

Chapter 3

Housing



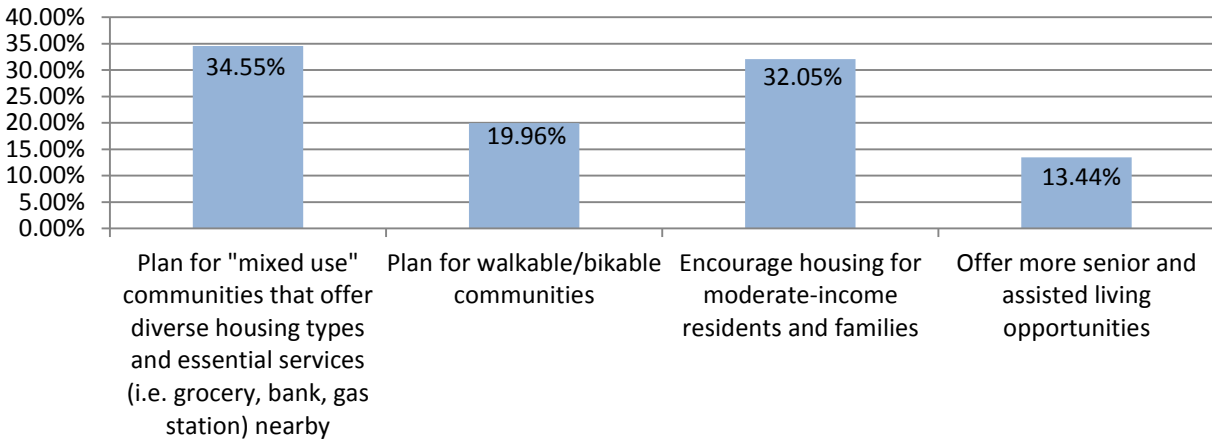
Overview

Every citizen has the right to safe, decent, and affordable housing. Kent County’s policy objective is to enable and encourage well-designed, diverse, attractive, affordable, and convenient housing that meets the needs of all of its residents. Providing adequate housing for County residents serves not only the readily apparent humanitarian purpose but also is linked to economic development and social diversity as the community develops. Availability of diverse housing types for the labor force is a significant consideration in attracting entrepreneurs to locate and expand in Kent County. In addition, it is important to note that housing policy in the County is inextricably linked to the balance of land use policies in the Plan in that appropriate housing types must be developed in relation to existing and planned infrastructure, employment centers, environmental constraints, open space preservation, and community character.

Survey Results

What do you think the County's priorities should be related to the provision of housing? (choose up to three)		
<i>Answer Choices</i>	<i>Responses</i>	
Encourage more diverse housing options	26.75%	107
Plan for walkable/bikeable communities	49.50%	198
Promote affordable housing opportunities, particularly for low-income residents and families	27.25%	109
Provide more age-restricted communities	17.50%	70
Offer more senior and assisted living opportunities	29.25%	117
Encourage housing for moderate-income residents and families	44.50%	178
Plan for "mixed-use" communities that offer diverse housing types and essential services (e.g. grocery, bank, gas stations) nearby	52.50%	210
Plan for "integrated mixed-use" communities where housing is above retail/employment	21.50%	86

What do you think the County's top priority should be in relation to the provision of housing?



Policy Emphasis

To enable and encourage well-designed, diverse, attractive, affordable, and convenient housing community choices for people and families in all stages of life and all income ranges throughout the County by:

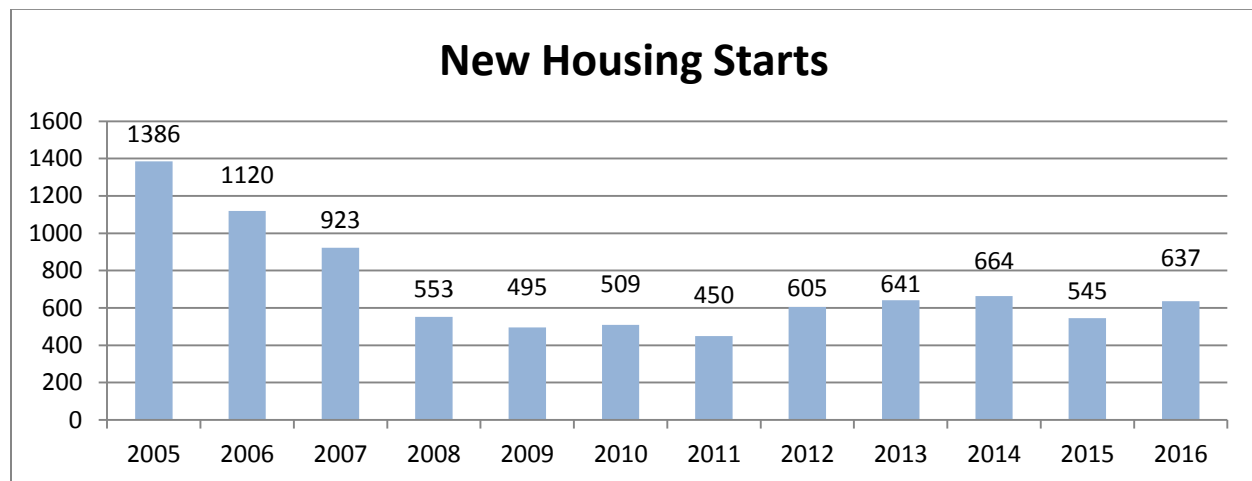
1. Ensuring sufficient land for more compact mixed-use development with an emphasis on creating communities comprised of a range of housing options such as apartments, townhouses, duplexes, and single-family detached dwellings, as well as easy access to goods and services rather than stand-alone subdivisions;
2. Fostering multi-modal and transit options enabling those without easy access to automobiles to interact meaningfully within their communities;
3. Encouraging an expansion of housing types, such as apartments, townhouses, duplexes, and single-family detached dwellings, to serve a diverse population;
4. Providing homeownership opportunities for those of low to moderate income as well as those at or above the median family income;
5. Coordinating with the State and Federal Governments to provide opportunities to increase the supply of rental housing affordable to extremely low income County residents; and
6. Maintaining or improving the condition of the housing stock throughout the County without causing displacement.

Housing Stock

	2000	2010	2015
Total Housing Units	50,481	65,338	68,693
Occupied	93.5%	83.8%	91%
Vacant	6.5%	16.2%	9%
Average household size of owner occupied units	2.66	2.66	2.75
Average household size of renter occupied units	2.49	2.52	2.58
Householder living alone	10,840	14,224	14,994
Householder living alone (over 65)	3,962	5,350	6,560

Source: 2000 & 2010 US Census; ACS 2015 1-Year Estimates

There was a dramatic increase in housing units between the 2000 and 2010 census as a general result of the housing boom in the early 2000s. Since the recession of 2008, new housing starts declined dramatically although they have begun climbing at a slow but steady pace in the past few years.



While the number of new housing starts has leveled off since the recession, the number of new lots created has not rebounded partly because of substantial existing inventory and partly because of tighter lending restrictions.

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Major Subdivisions	34	8	3	3	7	1	1	5	--	--	1
Number of Lots	5234	402	384	170	896	428	35	475	--	--	105

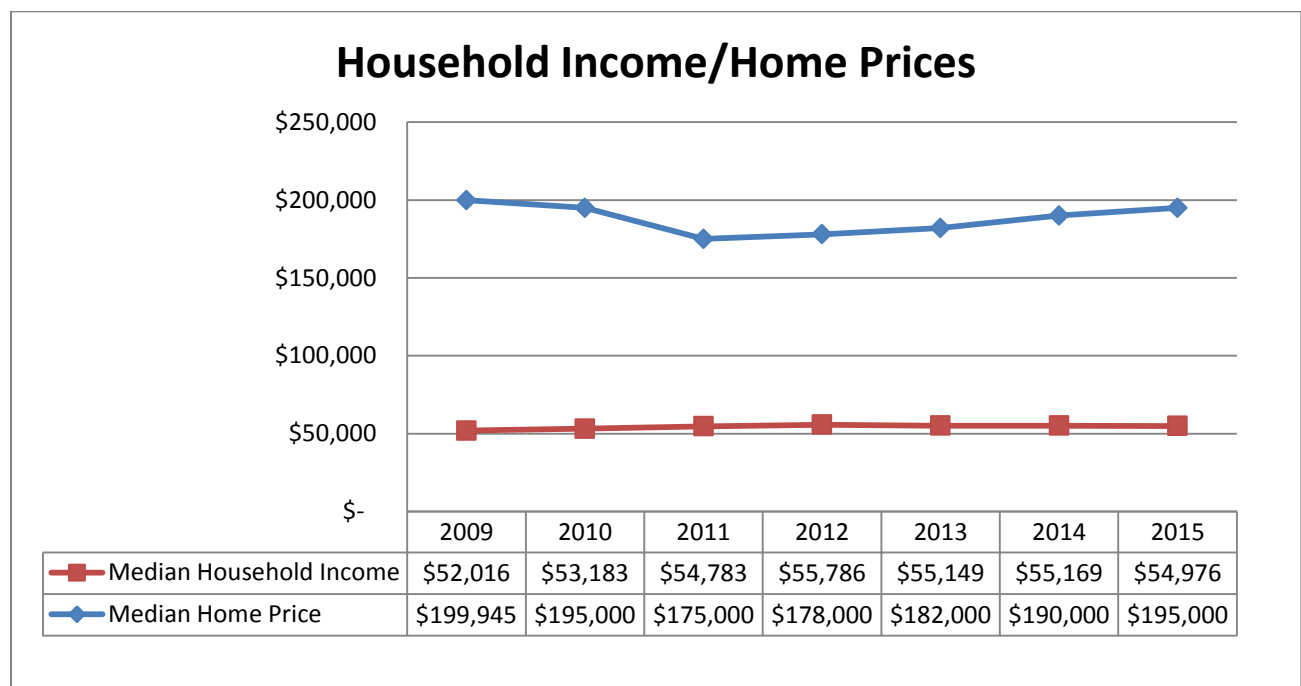
There are approximately 8,800 vacant lots within major subdivisions while just over 4,400 lots have been expunged because construction did not commence. If market demand for single family lots of 10,000 sq. ft. remains the same and the average number of new housing starts remains at roughly 650 per year, the current inventory will be sufficient for more than a decade. At the same time, the County

must be mindful that market demands can change and it is quite possible that existing recorded subdivisions will be revised to satisfy that demand.

Kent County’s housing vacancy rate has improved from 16.2% in 2010 to 9% in 2015 as the slow housing recovery has progressed. The median value of owner occupied units has increased from \$206,200 in 2010 to \$215,200 in 2015 which is encouraging for the housing market overall but presents a challenge in affordable housing.

Also encouraging is the percentage of cost-burdened owner-occupied units (paying more than 30% of income toward housing expenses) has decreased from 40.6% in 2010 to 28.6% in 2015. Unfortunately, the percentage of cost burdened rental households has remained steady at 52% which points to a need for additional affordable rental housing in the County.

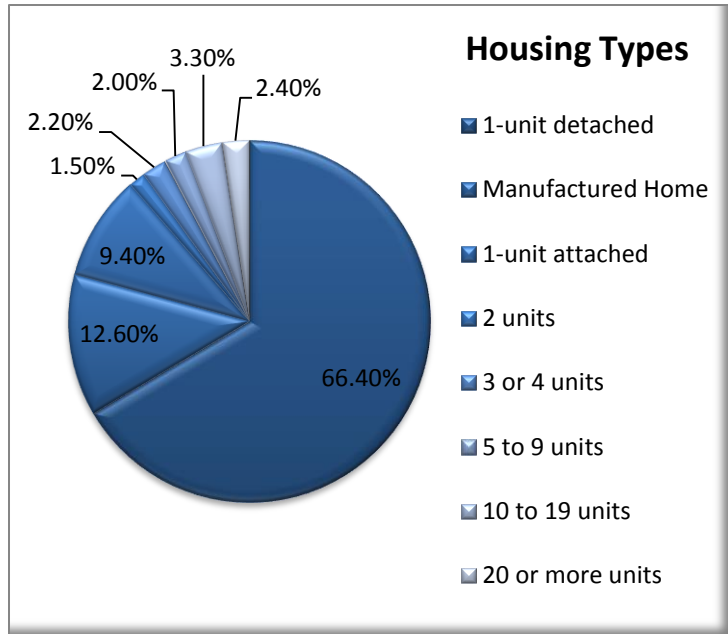
Also of note is that there are an estimated 77 units within the County lacking complete plumbing facilities and 232 lacking complete kitchen facilities.



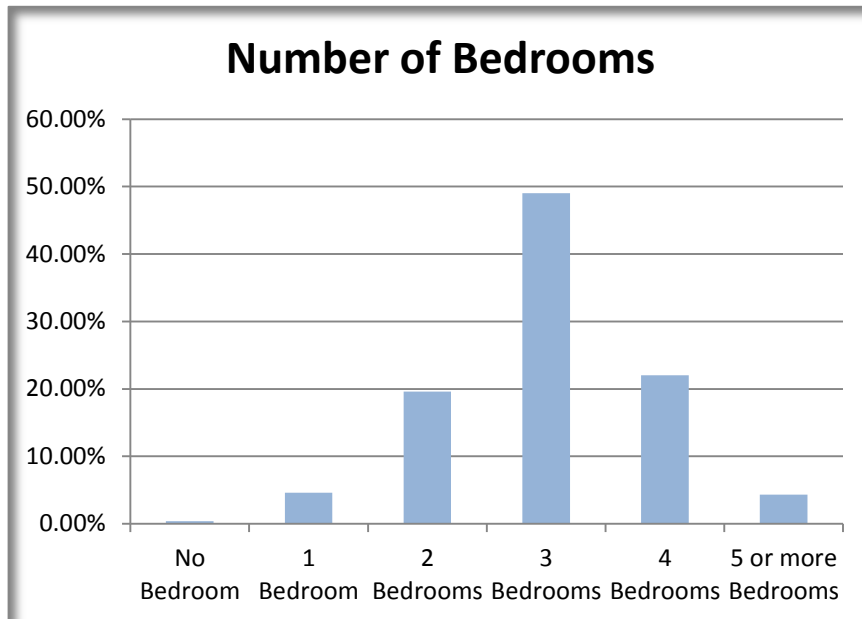
Sources: ACS 2015 5-Year Estimates and Delaware Association of Realtors

While housing prices have been rebounding since the recession ended, household incomes are relatively stagnant. If housing prices continue to rise but incomes do not, affordability becomes an even greater concern.

The vast majority of housing units are single-family detached with manufactured homes making up 12.6% of the housing stock. Only 21% of housing units are attached or multi-family, much of which is located within municipalities. The lack of balance in housing stock contributes to the shortage of housing choice and affordable housing.

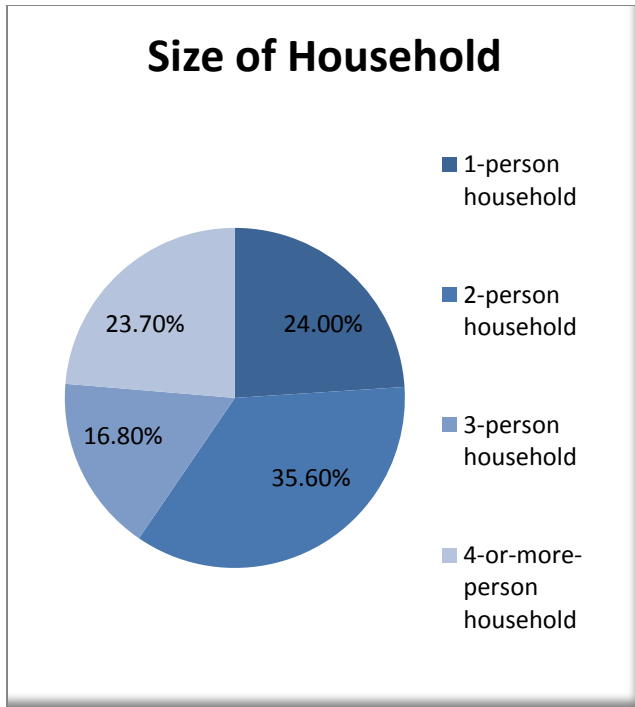


Source: 2015 ACS 5-Year Estimates

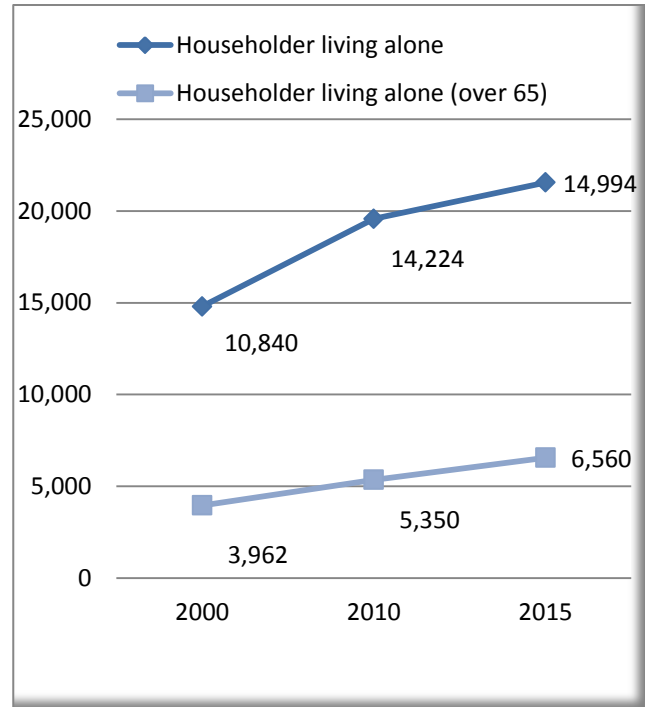


Source: 2015 ACS 5-Year Estimates

The housing stock is dominated by 3-bedroom units contributing to a lack of options for people wishing to downsize or people just starting out in the housing market.



Source: 2015 ACS 5-Year Estimates



Source: 2000 & 2010 Census and 2015 ACS 1-Year Estimates

The number of single-person households has increased steadily over time and a substantial percentage are people over 65. The data suggest that alternative housing types are likely to be in demand as people age and household sizes decrease. There are also potential public health implications of older residents living alone. In general as the County's population ages, there are specific housing considerations:

- The members of this age cohort are more likely to be homeowners, but may struggle with upkeep of their homes.
- Due to strong desire among this group to age-in-place, as they become physically disabled, they may need modifications such as bathroom grab-bars, roll-in showers, ramps, etc. to support their ability to live there.
- Many elderly may be house-rich and cash-poor. There may be an interest in modifying their homes with accessory apartments where they may rent out a room to earn income. This space could meet the housing needs of millennials and boomerangs.

Delaware Housing Needs Assessment

The Delaware State Housing Authority published their Housing Needs Assessment 2015-2020 in September 2014. Some of their key findings include:

1. Delaware is a fast growing state compared to national averages, particularly for states in the mid-Atlantic region. Much of the growth is attributable to new retirees moving into Delaware from out of state attracted by lower taxes.
2. Demographic changes will influence the size, type, and location of new housing. For one, households are getting smaller.
3. Overall, the State has lower poverty rates and fewer minorities than national average. Yet, there are pockets of concentrated poverty and minority households within Wilmington, Dover, and poor rural areas.
4. Some of Delaware's strongest industries – particularly health care, tourism, and retail – have many low and moderate wage workers, creating a significant demand for workforce housing.
5. There are an estimated 2,636 substandard housing units in Kent County (734 rentals and 1,903 homeowner occupied).
6. There are an estimated 913 overcrowded units and 127 severely overcrowded units in Kent County.
7. Government does not have adequate financial resources to address all housing issues. Therefore, development that leverages public funds with private investment will increase the number of affordable units available.

Some of the recommended strategies include:

1. In areas of high value, supporting affordable housing opportunities and fair housing initiatives will be most needed.
2. In areas showing initial signs of decline, supporting neighborhood identity, rehabilitating existing housing stock, and supporting homeownership will be important.
3. In distressed neighborhoods, pursuing strategic development projects through public/private partnerships, preserving quality housing stock, focusing development in and around neighborhood anchors, and encouraging socioeconomic diversity will help to foster market interest.
4. In highly distressed areas, partnerships with neighborhood organizations, supporting social services, demolishing blight, and providing greater housing and job opportunities for existing residents will foster long-term benefits.

Affordable Housing & Fair Housing

Each year in conjunction with our Community Development Block Grant Funding, the County resolves to Affirmatively Further Fair Housing (AFFH) in accordance with the Federal Fair Housing Act. In short, AFFH calls for jurisdictions to take meaningful action to:

- Overcome patterns of segregation and foster inclusive communities
- Address significant disparities in housing needs and in access to opportunity
- Transform racial and ethnic areas of poverty into areas of opportunity
- Foster and maintain compliance with civil rights and fair housing laws

Removing barriers to diverse and affordable housing types, supporting Downtown Development Districts - particularly efforts to revitalize downtown Dover - and continuing the housing rehabilitation program are some of the most meaningful actions the County can take in implementing AFFH.

Housing & Community Development

For thirty years the County has managed a housing rehabilitation program for low and moderate income residents using a combination of grant funds from US Housing and Urban Development and USDA-Rural Development. The program serves the entire County with the exception of the City of Dover. While the funds are used primarily for housing rehabilitation, it has also been used for municipal infrastructure projects and to offset the cost of sewer connections associated with Public Works remediation projects.

Approximately 100 houses and manufactured homes benefit from the program in a year but the waiting list is several years long. In the future the County could create a housing trust fund to supplement the federal funding for rehabilitation. The fund could also be used in the form of grants to housing agencies and nonprofits that provide affordable housing and/or services to the homeless. Revenue sources used by other counties include recordation fees, fees in lieu of providing affordable housing in development projects, or a surcharge on building permits.

Homelessness

Based upon the January 25, 2017 Point in Time (PIT) count conducted by Housing Alliance Delaware, homelessness in Kent County has been steadily increasing. The total number of people homeless on the night of the PIT was 1,015, including adults and children. It is estimated that approximately 3,000 people experienced homelessness in Delaware at some point during 2016. Of the people who were homeless on the night of the PIT count, 22% were in Kent County. In 2016, 20% of the homeless population was in Kent County, and in 2015 the total was 16%.

With respect to shelter resources, there are 683 Emergency Shelter beds, 568 Transitional Housing beds, 216 Rapid Re-Housing beds, 671 Permanent Supportive Housing (PSH) beds, and 101 Other Permanent Housing beds in Delaware's Homeless Response System in 2017. Of the 671 PSH beds in Delaware, 471 (70%) are dedicated to providing housing to the chronically homeless population. Of the 1,251 temporary beds, 68% are in New Castle County, 21% are in Kent County, and 11% are in Sussex County.

Recommendations

1. Promote infill and mixed use development in existing developed areas to optimize existing infrastructure investment.
2. Participate in the City of Dover's taskforce established to address homelessness.
3. Focus the provision of affordable housing in areas where reasonable access to goods and services exists or is planned with an emphasis on multi-modal and transit options by identifying areas and sites where a special effort will be made through rezoning, incentives, or other means to provide affordable housing.
4. Maintain the partnership with the Diamond State Community Land Trust to ensure long-term affordable homeownership opportunities and preserve investment permanently as units remain affordable from one buyer to another over time.
5. Establish an affordable housing trust fund potentially funded through a percentage of the "in-lieu" fees paid by developers as part of an inclusionary zoning ordinance or through a building permit surcharge.
6. Explore the creation of a land bank potentially in partnership with one or more municipalities to offset the impacts of vacant and blighted properties and provide affordable housing opportunities.
7. Continue contributions to housing-related nonprofits and the Delaware State Housing Authority as the budget permits.
8. Coordinate with Housing Alliance Delaware to convene a Kent Housing Committee consisting of housing advocates, builders, architects, and individuals with knowledge regarding underwriting housing financing and available funding sources, to advise and assist in implementing the recommendations of this chapter, as well as develop additional incentives that encourage affordable housing.
9. Review all County impact fees and determine the effect of reducing or waiving them for developers and nonprofits seeking to build affordable housing.
10. Identify neighborhoods that would benefit from concentrated Property Maintenance Code enforcement and seek state and federal funds to support the effort.
11. Identify opportunities for staff, appointed and elected officials to attend Fair Housing training;

12. Review the Zoning and Subdivision & Land Development Ordinances to identify barriers to both diverse and affordable housing options.
13. Participate in the state's Assessment of Fair Housing and ensure that the County is fulfilling its obligation to affirmatively further fair housing.