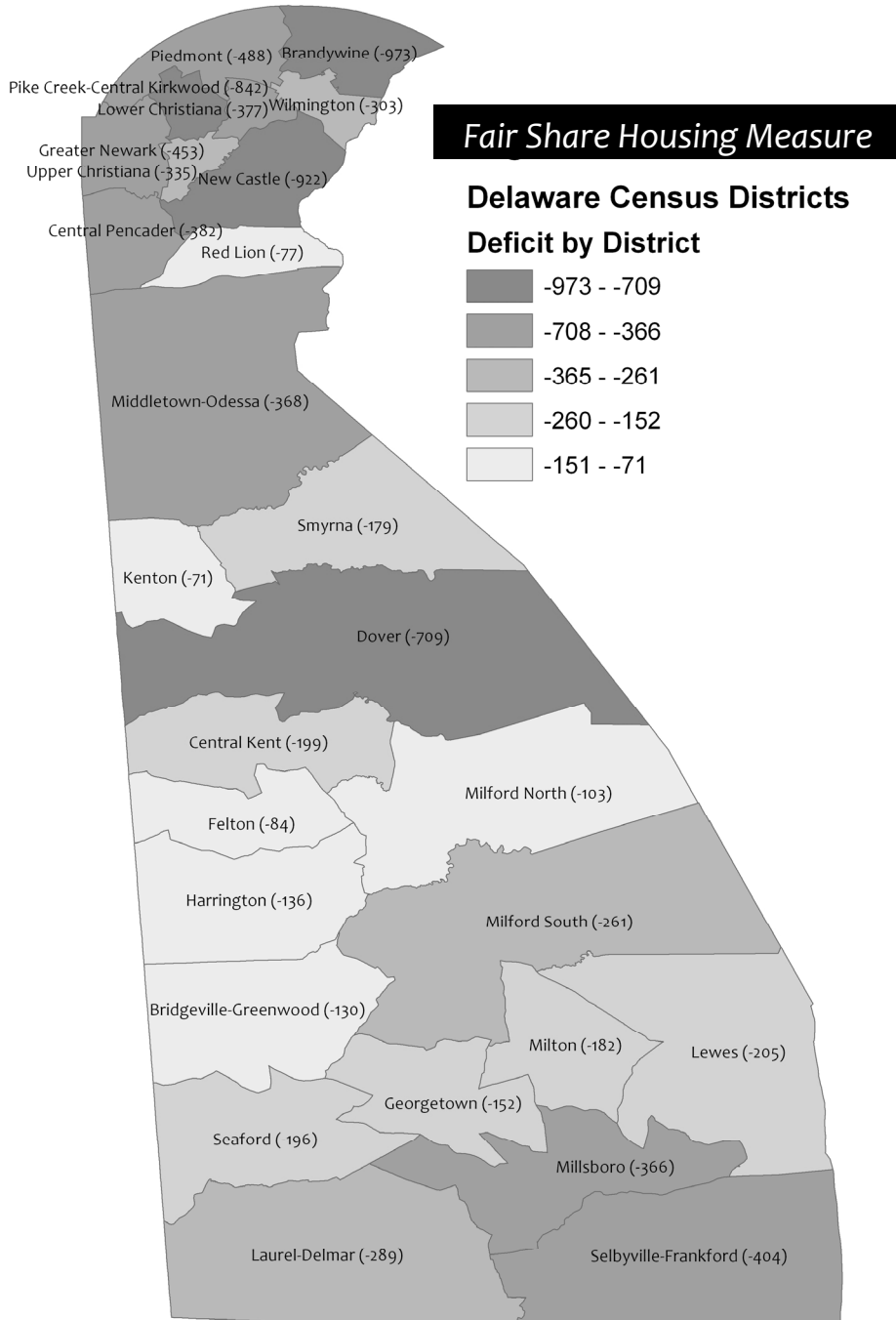




Planning for Affordable Housing in Delaware The Fair Share Housing Measure



The Fair Share Measure indicates the need for changes in existing land use and housing policy at state, county, and local levels in order to create a better supply and distribution of affordable housing across the entire state.

When the Fair Share Measure is applied, every area of the state has a deficit of affordable housing, with the average being - 340 units.



A Fair Share Housing Measure for Delaware

The Good Neighborhood Project of the Delaware Housing Coalition (DHC) is a long-term campaign to address the need for affordable, accessible, inclusive communities everywhere in Delaware and aims to create housing opportunities for households with very low incomes (<50% of median income) and extremely low incomes (<30%) throughout Delaware's affordable housing system.

Affordable housing is a total package of goods which can enhance the life of its occupants, and the location of this housing can be as important as its affordability.

Affordable housing happens in a context and an environment. It can be situated:

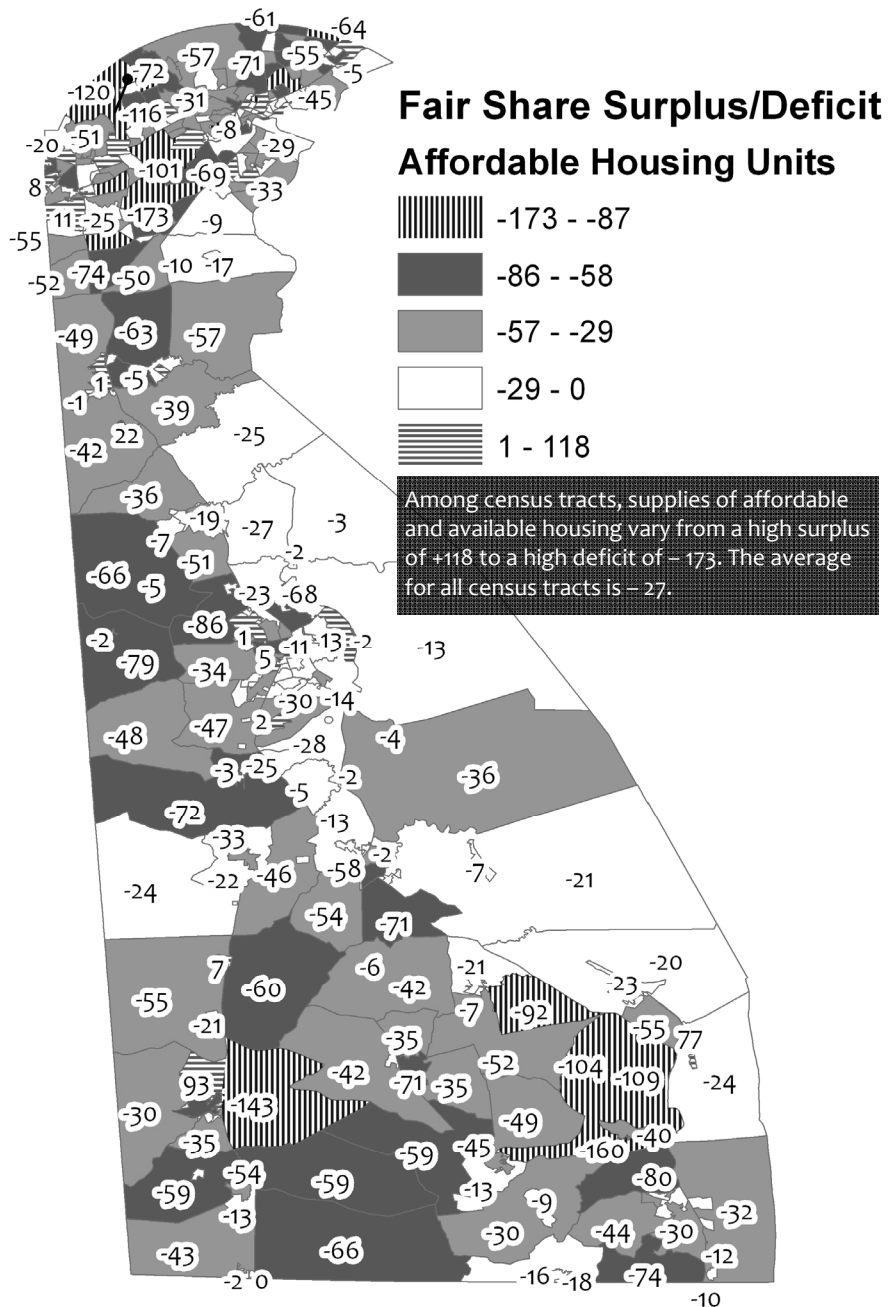
- in healthful environments, in proximity to open space,
- convenient to places of work,
- well-placed in terms of access to the better-performing public schools,
- in communities where unemployment, poverty, and crime are low,
- in areas in which there is a diversity of work and professional backgrounds among heads of households,
- in neighborhoods that are racially and ethnically diverse, and
- where access to public transportation is plentiful.

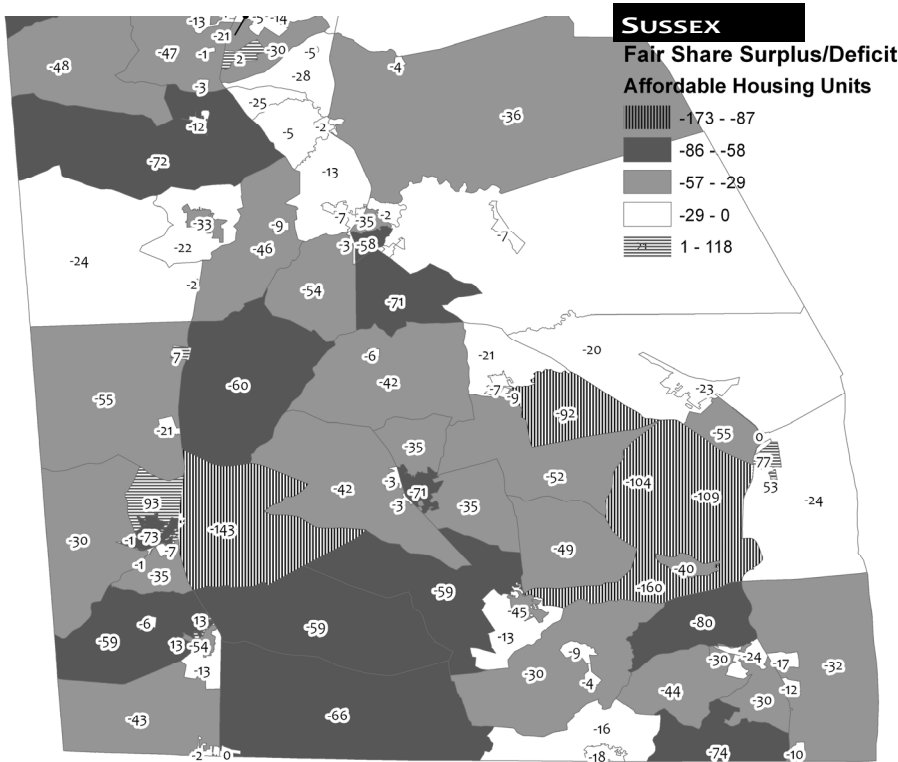
So, the affordable housing need cannot be addressed by focusing solely on the gap between incomes and housing cost or on the funding required to make housing affordable for poor Delawareans. It must also address social, regulatory, and

civic barriers to a more equitable geographic distribution of affordable housing.

We use the term “Fair Share” to describe this more equitable distribution. The Fair Share Measure defines the number of units that a community needs to have afford-

able and available to the population in need in order for that community to bear a proportionate share of the need. A better geographic distribution of affordable housing would give households greater choices and opportunities, while benefiting communities as a whole.





The Population in Need

Cost-burdened renters and homeowners make up an increasingly sizeable fraction of our state's affordable housing population in need. From 2000 to 2005 there was an increase of 6,273 ELI households with cost burden.

For the purposes of policies related to geographic distribution, we have looked at extremely low-income (ELI) renter households (=11,706), who account for close to half (43.6%) of all households with rent burdens. They are paying over a third of their income for their housing. To this number we have added the remainder of very low income (VLI) households (=2,546), who are severely rent-burdened. They are paying over half of their income for their housing.

These households are the least easily served in the current housing market and need a housing unit made newly affordable through a tenant-based subsidy or other means. In the absence of a living wage, the gap between what it costs to provide housing under normal market conditions and the price the lowest income families can afford to pay can only be bridged with some sort of third-party subsidy. While the increase in ELI households was 6.8% (an additional 797 units) over the five-year period, the number of ELI renter households with severe cost burden -- cost burden exceeding 50% of income on housing -- increased by 3,521, a 39.0% increase. Cost-burdened ELI homeowners increased by 5,476, a 61.3% increase. (Kotz, 2007)

We take this renter population as the basis for our population in need (=14,252). Even after taking into account units that are affordable and available throughout the state, there are still over 9,000 units needed to accommodate this population in need.

The accompanying maps look at cost-burdened very low-income renter households in Delaware, taking into account basic information on where the affordable rental units are, where the people in need currently live, and what the surplus or deficit is across these census tracts, when compared with the Fair Share Measure. This procedure reveals a very small number of census tracts which break even or have a positive fair share. A negative number represents the need for that quantity of additional affordable housing units in that census tract.

The Fair Share Surplus/Deficit map shows the distribution of this need.

TARGET CENSUS TRACTS

The Target Census Tracts were selected by using specific variables to determine areas for affordable housing development. The variables utilized included: median income, poverty rate, renter percentage, and fair share measure deficit.

All Delaware census tracts were mapped for each of these variables, following which only the census tracts with all of the following characteristics were selected as targets:

- >\$40,000 household median income
- <15% poverty rate
- <30% renter percentage, and
- fair share measure deficit

Using all of these characteristics led to the elimination of some deficit tracts as targets.

FAIR SHARE IMPLICATIONS

The Fair Share Measure, as applied to the situation of very poor renter households, indicates the need for changes in existing land use and housing policy at state, county, and local levels. Some of the policy changes indicated by the Fair Share Measure are listed below.

Delaware needs a better distribution of affordable housing across the entire state. No community, as measured by an analysis of census districts (cover), has met the Fair


the need, are also necessary. Higher density, more diverse projects, and ordinances supporting them need our continued unremitting support.

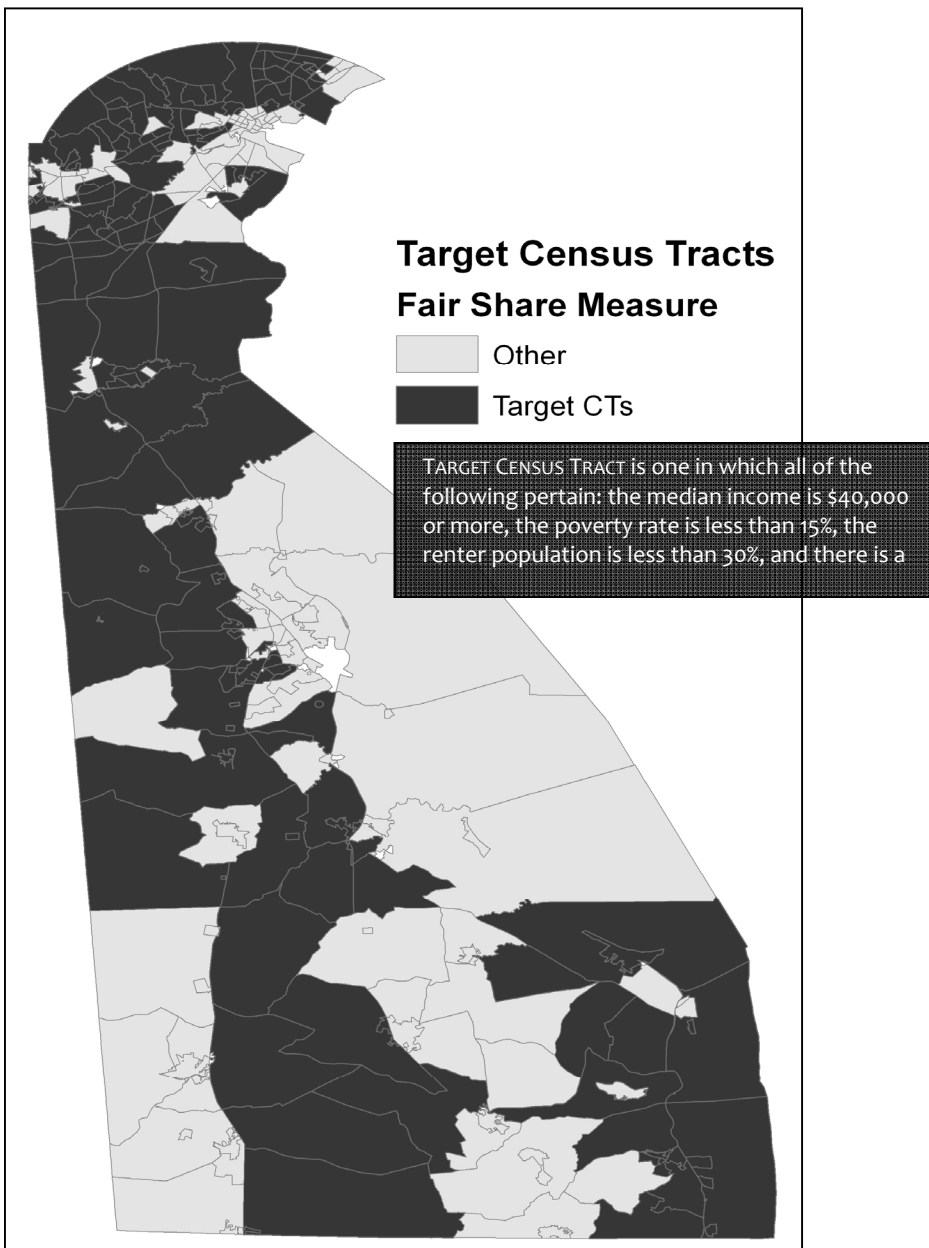
- Decisions by public officials based on community sentiment of “anywhere but here” lead to chaotic, uneven, and inequitable decisions.

OUTSIDE GROWTH AREAS

- Some of the target census tracts indicated by the Fair Share Measure fall outside the identified growth zones. In these areas, investment in

the preservation and rehabilitation of existing affordable housing should be a priority. This would include promotion of resident-owned communities for manufactured housing.

- A mix of housing types at all income levels is part of what makes a strong, sustainable community. Focusing on integration of housing types within growth areas could be a way of compensating for the restrictions that growth plans place on a Fair Share effort. 



Fair Share Measure

The fair share measure is based on cost-burdened renters at or below 30% of AMI plus severely cost-burdened renters from 30% to 50% of AMI. It uses a definition of “fair share” that is based on a three-step process of (1) dividing the number of housing units for each census tract by the total housing units in the state, then (2) taking this percentage times the number of households in need. This gives a “fair share” number of units in the tract. (3) When this number is subtracted from the number of units that are affordable and available to this population, a corresponding deficit or surplus results.

Rent Burden & Severe Rent Burden

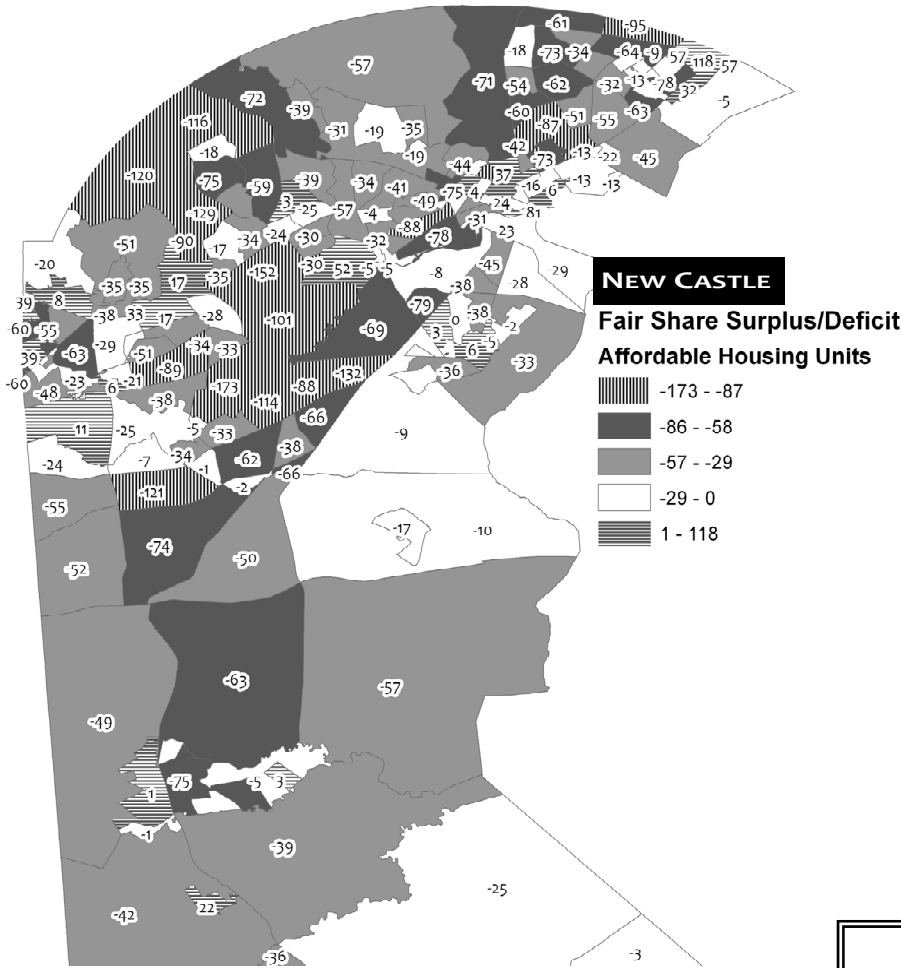
ELI households account for close to half (43.6%) of all households with rent burdens. Another third (33.8%) are households with incomes under 50% MFI but over 30% MFI. Combined, households under 50% MFI make up three-fourths (77.4%) of all rent-burdened households. The rent burden faced by households with incomes over 50% MFI is small in comparison (22.3%).

ELI households are in fact under severe rent burden (paying over 50% of their income on housing) compared to other income groups. ELI households account for three-fourths (73.3%) of all households with severe rent burdens. Another 20.7% are households with incomes under 50% but over 30% MFI. Combined they make up 94% of all severe rent burdened households. The severe rent burden faced by rental households with incomes over 50% is extremely small (6%).

ACKNOWLEDGEMENTS

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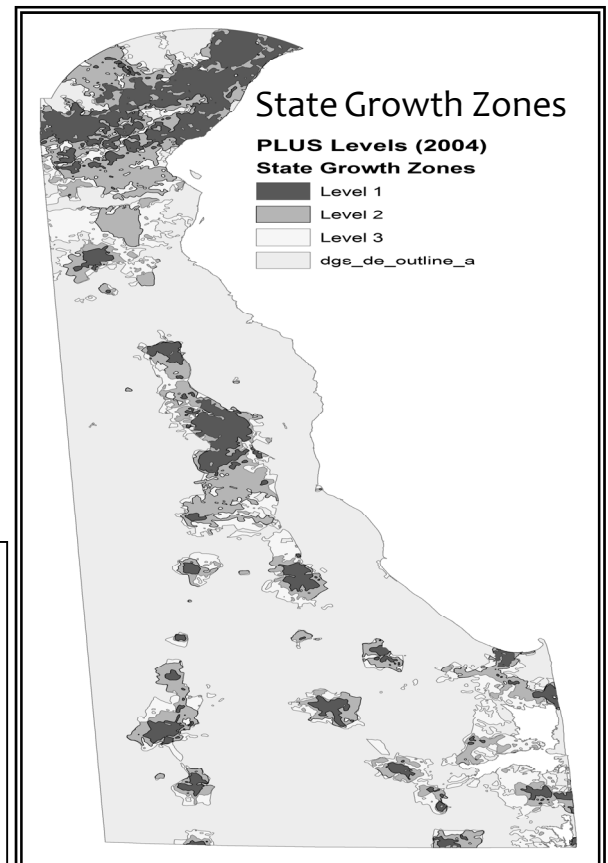
Many people have read draft descriptions of the Fair Share Measure and to helped refining the presentation and the policy implications. We are deeply grateful for all of their assistance. ☞



SPECIAL THANKS!

The Delaware Housing Coalition is especially indebted to two groups which have been instrumental in underwriting the work of developing the Fair Share Housing Measure, as well as the accompanying Why NOT In My Back Yard Campaign.

- * The Administrative Commission on the Speer Trust, New Castle Presbytery, Presbyterian Church USA, Rev. Jackie Taylor, Executive Director
- * Citi Community Development, Terri Hasson, Vice President for Community Development.



Sources

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