

## The Rock of Poverty and the Hard Place of Rural Housing

Karen Speakman

Two of Delaware's three counties are primarily classified as rural areas. Rural areas pose unique challenges in relation to the preservation and production of adequate affordable housing. In Kent and Sussex counties those challenges were documented in the Delaware Statewide Housing Needs Assessment 2003-2007.

Kent County's rural areas, as defined by the census, include the entire county minus the Dover MSA. All of Sussex County is defined as rural. What are the challenges that affect these areas? In Delaware's rural areas the number of substandard housing units totaled 5,850. Substandard housing units are those requiring substantial rehabilitation or replacement. These units are often occupied by low-income and/or minority residents.

In addition, many low-income residents in Delaware's rural areas face the imminent risk of homelessness. 29.5% of Sussex County's residents earn less than \$25,000 a year, while 28.2% of Kent county residents face the same levels of income. Concurrently, the fair market rent for a two-bedroom apartment is \$624 in Sussex County and \$663 in Kent County.

Moreover, 1,963 assisted rental units could be lost to conversion to market housing by 2007 due to expiration of affordability restrictions and prepayment. This danger is much more probable in the beach resort areas of Sussex counties, where many low-wage workers reside in order to support the tourist industry. Overall, due to its high fair market rents and lack of affordable housing development rural Delaware has been classified as one of the top ten most expensive non-metro areas in the nation regarding housing affordability.

What is the outlook for affordable housing development in rural Delaware? According to the Housing Needs Assessment, of the 2,985 new rental units needed between now and 2007, 81% must serve households with income below 50% of area median income and a disturbing 61% must serve households with income below 30% of area median income.

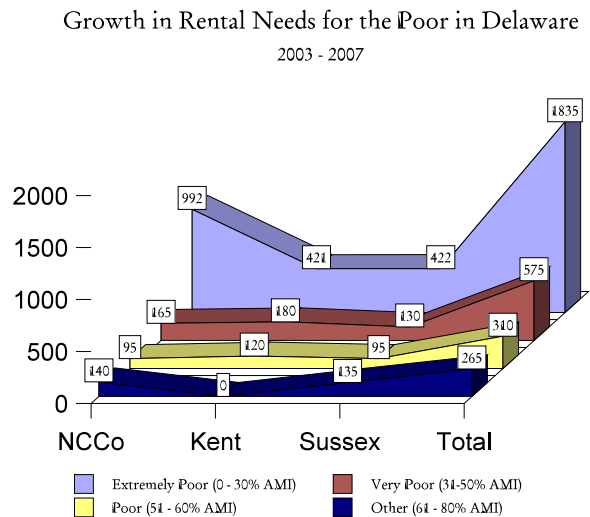


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There are several challenges to meeting this need. First, federal housing assistance from HUD and USDA has been decreasing steadily with virtually no financing for new construction. Second, due to Delaware's state budget deficit, housing appropriations have been cut 22% from a meager \$4 million. Next, Delaware's Smart Growth Livable Delaware initiative will no doubt make the development of affordable housing more difficult. Lastly, the rising population growth rates coupled with escalating land and development costs will decrease the desire to finance affordable housing construction; therefore, increasing the housing cost burden on low-income households in Delaware's rural areas as fair market rents continue to rise and affordable housing options continue to diminish.

Another challenge facing rural Delaware, primarily Sussex County, is the influx of Hispanic residents to the area. For example, in Georgetown between 1990 and 2000 the Hispanic population increased from 2% to 32%. Often, these residents are living in overcrowded, substandard housing. In addition, this population faces unique challenges in the attainment of housing due to language and cultural barriers and ethnic discrimination.

The low-income residents of Delaware's rural areas are the backbone of many of Delaware's main industries. They are the restaurant and hotel workers at the beach, they are the



Source: Delaware State Wide Housing Needs Assessment 2003 - 2007

poultry workers at Perdue and they are the janitors and cafeteria workers in Delaware's schools and government offices. These workers are increasingly working more hours at low-wage jobs with little opportunity for upward mobility, while concurrently their housing prices rise. Affordable housing should be a priority of Delaware's state officials, private business owners and residents as many of us look to them to fulfill our daily tasks.

Poverty Status by County	Kent		Sussex		New Castle	
All individuals for whom poverty status is determined	122,717		152,842		483,558	
	#	%	#	%	#	%
All individuals below poverty level	13083	10.7	16108	10.5	40710	8.4
Below 50% of poverty level	5365		6966		21043	
Below 200% of poverty level	35938		44034		95795	
Related children under 18 years	4995	14.8	5131	15.0	12446	10.2
In families with female householder, no husband present	3066	35.6	3028	36.5	8727	29.3
Related children under 6 years	1838	17.5	2184	20.3	4514	11.6
In families with female householder, no husband present	1256	42.9	1207	48.6	3088	36.3
Unrelated individuals	3792	20.0	5223	20.2	16710	18.9
Male	1384	15.4	1962	16.6	7280	17.6
Female	2408	24.0	3261	23.3	9430	20.0

Source: US Census 2000