

# Fair Share Measure and Good Neighborhood Program

Delaware Housing Coalition

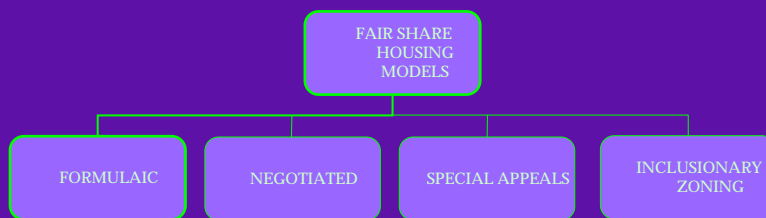


May 3, 2010

DHC Fair Share Measure

1

## Fair Share Measures



- Spatial Distribution
- Variety of approaches

May 3, 2010

DHC Fair Share Measure

2

# Good Neighborhood



A Project of the Delaware Housing Coalition

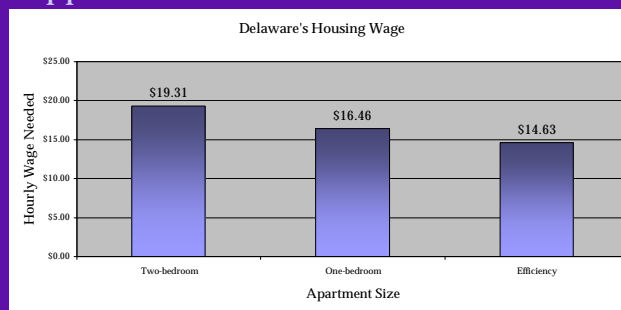
May 3, 2010

DHC Fair Share Measure

3

## Affordability

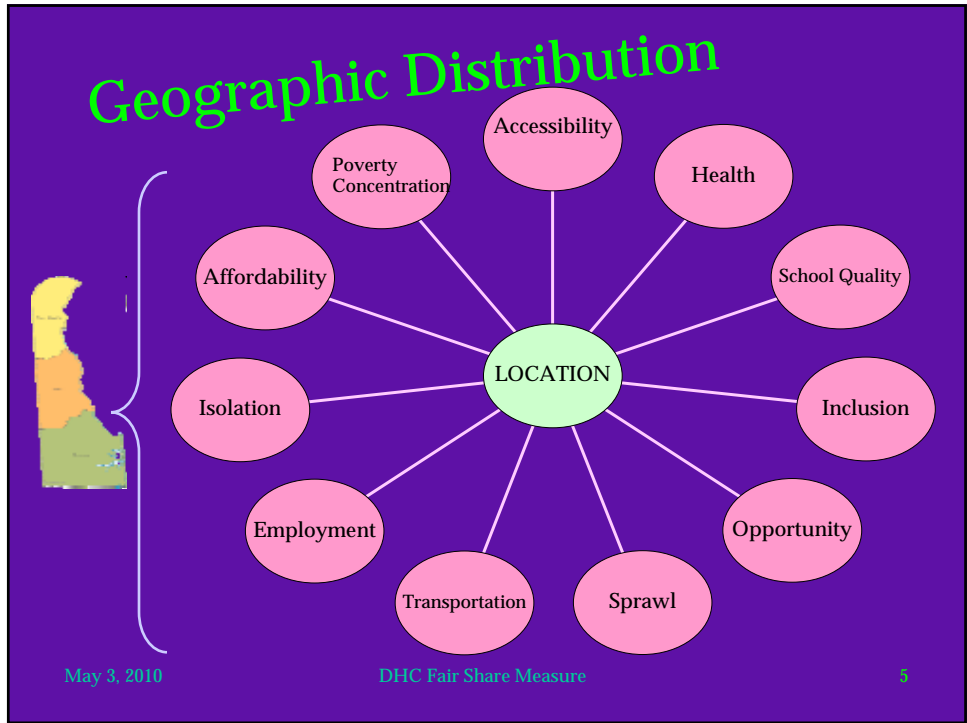
- DHC has traditionally focused most of its energy on the most obvious impediment -- **the scarcity of resources** -- to serving those with the fewest housing and life opportunities.



May 3, 2010

DHC Fair Share Measure

4



# Good Neighborhood

- *Good Neighborhood* by Morris Milgram
  - Recounts his efforts to build integrated communities in the 1950s.
  - Fifty years ago he established the integrated community of **Runnymede in Hockessin, Delaware.**

May 3, 2010

DHC Fair Share Measure

6

# Good Neighborhood

A multi-year project to foster communities as places that

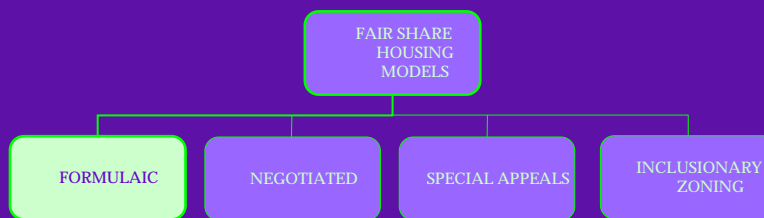
- are more affordable and accessible
- are more open and inclusive
- promote choice, mobility, and opportunity

May 3, 2010

DHC Fair Share Measure

7

# Fair Share Measures



- Formulaic
- Six Variations

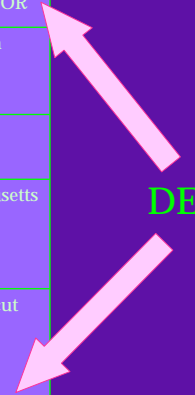
May 3, 2010

DHC Fair Share Measure

8

## Various Formulaic Approaches

#1) responsibility and capacity to absorb new growth;	New Jersey
#2) to redistribute income levels across a region;	Portland, OR
#3) to distribute new affordable housing based on projected household and job growth;	California
#4) to distribute new affordable housing based on actual household and job growth	
#5) based on the assumption that each community within a region should have the same percentage of their overall housing stock be affordable to low income households	Massachusetts
#6) reliant upon consensus building to determine how many new affordable housing units each community within a region is responsible for providing	Connecticut



May 3, 2010

DHC Fair Share Measure

9

## Formulaic Approaches

### CATEGORY 1: ABSORBING NEW GROWTH

- New Jersey's fair share program
- Mandated by the state Supreme Court Mt. Laurel decisions in the 1980s
- Communities are responsible for providing affordable housing for their "fair share" of those in need in the state
- Allocation formula has changed over the years but has always been based on a combination of responsibility and capacity for affordable housing growth.
- Recently, a growth share has been added to the allocation formula, making communities responsible for providing affordable housing for a certain portion of *actual*, rather than potential, growth.
- The effectiveness of this approach has yet to be fully seen, however, there is concern that growth share allocations will fail to produce new affordable housing units in slow growing communities.

May 3, 2010

DHC Fair Share Measure

10

## Formulaic Approaches

### CATEGORY 2: REDISTRIBUTION OF INCOME LEVELS

- Portland, Oregon's fair share allocation program
- Based on the presupposition that the proportion of a community's total housing stock that is affordable to low income households should be equal to the proportion of households region-wide that are in need of affordable housing.
- The allocation formula takes into account the number of housing units already being provided that are affordable to households in four income categories -- <30%, 30.1-50%, 50.1-80% and 80.1-120% Area Median Income.
- This is subtracted from the total amount that the community is considered responsible for providing.
- One of the weaknesses of this approach, however, is that it does not take other factors such as access to transportation or employment opportunities into account when determining a community's responsibility to provide affordable housing.

May 3, 2010

DHC Fair Share Measure

11

## Formulaic Approaches

### CATEGORY 3: PROJECTED HOUSEHOLD AND JOB GROWTH

- California
- A spatial distribution program based on projected household and employment growth in communities.
- State-wide need in four income categories -- <50%, 50.1-80%, 80.1-120% and >120% Area Median Income -- is projected by state government.
- Regional governments are responsible for determining their portion of this need and distributing it to communities in the region.
- Each regional government is free to develop its own formula for allocating this need but general guidelines are provided by the state.
- A significant problem with this approach is that it does not take a community's capacity to absorb new housing into account.

May 3, 2010

DHC Fair Share Measure

12

## Formulaic Approaches

### CATEGORY 5: EQUAL PERCENTAGE

- Massachusetts
- Population-based approaches to fair share housing
- Assume that a certain percentage of a community's overall housing stock should be affordable to low income households.
- This approach is different from the approach used in Portland because the percentage is generally arbitrary rather than a reflection of the proportion in need of affordable housing regionally.
- In MA, for instance, 10% of every community's overall housing stock is expected to be affordable to low income households.
- Builders have the ability to sue municipality if it refuses to allow them to develop affordable housing units in the community.
- Relatively passive approach -- repercussions are only enacted if and when a municipality rejects a proposal for the development of affordable housing.

May 3, 2010

DHC Fair Share Measure

13

## Formulaic Approaches

### CATEGORY 6: NEGOTIATED

- Connecticut
- A negotiated approach to fair share housing distribution.
- Pilot programs in the Hartford and New Haven regions brought together key stakeholders from each of the regions' communities to negotiate or come to a consensus on how much new affordable housing each community should be obligated to provide in order to have the region's affordable housing more equitably distributed.
- Although this approach helps to develop more broad based support for the building of affordable housing, many argue that it is time-consuming and that consensus may difficult to meet.

May 3, 2010

DHC Fair Share Measure

14

## Formulaic Approaches Summary

- Wide range of approaches are being employed nationally
- Unclear which approaches may be the most effective
- Useless without the means and structure to enforce
- What works in one region may be ineffective in another.
- In time, the relative effectiveness of particular approaches will become clearer (?)

May 3, 2010

DHC Fair Share Measure

15



Good Neighborhood

GOAL

Better geographic and social distribution of housing and life opportunity for all Delawareans, especially the most vulnerable.

Good Neighborhood  
Affordable | Accessible | Inclusive

May 3, 2010

DHC Fair Share Measure

16

# Good Neighborhood

- ❑ Fair Share Measure - Description
- ❑ Policy Development - Prescription
- ❑ Advocacy for Inclusion - Practice



May 3, 2010

DHC Fair Share Measure

17

## Fair Share Measure

### Fair Share Committee

- Dr. Karen Curtis, DHC Board & U/D CCRS
- Marlena Gibson, DSHA
- Rosalind Kotz, U/D CCRS
- Dr. Steve Peuquet, U/D CCRS
- Serena Williams, DHC Board & Widener School of Law

Elizabeth Kowalczyk, Principal Researcher

May 3, 2010

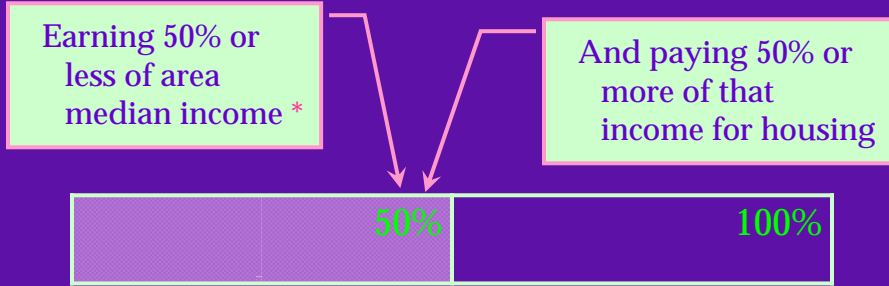
DHC Fair Share Measure

18

## Fair Share Measure

Measuring Need: Where we started.

### Delaware Households



\* basis for definition of "affordable housing"

May 3, 2010

DHC Fair Share Measure

19

## Fair Share Measure

### Cost Burdened (30%) Extremely Low Income (ELI) Households in Delaware (2005)

Roz Kotz, Housing Needs of Extremely Low Income Households in Delaware (2007)	Rent	Own	Total
Delaware	13,422	14,414	27,836
Kent County	1,974	2,932	4,906
New Castle County	9,595	6,529	16,124
Sussex County	1,854	4,980	6,834

May 3, 2010

DHC Fair Share Measure

20

## Fair Share Measure

### Severely Cost Burdened (50%) Very Low Income (VLI) Households in Delaware (2005)

Roz Kotz, Housing Needs of Extremely Low Income Households in Delaware (2007)	Rent	Own	Total
30% of AMI or Less (ELI)	9,029	6,511	15,540
30% to 50% of AMI (Rest of VLI)	2,546	4,465	7,011
50% of AMI or Less (VLI)	11,575	10,976	22,541

May 3, 2010

DHC Fair Share Measure

21

## Fair Share Measure

### Results to Date

- Distribution of Households in Need
- Distribution of Affordable, Available Units
- Preliminary Renter Fair Share Measure
- Current Work to Add Variables

May 3, 2010

DHC Fair Share Measure

22

## Fair Share Measure

This measures the % of each census tract's statewide share provided by that census tract. It is a measure of **Proportionate Share**:

- It was then modified to account for one key finding of prior research:

$$\frac{\text{HUs in CT}}{\text{HUs in DE}} \times \text{All DE Households } \leq 50\% \text{ AMI}$$



- The gross amount of housing units in Delaware affordable to households at or below 50% of AMI is more than sufficient to house them. **But many of them are already occupied by households above 50% of AMI.**

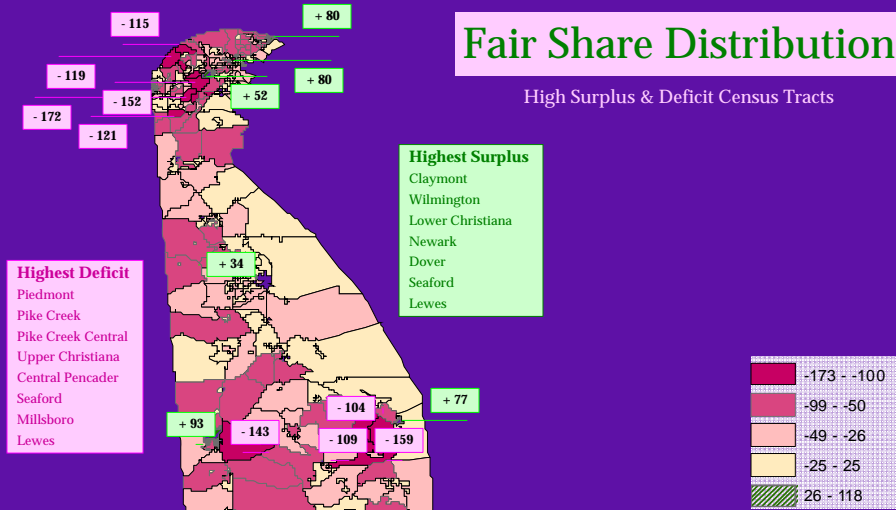
May 3, 2010

DHC Fair Share Measure

23

## Fair Share Distribution

High Surplus & Deficit Census Tracts



May 3, 2010

DHC Fair Share Measure

24

## Policy Development

- **Shared equity/permanent affordability**
  - to increase & maintain socio-economic distribution/accessibility
  - to serve some >50%/AMI now in <50%/AMI HUs
- **Emphasis on rental production and location**
- **Strategy to address cost-burdened homeowners**
- **ELI strategies**
  - Vouchers
  - Set-asides & reservations in LIHTC
  - % Universal Design

May 3, 2010

DHC Fair Share Measure

25

## Good Neighborhood

### Advocacy for Inclusion

#### Allies

- Fair Housing
- Education
- Civic
- Community Development
- Disability
- Anti-poverty
- Faith community
- Smart growth

Campaign

Policy

Fair Share Measure

May 3, 2010

DHC Fair Share Measure

26

## Advocacy for Inclusion

### Focus on

- the most vulnerable
- choice and opportunity
- equitable growth and sustainability
- “WHY - NIMBY?”

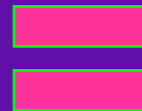


May 3, 2010

DHC Fair Share Measure

27

“... reducing inequality is no longer something which depends on the well-off adopting more altruistic attitudes to those in relative poverty: instead a more equal society benefits the vast majority of the population. A wider recognition of the way we all suffer the costs of inequality will lead to a growing desire for a more equal society. Our primary task is therefore to gain a widespread understanding of the way inequality makes society socially dysfunctional – right across the board.”



*The Spirit Level: Why Greater Equality Makes Societies Stronger*  
by Richard Wilkinson & Kate Pickett

May 3, 2010

DHC Fair Share Measure

28

Fair Share Measure  
and  
Good Neighborhood Program

[www.housingforall.org](http://www.housingforall.org)



Delaware Housing Coalition

May 3, 2010

DHC Fair Share Measure

29