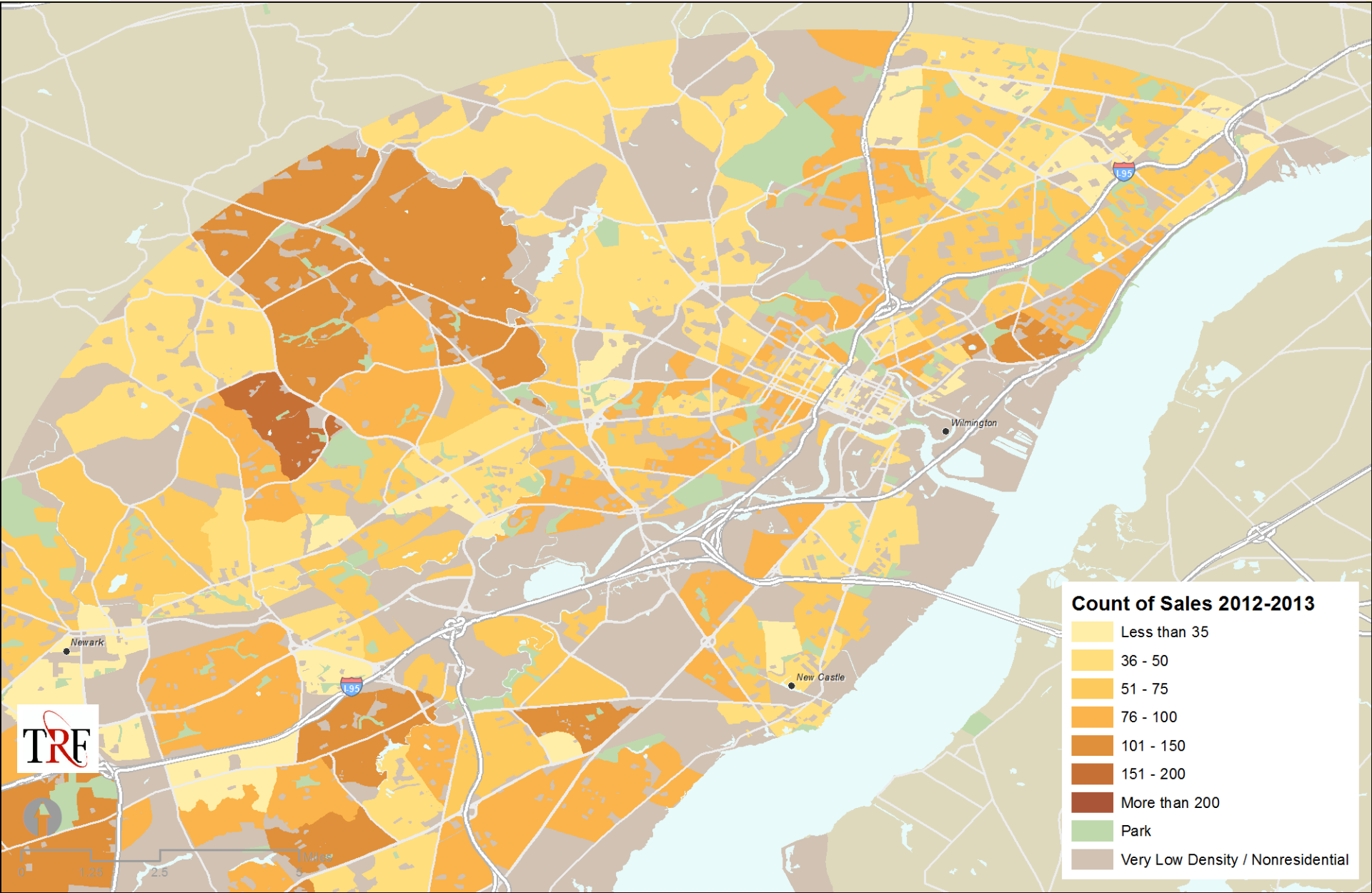
Additional Slides for the State of Delaware's MVA

Count Of Sales, 2012-2013

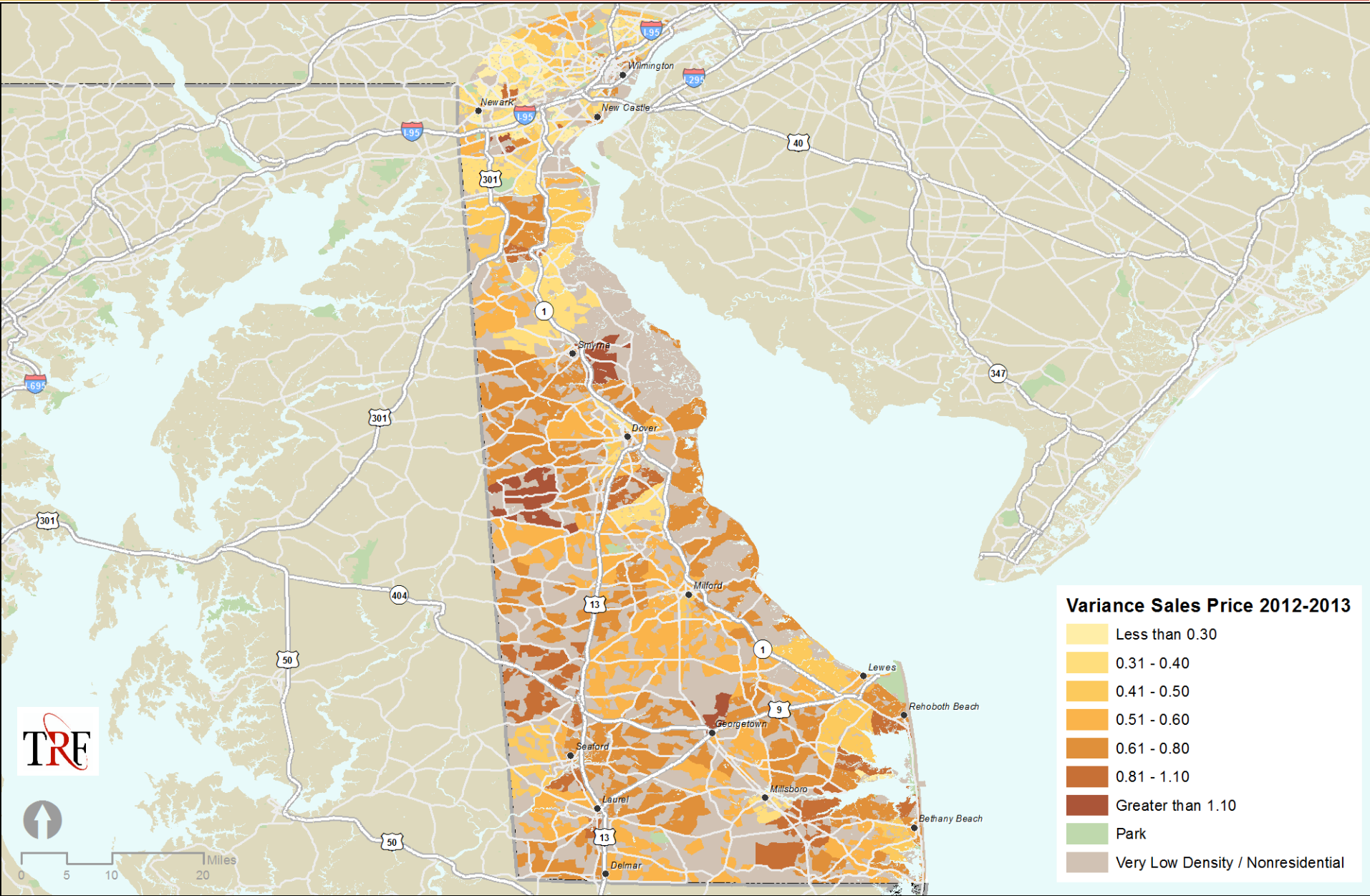


0 5 10 20 Miles

Count Of Sales, 2012-2013

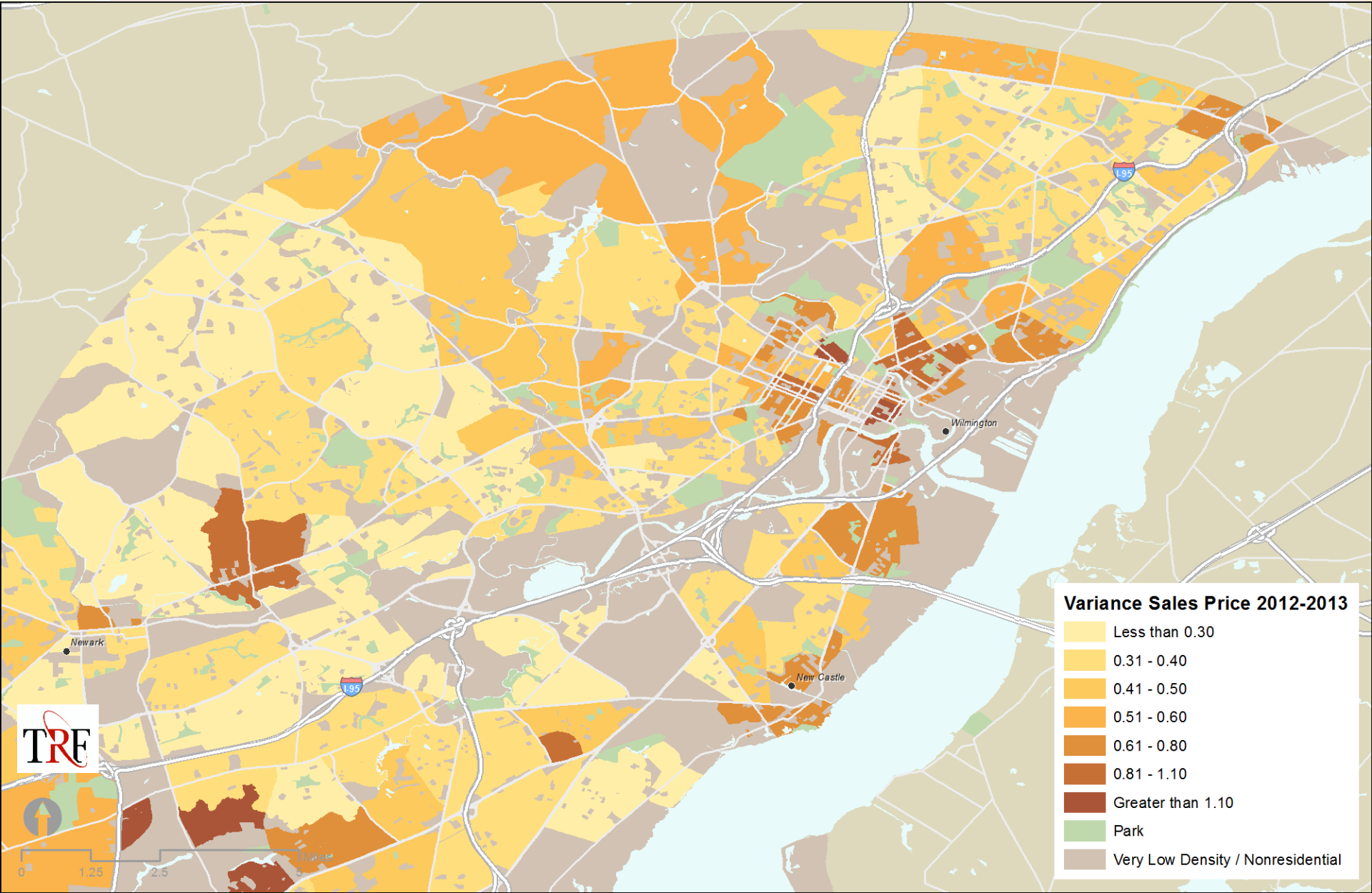


Variance In Sales Price

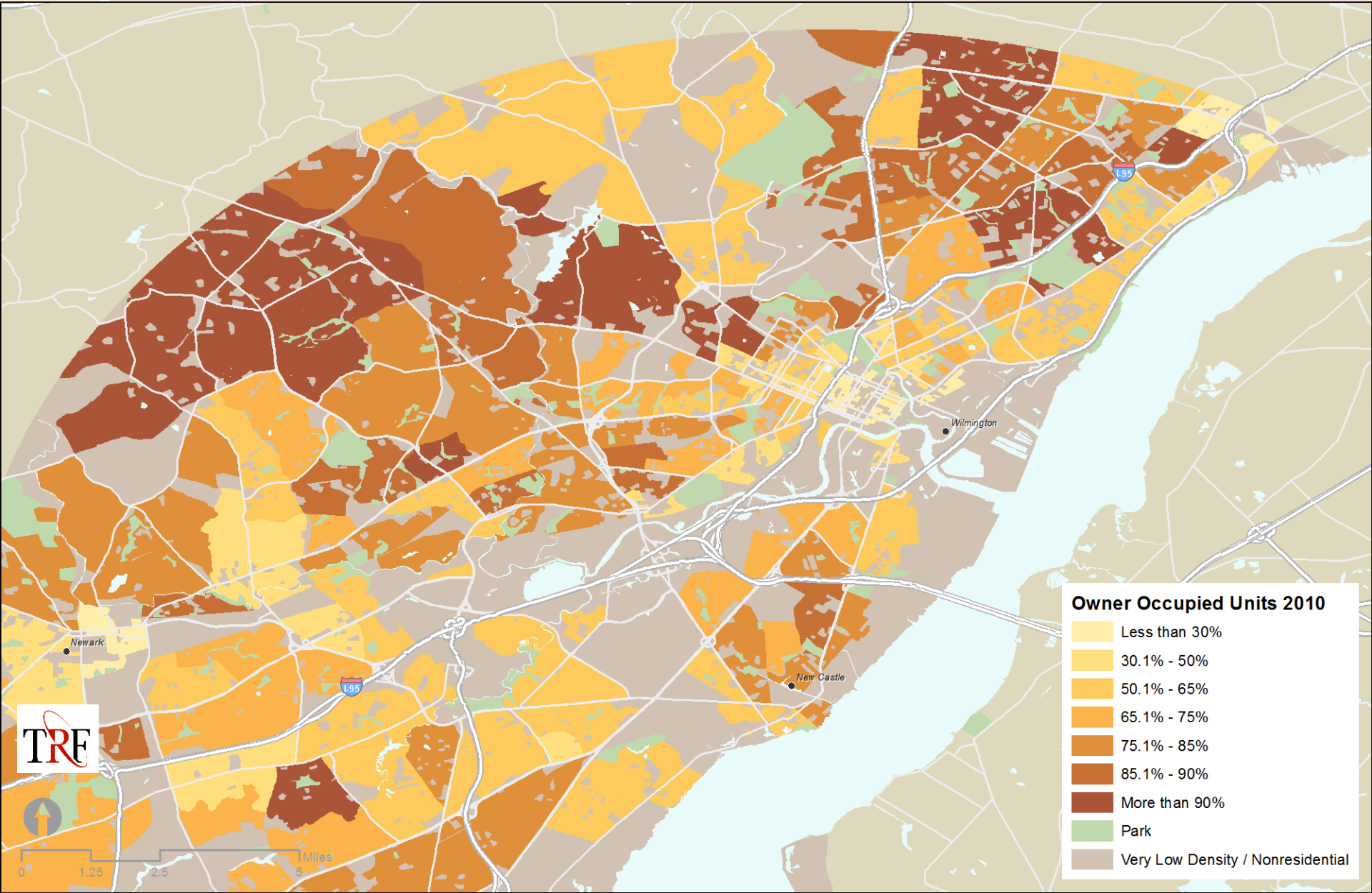


0 5 10 20 Miles

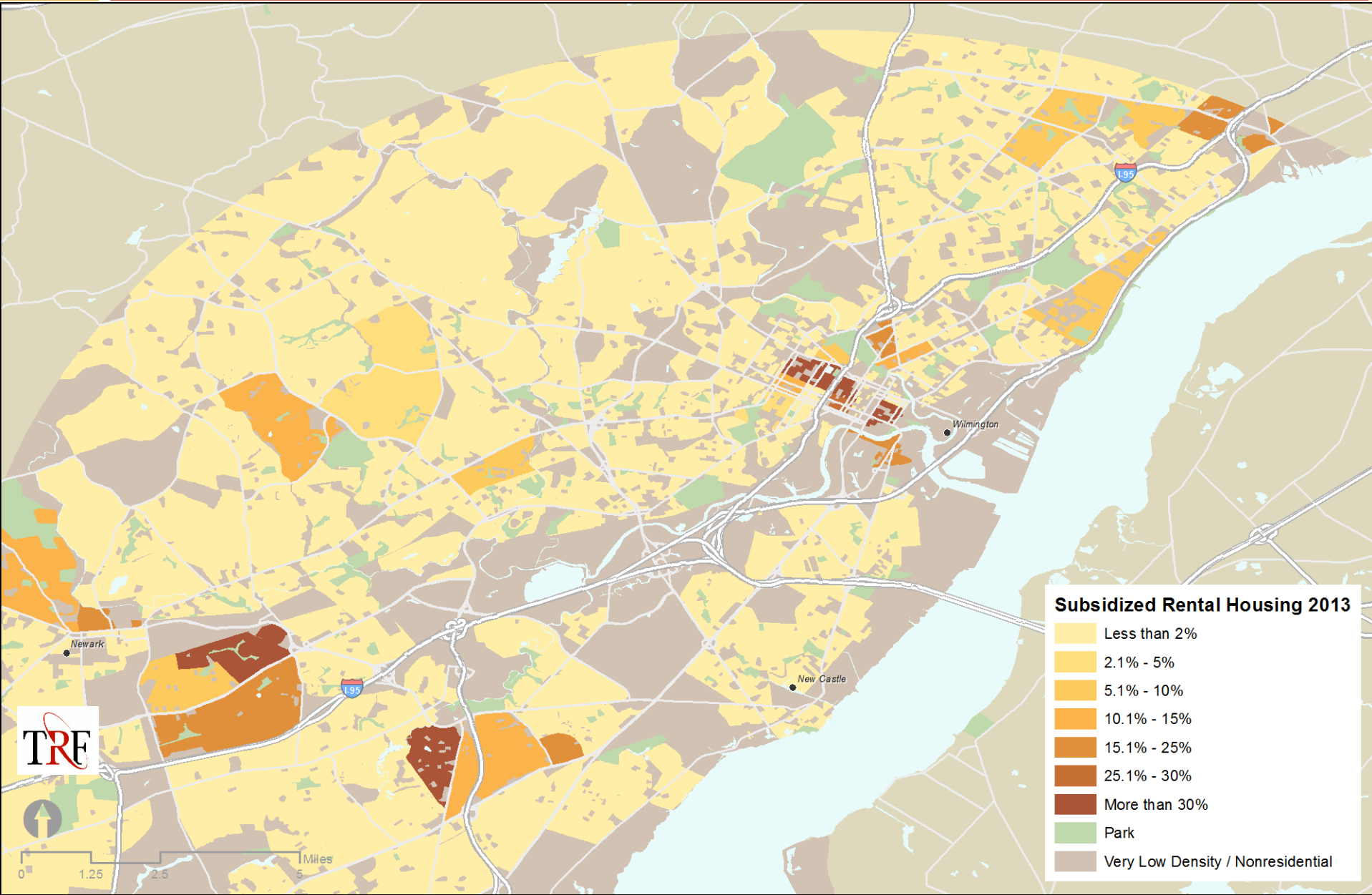
Variance In Sales Price



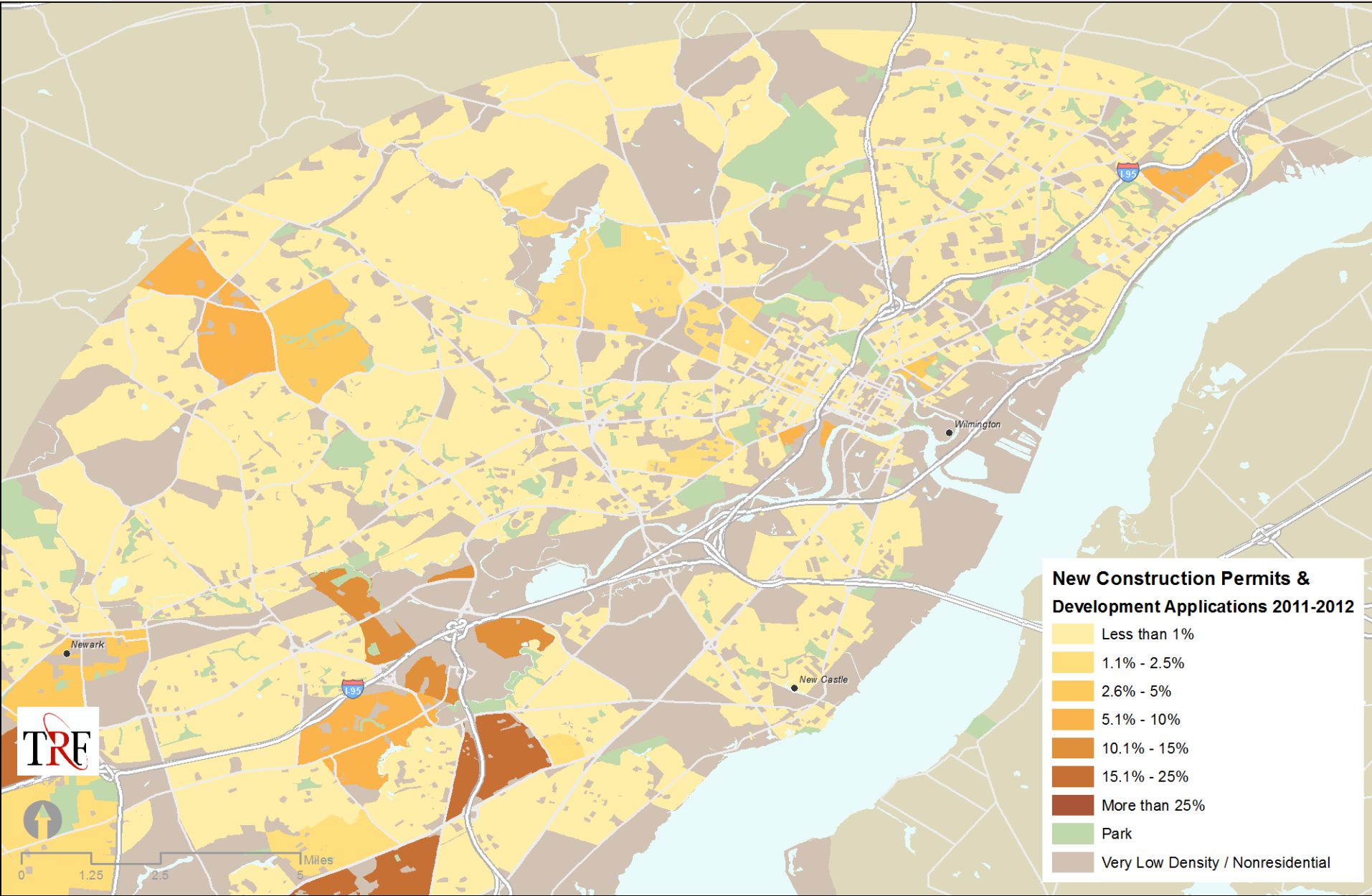
Owner Occupied Units



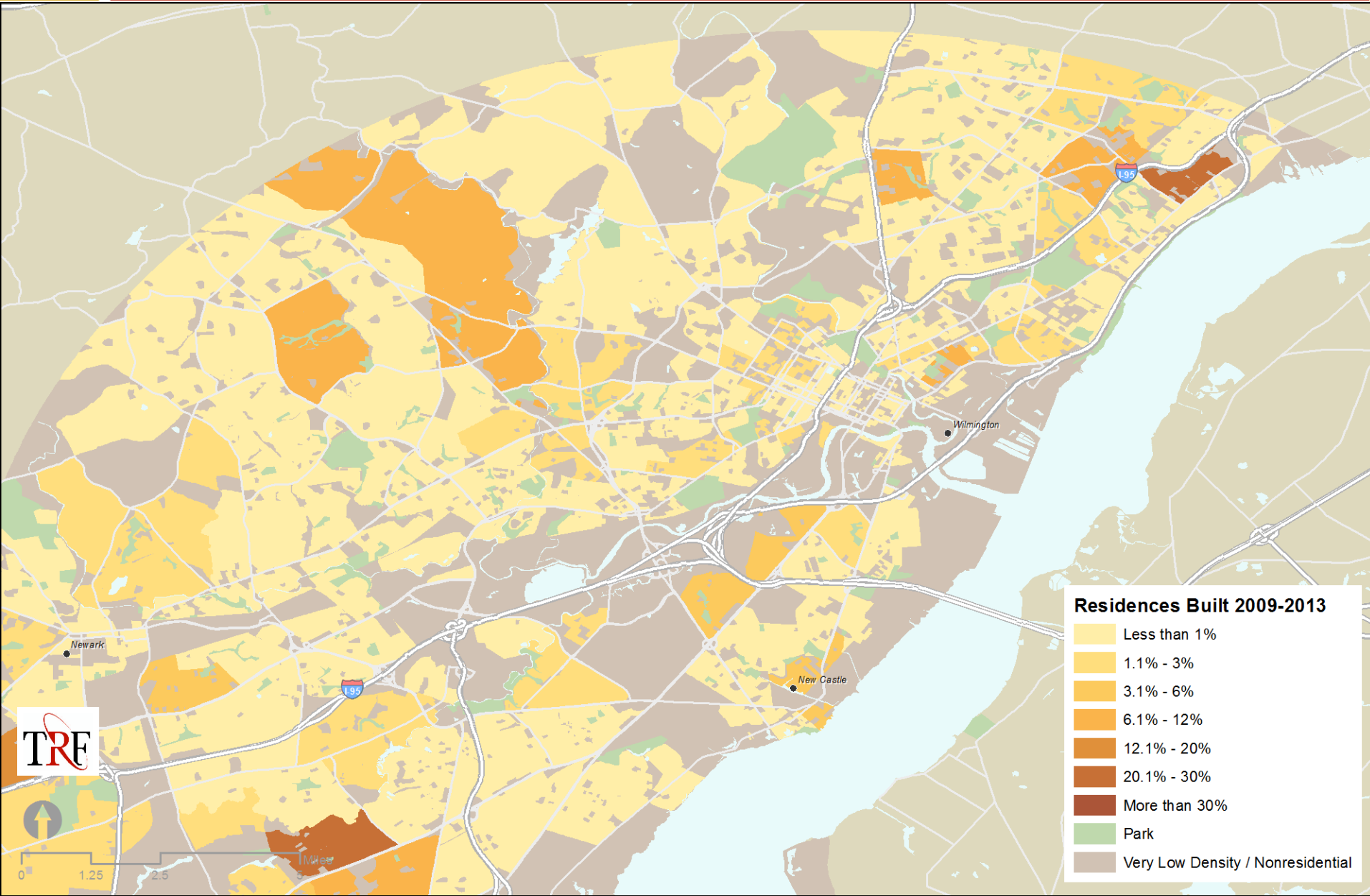
Subsidized Rental Housing



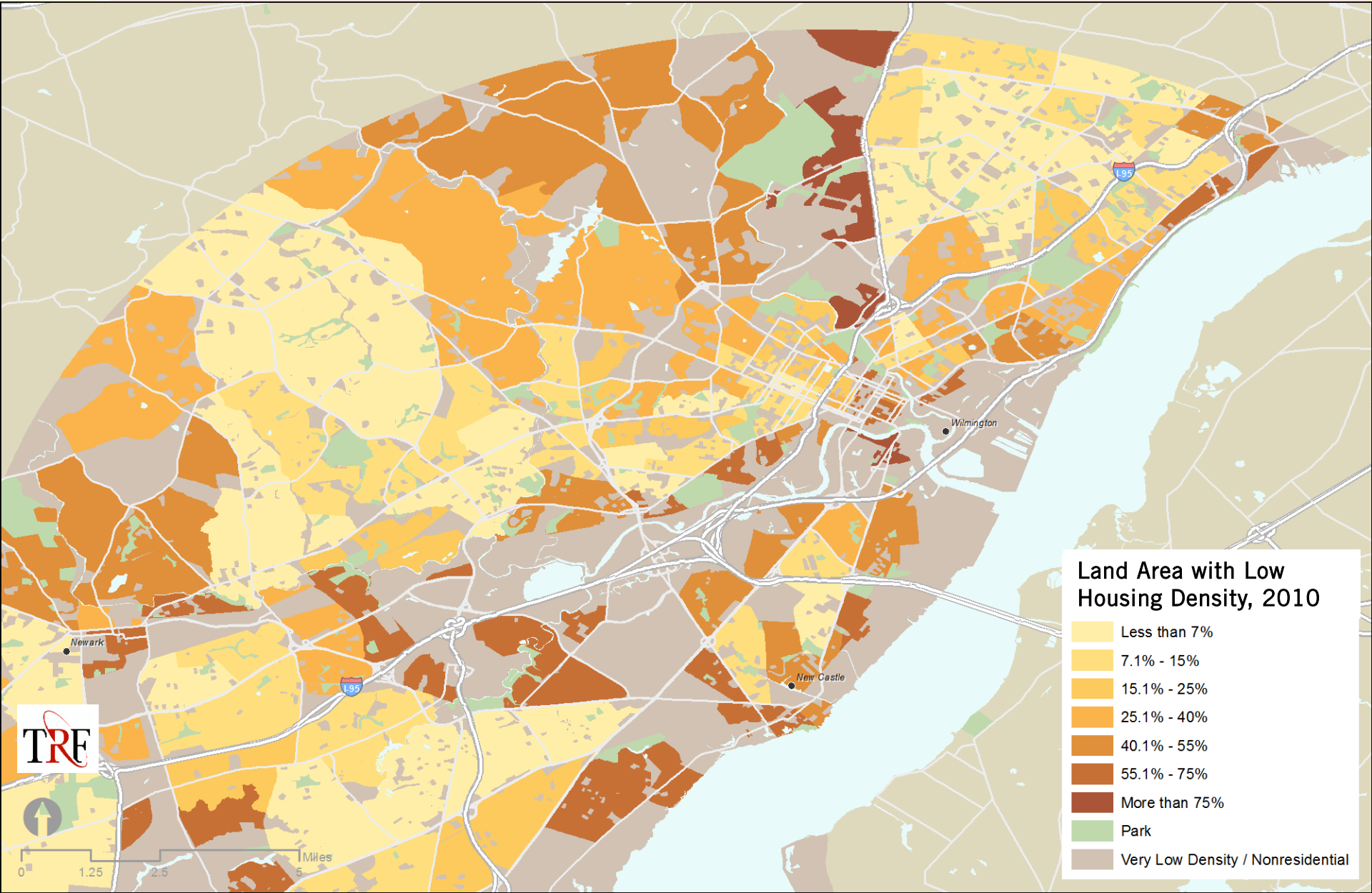
New Construction Permits And Development Applications



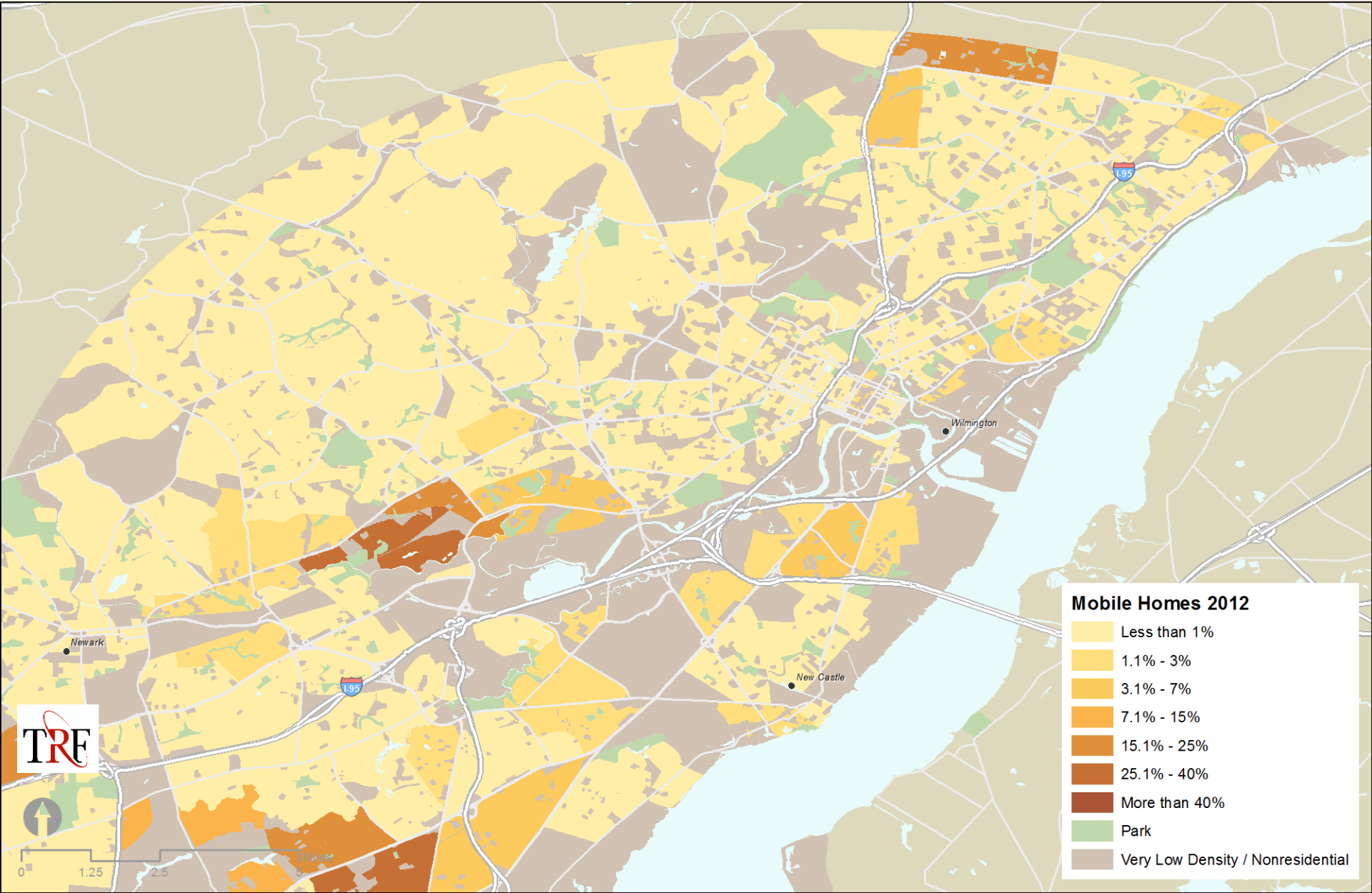
Residences Sold That Were Built From 2009-2013



Land Area With Low Housing Density



Mobile Homes



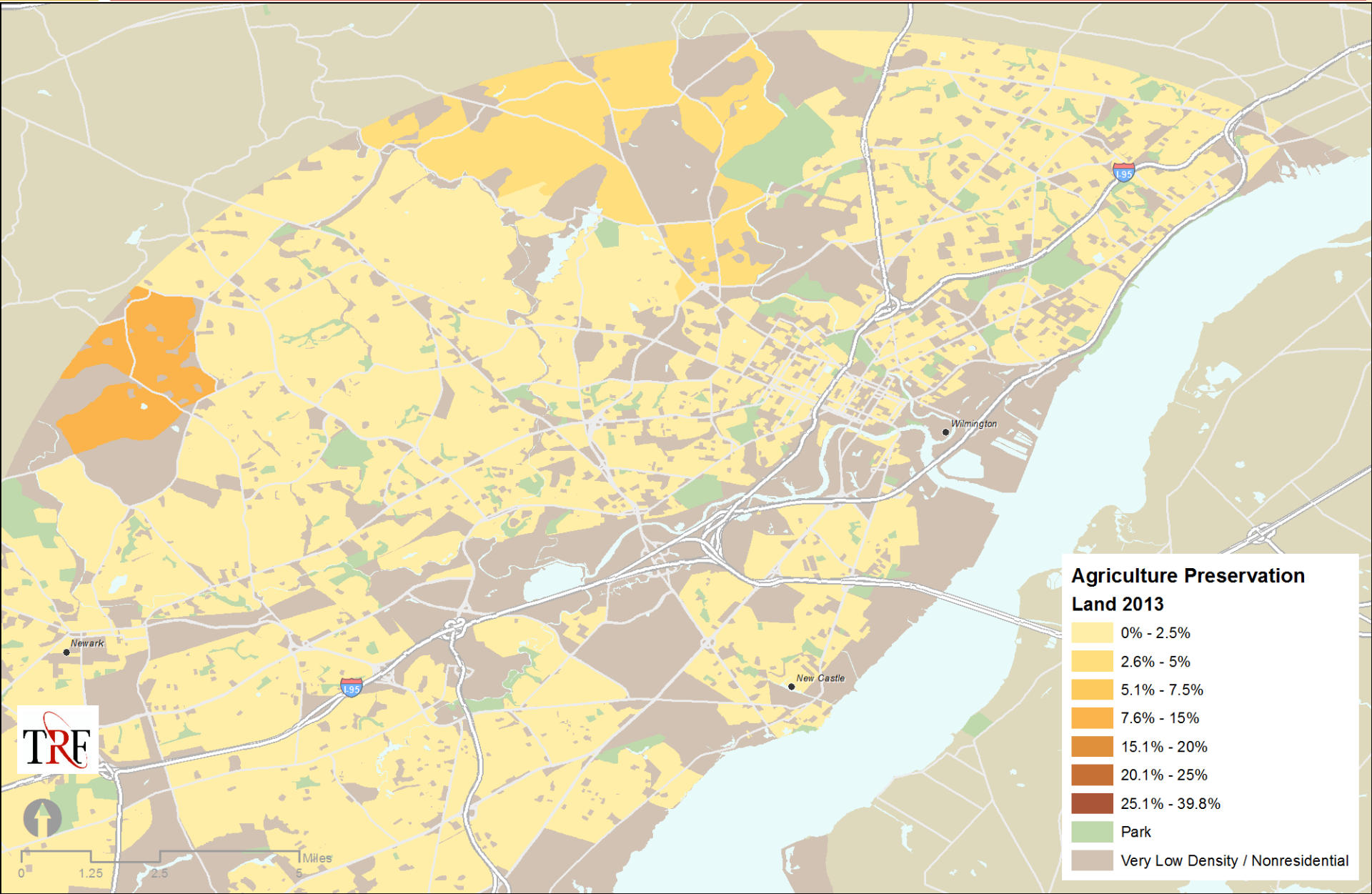
Mobile Homes 2012

- Less than 1%
- 1.1% - 3%
- 3.1% - 7%
- 7.1% - 15%
- 15.1% - 25%
- 25.1% - 40%
- More than 40%
- Park
- Very Low Density / Nonresidential



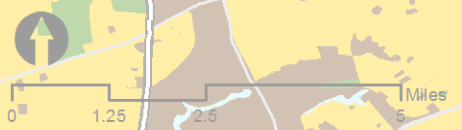
0 1.25 2.5

Agriculture Preservation Land

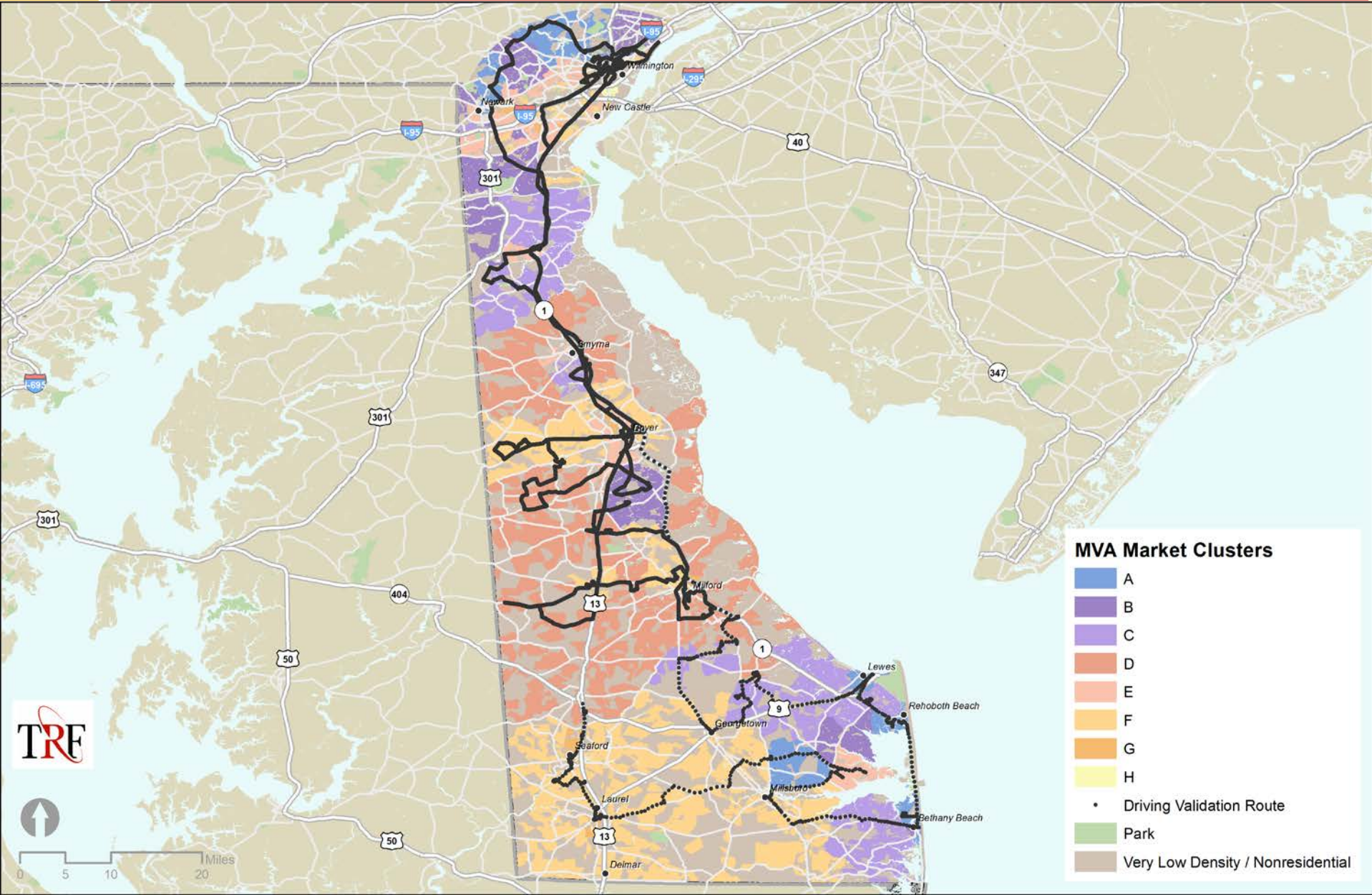


Agriculture Preservation Land 2013

- 0% - 2.5%
- 2.6% - 5%
- 5.1% - 7.5%
- 7.6% - 15%
- 15.1% - 20%
- 20.1% - 25%
- 25.1% - 39.8%
- Park
- Very Low Density / Nonresidential



MVA Validation Route



MVA Validation Route

