

# Report of the Sussex Housing Group

## FAIR AND AFFORDABLE HOUSING ISSUES

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## The Sussex Housing Group (SHG)

The Sussex Housing Group came together three years ago to identify fair and affordable housing issues and to help the Sussex community address them with all deliberate speed. It has seventeen members:

- Community Legal Aid Society, Inc.
- Delaware Housing Coalition
- Delaware State Housing Authority
- The Division of Human Relations
- First State Community Action Agency
- Habitat for Humanity of Sussex County
- Hispanos Unidos
- Interfaith Mission of Sussex County
- La Esperanza
- Milford Housing Development Corporation
- NCALL Research
- Perdue Farms, Inc.
- Lorraine K. Phillips, Esq.
- Sussex Community Crisis Housing Services
- United Food & Commercial Workers Union, Local #27

### MISSION:

- To identify fair and affordable housing issues and to help the Sussex community address them with all deliberate speed

### BECAUSE:

- Long-standing housing needs exist in Sussex.
- Recent population growth has far outpaced housing development.
- Housing needs have reached crisis levels for much of the county's population.

### THE SITUATION

#### Affordable Housing

- The supply of rental housing has been far outpaced by demand.
- Accordingly rents have become exorbitant in some parts of the County.
- Families and single workers seeking reasonable rental units are desperate.
- Lack of affordable housing for purchase has driven up prices in the area dramatically.

#### Housing Conditions

- Sussex County has the highest rate of substandard units in the state.
- As the result of the large population growth, overcrowding is worse in Sussex County's incorporated areas than in the rest of the state.
- Much of the county's housing stock is substandard and unhealthy.

#### Fair Housing

- Real estate "steering" of minority applicants still is practiced.
- Stereotypes about racial and ethnic groups still characterize public discussions of growth, land use, and housing policy.
- Uneven enforcement of codes has a significant impact on minority groups.
- Needless delays and obstruction in permitting new, very affordable, decent housing aggravate the situation.

### THE IMPACT:

- The poorest, fastest-growing county has an increasing inability to house its citizens decently.
- Those who provide the labor to keep Sussex County thriving have an uphill battle to find a home.

#### SOME ACTIVITIES:

The members of the group have been engaged in a number of activities intended to have an impact on the fair housing environment in Sussex County and demonstrating the level of commitment of the members to this work. These include:

- Spanish translation of the Landlord Tenant Code Summary and distribution by the Delaware Housing Coalition and posted on its website: <http://www.housingforall.org/tenemosderechos.htm>
- Bilingual translation and distribution of Delaware's Mobile Home Lots and Leases Act and posting on the DHC website: [http://www.housingforall.org/mobile\\_home.htm](http://www.housingforall.org/mobile_home.htm)
- Development by Lorraine Phillips, then of Community Legal Aid Society and Pilar Gomez of Local #27 of Spanish-language complaint forms for filing requests for repairs and for loss of essential services in rental units.
- Visitation teams appearing at poultry plants, church services, and elsewhere to give Spanish-language community education programs on housing issues (NCALL, La Esperanza, Community Legal Aid Society).
- Fair Housing Tour of Sussex County in June of 2000 by the Division of Human Relations.
- A Georgetown Housing Roundtable, held in July of 2000 at a local church, which brought together landlords, tenants, local housing advocates, and local and county elected and appointed officials.
- Hispanic involvement in the ConPlan hearing and comment process in 2000 (Delaware Housing Coalition, Local #27).
- Involvement by all group members in the Georgetown Comprehensive Plan process, including written analysis of fair and affordable housing issues not addressed or impeded by the plan.
- Legal action to prevent violations of landlord-tenant laws by Lorraine Phillips, then of Community Legal Aid Society.
- Technical assistance to nonprofit housing developers working in Sussex County (NCALL Research, Interfaith Mission of Sussex County, and Milford Housing Development Corporation).
- Attempts to address housing code enforcement issues in the town of Georgetown and their impact on housing preservation and displacement of low-income people (Sussex Community Crisis Housing Services and Community Legal Aid Society).
- Establishment of a Fair Housing Education and Outreach program in Sussex County under the Delaware Housing Coalition.
- Development of a fair housing complaint process and generation of fair housing complaints from Sussex County.
- Community Roundtables to be held in at least six places during the first year of the fair housing program.
- Intensive outreach: Community-based education and information meetings being carried out monthly at church services, community meetings, tenant gatherings, cultural events, and elsewhere.
- The Delaware Housing Coalition has been providing technical assistance and support to the residents of the Oak Orchard West Mobile Home Park and has worked with the Office of Fair Housing of the US Department of Housing and Urban Development, the Delaware State Division of Human Relations, Consumer Protection Division of the Office of the Attorney General, Community Legal Aid Society, Diane Lello, Sen. George Bunting, and the Delaware Manufactured Home Owners' Association. This came about as a result of mass non-renewals of leases which affected mostly families with children which would have put them out of the park by September 1. Complaints have been filed with the Division of Human Relations and the Division of Consumer Protection. As a result a stay was obtained by Human Relations so that the residents can stay until October 31st to give DHR time to complete their investigation which is on an accelerated track.

**Sussex County,  
Delaware  
One of the Ten  
Least Affordable  
Nonmetro Areas  
in the Nation**

Sussex County is one of the ten least affordable nonmetro areas in the nation.

In order to afford a two-bedroom rental unit, minimum wage workers in Sussex County must work 78 hours per week per household.

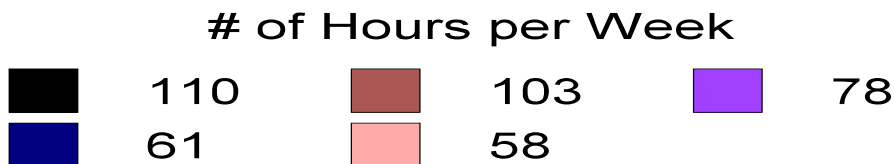
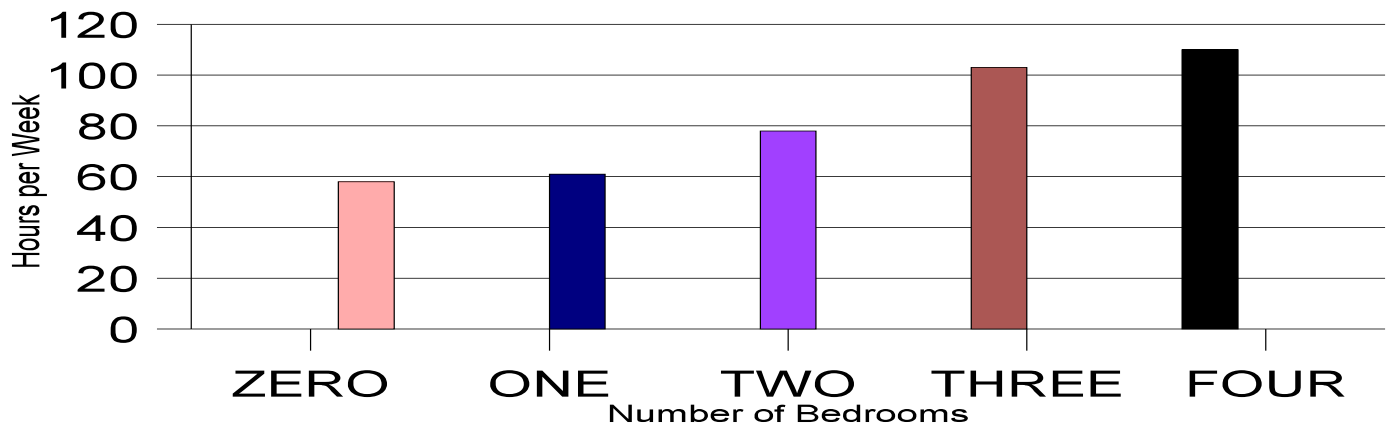
"Affordable" rents represent the generally accepted standard of spending not more than 30% of income on housing costs.

State Nonmetro Area	Two-Bedroom Housing Wage
Hawaii	\$18.20
Rhode Island	\$17.40
Alaska	\$16.20
Connecticut	\$15.65
Massachusetts	\$15.23
New Hampshire	\$13.37
Nevada	\$13.04
Vermont	\$12.45
Colorado	\$12.34
<b>Sussex County, Delaware</b>	<b>\$12.00</b>

Source: Out of Reach 2002, [www.nlihc.org](http://www.nlihc.org)

**Minimum Wage Work and Housing**

Work Week Needed in Sussex at Delaware Minimum Wage of \$6.15



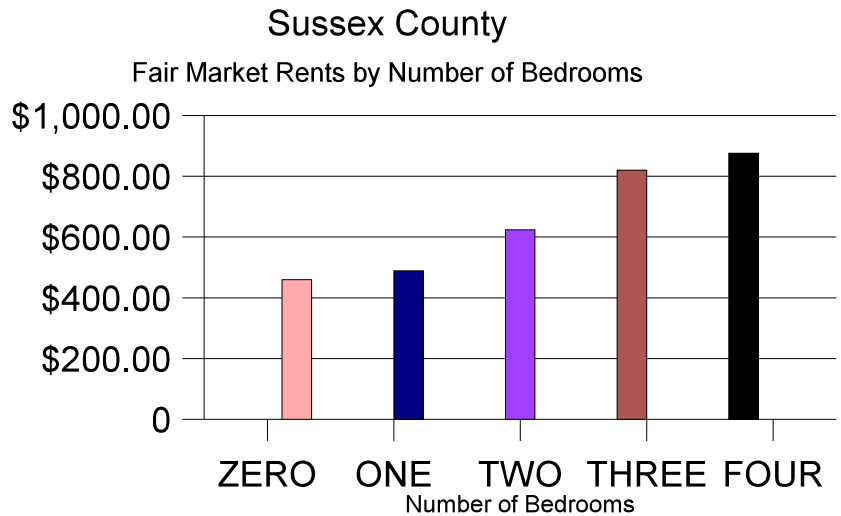
Source: Out of Reach 2002, [www.nlihc.org](http://www.nlihc.org)

# Sussex County “Fair Market Rents” (FMRs)

## WHAT ARE FAIR MARKET RENTS (FMRs)?

**SUMMARY:** Section 8( c)( 1) of the United States Housing Act of 1937 requires the Secretary to publish FMRs annually to be effective on October 1 of each year. FMRs are used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, and to determine initial rents for housing assistance payments (HAP) contracts in the Moderate Rehabilitation Single Room Occupancy program. Other programs may require use of FMRs for other purposes. Today’s notice proposes revised FMRs that reflect estimated 40th and 50th percentile rent levels trended to April 1, 2003.

FMR



## Rent by # of Bedrooms

■ \$876	■ \$820	■ \$624
■ \$489	■ \$460	

Source: Out of Reach 2002, [www.nlihc.org](http://www.nlihc.org)

**SUPPLEMENTARY INFORMATION:** Section 8 of the United States Housing Act of 1937 (the Act) (42 U. S. C. 1437f) authorizes housing assistance to aid lower income families in renting safe and decent housing. Housing assistance payments are limited by FMRs established by HUD for different areas. In the Housing Choice Voucher program, the FMR is used to determine the “ payment standard amount” used to calculate the maximum monthly subsidy for an assisted family (see § 982.503). In general, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe, and sanitary rental housing of a modest (non-luxury) nature with suitable amenities.

## Method Used To Develop FMRs

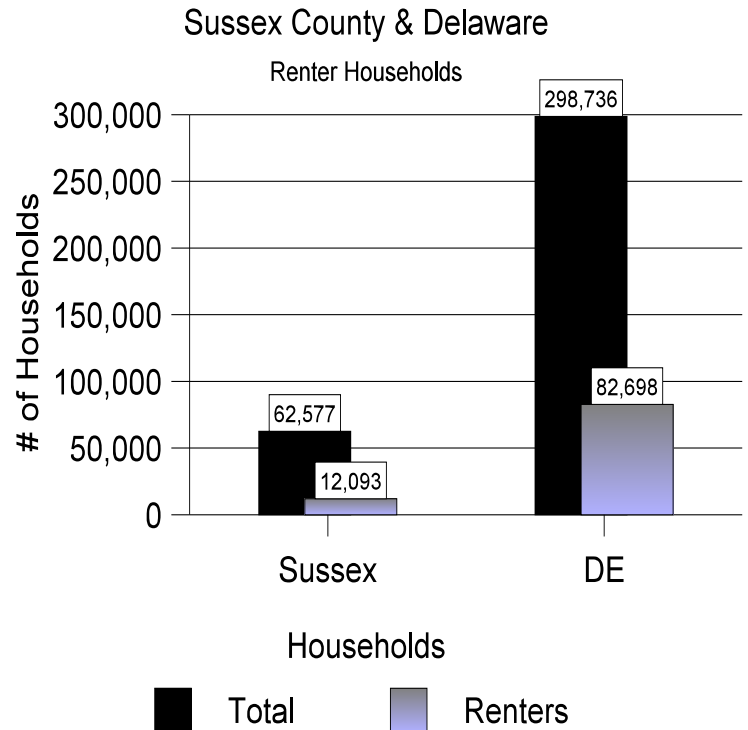
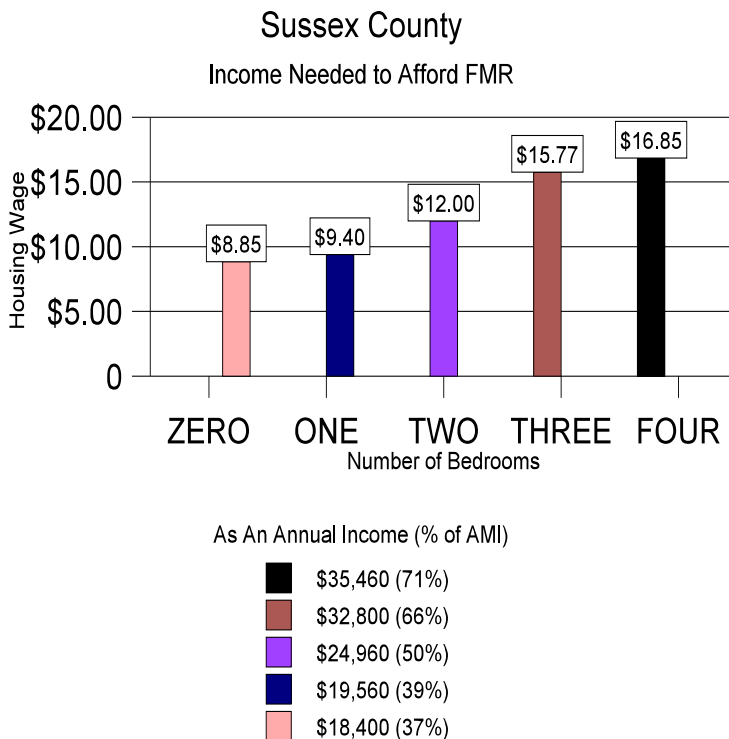
**FMR Standard:** FMRs are gross rent estimates; FMRs include shelter rent and the cost of utilities, except telephone. HUD sets FMRs to assure that a sufficient supply of rental housing is available to participants in the voucher program. To accomplish this objective, FMRs must be both high enough to permit a selection of units and neighborhoods and low enough to serve as many families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard quality rental housing units. The current definition used is the 40th percentile rent for most areas, the dollar amount below which 40 percent of the standard quality rental housing units rent. The 40th percentile rent is drawn from the distribution of rents of units that are occupied by recent movers (renter households who moved into their unit within the past 15 months). Newly built units less than two years old are excluded, and adjustments have been made to correct for the below market rents of public housing units included in the data base.

– Excerpts from Federal Register Notice of Fiscal Year 2002 Proposed Fair Market Rents, Thursday, May 23, 2002, Part II Department of Housing and Urban Development, 24 CFR Part 888 [Docket No. FR- 4741- N- 01], Fair Market Rents for the Housing Choice Voucher Program and Moderate Rehabilitation Single Room Occupancy Program, FY 2003; Proposed Rule

## Rental Housing Farther Out of Reach Than Ever in 2002

In Sussex County, Delaware:

- # An extremely low income household (earning \$14,910, 30% of the Area Median Income of \$49,700) can afford monthly rent of no more than \$373, while the Fair Market Rent for a two bedroom unit is \$624.
- # A minimum wage earner (earning \$6.15 per hour) can afford monthly rent of no more than \$320.



- # An SSI recipient (receiving \$545 monthly) can afford monthly rent of no more than \$164, while the Fair Market Rent for a one-bedroom unit is \$489.
- # A worker earning the Minimum Wage (\$6.15 per hour) must work 78 hours per week in order to afford a two-bedroom unit at the area's Fair Market rent.
- # The Housing Wage in Sussex County, Delaware is \$12.00. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market rent. This is 195% of the minimum wage (\$6.15 per hour). Between 2001 and 2002 the two bedroom housing wage increased by 2.48%.
- # A unit is considered affordable if it costs no more than 30% of the renter's income.

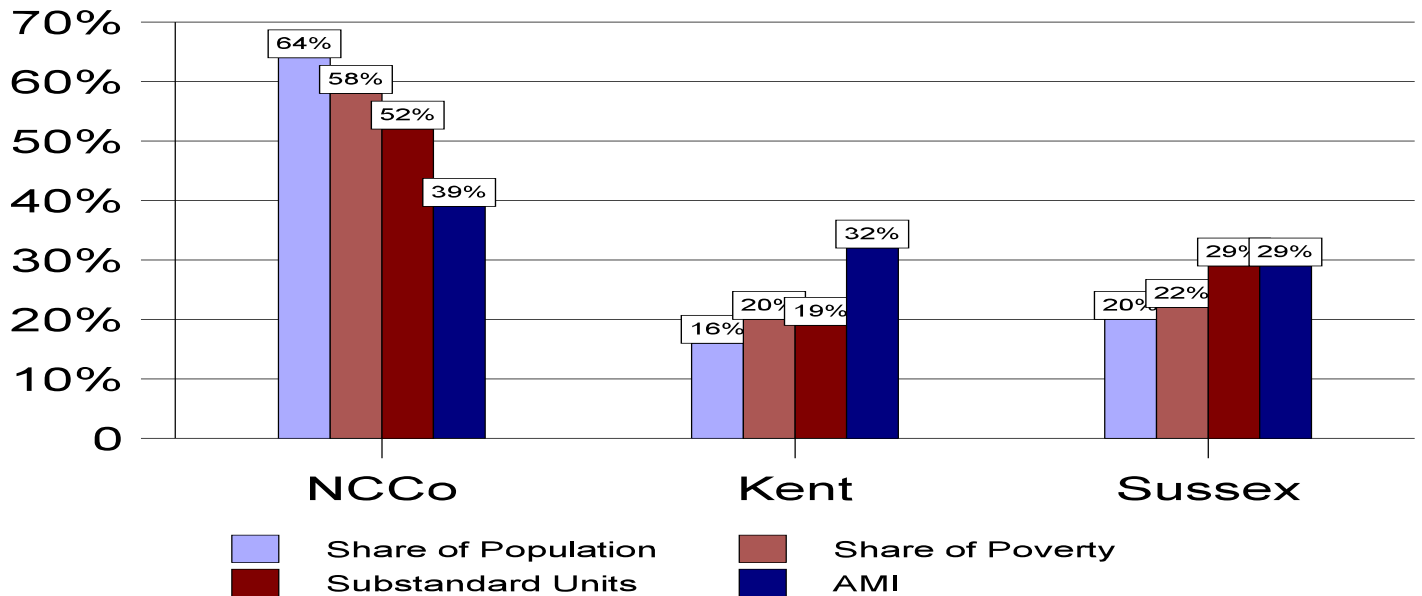
## Poverty Rate and Rate of Substandard Housing

As one drives from Wilmington to Delmar, three things happen:

- # the poverty rate rises
- # the county burden of substandard housing becomes increasingly disproportionate
- # the median household income declines

### FROM NORTH TO SOUTH

Burdens Increase



Poverty, Income, and Fair Market Rent by County in Delaware									
County	Poverty Rate by County	# in Poverty by County		# of Substandard Housing Units by County		At Risk Households by County*		Median Household Income per County	FMR two-bdrm)
New Castle	8.7%	41,658	58%	6,238	52%	10,130	70%	\$43,067	\$752
Kent	12.1%	14,822	20%	2,311	19%	2,235	15%	\$34,917	\$659
Sussex	12.7%	17,388	22%	3,504	29%	2,121	15%	\$31,367	\$624
Total		73,868	100%	12,053	100%	14,486	100%		

. [Sources: U.S. Bureau of the Census, 1997 Population Estimates; U.S. Department of Housing and Urban Development website (www.hud.gov); Statewide Housing Needs Assessment: Executive Summary, Delaware State Housing Authority, 8/14/96, Legg Mason Realty Group; Out of Reach 2002 (www.nlihc.org.)]

## Overcrowded Housing

Census figures indicate that Georgetown alone has had more than a 700% increase in overcrowding between 1990 and 2000.

According to an recent article by Mike Chalmers ("More Homes Overcrowded, Census Says, News Journal, 9/5/02), in Georgetown "a third of the roughly 1,000 rental units are crowded."

Overcrowding results from a combination of factors, such as:

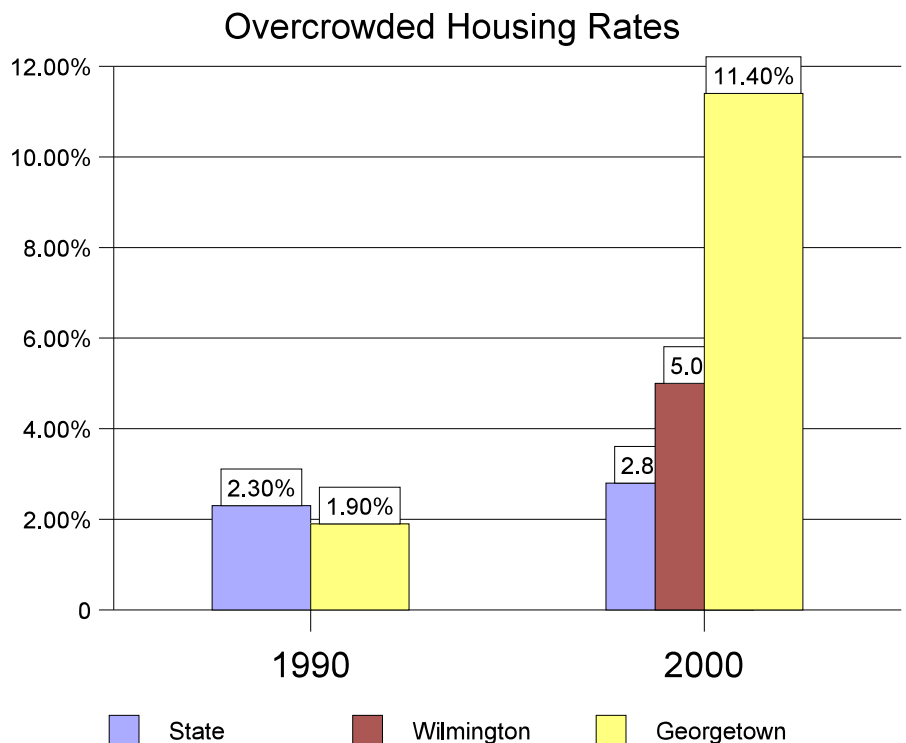
- # a housing market with a high number of tenants who are habitually rent-burdened
- # an absolute housing shortage and resulting high rents
- # tenant reluctance to assert their rights to a decent and safe place to live as part of the housing bargain
- # tenant willingness to live in overcrowding in order to save money
- # public officials' reluctance to enforce housing occupancy codes because of the dislocation which would result
- # public inability to condemn neglected and abandoned housing in order to proceed with revitalization
- # community perceptions of "affordable housing" which prompt resistance to new developments
- # public planning and decision-making which does not facilitate new affordable housing sites

Once these factors begin to interact, they develop a mutually reinforcing negative dynamic, to which new factors, such as the stress on overloaded housing structures and systems, lend additional negative energy.

There are many poultry workers who are single (or who are householders whose families remain behind in their country of origin) who live together both out of necessity and convenience. Whether their intention is to settle here or return to their country of birth, these workers will only be relocated to less crowded conditions (and the community relieved of the overall overcrowding with its accompanying problems) by the addition of new very affordable units to the housing supply.

In this case, a model which would have great effect on the negative dynamic described is a workers' single-room occupancy (SRO).

Inter Faith Mission of Sussex County is in the process of completing long-awaited, deep-subsidy family units in Georgetown, which will have a significant impact on overcrowding. Acorn Acres will open within the next few months, providing 24 spacious three-bedroom units for families.



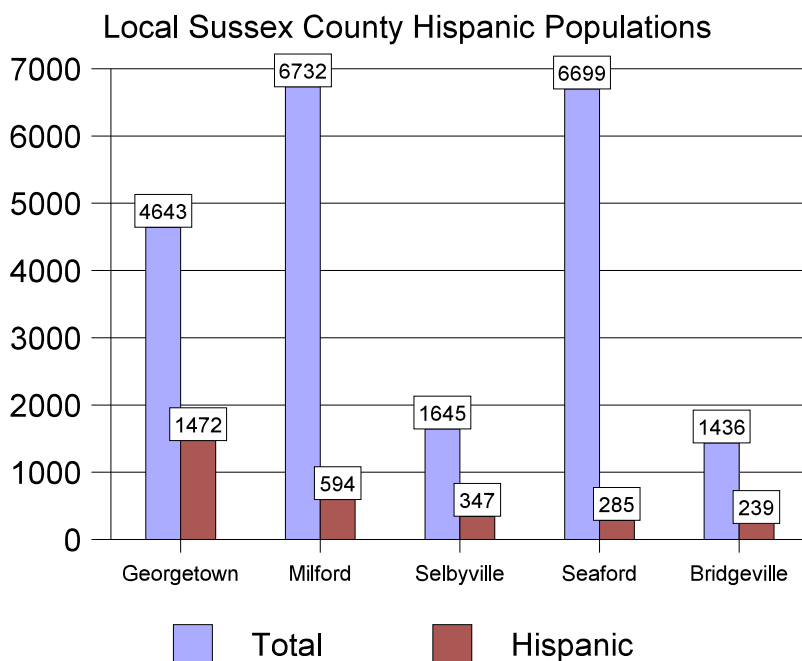
## Housing and the 2000 Census

The link between affordable housing issues and fair housing concerns is illustrated dramatically in Sussex County, when three families, for example, share a three-bedroom house, paying as much as \$100 per week for a room. This leaves the landlord with a windfall profit, but the local government with an overextended infrastructure and houses whose systems are being stressed.

Tenants have historically been considered literally as non-citizens in our society, a status upgraded today to that of second-class citizens: non-property-owners. A scarcity of decent units breeds insecurity, fear, and a willingness to be exploited. When cultural differences are added to this mix, both resentment and submissiveness result.

The growth of new families largely from Mexico and Central American countries has created a perceived and a real scarcity of decent housing, and a situation where tenants, especially, are reluctant to assert their rights. Negative and ambiguous public and private pronouncements about the rising Hispanic population of the county have encouraged a situation where landlords feel unjustly entitled to charge exorbitant rents, treat Hispanic people and people of color as undeserving of a fair housing bargain, and expect them to claim less than their full rights. Language and cultural differences contribute to making these unfair arrangements even more unfair.

COUNTY	% Increase in County Population	% Increase in County's HISPANIC Population	# Increase in County's HISPANIC Population	County % of Total State Hispanic Increase
New Castle	13.2%	123%	14,489	71%
Kent	14.2%	60%	370	20%
Sussex	17.6%	369%	5,439	27%
Total			20,348	100%



According to the 2000 Census, in Sussex County, the Hispanic population has increased significantly within several of the local, incorporated areas:

In March of 2001, the *Wilmington News Journal* reported that the new census figures show the state grew almost 18% in population. Sussex County grew 38.3%, going from 17% of the state's population in 1990 to almost 20% in 2000. In each of the three counties, the Hispanic population grew much faster than the overall population. But in Sussex it grew by 369%, giving that county 27% of the increase in the state's Hispanic population and 18.5% of the total Hispanic population of the state (37,277).

## The Poultry Industry and Housing

- # The Housing Wage in Sussex County, Delaware is \$12.00. This is the amount a full time (40 hours per week) worker must earn per hour in order to afford a two-bedroom unit at the area's Fair Market rent.
- # The Two Bedroom Housing Wage is 141% of the prevailing poultry industry wage.
- # The housing need in Sussex County is greatest among very low income households, and a typical worker in the poultry processing plants makes \$8.00 - \$8.50 per hour, which equates to a salary of \$16,000 - \$17,000 per year. Such an income falls at 50% of AMI at best, depending upon the family size.
- # A poultry worker, making \$17,000 a year and paying no more than 35% of her income for a unit would have a maximum allowable rent of \$495 dollars.
- # The Two-Bedroom Fair Market Rent in Sussex County is \$624.

The poultry-processing industry has over 5000 employees in Sussex County, distributed as follows.

Location	Company	Workers
Milford	Perdue	900
Georgetown	Perdue	1,200
Georgetown	Eastern Shore Poultry	200
Millsboro	Mountaire	1,200
Selbyville	Mountaire	1,000
Harbeson	Allens	700

Source: Carole Morison, Executive Director, Delmarva Poultry Justice Alliance ([www.dpja.org](http://www.dpja.org))

## Manufactured Housing (Mobile Homes)

Residents of manufactured homes in Delaware have a larger investment but an equal or greater insecurity than their fellow tenants in conventional rental housing.

As Mike Billington reported in a June 26, 2002 article (“Land Renters Fight for Rights”), manufactured home owners are subject to rent increases, fees, and park regulations over which they have little or not control or ability to appeal.

The 42 families of Green Acres Park in Camden were given 6 months notice of a change of use for that land, many of them unable to find another site which will accept a manufactured home that is not of recent vintage. For some, the cost of moving their home would exceed what they paid for it.

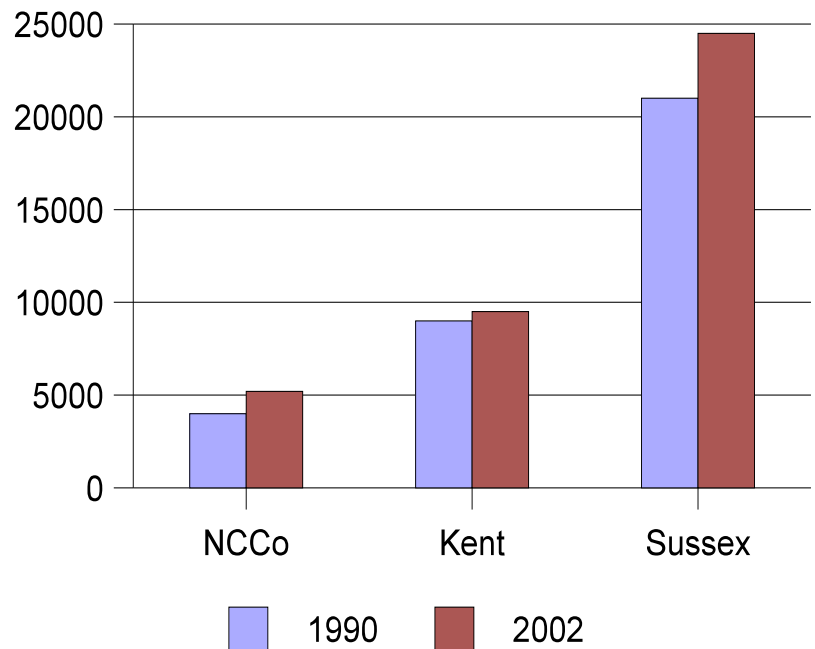
According to a more recent News Journal report, residents of the Waterford park in New Castle County are disputing lease provisions, which include:

- Requiring homeowners to let the company make automatic deductions from their checking accounts for rent and other fees.
- Allowing the company to impose fees on homeowners as additional rent without notice.
- Giving the company the right of first refusal to purchase a tenant's manufactured home regardless of the owner's wishes.
- Requiring homeowners to submit all disputes to binding arbitration while the company retains the right to go to court.
- Limiting a homeowner's right to recover damages regardless of the size or merits of a claim.
- Allowing the company to enter private residences to inspect property and enforce rules.

Source: News Journal, 6/26/02 from county assessment offices and the U.S. census

### Manufactured Housing in Delaware

The steady increase in manufactured homes



Multiple nonrenewals of leases at the Oak Orchard West manufactured home park in Millsboro appear to have been tied to the family status of the particular households.

Manufactured housing has become an important way for Delawareans to meet their housing needs in an affordable way. Sussex County has over 60% of the state's manufactured homes.

Senator George Bunting's promotion of a manufactured housing bill is an important attempt to reduce the vulnerability of Delawareans who choose to solve their housing problems in this way.

## Expiring Rental Housing Subsidies

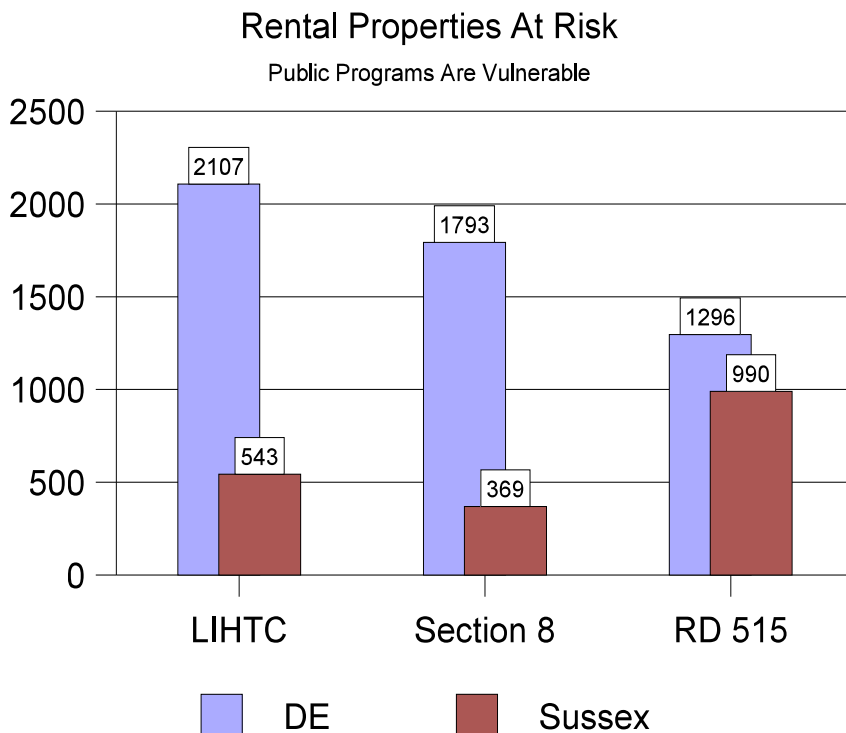
Starting in 1975, the U.S. Department of Housing and Urban Development began signing 20-year contracts with private owners to provide project-based Section 8 subsidy to their properties. These long-term contracts are now expiring, leaving owners free to opt out of further partnership with HUD and the local communities.

The program which has effectively taken the place of Section 8 project-based contracts in encouraging the development of affordable housing is the Low Income Housing Tax Credit (LIHTC) Program. This program makes use of the Internal Revenue Service tax code to encourage private investment Americans in housing programs which help families with incomes at about 50% of area median income. The LIHTC Program, however, also has a short compliance period, after which the units are no longer restricted to low- and moderate-income use.

In Delaware, since 2001, both Section 8 project-based units and tax credit properties have begun to expire. This leaves tenants and their allies with a challenge in which they need to enlist the aid of public officials, housing professionals, financial institutions, and state and federal government. While many of these units will be kept affordable because of their ownership by nonprofit and religious organizations whose mission is to make their communities a better place to life, some will have owners who choose to walk away from a development into which a huge public investment has been made.

Working on behalf of DHC, Christina Stanley estimated that expiring-use properties in Delaware during the period from 2001 through 2010 amounted to 3,900. This total was comprised of 2107 project-based Section 8 units and 1783 tax credit units and mixed finance units. There were 912 in Sussex. *(Source: Analysis of Delaware State Housing Authority Correspondence with Delaware Housing Coalition, 7/23/01, by Christina Stanley).*

More importantly, to this number can be added the Rural Housing Service (RHS) Section 515 portfolio in Delaware. While the Section 515 subsidy combines with credits in many instances, an initial count indicates 1517 Section 515 units in over 40 projects in Delaware, of which 1170 are in Sussex County.



Multi-family housing is constantly assaulted by proponents of de-regulation who would allow owners to opt out, thus ending low-income use requirements. The recent "Ney Amendment" to the Affordability Act of America endangers the RHS 515 portfolio with no thought of displacement and what would happen to tenants.

Milford Housing Development Corporation has acted to preserve one of the first expiring Section 8 developments in Sussex, the Park Royal Apartments in Milton (32 units) which were due to expire this year.

## The Need for Very Affordable Rental Housing

Karen Speakman  
Deputy Director  
NCALL Research  
and  
Ken Smith  
Executive Director  
Delaware Housing Coalition

One concern which dominates the interaction between affordable and fair housing issues in Sussex County is that little or no very affordable housing is being built for people at or below 30% of AMI (\$14,910 or less).

### Very Low Income Needs

The housing need in Georgetown is greatest among very low income households, and a typical worker in the poultry processing plants makes \$8.00 - \$8.50 per hour, which equates to a salary of \$16,000 - \$17,000 per year. Such an income falls at 50% of AMI at best, depending upon the family size. A poultry worker, making \$17,000 a year and paying no more than 35% of her income for a unit, would have a maximum allowable rent of \$495 dollars.

### Tax Credits Fail to Reach This Deep

A rental community in Sussex financed by the Low-Income Housing Tax Credit (LIHTC) program and consisting of two and three bedrooms units, might expect 80% of the units to serve households with incomes at 50% of the county's median income and 20% to serve households with incomes at 60% of median income. Typically, these units would serve incomes from \$22,000 to \$29,000 with rents between \$558 and \$775.

The competition is stiff for the LIHTC program in Delaware. The more funds that the developer can bring to the table from other sources, the better, not only in terms of presenting a solvent project but even more in terms of justifying the use of the scarce tax credit dollars. However, rarely does such a developer bring in enough funds to allow the new housing to reach very low income families (below 50% of AMI).

If units were to be built with the concerns of the very poorest Sussex County households in mind, they would need to serve households at the following incomes and with the respective maximum rent ranges.\*

30% of median income	2 bedroom (2 to 4 persons)		3 bedrooms (3 to 6 persons)	
	from	to	from	to
Income Range	\$11,940	\$14,910	\$13,410	\$17,310
Rent Range	\$348	\$435	\$391	\$505

With LIHTC, the eligible incomes are:

Eligible Tax Credit Incomes	Household Size			
	<u>1 person</u>	<u>2 persons</u>	<u>3 persons</u>	<u>4 persons</u>
50% of median	\$17,400	\$19,900	\$22,350	\$24,850
60% of median	\$20,880	\$23,880	\$26,820	\$29,820

Eligible rents (including utilities) are:

Eligible Tax Credit Rents	<u>1 bedroom</u>	<u>2 bedrooms</u>	<u>3 bedrooms</u>
50% of median	\$466	\$558	\$646
60% of median	\$559	\$670	\$775

Typically developers utilize the maximum rents per the income limit. For example, the rent for a 2 BR apartment would be \$558 for households earning no more that \$24,850 (4 person maximum). Households with incomes less than 50% of median income would pay a higher percentage of their income for rent. Usually no more than 35% of their income is allowed for rent and utilities. Therefore with rents at \$558, the range of eligible incomes are from \$19,131 to \$24,850 depending upon the number in the household.

Based upon households paying no more 35% of their income for rent and utilities and using the maximum allowed rents, the following ranges of household incomes would be eligible for these units:

Very Affordable Tax Credit Rents	<u>2 bedrooms (2 to 4 persons)</u>		<u>3 bedrooms (3 to 6 persons)</u>	
50% of median income	\$19,131	\$24,850	\$22,148	\$28,850
60% of median income	\$22,971	\$29,820	\$26,571	\$34,620

Inspections and Code Enforcement

Tax credit properties are not likely to have an effect on the problems of overcrowded and substandard housing. For example, the Town of Georgetown might wish to demolish substandard units; however, the questions of enforcement and funding aside, Georgetown needs a number of *very affordable* rental units in place in order to avoid merely displacing problems such as overcrowding. While the Georgetown community is badly in need of rental housing, even at the income and rent levels offered by the tax credit program, proposed projects in Georgetown include 209 units for the elderly by CHEER and 360 market rate units (at \$720 per month) by Pin Oak Development. The latter development, especially, will undoubtedly be a challenge for the Town inspectors, since it seems inevitable that these units will attract unrelated co-tenants in order to meet the projected rents.

Recommendations:

We feel that it is imperative that publicly financed affordable housing in Georgetown make every effort to be *very affordable*, that is: capable of meeting the needs of people working at the wages paid by the poultry industry and the very low-income families in the area.

1. If housing units are built with tax credit dollars, we would like to see at least 30% of these units be affordable to the level of the very poor, as described above.
2. Consequently, tax credit units in Georgetown should not be built without sufficient leveraged funding to make those deep-subsidy units possible.
3. The need also exists for some housing units in Georgetown for the hundreds of young, single Hispanic men who are now living in self-developed congregate living situations. Creative financing should be put in place to build a model, SRO-type complex to meet this critical need.

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 \*Note: This paper was originally written utilizing Fair Market Rents and income guidelines for the previous fiscal year.

## Fair Housing Issues: NIMBYISM

Presented by:  
Juana Fuentes-Bowles  
Executive Director  
Division of Human Relations  
and  
Sharese C. McGhee  
Human Relations Representative II

Division of Human Relations

### SUSSEX HOUSING GROUP FAIR HOUSING COMMITTEE REPORT

The purpose of this report is to focus on four main areas as they relate to Sussex County and the Sussex Housing Group: NIMBYism, Cultural Differences, Land Use Restrictions, and Multi-Family Housing Finance.

Nimbyism – from “Not In My Back Yard.” There is a direct relationship between Nimbyism, land use restrictions and lack of multi-family financing. All three issues go hand in hand. The underlying reason for land use restrictions is often simply another way to keep out a certain type or group of people. The lack of positive financing for multi-family housing has, again, the result of keeping out certain kinds of people.

To take a closer look at Nimbyism, referencing the Delaware State Housing Authority (DSHA), 1998 Analysis of Impediments, one can clearly see that Nimbyism has been quite active in Sussex County. The study discusses the resistance and opposition held for the development of affordable housing. This was a concern to the residents of Rehoboth, Bridgeville, & Milton. In 1997, DSHA raised their concerns to the Sussex County Planning and Zoning Commission, believing that a parcel of land owned by DSHA was left out of the plan’s proposed development districts. The events surrounding this omission – along with residents’ concern, other density zoning issues, traffic issues, and one house per acre land – led DSHA to believe this practice could be considered discriminatory. If a large state agency receives this much opposition, imagine what others not as well known as DSHA would receive.

To further show the connection to Nimbyism – the Elizabeth’s Landing housing development in Bridgeville, DE, in 1991 is another example. This was a non-profit project to provide farm labor housing to farm workers through efforts pushed for by the DelMarVa Rural Ministries. Without getting into the specifics, it is clearly understood that much of the resistance by politicians and the communities was to keep out “these” kinds of people and housing.

As we further look into the issue of lack of multi-family financing, again, Nimbyism played a role in a proposed development in Milton, Delaware, which was financed by Greenwood Trust Company. This project failed.

Another attack was the affordable housing development sought in Georgetown supported by InterFaith Mission, which went to court. Interfaith received an out of court settlement. This project was not completed at that time. It was not until just last November 7, 2001 the Interfaith Mission of Sussex County was successful in its attempts to provide multi-family housing in Georgetown, Delaware.

In November 2000, the Delaware Division of Human Relations, Georgetown Office conciliated a typical Nimbyism complaint as it related to person with mental disabilities.

The importance of outreach as education needs to be stressed as it relates to these issues. People, civic bodies, private, state, and local actors, all need to know that this type of behavior is discriminatory and will not be tolerated. More education and documentation needs to be provided to bring these concerns to light. There needs to be a tie in to the cultural differences, values of all people. People need to base each individual on that individual’s merit alone. In an earlier report on *Fair Housing Issues in Sussex County, Delaware*, by the Sussex Housing

Group, the issues was raised that “the Georgetown Comprehensive Plan allows for only selective multi-family housing developments in tracts that are at the outskirts of town. The plan encourages single family dwellings. This in itself poses a barrier for multi-family housing and further aids in land use restrictions, which eventually lends to Nimbysism.”

To take a look at cultural differences in Sussex County is a start. One needs more awareness by interacting and getting to know other people. It would not serve just for one to try to put a finger on the cultural differences, because it would be impossible. You can have cultural differences within the same culture. To look at the races, national origin of people and try to get a sense of their issue would not be logically feasible in this report. One must stay away from making generalizations based on one person for all people, this is where stereotyping comes in. Looking at a case of cultural differences, what comes to mind is the Autumn Apartments incident in Selbyville, Delaware in February of 2000. It was apparent that discriminatory practices may have taken place concerning Hispanic and African American tenants in the apartment complex. However, for one reason or another, i.e. cultural differences, lack of education or acceptance and tolerance, no individual would come forward to file a housing discrimination complaint with the Delaware Division of Human Relations. The need to educate and eradicate situations as they relate to Fair Housing is a must.

All people need to be aware of their Fair Housing Rights and willing to stop violating others or face possible sanctions. On the other hand, the other people need to stop, step forward, and voice their concerns through “awareness.”

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References: Fair Housing Issues in Sussex County, Delaware, the Sussex Housing Group (SHG), Jan. 2002. State of Delaware: Analysis of Impediments, Affirmatively Furthering Fair Housing in the State of Delaware, 11/30/98.

## Fair Housing Issues: A Case Study

Presented by:  
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### SUSSEX HOUSING GROUP FAIR HOUSING COMMITTEE REPORT

A family rented space in Georgetown for \$650.00 per month (the space had formerly been used as office space for a furniture store). Both parents worked in a chicken plant.

They had four children under the age of 6, three boys and a girl. The youngest boy was severely disabled, requiring in-home care and medical equipment. The parents were Guatemalan and the mother spoke no English

The "home" consisted of several rooms, some of which had no windows. The disabled child had a separate room because of the medical equipment. The parents and three kids shared the remaining space. The space was not meant for housing and did not comply with the local housing code. For example, the bedrooms did not have windows.

The entrance to the home was located adjacent to a commercial parking lot, in which the children often played among the parked cars and debris.

Around Christmas of 1999, the Fire Marshall and Georgetown Code Enforcement Officer consulted local agencies when the roof over the rental space collapsed due to the weight of snowfall. Georgetown Code Enforcement sought to condemn the property and the Division of Family Services required that suitable substitute housing be acquired for the children.

With the help of local charities, the family was temporarily housed in the Knight's Inn, the only available local motel. They ended up staying in the motel for several months. After suing the owner/landlord in Justice of the Peace Court, the family was able to pay the remainder of the motel bill.

This scenario, which is typical, presents various issues that gave rise to the creation of the Sussex Housing Group.

#### 1. Lack of affordable housing.

It should be obvious that a family that can afford to pay \$650.00 per month in rent should be able to live in decent, safe and legal housing. However, in Sussex County, what is assumed is not the case. In the last several years, Sussex County has seen a dramatic increase in the number of laborers entering the housing market.

These individuals are largely poultry and farm workers and are primarily of Hispanic origin. The Town of Georgetown, and Sussex County as a whole, has failed to adequately address housing needs in conjunction with this growth. This has created a bottleneck of families who live in overcrowded and substandard housing.

Because new development and rehabilitation of existing housing stock has lagged so far behind the influx of population, the County faces a housing shortage of crisis proportions. New residents tend to rent a portion of someone else's already substandard housing, which leads to dangerous overcrowding. The dangers are varied, including overuse of outdated plumbing and electrical equipment.

The lack of affordable housing, along with the increase in population, has enabled property owners to exploit the newcomers by charging exorbitant rates for minimum space. This leads to serious overcrowding because multiple families or individuals must share the space in order to manage the rent. This is complicated by the fact that most of these workers send a portion of their paychecks home to improve the living conditions of their families back there or to save for their future return home. They have unreasonable expectations of the cost for rent leading them to “double up”.

These tenants are unlikely to complain to the landlord or the town about substandard conditions for fear of losing the only housing available to them. Moreover, the housing stock to which they are accustomed may be far worse than their current space.

## 2. Landlord/Tenant Code/Mobile Home Lots and Leases Act.

The Landlord/Tenant Code clearly requires landlords to fulfill certain obligations to tenants. For example, a landlord must provide a unit that is safe and compliant with the local housing code. In addition, landlords are required to provide certain essential services to tenants. Pursuant to 25 Del. C. §5305, when a landlord fails to supply essential services, such as water, sewer, heat or plumbing, the tenant is entitled to withhold 2/3 of the monthly rent.

However, the local immigrant tenant population is uninformed about their rights. Their landlords generally do not supply the Landlord/Tenant Code in English, let alone Spanish, as is also required by the Landlord/Tenant Code. In addition, the tenants are afraid to complain for several reasons. They may be in the country illegally and so do not want to bring any focus on themselves. They also do not want to risk losing their homes, as inadequate as they may be.

The Landlord-Tenant Code prohibits landlords from taking retaliatory action in response to complaints by tenants about conditions. 25 Del. C. §5516. A violation of this provision entitles tenants to treble damages.

Therefore, should a landlord try to evict a tenant after the tenants legally withhold rent or makes a legitimate complaint about conditions in the rental, the Code does protect the tenant. However, due to cultural and language barriers, most tenants do not even go so far as to complain about the conditions, let alone pursue their legal rights.

The Landlord-Tenant Code also prohibits a landlord from evicting a tenant without court order. 25 Del. C. §5313. Therefore, if a landlord locks out a tenant, asks the police to remove a tenant, or takes any other action to deny a tenant access to the rental without having gone to court, the landlord will have committed an illegal ouster. An illegally ousted tenant can recover treble damages, three times the per diem rent for the time the tenant was excluded from the residence, plus attorneys' fees and costs.

Should such a situation occur, the Code provides for an expedited hearing. 25 Del. C. §5115. If a tenant faces substantial harm, such as denial of access to the rental, he may file for a forthwith summons, leading the Justice of the Peace Court to immediately bring the landlord into court. This tool is also useful where a tenant is denied electricity, heat or another essential service and the landlord fails to respond. Again, however, tenants seldom avail themselves of such remedies because they are either uninformed or frightened to bring attention to themselves or their living conditions.

This particular case did not involve the Mobile Home Lots and Leases Act, 25 Del. C. §7001, et seq. Tenants should refer to this act if they rent a mobile home or a lot in a mobile home park. Please be aware that changes in this code are currently under consideration in the legislature.

## 3. Housing Code Enforcement.

It was not until the roof collapsed on this family's residence that the Georgetown Code Enforcement Officer became

involved. The Town probably was not even aware that a family was living there. Although it was clear that the rental did not comply with the Code and that the damage prevented the home from being habitable, Georgetown Code Enforcement worked hard to delay the condemnation and eviction of the family until substitute temporary housing could be found.

With legal assistance and assistance from Social Services, the family was ultimately placed temporarily in a motel. Since that time, the Office of Code Enforcement has expanded considerably and is taking a more pro-active approach. The Office used to only respond to complaints and tended to get involved once condemnation was imminent. Under those circumstances, displacement was the outcome.

Currently, the town is becoming more interested in conducting regular inspections of rental properties. The goal would be to order landlords to make repairs before conditions deteriorate to the point of condemnation.

In addition, the Code Enforcement Office is attempting to educate tenants and landlords about the housing code and their respective rights and responsibilities.

Recently, Code Enforcement Officials have been informing residents about requirements regarding the outside of their homes. They are provided a letter in English and Spanish along with a checklist that includes information restricting the presence of animals, hazardous products and disabled vehicles. (See attached).

It has been alleged that the Town engages in selective code enforcement, targeting certain areas of town for inspection. This allegation was supported by language contained in the original draft of the Town's Comprehensive Plan.

With comments provided by the public, including Sussex Housing Group, the Comprehensive Plan was amended. However, no matter how the Town approaches Code Enforcement, it will be difficult to avoid allegations of discrimination. Most of the substandard housing is occupied by Hispanics.

It is clear that inspections are needed in order to correct code violations. However, landlords could do more to address these issues satisfactorily before the violations become epidemic.

At the present time, it appears that landlords are aware that their properties are overcrowded and therefore, meet with extraordinary wear and tear. It is unlikely that the landlords themselves engage in periodic inspections. It appears more likely that the primary concern is the collection of rent.

Again, when problems do arise, tenants do not generally avail themselves of the remedies provided by the Landlord/Tenant Code. Once they notify the landlords and the landlord fails to adequately address the problem, the tenant will likely learn to live with it or provide some sort of self help to remedy the problem.

For example, should the furnace stop working, tenants will likely turn to space heaters or kerosene heaters, which create a serious fire hazard. If windows break, tenants will try to cover them with cardboard or some other means to keep out the weather.

If the tenant becomes too vocal or a neighbor complains, Code Enforcement becomes involved. Then, if the landlord fails to correct the problems, the home could be condemned and the residents rendered homeless.

While Code Enforcement may try to delay the eviction of the residents to allow them time to obtain substitute housing, the housing shortage prevents any permanent solution. So long as the housing crisis continues, interested parties will hesitate to involve Town Officials to avoid the risk of exacerbating the shortage.

4. Condemnation.

As in our case study, once it has been determined by Code Enforcement that the residence is uninhabitable, the property is placarded with a notice for the tenants to vacate and the property is then boarded to prevent access. Fortunately, when community representatives are available to assist the tenants with temporary placement, the Town is willing to cooperate. The Town does not want to create homelessness, but understandably does not want human beings occupying unsafe premises.

Unfortunately, once the Town condemns a property, it has very few options under the present Code. The Town can fine the landlord who fails to take corrective action and can even demolish the structure. However, the Town does not obtain ownership of the property through the condemnation process. The demolition process is costly and beyond the means of the Town. Moreover, should the Town invest in the demolition, it still does not obtain rights to the property. Thus, housing stock will not be increased by virtue of the demolition.

Several large homes currently remain vacant and boarded, including three prominently located on East Market Street, the Town's main thoroughfare. These homes are unsightly and unproductive.

Currently, the Government Subcommittee of the Sussex Housing Group is considering changes to the Code to enable the Town to obtain ownership of condemned properties.

5. Conclusion.

As Ken Smith of the Delaware Housing Coalition reported in that organization's request for fair housing funding for Sussex County, the increase in the Hispanic population of the county has created a perceived and actual scarcity of decent housing and an atmosphere in which tenants are reluctant to assert their rights. Negative public and private pronouncements, regarding the influx of Mexicans and Central Americans, foster a situation where rents are exorbitant and the immigrant population is expected to be complacent about the lack or denial of fair housing. Language and cultural barriers exacerbate this unfairness.

Ours is only one case study of many that could be used to illustrate fair housing issues. The magnitude of the housing crisis cannot possibly be satisfactorily portrayed in this paper. We encourage all of you to become involved in the community and play some role in addressing this crisis.

## Summary Findings from the 2002 Fair Housing Roundtables

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As part of the Fair Housing Initiative Program grant, roundtables were held in four communities – Milford, Georgetown, Milton and Ellendale. At least two more will be convened before the end of the grant year in February.

Following are the issues raised by participants at the roundtables:

### Milford

- # Affordable housing is very limited if not non-existent.
- # Different groups experience different rates of accessibility.
- # There are many houses boarded up which could provide housing.
- # Some landlords feel that it appears that tenants have more rights than they do.
- # Availability of transitional units is very limited.
- # Grounds for eviction need to be reviewed.
- # There is a feeling that there are different standards for different groups.
- # Landlords need to speak together.
- # There are many houses in which multiple families

- reside – landlord responsibilities; town codes – due to lack of affordable housing.
- # There is a general lack of knowledge and experience relative to fair housing issues both on the part of renters as well as home buyers.
- # Some *fear* government programs.
- # NIMBYism a factor.
- # What is the proper balance between the landlord's investment and a tenant family's needs?
- # Issue of folks with mental illnesses.
- # Lack of emergency housing funds.
- # Do only *good tenants* deserve a place to live – other than jail?

### Georgetown

- # Elderly refinancing and predatory lending issues.
- # Abusive landlords.
- # Lack of knowledge of Landlord Tenant Code on part of tenants.
- # Fear of landlords – baggage from countries of origin where landlords could exercise life and death power of tenants – as well as immigration issues at play.
- # Mobile home park issues – Oak Orchard West an example.
- # Deposit issues.
- # Houses boarded up which could provide housing.
- # Properties in town deteriorating to point of condemnation but no place for tenants to go while properties are fixed up.
- # Lack of power of Eminent Domain.
- # Overcrowding a large issue – Census data shows

- Georgetown to have highest percentage of overcrowding in state.
- # The owners know what is going on. They milk their properties dry and don't want to put any money into them.
- # Some landlords are charging by the person and by the week.
- # Code enforcement has increase during the last 18 to 24 months.
- # In some cases, while tenants want to put utilities in their names, landlords don't allow it. Landlords then get the bills and charge tenants but tenants seldom see the original bills.
- # Cultural issues – what is considered overcrowding in one culture may not be seen as such in another.
- # Bottom line is that there is no affordable housing available.

- # NIMBYism is very powerful factor in Georgetown.
- # There no single room occupancy (SROs) units available in Georgetown.
- # What responsibility do the poultry plants have in the area of housing?
- # La Esperanza and La Casita have made some efforts but there are demonstration program funds available for programs for migrant farm workers, there are none for processing plant employees.
- # A large increase in homelessness has been observed in the last three to four months.
- # There is no transitional housing available.
- # There are long waiting lists for Section 8 housing and motel assistance can only go so far.
- # Prisoners being released from Sussex Correctional Institution often have nowhere to go.

#### Milton

- # Housing development that is going on is all in the \$200,000 and up categories. The need is in the area of \$70 to 80 thousand. The middle class and working class need housing. Local folks are needing to leave to find housing. There is lots of land but only high priced housing is being built on it.
- # There isn't a grocery store, a pharmacy, a car wash in the town.
- # People going out of town to jobs, earn money out of town and spend their money out of town.
- # Casa San Francisco housed 179 in one period, but had to turn away 350.
- # Poverty is fierce.
- # No one addressing low-income housing for people making minimum wage.
- # Rents for two to three bedroom homes approximately \$900 per month.

#### Ellendale

- # No one doing any building.
- # Town annexed land to east and north where almost no one lives. Town did not annex to the west and south which is where the poor and black

- # Young professionals and young homemakers unable to find any affordable housing.
- # Some persons in the mental health system sometimes try to get back into it because there is no place for them to go on the outside.
- # Some persons have difficulty paying electricity bills and more and more subsidized homes are "total electric."
- # Sussex has to compete with Kent County for \$1.8 million of HUD money.
- # State Legislature is not providing sufficient funding for housing and the Housing Development Fund.
- # CRA dollars are not coming into Sussex County because they are practically all going to New Castle County.

- # Even if schools trained, there are no jobs to be filled.
- # Rents ridiculous for town this size. People coming in from DC and other areas and local people being displaced to Georgetown, Lewes, anywhere they can find work. If these problems aren't addressed soon, one can foresee a big crime problem ahead.
- # When outside contractors build in town they do not use local help; they bring their crews in from out of town and out of state.
- # People afraid and/or cautious of government programs.
- # Three per cent loan programs are available for homeowners.
- # Only jobs available in area now are poultry work in Georgetown and service work at beach. No longer any farmwork.

#### communities are found.

- # People afraid and/or cautious of government programs.