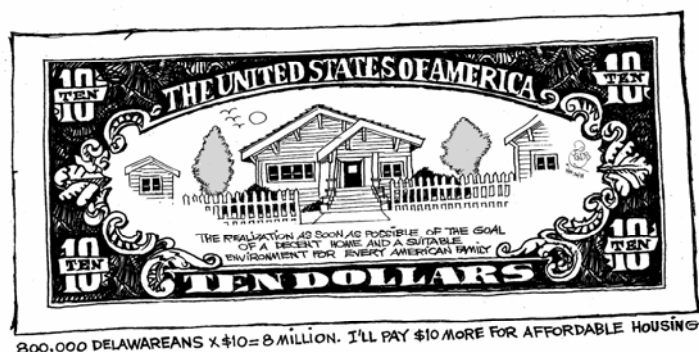


EIGHT REASONS TO FUND THE HDF WITH \$8 MILLION MORE



An additional \$8 million would have to be committed to the Housing Development Fund for the next year to keep pace with the Five-Year Strategic Housing Plan. Here are 8 reasons why it should.

Why we must invest in affordable housing –

1. It yields an unparalleled return on investment

Few, if any, investments make better economic sense.

- \$1 invested in housing yields \$7 in economic activity.
- An investment of \$60 million over five years would result in over \$420 million in economic activity and almost 4,000 new full-time jobs (*Investing to Meet Delaware's Affordable Housing Needs, 2004*).

2. The \$3.4 million is spoken for

The Governor's proposed budget is nowhere near where it needs to be if Delaware is to make housing a priority. Most of the \$3.4 million will be needed to insure Delaware can take full advantage of federal tax credits for rental units.

- For tax credit projects approved by the Council on Housing in fiscal years 2002, 2003 and 2004, a median of \$24,472 of HDF investment was needed per tax credit unit. At the median per unit investment, \$3.4 million produces only 139 units.

3. Homeownership is getting out of reach

Increasing numbers of qualified families in all three counties can not find decent homes which they can afford. In recent years, median home prices in Delaware have risen significantly.

- In the fourth quarter of 2004, the median home price in New Castle County was \$199,000; in Kent County, \$165,000, and in Sussex County, \$250,000 (*Delaware Real Estate Data, <http://www2.state.de.us/dsha>*).

4. The Racial Disparity in Delaware's Homeownership Rates is closing too slowly

- The homeownership rate for African American's is 51% and for Hispanics 42% in Delaware.
- The overall homeownership rate is 72%.
- If this gap were overcome, 10,886 more African American and 2,841 Hispanic families would own homes.
- At an average home equity of \$10,000, this is over \$137 million dollars in lost wealth.

5. Rent burdens are increasing

Thousands of Delawareans are rent-burdened, putting more of their incomes than they can afford into their housing costs.

- Over 18,000 households in Delaware have annual incomes of less than \$20,000 and pay more than 30% of their income in rent (*2003-2007 Housing Needs Assessment*).
- A person in Delaware must earn \$14.16 an hour, more than twice the minimum wage, to afford the fair market rent for a modest two-bedroom apartment (*Out of Reach 2004*, National Low Income Housing Coalition).

6. The federal partnership is diminishing

HUD and Rural Home programs have continued to be pared back with even the centerpiece programs like Section 8 vouchers that serve the extremely poor suffering repeated cuts. Longstanding successful programs like Community Development Block Grants are also on the chopping block. States can no longer rely on federal assistance to meet their housing needs.

7. Diverse housing is needed for diverse housing needs

Many different types of housing are necessary in order to have adequate housing opportunities for all of us according to our situations and needs. Without help, the market will simply never provide transitional housing units, group homes for the disabled, emergency shelter, or extremely low-cost housing for seniors. Adequate, flexible funding from the HDF is critical.

8. Millions in private capital available for homeownership is going unused.

Banks have committed capital to invest in affordable mortgages for eligible families but have been unable to deploy millions of committed capital due to the lack of affordable housing units throughout the state. Economic impact opportunities to lever private capital are being missed daily because families of modest incomes cannot find homes affordable to them.

ACTION STEPS FOR HOUSING

- Endorse the Five-Year Plan
- Solicit other endorsers
- Visit/call/write your legislators
- Follow up with them in a month's time
- Keep talking "housing, housing, housing"
- Become an informed advocate
- Join DHC and get its print and electronic news

- ◆ More information on the Five-Year Strategic Housing Plan is available at:
<http://www.housingforall.org>

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