

DSHA's Role in Affordable Housing Development:

A Presentation to the Affordable Housing
Production Task Force

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Agenda

- Introduction to DSHA
- DSHA's Role in Development
- Why Focus on Supply? A Review of Housing Data

DSHA Overview

- Housing Finance Agency (HFA)
- Public Housing Authority (PHA)
- Community Development



DSHA's Role in Development

	Program	Program Structure	Activities Supported	Income Served	Housing Type	Funding Sources
RENTAL	Low Income Housing Tax Credit (LIHTC)	May be eligible for DSHA Loan	Preservation, New Creation	Up to 80% AMI	Multifamily	HDF HOME ARHP NHTF
	Special Populations/ Permanent Supportive Housing	Loan	New Creation, Preservation	30% AMI	Multifamily	HDF HOME NHTF
	Mixed Income Market Fund (MIMF)	Loan	New Construction	Up to 65% AMI	Multifamily	SLFRF ARPA
	Accelerator & Preservation Fund	Loan	New Creation, Preservation	Up to 60% AMI	Multifamily	SLFRF ARPA
	Market Pressure Relief Fund	Loan	New Creation, Preservation	Up to 60% AMI	Multifamily	SLFRF ARPA
HOMEOWNERSHIP	Strong Neighborhoods Housing Fund (SNHF)	Grant	Acquisition; Rehabilitation; Redevelopment	Up to 120% AMI	Single Family	SNHF
	Catalyst Fund	Grant	Rehab, New Construction	Up to 120% AMI	Single Family	SLFRF ARPA
	Homeownership Production and Preservation Fund	Grant	Preservation, New Creation	Up to 80% AMI	Single Family	HDF
	Statewide Emergency Repair Program (SERP)	Grant	Emergency Repair (Owner-Occupied)	Up to 80% AMI	Single Family	HDF
	CDBG	Grant	Owner Occupied Repair	Up to 80% AMI	Single Family	CDBG
OTHER	Downtown Development District	Rebate	Rehab, Adaptive Reuse, New Creation	N/A	Commercial & Residential	DDD

The Need for More Supply

- DSHA's 2023 Housing Needs Assessment revealed a need for greater supply of homes for sale and for rent across the income spectrum
- Recent research by the Pew Charitable Trusts demonstrates that:
 - Rates of homelessness rise in tandem with increases in rent prices; and
 - Jurisdictions that increase housing stock experience lower rent growth
- By focusing on increasing supply, we can address both cost-burden among currently housed residents, and the rising rate of homelessness in Delaware

What is Affordable Housing?

Housing is considered “**affordable**” when housing costs **do not exceed 30%** of a household’s budget.

Housing Costs are largest component of household budget and include utilities, taxes, and insurance.



Households paying more than 30% for housing are “cost burdened”



Households paying more than 50% for housing are “severely cost burdened”

Source: Root Policy Research.

What is Affordable Housing?

Household income is typically measured as a percentage of the **Area Median Income (AMI)**, which is the middle income in a range. AMI is different for the state and counties.

Affordable Homeownership –
For households earning less than 100% AMI.

Affordable Rental –
For households earning less than 80% AMI.

Two Person AMI for Delaware and Counties, 2021

2-person AMI	Delaware	New Castle County	Sussex County	Kent County
30% AMI	\$19,920	\$22,680	\$18,030	\$16,560
50% AMI	\$33,200	\$37,800	\$30,050	\$27,600
60% AMI	\$39,840	\$45,360	\$36,060	\$33,120
80% AMI	\$53,120	\$60,480	\$48,080	\$44,160
100% AMI	\$66,400	\$75,600	\$60,100	\$55,200
120% AMI	\$79,680	\$90,720	\$72,120	\$66,240

Source: HUD Income Limits and Root Policy Research.



What is Affordable Housing?

Workforce Housing

Housing that is affordable to households earning up to 100% AMI *and meets the needs of wage and service industry workers.*

Examples of occupations and wages by income range:

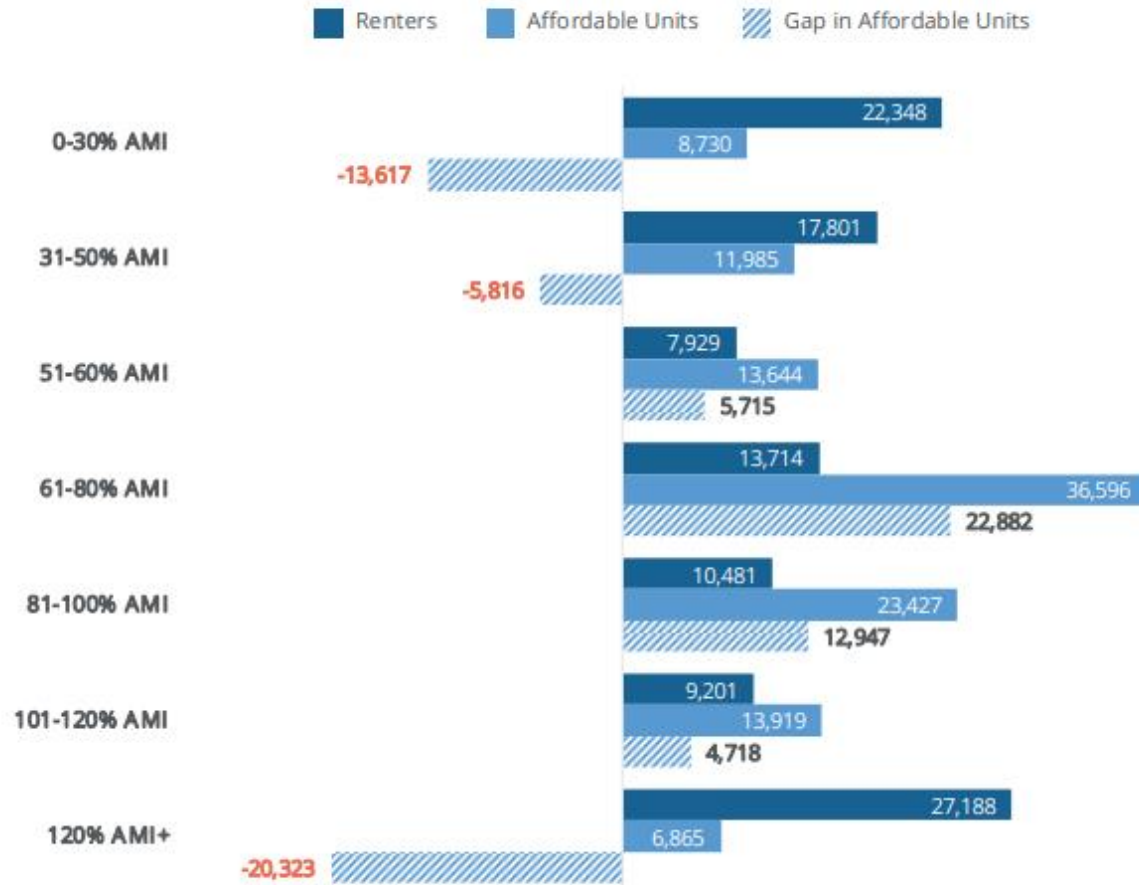
Extremely Low-Income (0-30%)	Very Low-Income (30%-50%)	Low-Income (50%-80%)	Median Income (100%)
Less than \$19,920	\$19,920-\$33,200	\$33,200-\$53,120	\$53,120 -\$66,400)
Mostly in labor force, over age 65, family has member with a disability	Nursing assistants, wait staff, home care aides, cashiers, retail, childcare, food prep	Nursing assistants, counselors, office and administrative support, construction	Teachers, paramedics, social workers, paralegals, electricians

Source: HUD Income Limits, Root Policy Research, Delaware Department of Labor.



For-Rent Supply

Gaps in Rental Market by AMI, Delaware, 2021

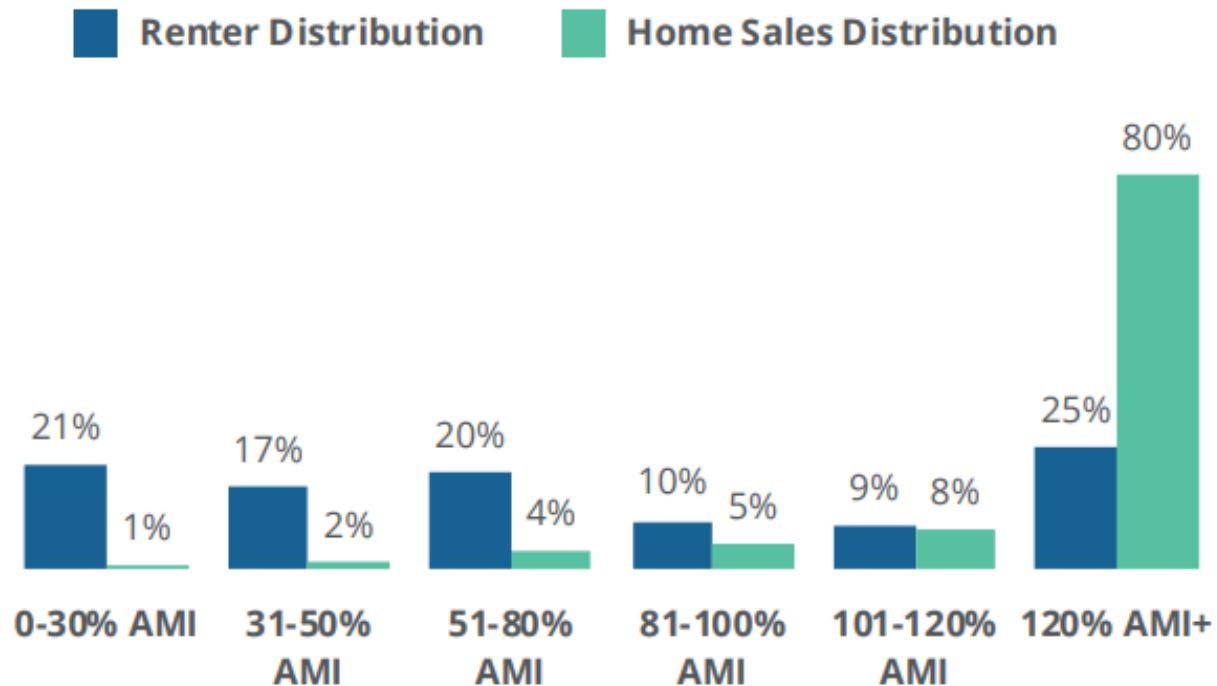


Note: AMI based on two person household HUD income limits in Delaware.

Source: 2021 5-year ACS and Root Policy Research

For-Sale Supply

Comparison of Renters and Affordable For Sale Homes by AMI, Delaware, 2022

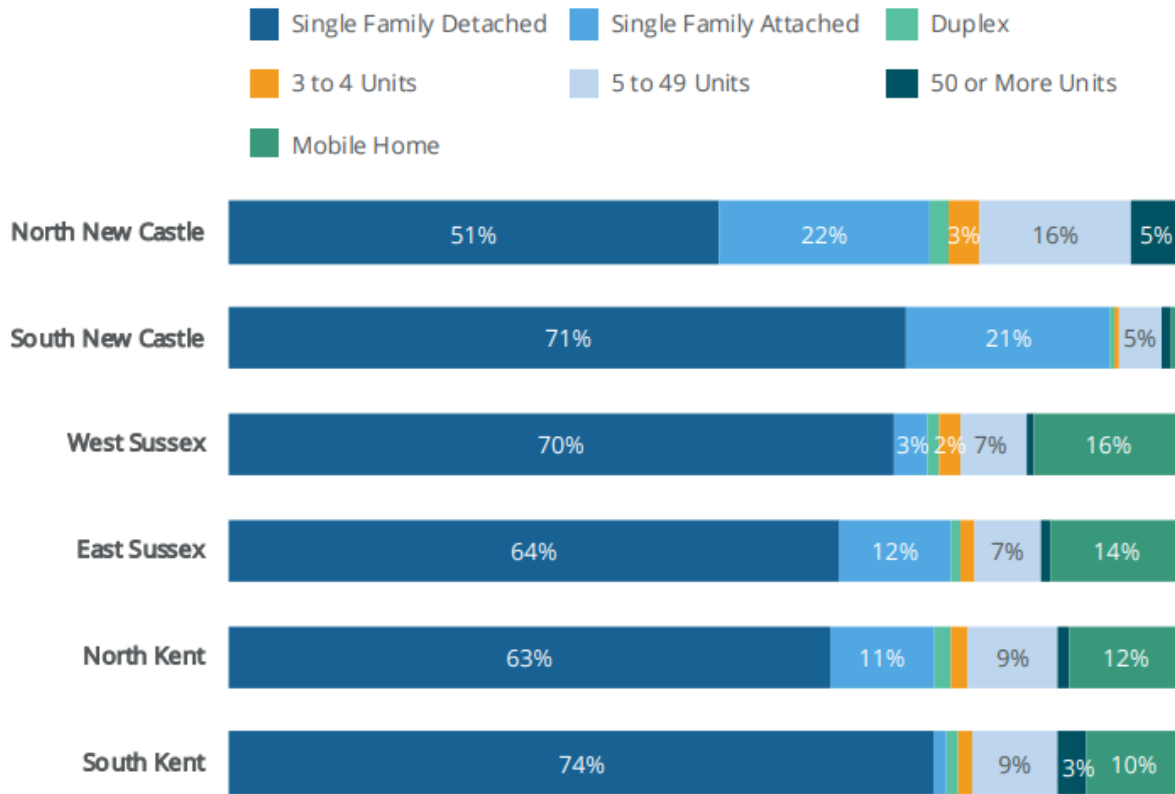


Note: Assumes a 30-year mortgage at a rate of 6.5% with a 20% down payment and 25% of monthly payment is used for property taxes, utilities, and insurance.

Source: Root Policy Research, 2021 ACS 5 year estimates, and HMDA.

Housing Stock by Unit Type

Housing Unit Type, Market Areas, 2021



Source: 2021 5-year ACS and Root Policy Research.

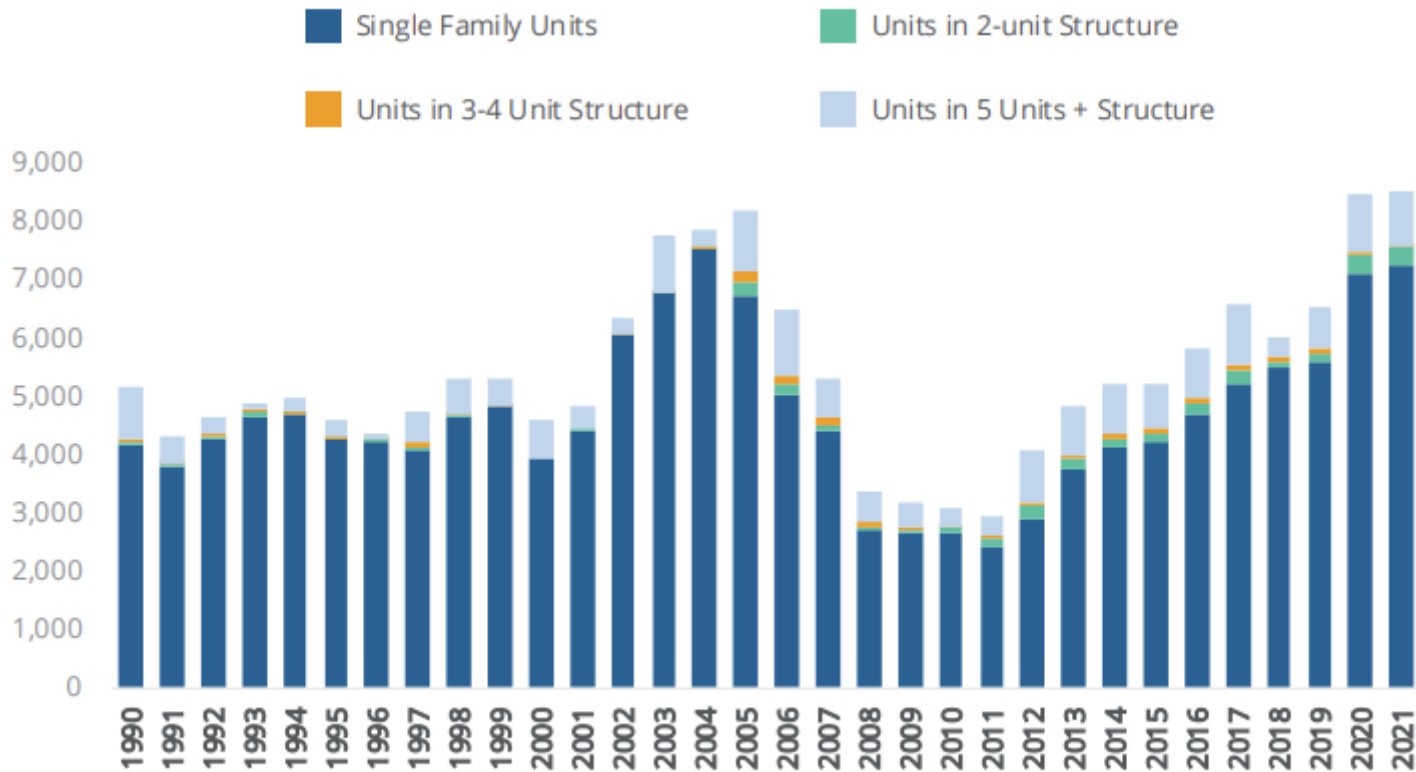
Housing Type Affordability

Homes Values by Housing Type, Delaware, Various Years

Housing Type	Median Home Value			% Cheaper than Single Family Detached Home		
	2000	2010	2021	2000	2010	2021
Single-family Detached	\$125,000	\$250,000	\$289,500	0%	0%	0%
Single Family Attached	\$103,750	\$175,000	\$199,500	20%	43%	45%
Duplex	\$80,000	\$175,000	\$227,500	56%	43%	27%
3 to 4 Units	\$125,000	\$175,000	\$205,000	0%	43%	41%
5 to 9 Units	\$85,000	\$150,000	\$167,500	47%	67%	73%
10 to 19 Units	\$85,000	\$150,000	\$175,000	47%	67%	65%
20 to 49 Units	\$85,000	\$175,000	\$185,000	47%	43%	56%
50+ Units	\$162,500	\$175,000	\$167,500	-23%	43%	73%

Building Permit Activity

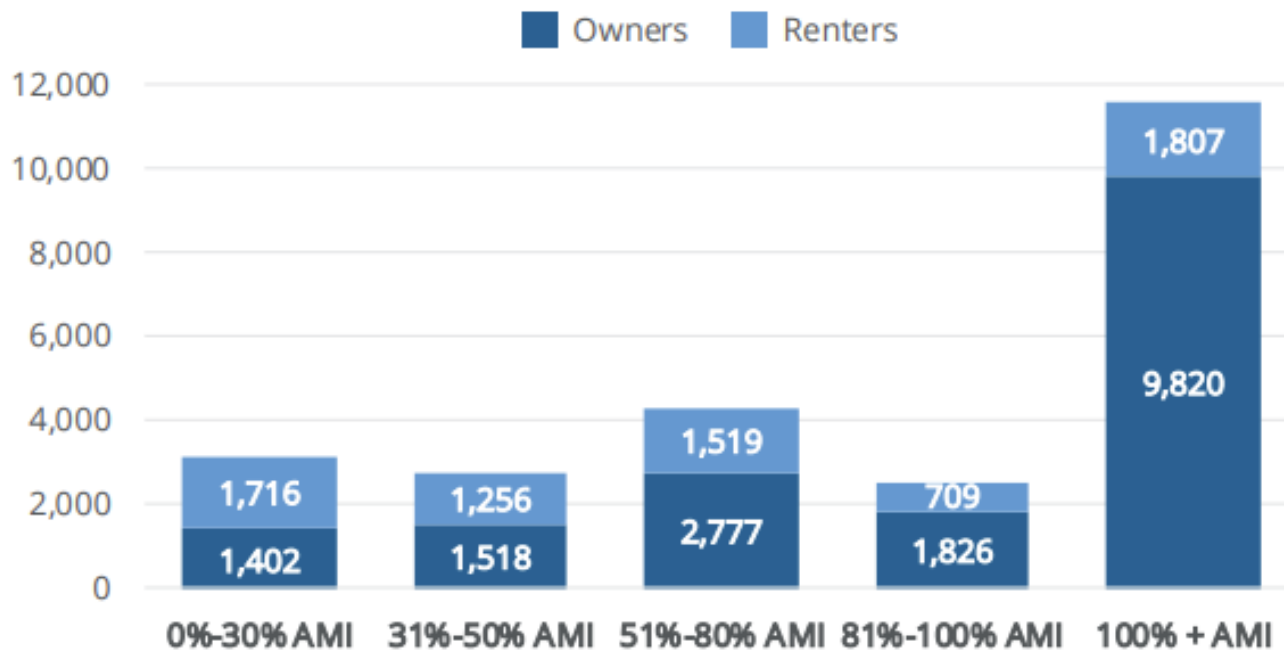
Delaware, 1990-2021



Source: US Housing Production Report and Root Policy Research.

Future Housing Needs

Projected Units Needed by AMI and Tenure, Delaware
By 2030



Note: Holds latest CHAS tenure and income distribution constant.

Source: Delaware Population Consortium, HUD CHAS 2019 estimates, and Root Policy Research.

Thank You!

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