

The Housing Journal

Published by the Membership of the Delaware Housing Coalition

“A true revolution of values will soon cause us to question the fairness and justice of many of our past and present policies. On the one hand we are called to play the good Samaritan on life's roadside; but that will be only an initial act. One day we must come to see that the whole Jericho road must be transformed so that men and women will not be constantly beaten and robbed as they make their journey on life's highway. True compassion is more than flinging a coin to a beggar; it is not haphazard and superficial. It comes to see that an edifice which produces beggars needs restructuring. A true revolution of values will soon look uneasily on the glaring contrast of poverty and wealth.”

— Martin Luther King, Jr., April 4, 1967



HOLD DEAR WHAT IS SACRED

Winter/Spring 2007

The Housing Journal

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 The Delaware Housing Coalition
www.housingforall.org
 Email: dhc@housingforall.org



DHC is a nonprofit, tax-exempt organization. Our United way (Delaware) non-member designated giving number is 09294.

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The Housing Journal is published by the membership of the Delaware Housing Coalition to promote thought, discussion and action on housing issues. Readers' contributions of all forms are warmly encouraged.
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The MISSION of the Delaware Housing Coalition is to advocate for safe, decent and affordable housing throughout the state. Our goal is to affect, impact and shape the environment relating to housing. We are committed to fostering the growth and long-term flourishing of grass roots constituencies which develop their power; nurture their own problem-solvers and leaders; and work together to change the conditions which prevent them from obtaining safe, decent and affordable housing.

Cover: "Hold Dear What is Sacred", Ann Altman, Syracuse Cultural Workers, 2006.



Words of Dr. Martin Luther King, Jr.'s speech at Riverside Church, April 4, 1967, in opposition to the Vietnam War.

The Syracuse Cultural Workers "Tools for Change" catalog is 40 color pages of feminist, progressive, multicultural resources to help change the world and sustain activism. The Peace Calendar, Women Artists Datebook, over 100 posters on social, cultural, and political themes, holiday cards for solstice, Christmas, Chanukah, plus buttons, stickers, T-shirts, notecards, postcards, and books. Great fundraising products. Box 6367, Syracuse, NY 13217. 315/474-1132; Fax 800/396-1449. 24-hour ordering- Visa/MC email- scw@syrcculturalworkers.com

\$15 Million for Housing in FY2008!

Governor Minner has proposed \$11.85 million in funding for affordable housing in next year's budget, the largest single state commitment ever to affordable housing. While this is truly good news, the failure to fund housing at \$15 million will be a critical problem, especially for the homeless of Delaware. An investment of \$15 million will help with:

- Preservation of homes for 800 Delawareans and the irreplaceable subsidies attached to these homes
- Tax credits which permit construction of over 100 homes
- 45 homes for the homeless: 20 housing vouchers and 25 new permanent units of housing
- \$9 million in annual matching federal funds
- A total economic impact of \$105 million



\$8 Million:
Preservation of Federally-Subsidized Homes

Without it, Delaware may lose

- * Units and subsidies for residents difficult to serve
- * 288 units of affordable housing
- * \$2.5 million in irreplaceable annual subsidies
- * Housing for 800 people



Local children currently homeless



\$4 Million:
Leveraging Federal Housing Tax Credits

Without it, the state cannot retain

- * \$1.5 million in federal low-income housing tax credits
- * Incentives for provision of over 100 affordable housing units
- * Over \$38 million in economic impact



\$3 Million:
Fulfilling Federal Homeless Initiatives

Without it, Delaware cannot count on

- * \$5 million in annual homeless funds
- * 25 housing vouchers
- * 20 units of permanent supportive housing
- * Long-term action plan to address homelessness in Delaware

For more information, see "Why DE Needs \$15 Million for Affordable Housing in FY08" on the publications page of our website.

Residents of Greenfield Manor, at a May 2001 rally in Bear, opposed the decision by the owner to opt out of the Section 8 program, displacing 100 families



Givings: The Flip Side of Takings

David Morris

Last November, by a resounding margin (61-39 percent) Oregon voters approved Measure 37. The ballot measure requires public entities to compensate property owners for any decline in the value of their property due to a public regulation.

The initiative's passage may have marked the sweetest victory to date for the 25-year-old "takings movement," a private property rights advocacy effort that seeks to "justly compensate" owners for any government action that reduced the value of their land. I hope it also marks the end of the defensive way we oppose such measures (e.g., arguing that compensating the victims of government action will cost us too much).

It is time we took the offense in the takings debate and launched a "givings movement." If the public must pay private property owners whenever a public action diminishes the value of their property, then property owners should compensate the public whenever public actions increase the value of the property.

The fact of the matter is that the vast majority of public actions elevate land and property values. If the public were compensated for the increase in land value that results from public actions, a number of public services, such as transit, could become self-financing.

The takings movement gets its traction from 12 words in the Fifth Amendment to the U.S. Constitution: " ... nor shall private property be

...[R]eal estate is a unique form of property, for two reasons. First, the way one uses one's land affects the value of surrounding land. Second, the primary source of value in real estate is largely external to the property lines.

taken for public use without just compensation." For almost 200 years after the Constitution was ratified, the courts interpreted those words to mean that compensation was due only if the government physically confiscated or occupied the property, or issued a regulation that stripped the property of virtually all its economic value.

For example, in 1978 the U.S. Supreme Court decided a case involving Penn Central, the owner of the Grand Central Station in mid-town Manhattan. Penn Central wanted to build a 50-story building above the station. The New York City Landmarks Commission rejected its application. The Supreme Court ruled that no taking had occurred because the property retained its economic use as a railroad and transit station.

In 1980, Ronald Reagan won the presidency and the takings clause quickly became one of the conservative movement's principal levers for restricting the public sector. University of Chicago law professor Richard Epstein's 1985 book, *Takings*, became the movement's bible. Epstein as-

serted that a compensable taking occurs even when there is only a minor and even hypothetical economic impact on the affected land. Moreover, he declared that the takings clause could and should be extended to hobble many government actions.

He boldly maintained that the clause renders "constitutionally infirm or suspect many of the heralded reforms and institutions of the 20th century: zoning, rent control, workers' compensation laws, transfer payments [and] progressive taxation."

In March 1988, Reagan adopted Epstein's thesis as federal policy when he signed Executive Order 12630: "(e)xecutive departments and agencies should review their actions carefully to prevent unnecessary takings ... "

In his memoir, Reagan administration Solicitor General Charles Fried recalls that era. "Attorney General Meese and his young advisers--many drawn from the ranks of the then fledgling Federalist Societies and often devotees of the extreme libertarian views of Chicago professor Richard Epstein--had a specific, aggressive, and it seemed to me, quite radical project in mind: to use the Takings Clause of the Fifth Amendment as a severe brake upon federal and state regulation of business and property."

By the mid 1990s, takings bills had been enacted in 14 states and had been debated in many others. In the 1990s the U.S. Supreme Court

We need to make the concept of "givings" as well known as "takings." In most people's minds, giving signifies something one does voluntarily while taking is done to one against one's will. But in the real world of land values, both givings and takings are involuntary.

Gaining a zoning change is the pot of gold at the end of any developer's rainbow. A change in zoning can increase the value of a piece of land tenfold. That is giving on a majestic scale. Why not tax the publicly generated increased value of their land 100 percent? That would be consistent with giving just compensation to property owners who lose out when government acts.

began to broaden the use of the takings clause to inhibit local land use regulations. We can expect equivalent initiatives to Measure 37 to gain ballot status in other states.

We need a "givings" initiative. We need to make the concept of "givings" as well known as "takings." In most people's minds, giving signifies something one does voluntarily while taking is done to one against one's will. But in the real world of land values, both givings and takings are involuntary.

Real estate and economic developer Donovan Rypkema of Place Economics has explained that real estate is a unique form of property, for two reasons. First, the way one uses one's land affects the value of surrounding land. Second, the primary source of value in real estate is largely external to the property lines.

As to the first point, if I owned two residential lots and built a 20-story apartment building, it would reduce the value of my neighbors' lands. Installing a car repair shop on my property would cause an even greater reduction. Which is why local governments require me to ask for a variance or change in zoning before undertaking such constructions.

As to the second point, the old real estate cliché, "The three most important things in real estate are location, location, location," is entirely valid. "Public decisions affect the value of real estate in both directions," notes Rypkema, "it is one of the risks and potential rewards of ownership."

Land values are largely determined by actions taken outside the plot's boundaries. A nearby good public school raises values. So does a park. So does access to transportation.

Gaining a zoning change is the pot of gold at the end of any developer's rainbow. A change in zoning can increase the value of a piece of land tenfold. That is giving on a majestic scale. Why not tax the publicly generated increased value of their land 100 percent? That would be consistent with giving just compensation to property owners who lose out when government acts.

More than a century ago economist Henry George led a powerful

"As soon as the land of any country has all become private property, the landlords, like all others, love to reap where they never sowed."

— Adam Smith, *The Wealth of Nations*

movement based on the idea that by taxing the increase in the value of land resulting from public actions, that most other taxes could be eliminated.

Given the much higher level of public services and public demands these days, a land tax cannot eliminate the need for all other taxes. But it might allow us to finance some desperately needed services.

Consider the transportation sector. When government builds a train or bus stop, it is increasing the value of land within walking distance of that access point. Nobel laureate in economics William Vickrey has proposed that government finance transportation improvements by taxing this increased value of land near the improvements.

The concept has been successfully applied in Hong Kong. Its rail transit system receives no subsidy. All costs, including interest on bond indebtedness, are paid from land rents derived from development in station areas. A study of the added land values resulting from the development of Washington, D.C.'s metro found that it exceeded the entire cost of building the metro.

Indeed, in the past, private developers often built transit systems to urban fringe neighborhoods and recouped the capital costs from the sales of developed sites.

What would a givings ballot initiative look like? Italics mark the changes from the original wording in the first two paragraphs of Measure 37.

"(1) If a public entity enacts or enforces a new land use regulation or enforces a land use regulation enacted prior to the effective date of this

amendment that *expands* the use of private real property or any interest therein and has the effect of *increasing* the fair market value of the property, or any interest therein, then the *public entity* shall be paid *the increased value*.

(2) *The amount owed the public entity* shall be equal to the *increase* in the fair market value of the affected property interest resulting from enactment or enforcement of the land use regulation as of the date the *public entity* makes written demand for compensation under this act."

We could rely on none other than Adam Smith as a support witness for a givings initiative. "As soon as the land of any country has all become private property," Smith observed, "the landlords, like all others, love to reap where they never sowed." ✍

David Morris is co-founder and vice president of the [Institute for Local Self Reliance](http://www.localselfreliance.org) in Minneapolis, Minn. and director of its [New Rules](http://www.newrules.org) project. This article first appeared on AlterNet (www.alternet.org) on April 19, 2005.

Henry George and Community Land Trusts

Rosalind Greenstein

Community Land Trusts (CLTs) illustrate some of Henry George's ideas. As a "radical capitalist," George liked competitive markets and private property; at the same time, he was morally outraged by inequalities in wealth. Like classical economists he believed that competitive markets were the best institution for allocating society's resources. However, he understood land to be a different sort of "commodity" than others traded in the economy. He did not have a problem with owners of capital making profits from their own efforts and investments. He did, however, take issue when landowners made profits simply because demand increased for the scarce resource of land. He understood that population increases would naturally increase the demand for land, thus pushing up prices. So, along with his belief that private landowners ought not to make profits from general population increases, he did not think that landowners should make profits from government actions (e.g., giving away land or receiving increased land values with infrastructure investments such as railroads. George was writing at a time when the U.S. government was giving away huge amounts of land to private interests.)

George's answer was a land tax. He argued that taxes on land should be high, but that buildings (referred to as improvements) should not be taxed. Landowners would be encouraged to put their land into the "highest and best use," otherwise they would not be able to afford the land tax. Keeping the tax off of improvements would mean that people would not be taxed for engaging in productive economic activity. He was of the opinion that this land tax would raise enough revenue to fund government and that other taxes— including income taxes— would not be necessary. Thus,

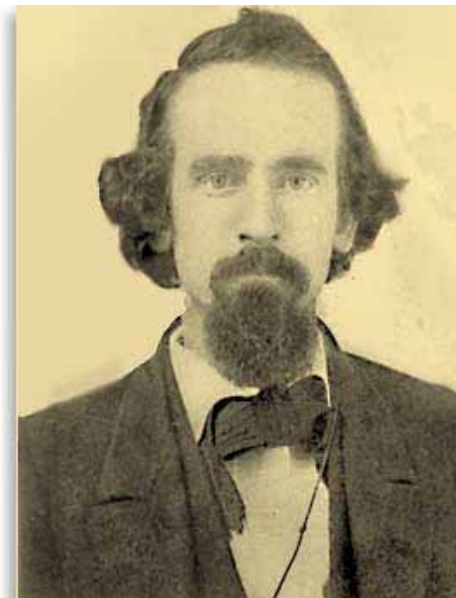
he and his followers were often referred to as "single taxers."

In a book published by the Lincoln Institute of Land Policy in 1997 (*Land Use & Taxation: Applying the Insights of Henry George* (ed. H.J. Brown), Robert Solow, the Nobel Prize winner for his analysis of economic growth, writes that he agrees with ". . . George's basic insight that the pure rental value of land usually owes little or nothing to the actions of the owner, and that therefore the rent could be taxed away without inducing any inefficiency in the allocation of resources, and perhaps with justice" (page 8). (When Solow uses the term "rental value of land" he is using economists' terminology for "profit from land.")

The Lincoln Institute of Land Policy's research and training focuses on a wide range of land policies and land-related tax policies. We are especially interested in policies that capture the portion of land value created by public action. The current property tax is a fiscal instrument for such a capture. Impact fees and benefit assessments are other policy instruments available. To the extent that traditional zoning regulations limit property values, they too can be seen as a mechanism to capture publicly created land values and use them for public benefit.

CLTs are another mechanism for capturing publicly created land value for public benefit. When a residential property increases in price by 8-10 percent or more, per year, it is the increase in land values, not in the value of the house or the improvements, which causes the price to rise. In fact, improvements typically depreciate in value over time. It is

Rosalind Greenstein is a Senior Fellow and Chair of the Department of Economic and Community Development at the Lincoln Institute of Land Policy. The Department's goal is to inform the research, policy, practice, and dialogue of economic and community development with the understanding of the multiple interests in land. For more information on Henry George and the work of the Institute, go to <http://www.lincolninst.edu>



Henry George

this fact of land economics that makes the CLT a logical and attractive policy to provide homeownership opportunities for households that have been priced out of the homeownership market. When the ownership between the land and house is split and the land is owned by the CLT, the land does not change hands when the house is sold. Therefore, the land value increases are never realized by the CLT. The household, however, receives the benefits of living in the house (what economists call "housing services"); the security of tenure that comes with homeownership; stability and predictability in the monthly housing payments of typical mortgage financing; the equity invested into the house, and in the case of most CLTs, a portion of the land value increase. The community benefits as it receives the long-term stewardship of a stock of perpetually

Housing Programs at The ARC of Delaware

Patricia Kelleher

Affordable housing issues and concerns are nothing new to any of us in this industry, but when a layer of disability, either cognitive or physical, or both, is added, solutions become even more difficult to achieve. Seeking to live in the community, but needing homes that are accessible, or support services to ensure successful integration, make it very difficult for our program participants to achieve the independence they desire. The ARC of Delaware has been addressing these concerns for 53 years, and has achieved some very remarkable results that fulfill our mission to advocate “for the rights and full participation of all children and adults with intellectual and development disabilities.” At this time, we own 81 group homes throughout Delaware that are home to 310 individuals; most have four residents. We’ve come a long way from the days of large institutions, and group homes that served 15 – 20 individuals. In June, 2003, the report “Initial Outcomes of Community Placement for the People Who Moved from Stockley Center*” was published, and states:

“Historically the movement of people with developmental disabilities from institution to community has been one of the most successful social movements of the baby boomer generation (Larson & Larkin, 1989, 1991). In contrast, in the field of mental illness, the nation’s record in the 1960s and 1970s was disgraceful. (Bassuk & Gerson, 1978). *Deinstitutionalization of people with disabilities in America has been one of the most successful and cost-effective social experiments of the past two decades.*”

Self-Directed Supports, or Self-Determination is the term that is used to describe this movement from a system driven by professionals to a

system driven by the people who receive services. Self-determination is necessary because too often those of us with disabilities do not have control over the simplest aspects of our lives, and what is convenient for others is put before our own wishes. At The ARC, we facilitate homeownership and rental opportunities by helping people create individual housing plans and connecting each individual with the services and supports that will help him or her achieve these goals.

The Home of Your Own (HOYO) program has helped 9 people to become first time homebuyers, and several other candidates are currently working towards this very important American dream. The key to our success is a willingness to listen to the needs and desires of our consumers, and increasingly this includes pursuing homeownership. Another key ingredient is our ability to form useful partnerships. The HOYO program has benefited from the participation of mentors who work one on one with program participants to help them prepare to purchase by working closely on credit repair and

budgeting. The mentor attends homebuyer education and classes with the candidates and ensures they understand all of their options, including different mortgage products, and down payment and settlement assistance programs. They attend the settlement, and then assist with the transition to successful homeownership. One of our mentors recently told me that attending the settlement for the couple she worked with was almost as exciting for her as it was for them - it’s a very rewarding endeavor. We really need more committed individuals to help us with this program, so if you, or someone you know, is interested in becoming a mentor, please let me know at pkelleher@arcde.org.

The challenge we face now is to become ever more innovative in the way we approach the living choices of our people, and the partnerships we build with government and other agencies. ✍

*Stockley Center in Georgetown is the only public institution in Delaware for persons with cognitive disabilities. The current Stockley census, once nearly 700,

Patricia Kelleher is Director of Housing Programs for The ARC of Delaware.



Juliann gets help preparing the front door of her new home.

Rededicating Ourselves to Housing Our Poor

Ken Smith

The fundamental premise of the Delaware Housing Coalition is that all of the state's households should be safely and decently housed in dwellings that they can afford. Acknowledging that the gap between incomes and housing costs has continued to widen in recent years, we must also regrettably recognize the fact that the very poorest suffer the most from the burden of unaffordable housing. This is true in at least two ways: (1) the poor make up a disproportionate number of those who cannot afford adequate, if any, housing; and (2) they pay an even more disproportionate portion of their income for the housing that they can secure.

Gentrification of Affordability Issue

In recent years, the escalating affordability gap has produced an increased sensitivity among, and discussion about, the cost burden to moderate-income households. This has led to discussions of "affordability" and the need for "workforce" housing which, rather strangely, have remained silent regarding very poor and extremely poor households. This gentrification of the issue, while making traditionally less-vulnerable Delawareans aware of the problems associated with affordability, has not translated into a viable concern for the many households at the bottom of the economic ladder who are hurting even more from our failure to provide housing affordable to those who need it. A response commensurate with the true nature of the problem has to begin by acknowledging and addressing the profound need among the extremely poor.

Basing its conclusions on new growth and existing at-risk households, the Executive Summary of the Delaware Statewide Housing Needs Assessment 2003-2007 projected a need for 1,835 new rental

units by 2007, just for the extremely poor in our state. To date, we know of only a handful of units produced that can claim to meet this need. We have failed almost completely.

Homelessness & Affordable Housing

While releasing their recently completed ten-year plan to end chronic homelessness, the Homeless Planning Council and Delaware Interagency Council on Homelessness have begun to insist on the causal connection between rent-burdened households and homelessness. It is a condition which frustrates progress at both ends of the continuum, continually driving new households into homelessness and often making the process of being re-housed a tenuous achievement. To their great credit, the members of the homeless community have begun to drum on the need for more housing that is affordable to the most vulnerable among us. We can only be grateful and heartened by their advocacy and hope that they will persist until we have arrived at that goal. Unfortunately, we have not begun the long journey towards it.

Recent Findings

The National Low Income Housing Coalition (NLIHC) has just released a

new analysis of data from the 2005 American Community Survey, comparing the affordable rental housing supply with state median family incomes (SMFI). The research indicates a much greater affordability problem among the extremely poor, both nationally and here in Delaware, than previous measurements have revealed.

Extremely poor Delawareans are competing for a rare and precious resource when it comes to housing affordable to their incomes.

- For every 100 extremely poor households there are only 41 units that are both affordable and available.
- While they comprise only 23% of renter households, they are 82% of the total renter households who are severely cost-burdened.
- Of all the extremely poor in Delaware, three-quarters are severely cost-burdened.

The median ratio of housing cost to income for the extremely poor is an unsupportable 77%.

Table A summarizes the plight of very poor and extremely poor Delaware households. For the very poor, there exists an adequate stock of affordable housing. But when account is taken of how many units are unavailable, the surplus turns

TABLE A:
Affordability Gap Widens When Taking Availability into Account

	Deficit/Surplus of Affordable Rental Units	Deficit/Surplus of Affordable and Available Rental Units	Affordable and Available Rental Units per 100 Households
Extremely Low Income	-4,955	-11,702	41
Very Low Income	3,731	-11,536	65

Source: NLIHC tabulations of 2005 ACS Survey PUMS

into a deficit of over 11,000. In the case of the extremely poor, there is already a deficit of almost 5,000 hard affordable units, which increases to almost 12,000 when availability is factored in. To quote the NLIHC research note: “[A] unit is only ‘affordable and available’ to households within a specific category if its costs are affordable and it either currently houses a family with income at or below that category’s top threshold or it is vacant and for rent.”

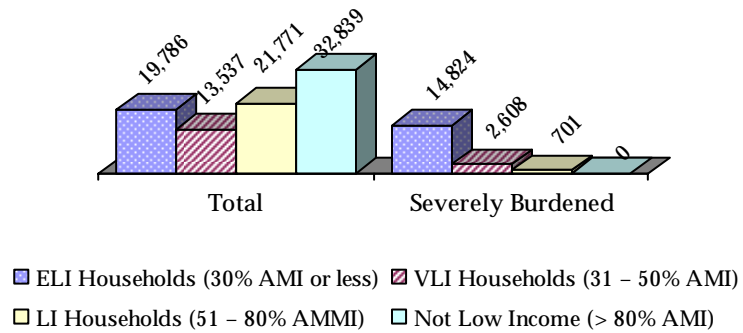
While care must be taken in applying these findings as a final measure of the need in Delaware, they suggest that we have considerably underestimated the extent of the problem.

DHC has just finished a lengthy process of establishing a set of strategic goals for its next three years. The fourth of these goals is: “Insure that Delaware’s affordable housing system focuses on creating housing opportunities for households with very low incomes (<50% of median income) and extremely low incomes (<30%).”

The same housing market which has become such a quandary to moderate-income, prospective homebuyers and such a challenge to state and municipal employees, teachers, nurses, and first responders, places a crushing weight upon the state’s extremely poor. They are Delaware households who— already starting from harsh poverty – then must assume a housing burden that would be daunting to those of us with more income, but which is intolerable for them.

We must not allow the continuing

Delaware Renters by Income and Severe Rent Burden



displacement of the dialog on “affordable housing” up the income ladder. The people who need affordable housing most need us to keep speaking about the destructive effects for all of us of not addressing their needs. Instead of allowing this critical problem to be passed over in silence or becoming resigned about the prospects for its solution, we need continued, focused attention, and the crafting of solutions. The homeless community has challenged us to find a way. Unless we want to witness the proliferation of shelters, camps, and squats, we ought to respond. Among the components of the solutions may be:

- Re-alignment of the Low Income Housing Tax Credit to help meet the challenge of housing for the very poor and extremely poor,
- Protection, preservation, and one-for-one replacement of all hard units serving the extremely poor,
- Earmarking a minimum of 30% of annual Housing Development Fund resources to meet the housing needs of the extremely poor,
- A dedicated revenue source for the HDF adequate to allow this

commitment to be made without jeopardizing the many other worthy projects it must fund,

- A willingness on the part of the Delaware State Housing Authority to permit the state’s housing development community to produce less units, if need be, but meet a greater need,
- The passage of a National Housing Trust Fund bill which would mandate some production for extremely poor Americans,
- An increased acknowledgement of, and effort toward, solving this problem by Delaware legislators. ✍

Sources:

Executive Summary of the Delaware Statewide Housing Needs Assessment 2003-2007, Mullin & Lonergan Associates, February 2003, page II-17, Table II-22.

Delaware Interagency Council on Homelessness, Breaking the Cycle: Delaware’s Ten-Year Plan to End Chronic Homelessness and Reduce Long-Term Homelessness, February 2007.

National Low Income Housing Coalition, Research Note #07-01, “American Community Survey Shows Larger National, State, Affordable Rental Shortages,” <http://www.nlihc.org/doc/RN07-01.pdf>

Notes & Definitions:

1. Severely Burdened: Household spending more than 50% of income on housing rent

2. Income Categories

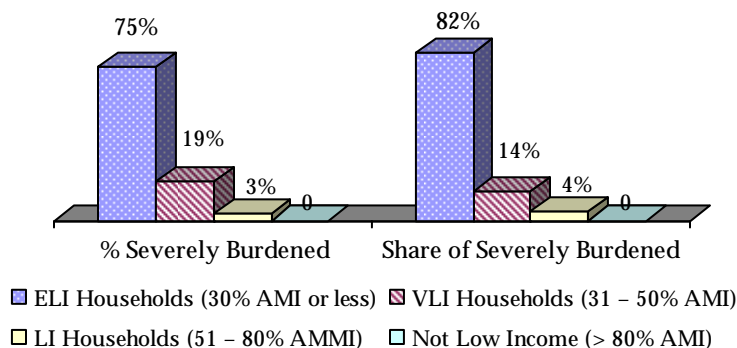
ELI – Extremely Low Income: Income at or below 30% of state median family income (SMFI)

VLI – Very Low Income: Income between 31% and 50% of state median family income

LI – Low Income: Income between 51% and 80% of state median family income

Not Low Income: Income greater than 80% of state median family income

Percentage and Share of Severely Rent Burdened Delawareans by Income



Manufactured Housing Lot Rent Assistance

Gina Miserendino

In June of 2006 Governor Ruth Ann Minner signed legislation amending the Manufactured Housing Homeowners and Community Owner's Act of 2003 (DE Code, Title 25 Chapter 70). Written into this new law under §7021A is a mechanism establishing a mandatory lot rental assistance program. This was created in recognition of the unaddressed need in Delaware for help for homeowners and tenants in investor-owned manufactured housing communities who are elderly, disabled, and are of low income who have difficulty keeping up with the lot rent.

Below are brief highlights of the program. For more detail, contact your local resident association, the Delaware Manufactured Homeowners Association (DMHOA at 800-511-1517 or www.dmhoa.org) or the Fraud and Consumer Protection Unit of the Attorney General's office at 800-220-5424 or www.state.de.us/atgen.

Which manufactured housing communities are required to offer lot rental assistance? Investor-owned manufactured housing communities with more than twenty-five units are required to offer lot rental assistance to qualified homeowners or tenants.

There is nothing in this law which prevents an owner of a community with fewer units from offering this or similar type assistance program.

Nothing in this section prohibits the owner of a manufactured home investor-owned community from offering a lot rental assistance program that provides benefits over and above the benefits set forth in this section or that extends eligibility for participation in the program;

A community owner who is required to participate in the lot rental assistance program shall provide notice of the program to all homeowners and tenants in the community.

Who is eligible for assistance? A homeowner or tenant in a manufac-

tured housing community who is eligible for: Social Security Disability (SSD), Supplemental Security Income (SSI) benefits, or who is 62 years of age or older if the following criteria are met:

- The homeowner or tenant must have owned his or her manufactured home and/or resided in the home in the manufactured home community prior to July 1, 2006;
- The homeowner or tenant must reside full time and exclusively in the manufactured home in the manufactured home community, and
- The manufactured home must be the homeowner or tenant's only residence;

How is eligibility for lot rent assistance determined? The lot rent (excluding utility charges and other obligations* must exceed 30% of the income definition, for the county median income limits based upon 40% of the county's median income** for the number of residents in the home.

This information is available in the Delaware State Housing Authority Fact Book (DSHA Fact Book)**, for the US Dept. of Housing and Urban Development (HUD).

Income means the income of all occupants of the manufactured home, whether or not an occupant is a tenant, and of all tenants of the manufactured home, whether or not a tenant is an occupant.

The total liquid assets including but not limited to bank accounts, stocks, and bonds of the homeowner or homeowners, tenants and other residents, may not exceed \$50,000;

The homeowner, tenant, and other residents and the manufactured home must be in substantial compliance with all manufactured home community rules, regulations, and standards.

The homeowner, tenant, and other residents may not be recipients of any other rental assistance funding, nor may the rented lot on which they reside be regulated by rent control.

The term of eligibility for lot rent assistance is one year, subject to renewal.

A homeowner or tenant who qualifies for lot rental assistance based on the criteria in subsection (a) of this section is entitled to lot rental assistance for a term of 1 year. Lot rental assistance for a qualified homeowner or tenant is a credit which is computed as the difference between the then-current lot rent and 30% of the income definition for the county median income, as stated in the DSHA Fact Book.

Example 1: Two people have lived in a manufactured home in an investor-owned community in Kent County since January, 2006. It is their only home. Their combined income is \$17,600/year. They have no other assets. Their lot rent is \$500/month. They would be eligible for assistance because their yearly income is less than 40% of Kent County median for a family of 2**, their monthly income is \$1,467. The lot rent, \$500/month is more than 30% of \$1,467 (\$400).

Example 2: A family of 5 has lived in an investor-owned manufactured housing community in Sussex County for three years. Their total income is \$25,000/year. They would not be eligible because the household yearly income is more than 40% of the Sussex County median income.**

What is the process for applying for assistance? The homeowner, tenant, and other residents must provide to the community owner all documentation necessary to determine eligibility for lot rental assistance, such as bank records, eligibility letters, tax returns, and brokerage statements;

The community owner is required to keep all submitted information confidential.

The amount of assistance is determined by subtracting the amount equaling 30% of the income definition of the county median household's (at or below 40% of county median income for household size)

income from the amount of the pre-assistance lot rent. Eligibility for this assistance is for one year, unless the family's circumstances improve-- in which case this must be reported to the management.

Example A: The two person family in Example 1 has a monthly income of \$17,600, this is less than the county median income (\$18,200).** \$18,200 divided by 12 months = \$1,517. Thirty percent of \$1,517 = \$455. The lot rent is \$500. \$500 - \$455 = \$45. This is the monthly lot rent assistance for the year.

What are the other important facts to know about this program? During the period of any lot rental assistance, a homeowner or tenant must remain

current with payment of rent after the application of the lot rental assistance credit, as well as with payment of utility fees and other charges and assessments.

If the homeowner or tenant does not pay all lot rent after the application of the lot rental assistance credit, as well as pay utility fees and other charges and assessments on or before the due date or during the grace period provided under the law or otherwise, then the lot rental assistance credit may be immediately terminated upon notice, and the homeowner or tenant will not be eligible for further lot rental assistance.

Lot rental assistance or rent credit received by a homeowner or tenant pursuant to this section is not trans-

ferable upon the sale of the manufactured home and/or the transfer of the rental agreement to a third-party purchaser.

A community owner subject to this subsection must deliver renewal notices to all program participants at least 45 days before a participant's term of assistance expires. If the community owner does not provide a renewal notice, the lot rental assistance credit remains in effect until 45 days after the community owner provides notice.

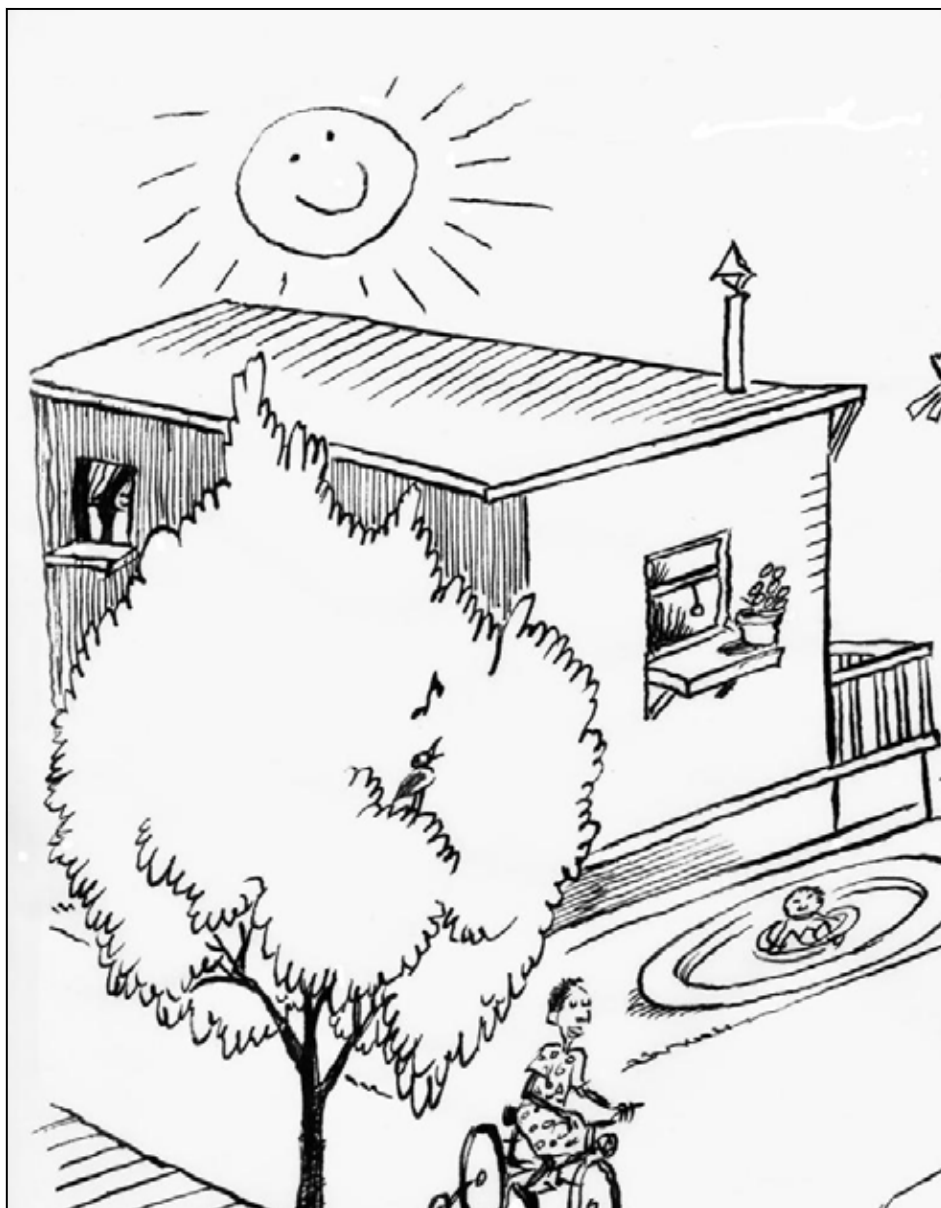
Upon receiving notice, a homeowner or tenant has the responsibility to re-establish annually eligibility for lot rental assistance if that homeowner or tenant believes that the homeowner or tenant remains eligible for lot rental assistance. The homeowner or tenant must re-establish eligibility within 45 days immediately before the anniversary date of the prior determination of eligibility.

If the homeowner or tenant fails to re-establish eligibility within 45 days of notice, the community owner may terminate the lot rental assistance credit. ☺

* § 7006 (a) 9: a services rider which contains a description of each utility, facility, and service available to the tenant, clearly indicating the financial responsibility of the tenant and the landlord for installation and maintenance, and, for the related fees or charges that be imposed upon the tenants by the landlord;

** DSHA Fact Book, Income Definitions: HUD Income Limits, [http://www.destatehousing.com/information/informationmedia/ HUD_incomelimits2006.pdf](http://www.destatehousing.com/information/informationmedia/HUD_incomelimits2006.pdf)

OTHER MANUFACTURED HOUSING ACTIVITY: Efforts are underway to address the problems of insecure tenure among lease-holding manufactured homeowners. Senator George Bunting and Representative Pete Schwartkopf and others are working on legislation to expand current rules on lot rent increases and "right of first refusal" (of manufactured homeowners to buy their communities when investors are going to sell). We expect bills to be introduced in the current, 144th General Assembly addressing these important issues. See <http://www.legis.state.de.us/LIS/lis144.nsf/> for more information.



Balanced Housing for the Diamond State

Van Temple

Delaware, like many states, has housing stock that is not well matched to our resident households. A few facts illustrate the point:

- 2,000 Delawareans are homeless each day
- 3,200 people are waiting for site-based affordable housing
- 10% of Delaware households earn less than \$20,000 annually and pay more than 30% of their income for housing
- 1,250 households each year need assistance to become homeowners
- 2,636 owner-occupied and renter-occupied substandard units are in need of repairs
- In last 5 years housing prices are up 95% while incomes are up 16%
- Our lowest cost rental units serving our most vulnerable populations are being lost at alarming rates
- \$28 million is needed to preserve affordable housing for 853 units/2300 people in the coming years.

For all our good efforts we are not meeting the needs. More must be done to raise the priority of affordable housing for all in our state. Without serious housing policy reform and significant funding increases all we can do is play around the margins, squeezing a few extra dollars and additional units here and there.

After several years of affordable housing consulting work with cities and non-profits in the Northeast and Midwest, I decided in 2005 to focus more exclusively on my new home state of Delaware. Through my involvement in a variety of projects in the First State I've learned more about our state's housing programs, funds and challenges, and the players in the affordable housing community.

I think now is the time to re-frame our mission in language that has meaning and importance to a broad spectrum of stakeholders. By defining our terms simply and clearly we can campaign more effectively to raise the priority of Housing for All in Delaware. Our campaign for "Affordable Housing" is not effective

enough.

The power of language, of naming, is well illustrated by the tax-cutting revolution that began in California with Proposition 13 in the mid '70s. The proponents of cutting taxes didn't just say "let's cut taxes." They wisely named their effort "Tax Relief." They did not emphasize that cutting taxes would reduce revenues to state, local and federal governments. And they did not even mention that Tax Relief would reduce and eliminate services, or lengthen lines at the driver's license bureau, etc. Proponents described what they wanted to happen as something that was good for everybody.

Two simple words. Tax – a word that many people don't care for. Relief – something everyone enjoys. Tax Relief spells out the desired solution perfectly. Who doesn't want relief from taxes? Even those of us who believe that governments should have adequate resources to meet their chartered responsibilities enjoy Tax Relief. It was a brilliant strategy that is still at work 30 years later.

The term "Affordable Housing" on the other hand, does not clearly define the solution. Affordable Housing has come to mean so many different things to different people. For some it means helping homeless folks have a roof over their heads. For others it means housing for school teachers, police officers, and service industry workers. For some it's housing for agricultural workers and immigrants. And for many people the term has no meaning at all. Our field is crowded with terms including low-income housing, workforce housing, very low-income, moderate-income, mixed-income, special needs housing, workforce housing, and so on. These terms are useful within our field but not particularly effective in influencing public policy and funding.

To forge serious solutions for meeting the housing challenge we need to rename and redefine our overall goal. We need a term that



describes the solution. We need a name that is as effective as Tax Relief. We need a name like -- Balanced Housing For All Delawareans.

Balanced Housing provides a range of quality housing options, including rental and homeownership, for all households, all income levels, and all types of needs. A supply of quality housing options to serve the needs of all households all around the state, close to where people work and play. Balanced Housing means solid housing options available for all segments of the household market in direct proportion to needs. Finally, Balanced Housing means keeping housing affordable for future generations.

Promoting the concept of Balanced Housing could bring all advocates and stakeholders shoulder to shoulder with a single purpose - Raising the Priority of Housing. Naming gives us the power to define the unmet needs and design funding and production systems to match those needs. Naming the challenge broadly and accurately should enable us to gather a large and powerful team of advocates and stakeholders, including politicians and other policy makers to take a serious, long-term, businesslike approach to the challenge.

Under the banner Balanced Housing we can pull together policy makers, for-profit and non-profit housing producers, interest group advocates, open space preservationists, and representatives of Delaware's households to meet the challenge of providing sustainable, quality housing for all.

Our challenge is not about meeting the needs of "those people," it's about meeting our own needs.

Just like Tax Relief, Balanced Housing is hard to be against. The name implies fairness, something for everyone, supply equals demand... precisely what we are striving for.

The movement is stirring in the First State. I see evidence everywhere:

- DSHA's next five-year Housing Needs Assessment is due to be released later this year

- Delaware Housing Coalition strategic plan outlines a set of key steps for review and reform of housing policy and funding statewide

- The Delaware Rural Housing Consortium's strategic plan calls for a comprehensive review of state, federal, county and municipal housing programs

- State planners are working with towns that want the new housing going up within their borders and around them to serve families who already live in Delaware, not just folks who are moving here from other places

- Some for-profit builders are looking for ways to better meet the needs of the middle and lower income homebuyers

- NCALL, Milford Housing, Inter-faith Community Housing and the other non-profit housing producers are looking for ways to increase production

- Sussex County has begun its new Moderately Priced Housing Unit program

- New Castle County is strengthening its inclusionary zoning ordinance

- The new Kent County Levy Court will be taking a renewed look at the match of households to housing stock

- CRA officers and foundations are looking for effective ways to invest in balanced, sustainable housing

- Efforts are underway to substantially increase funding for HDF

- The Diamond State Community Land Trust is building an inventory of permanently affordable homes.

The affordable housing delivery team of Delaware is a small group of advocates but we represent a large portion of our population. By naming our cause wisely and working together diligently we can raise awareness and get the attention and resources needed to meet the challenge. Balanced Housing -- that's our campaign! ✍

Van Temple is the Executive Director of the Diamond State CLT.





MAY 9

Please join us for the third annual
Day for Housing in Dover!

Wednesday, May 9, 2007
10:00 AM to Completion

- * Kickoff — Christ Episcopal Church
- * Legislative Briefing
- * Release of DHC First Annual Affordability Study
- * Housing March to Legislative Hall
- * Visits to Representatives and Senators
- * Lunch
- * Good Fellowship with Housing



2007

GRATITUDE

We deeply appreciate the contributions and new and renewing memberships and the support of the following people and groups:

The ARC of Delaware ☒ Advanta Foundation ☒ Artisan Bank ☒ Anita Auten ☒ Bank of America ☒ Caron Barnett ☒ Better Homes of Seaford ☒ Donald Blair ☒ Doris Blake ☒ Alice Brandreth Trust ☒ CFED ☒ Beverly Cerchio ☒ Connections CSP ☒ Cornerstone West ☒ County Bank ☒ Karen Curtis ☒ Delaware Community Reinvestment Action Council ☒ Delaware HIV Consortium ☒ Delaware National Bank ☒ State of Delaware, General Assembly ☒ State of Delaware, Office of Community Services ☒ Lorraine DeMeurisse ☒ Delmarva Rural Ministries ☒ Deutsche Bank Trust Company Delaware ☒ Deutsche Bank Americas Foundation ☒ Diamond State CLT ☒ Carolyn Donofrio ☒ Helen Drayton ☒ Joan Edwards ☒ Evergreen Consulting ☒ Fannie Mae Foundation ☒ Carolyn Figueroa ☒ First State Manufactured Housing Association ☒ First State Community Action Agency ☒ First National Bank of Wyoming ☒ First State Resource Conservation and Development ☒ First Shore Federal ☒ Food Bank of Delaware ☒ Marlena Gibson ☒ GMAC Bank ☒ Deborah Gottschalk ☒ Habitat for Humanity of NCC ☒ Theresa Hasson ☒ Leslie Holland ☒ Home Builders Association of Delaware ☒ Homeward Bound ☒ Homeless Planning Council of Delaware ☒ Housing Capacity Building Program ☒ Charlotte Hunt ☒ HSBC ☒ Ingleside Homes, Inc. ☒ Interfaith Community Housing Delaware ☒ Ralph and Ruth Johnson ☒ Joyce Johnson ☒ Jeanine Kleimo ☒ Mark Lasocha ☒ League of Women Voters of Greater Dover ☒ Richard Legatski ☒ Julie Loescher ☒ Connie Louder ☒ Lutheran Community Services ☒ Daniese MacMullin-Powell ☒ Richard Maly ☒ James McGiffin, Jr. ☒ Dorothy Medeiros ☒ Jan Melhunek ☒ Karen Melhunek ☒ Meeting Ground ☒ Metropolitan Wilmington Urban League ☒ Milford Housing Development Corporation ☒ Millsboro Housing for Progress ☒ Ministry of Caring ☒ Helen Miserendino ☒ Ulla Moore ☒ Joe Myer ☒ Neighborhood Housing, Inc. ☒ NCALL Research ☒ New Castle County Community Services ☒ New Castle Presbytery, Administrative Commission on the Speer Trust ☒ Marcy Perkins ☒ Mary Randall ☒ St. Helena's Parish Outreach ☒ Darlene St. Peter ☒ SBM Housing/Gateway House ☒ Ken Smith ☒ Ruth Sokolowski ☒ Karen Speakman ☒ Southeastern Sussex Democratic Club ☒ Lisa Spellman ☒ Sandra Spence ☒ Ivar Stakgold ☒ Christina Stanley ☒ Christine Stillson ☒ Roxie Sturgis ☒ Sussex County Council ☒ Lauren Sutton ☒ The Salvation Army ☒ Valerie Thompson ☒ Patricia Todd ☒ Robert Valihura ☒ Jane CW Vincent ☒ John Walsh ☒ Waterford Mobile Homeowners Association ☒ Gardenia White ☒ Wilmington Trust ☒ Thomas Wrenn ☒ WSFS Bank ☒ YWCA Delaware ☒ Norma Zumsteg ☒



Visit Us on the Web!

Join HANDS with DHC!

HOUSING ADVOCACY NETWORK FOR THE DIAMOND STATE

In 2007, Delawareans who care about safe, decent, and affordable housing have an opportunity to help their state:

- Preserve at-risk federally subsidized housing,
- Fulfill Federal Homelessness Initiatives, and
- Leverage Federal Housing Tax Credits

Currently, these measures can save or create hundreds of homes *if* the housing budget for Delaware is funded at \$15 million for FY08.

WHO:

People collaborating to highlight and achieve affordable housing policies.

WHAT:

An ongoing, responsive network focusing on *housing for all* in Delaware.

WHERE:

In your electoral district and every other in Delaware.

WHEN: NOW !

HOW:

Become part of a volunteer network of housing advocates from each General Assembly district who:

- Collaborate with DHC on grassroots housing advocacy
- Work within your State Senate and Representative districts
- Provide occasional county-level housing advocacy
- Attend H.A.N.D.S! training get-togethers
- Participate in DHC- sponsored scheduled conference calls
- Receive and distribute legislative and policy alerts
- Participate in 2007 Day for Housing, Wed, May 9, 2007
- Serve as a points of contact and media representatives for your districts



For more information, contact:

Gina Miserendino, grassroots@housingforall.org, 302/678-2286 x100

To join HANDS! Online: www.housingforall.org/hands.htm

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