



Finance & Development Subcommittee: Meeting 1

Tuesday, October 22nd
1:00 – 2:30 p.m.

DSHA Conference Room, 26 The Green, Dover, DE 19901

Task Force Charge

Make findings and recommendations on how the State and local governments can promote the production of rental units and homes that are affordable at various income levels throughout Delaware.

- Consider and review best practices related to land use, affordable housing production, and affordable housing financing adopted in other states;
- Review zoning and permitting laws and regulations that govern residential land use and evaluate how well they enable or inhibit the production of affordable housing; and
- Study and review land use development and residential housing construction industry practices to determine what factors, in Delaware, are limiting the production of affordable housing opportunities for households below 120% AMI.

Approach to Task Force Charge

- Identify challenges and barriers to increasing supply to match demand
- Identify potential solutions
- Prioritize actionable recommendations and strategies
- For each recommendation, indicate:
 - Who should implement (State/Local Gov't/Private Sector);
 - Whether implementation will require legislation, regulatory changes, and/or funding subsidies

Task Force Timeline

Aug. 29th:	1 st Task Force Meeting
Oct. 7th:	2 nd Task Force Meeting
October – December:	Subcommittees meet once per month
January 2025:	3 rd Full Task Force Meeting - Subcommittees report out on recommendations; Subcommittees meet to clean up recommendations as needed
February 2025:	4 th Task Force Meeting
March 1, 2025:	<u>Final Report Due</u>

Finance & Development

- **Dedicated funding sources for affordable housing**
 - Expand bonding authority
 - Increase baseline funding to the HDF
 - Create an ongoing fund (like HDF/HTF) tied to a predictable funding source
 - Allocate 1% of state budget to a housing trust fund
- **Developer incentives**
 - Incentives to increase density in urban & growth areas (to be covered by Regulatory & Permitting Subcommittee)
- **Legal and financial tools to promote affordable home ownership (deed restrictions, community land trusts, workforce housing)**
 - Fund the Delaware Workforce Housing Program
- **Surplus land and land donations**
 - Inventory private and publicly owned land available for housing development; create a process to make lands available

Finance & Development

Other Required Topics to Review per HB 442:

- Infill development
- Cost-sharing
- Grant opportunities

Other Finance-Related Ideas Shared During 2nd TF Meeting:

- Increase developers' capacity to obtain and implement federal funding
- Subsidize operating costs
- Financing for weatherization and climate resiliency

Parking Lot

- To be used to document ideas that are unrelated to production and our required focus areas, but still housing-related
- These items can be referred to other subcommittees (as appropriate) or acknowledged in the final report as something needing further study

Required Subcommittees

- **Regulatory & Permitting**
 - Chair: David Edgell, OSPC
- **Finance & Development**
 - Chair: Amy Walls, Discover
- **Construction**
 - Chair: Mike Riemann, Home Builders Association of DE
- **Manufactured Housing**
 - Chair: Jerry Heisler, Reybold Group
- **Community Focus Groups**
 - Chair: Rachel Stucker, Housing Alliance Delaware

Projected Housing Needs

- DSHA's 2023 Statewide Housing Needs Assessment projects how many housing units are needed by 2030 to keep up with growth
- The projections are broken down by county, tenure (i.e., owner-versus renter-occupied units), and affordability as measured by a percentage of Area Median Income
- The projections assume that the state's current homeownership rate (71%) remains steady
- *The projections are in addition to the existing shortage of **19,400** rental units that are affordable to households making 0-50% AMI*

Housing Units Needed in Delaware by 2030 to Accommodate Growth

	Total	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100%+ AMI
Delaware	24,349	2,888	2,732	4,393	2,520	11,815
<i>Owner Units</i>	18,268	1,497	1,624	3,010	1,911	10,227
<i>Renter Units</i>	6,081	1,391	1,108	1,384	609	1,588

Housing Units Needed in New Castle County by 2030 to Accommodate Growth

	Total	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100%+ AMI
New Castle County	4,016	556	465	696	424	1,875
<i>Owner Units</i>	2,727	220	236	429	293	1,548
<i>Renter Units</i>	1,289	336	229	267	131	326

This is in addition to a shortage of **12,247** rental units affordable to households making between 0-50% AMI in New Castle County.

Housing Units Needed in Kent County by 2030 to Accommodate Growth

	Total	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100%+ AMI
Kent County	6,941	779	761	1,179	664	3,559
<i>Owner Units</i>	4,793	341	392	672	440	2,948
<i>Renter Units</i>	2,148	437	369	507	224	611

This is in addition to a shortage of **3,354** rental units affordable to households making between 0-50% AMI in Kent County.

Housing Units Needed in Sussex County by 2030 to Accommodate Growth

	Total	0-30% AMI	31-50% AMI	51-80% AMI	81-100% AMI	100%+ AMI
Sussex County	13,392	1,553	1,506	2,519	1,432	6,382
<i>Owner Units</i>	10,749	935	996	1,909	1,178	5,730
<i>Renter Units</i>	2,643	618	510	610	254	651

This is in addition to a shortage of **2,850** rental units affordable to households making between 0-50% AMI in Sussex County.

Brainstorming Session

Identify (per Task Force Charge):

- Challenges and barriers to increasing supply to match demand
- Potential solutions
- Attempt to identify who (state/local gov't/private sector)

Consider:

- Dedicated funding sources for affordable housing; Developer incentives; Legal and financial tools to promote affordable home ownership (deed restrictions, community land trusts, workforce housing); Surplus land and land donations; Infill development; Cost-sharing ; Grant opportunities

Policy

Administration

Tools
(Financial)

Market Factors

Homework

Pivot from challenges to potential solutions

- Understanding the math:
 - Missing middle (see article)
 - LIHTC multi-family
 - Infill
- Potential solutions
 - What can we learn from other jurisdictions? For example:
 - Policies
 - Funding mechanisms
 - Preservation of subsidy