

# Fostering a Livable Delaware

## SUMMARY THE HOUSING NEEDS ASSESSMENT

### Rental Needs:

Households at risk: 18,150 renter households earn less than \$20,000 annual income and pay more than 30% of their income toward housing expenses. These precarious socioeconomic conditions place households at risk of being one paycheck away from homelessness.

There is a need for additional rental units either to accommodate new household growth or to relieve the conditions of "at risk" renter households who are cost burdened and residing in overcrowded and/or substandard units. Over the next five years, 2,985 rental units are needed either through new construction or the substantial rehabilitation of vacant dilapidated buildings: an average of 600 units a year. The overwhelming majority of this demand is from Delawareans with very low incomes. This can be broken down by resident income levels as follows:

o Extremely low income (0-30% of area median):	1,835 units
o Very low income (31-50%):	575 units
o Low income (51-60%):	310 units
o Other low (61-80%):	265 units
o TOTAL DEMAND:	2,985 units

Preservation of affordable multifamily housing: At least 5,693 rental units are in substandard condition and in need of substantial rehabilitation. This represents 6.9% of the State's total rental inventory. In addition, 1,963 affordable rental units could be lost due to conversion to market rate housing by 2007 as a result of expiration of affordability restrictions, non-renewal of Section 8 subsidies, or an owners election to prepay a mortgage.

### Homeownership Needs:

At least 7,490 owner occupied homes are in need of substantial rehabilitation and are in substandard condition. This represents 3.5 percent of the State's total owner occupied inventory. Substandard condition is a structure found to need two or more structural repairs in order to make the unit structurally sound, safe and habitable. Such rehabilitation is quantified as at least \$30,000 per unit (\$20,000 for mobile homes). A significant portion of Delaware's population lives in homes that are at risk of major structural/livability issues.

First time homebuyers requiring DSHA assistance will total approximately 1,250 per year.

~ Delaware State-Wide Housing Needs Assessment: 2003 - 2007 (Mullin & Lonergan Associates, Inc., Pittsburgh, PA)

## ① VERY AFFORDABLE RENTAL HOUSING

Of total new affordable rental units needed just to keep up with new demand (2985), the preponderant need (81%) falls among households at or below 50% of median income. As Executive Order Twenty-Eight suggests, special attention needs to be paid to households below 30% of median income, the extremely poor, who constitute over half the new need (62%).

## ② LIVABLE TOWNS AND CITIES

Currently, the City of Wilmington, the City of Dover, and the Town of Georgetown are planning homeownership revitalization initiatives to improve the housing supply, balance owner-to-renter ratios, and make themselves a destination for future homebuyers. These efforts are greatly needed given the older housing stock and homeownership rates in these areas, that are at least 20% below the statewide rate. A financing incentive program such as Livable Towns and Cities will enable these efforts to be successful and will attract future private homeownership investment in these areas, in furtherance of the Livable Delaware agenda.

## ③ PROMOTING HOMEOWNERSHIP

Help with down payment and settlement costs makes the difference in enabling hundreds of Delaware households of moderate means each year to become homeowners through the SMAL Program and through a renovation of that program to assure that it serves emerging homeowners in the best way possible. Homeownership counseling is needed to improve the safety and soundness of loans and permit families to become and remain homeowners.

## ④ RENTAL HOUSING PRODUCTION

Over 18,000 families in Delaware earn less than \$20,000 annually and pay more than 30% of those earnings for rental housing. These families are at risk of becoming homeless if an unforeseen domestic crisis disrupts their precarious existence.

By DSHA's own reckoning, \$8 million annually is required to service and leverage the existing volume of low income housing tax credits (LIHTC) coming to the state from the federal government. This is \$40 million over the next five years.

## ⑤ INNOVATIVE HOUSING INITIATIVES

Various nontraditional but critical packages of housing and community-based services will remain unmet without flexible funds to encourage them.