



# Sussex Housing Group

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A Committee of the Delaware Housing Coalition

*The purpose of the Sussex Housing Group is to identify fair and affordable housing issues and to help the Sussex community address them with all deliberate speed.*

July 28, 2011

Robert C. Wheatley, Chairman  
Sussex County Planning and Zoning Commission  
P.O. Box 417  
Georgetown, DE 19949

Dear Chairman Wheatley:

The Sussex Housing Group writes to support the application of West Rehoboth Community Land Trust (WRCLT) for a conditional use permit for a multifamily structure on Dunbar Street and urges approval by Planning and Zoning and subsequently County Council.

## History

The Sussex Housing Group, a standing committee of Delaware Housing Coalition has been a supporter of the WRCLT (WRCLT) from its inception. The seeds of the WRCLT were planted at a meeting the Delaware Housing Coalition had with leaders who were active in the West Side New Beginnings community improvement group. DHC was seeking guidance from grassroots leaders as to what housing-related issues should be prioritized. The answer from Ms Minnie Smith and others was unambiguous: We need to save our homes in order to save our community! West Rehoboth residents were being priced out of their own neighborhood at the same time being subjected to the consequences created by irresponsible landlords and deferred community infrastructure maintenance.

Established in July 2004, the West Rehoboth Community Land Trust has demonstrated a commitment to establishing and building the organization in a prudent way— garnering technical assistance from local to national experts, collaborating with neighboring faith-based, secular, business, and government entities all the while maintaining community control. Its mission is:

*To preserve the West Rehoboth community: to create permanent affordable housing and engage in neighborhood revitalization and community-building, through the development of a community land trust.*

The operative phrase, of course, is *affordable housing*. The strength of the community land trust, a model that is successfully working throughout the country, is the perpetual affordability of the housing. The essence of the CLT is the maintenance of quality housing while preserving its affordability.

## Need

The reason WRCLT hasn't purchased land until now is because of exorbitant land prices. Minutes from the West Side New Beginnings Housing Committee/Development Subcommittee dated August 26, 2004 indicate that Amy Schrader® reported that the asking price of one West Rehoboth property had increased from \$215,000 to \$300,000 and another had an asking price of \$160,000. Even with the bust that followed that boom, affordability remains the major barrier here.

Affordable housing in Sussex remains a challenge. Sussex has the highest housing purchase price in the state with a median home sale price of \$236,000. This represents a 59% increase in purchase price since 2000. The gap between what a low income household can afford, \$165,201, and the median home price is \$71,699. The 2011 Fair Market Rent for a modest 2-bedroom apartment in Sussex is \$750 per month. The gap between what a low income renter can afford (\$464 per month) and the FMR is \$286 a month. West Rehoboth's proximity to the resort community only exacerbates this situation.

For a minimum wage worker to be able to afford this rent it takes 2.0 full-time jobs. The 2011 Sussex housing wage—that income a year round full time worker needs in order to pay for a 2-BR FMR unit, spending no more than 30% of income on rent and utilities is \$14.42 per hour.

Since 2000, Sussex County has lost 2,154 units or 41.9 % of its total that rent for less than \$500 per month, while it has gained 4,391 units –an increase of 1065.8 %– renting for more than \$1,000.\*

### Moving Forward

An historically African American community, West Rehoboth has a proud history from which contemporary community leaders take strength in their quest to mitigate adverse conditions and shore up the foundation for the future.

Fear mongering implications that building a few duplexes is tantamount to high density poverty housing which will lure outsiders is neither helpful nor accurate. The need is documented and tenants are already here. In a December 2009 *Delaware Coast Press* article, " Tenants Feel 'walled in'", Wallace McKelvey reports on conditions endured by West Rehoboth tenants including lack of water or sewer hook-ups. WRCLT's proposal is a sensible model enabling a few current residents to move from squalid conditions created by absentee or intransigent landlords to decent, perpetually affordable housing, run by a local organization with deep roots and well-tested mettle.

The current housing downturn starkly illustrates the need for a balanced housing plan at local and state levels. While fee simple homeownership may top the housing ladder, communities –and families– need the choices that other rungs on that ladder provide.

A nearby development, Canal Corkran, illustrates this point by beckoning potential residents to its community by its website advertising: *elegant single family homes, as well as innovative **duplex designs**, luxurious **2 and 3 level water-front garage townhomes** and spacious **condominiums**.* (bold added)

Sussex has already given the nod to WRCLT in its 2008 Comprehensive Plan where, noted under the Housing Element "... other housing agency grants and cooperative efforts through non-profit partners Habitat for Humanity and West Rehoboth Community Land Trust (pgs.7-6 to 7-7 & 7-9).

We believe that this application affords the County an excellent opportunity to further address its need for decent affordable housing and to further fair housing choice.

Sincerely,

*Sussex Housing Group Members:*

Delaware Community Reinvestment Council

Delaware Housing Coalition

Diamond State Community Land Trust

Leslie Holland

NCALL Research, Inc.

Sandy Spence

Sussex County Habitat for Humanity