

Affordable housing gap continues in Sussex County

Gap between wages and home prices growing

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Janice Williams said moving into her own home was the happiest day of her life.

“We always thought we would be renting and we couldn’t afford a home,” she said during a recent workshop on affordable housing at Georgetown Presbyterian Church.

That was until she found out about Sussex County Habitat for Humanity. “You get to help build your own home, and you appreciate it more,” she said.

Those types of solutions for the lack of affordable housing were what Rep. Dan Short, R-Seafood, was looking for during the Wednesday, Oct. 3 forum.

Short, a freshman legislator who is chairman of the House Housing and Community Affairs Committee, said the message about the critical need for affordable housing was crystal clear. Now he wants people to come to him with ways to solve the problem.

The median-priced house in Sussex - at nearly \$280,000 - is getting more and more out of reach of most people. The average annual income in the county is just under \$25,000.

Short, along with Sen. Robert Venables, D-Laurel, and Bill Lecates, the county’s director of community development and housing, spearheaded the event. The forum was hosted by the Sussex Housing Group, a committee of the Delaware Housing Coalition.

The event was attended by a variety of people in the nonprofit housing field, area mortgage lenders, local residents and housing advocates.

Manufactured housing issues

With any discussion of affordable housing in Sussex County, the talk eventually gets to manufactured homes.

Venables, who has been in the Senate for 20 years and is chairman of the influential capital budget committee, said the only real affordable housing in the county is manufactured housing.

Although the idea may seem far-fetched to some, Venables is serious about a plan to use some of the state’s open space for low-cost manufactured home communities.

“Some of the owners are not treating the people who live in the parks fair as their rents keep getting higher,” he said. “And they can’t move the homes out into another park if they are a certain age, so many people are over a barrel.”

He said state land could be used to start a park for misplaced people offering reasonable rents.

More than half of the state's 50,000 manufactured homes are situated in communities and parks with land-lease arrangements. According to local homeowner's associations, rents in the area range from \$4,000 to \$21,900 annually. Homes range in price from \$45,000 to \$300,000. The average selling price in 2005 was \$84,200.

Short announced a series of three House subcommittee hearings on the plight of manufactured home residents taking place throughout the state. The local hearing is scheduled for 7 p.m. Wednesday, Oct. 17, at Indian River High School.

One key bill being pushed by manufactured homeowners and their associations failed in the General Assembly.

The so-called right of first refusal bill, which would give homeowner's associations the option to purchase parks being sold, stands a better chance of passage in 2008, Venables said.

Land trust option

Finding homes for displaced people is already taking place in Venables' hometown of Laurel. The Diamond State Community Land Trust is working to establish the New Horizons Community, a 30-unit manufactured home development.

Van Temple, executive director, said rents would be \$40 a month and never go up like rents in privately owned parks.

Temple said the first 12 families in the cooperative in the new development were evicted from Morris Mill Pond Mobile Home Park two years ago.

Homes in the community will cost \$110,000 to \$120,000.

"We are just getting started," he said. "This is the model to see how it works."

Under the program, the residents will own their homes and the land trust will own the land. Temple said he hopes to get the project started next year.

Lecates, who is a member of a 21-member task force on affordable housing, said community land trusts seem to be the best alternative to deal with the shortage of affordable housing in the county.

"Everybody believes that is the answer," he said.

Offering more solutions

Lecates, who affirmed there are not enough affordable houses to meet the demand, said another solution to the problem is to preserve the current stock of houses. Under the program he administers, about 130 homes of low and very-low income residents are renovated each year.

Short, who also owns a business with his wife, Debbie, in downtown Seaford, added that many houses in downtown areas throughout the county could be tapped into as affordable housing. Some houses are vacant, particularly areas over storefronts, and others are owned

by absentee landlords who allow properties to deteriorate. He said many of the homes and apartments need rehabilitation, but are already existing and do not need to be built.

“It’s a great opportunity being missed,” he said. “It’s a goldmine not harvested because of the difficulty of doing it.”

Lecates said the current county program to provide incentives to builders who provide moderately priced units within their developments is another step in the right direction. There are 500 units under the program right now, including 400 in the proposed Elizabethtown development in Milton.

By committing 15 percent of the homes in a community to be moderately priced, developers get bonus density and an expedited review of their plans, Lecates said.

Three developers took part during the first round of the program and the second round will take place soon, he said.

The stigma attached to affordable housing by some people is still a stumbling block. “The minute you say affordable housing, everybody gets up in arms. That’s the reality and sometimes it makes it tougher to get development plans passed,” he said.

Short told those taking part in the forum that the message is loud and clear. “We are looking for solutions and the good news is that we are at the table,” he said.

Gap between wages and home prices growing

According to economist Jeanine Kleimo in a report to the Delaware Housing Coalition, the state has a growing housing-affordability problem.

- In 2006, the median price for a home in Sussex County was \$279,900, the highest in the state. That is a 74 percent increase since 2000.
- The median annual wage in Sussex County is \$24,066 and the median household income is \$54,200.
- To purchase a median priced home in Sussex, a resident (or household) would be required to make more than \$60,000 a year. A household earning \$54,200 could afford a \$226,000 house.
- Only an estimated 150,000 Delaware workers (36 percent of the total) make enough money to afford the average house.
- A Delaware family must earn \$16.31 an hour – or \$33,925 annually – to rent an average two-bedroom apartment. At least 229,000 workers are in occupations with median wages below that amount.

The full report, “Who Can Afford to Live in Delaware,” is available at www.housingforall.org and click on publications.