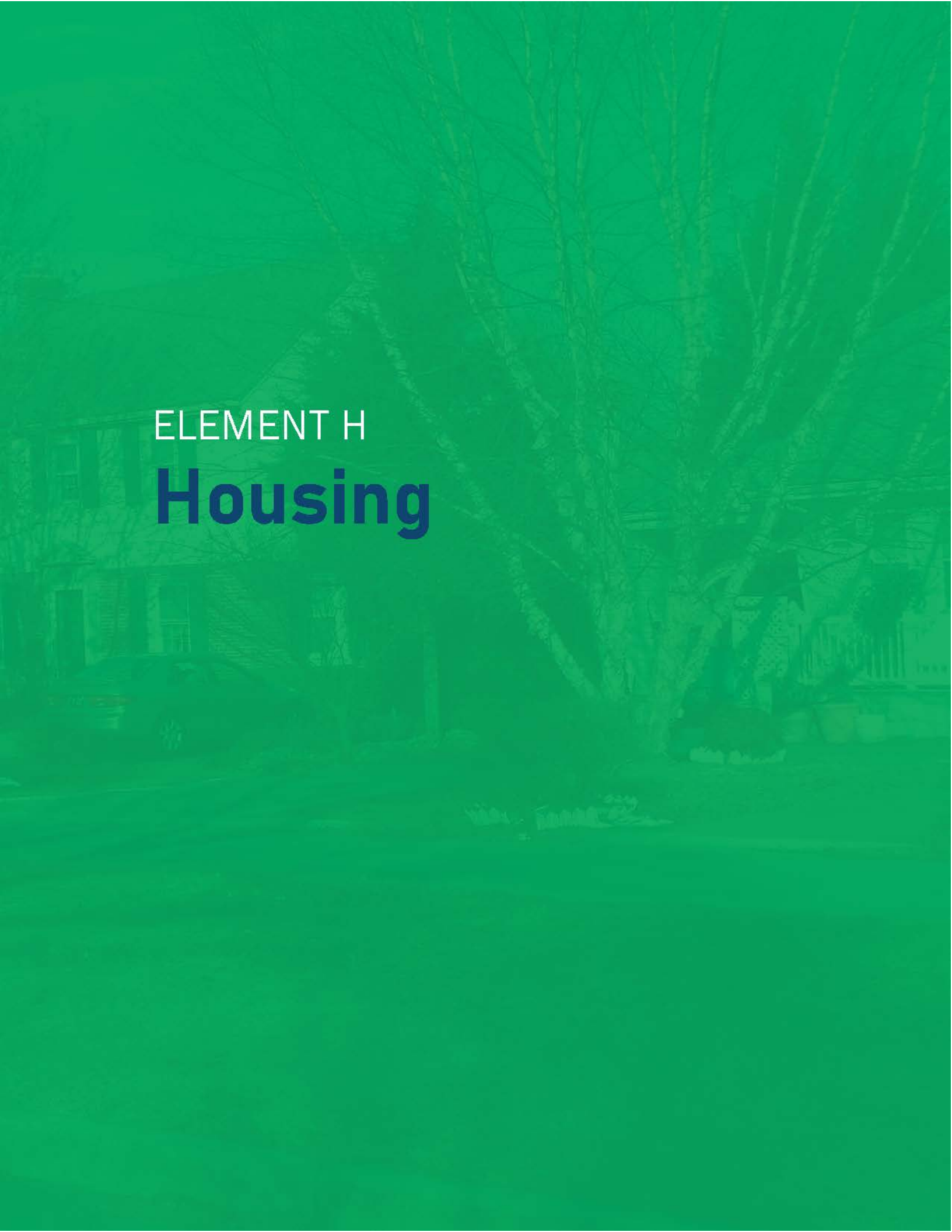




ELEMENT H

Housing

H. Housing Element

Element Defined

For well over the last 10 years, the gap between the highest earners and the average wage group has grown, according to the Delaware State Housing Authority (DSHA). Compounded with wages not increasing proportionally to housing costs, many residents have been experiencing housing insecurity. The onset of the COVID-19 pandemic exposed the inequity of those hardest hit, increased the number of residents experiencing housing insecurity, and placed those already struggling into dire housing circumstances.

Changes in population demographics are occurring, including an increase in the proportion of people 65 and older (and households of retirees) and an increase in non-white people, especially persons of Hispanic descent. The makeup of households is changing, too. According to the [DSHA's 2015-2020 Statewide Housing Needs Assessment](#), families are smaller on average. There is a growing trend of multi-generational families and “doubling up” of families in a household unit. There are also fewer homeowners and more renters than in the 2000s. New Castle County also continues to see concentrations of minority families living in poverty, most notably in Wilmington, where the percentage of affordable housing is significantly greater than in the rest of the county.

While a variety of federal, state, and local measures are taking shape to keep residents housed for the short term, the county’s land use policy is critical in providing many long-term housing solutions. With the COVID-19 pandemic, it is critical that all levels of government bring their resources and abilities to the table to work collectively to keep people safely and affordably housed. This Comprehensive Plan will allow the County to review and revise land use regulations, policies and programs, and to enable and expand housing options for New Castle County residents regardless of income, race, age, or ability.

What We Heard

“I would like strategic planning to increase the supply of affordable housing throughout the state.” – Public Participant, Housing Deep Dive Session

“We should foster connectivity for better access to jobs and create “inclusionary zoning.” We should promote increased use of accessory housing units or accessory dwelling units (ADU) in our ordinances. There are many best practices that can allow/encourage accessory housing units. Much of NCC’s two-acre minimum zoning is restrictive and does not allow flexibility in housing development. The elderly and seniors can benefit greatly from more flexible housing and development regulations. This flexibility also serves the needs of students.” – Karen Horton, Principal Planner, Delaware State Housing Authority

“NCC has a unique opportunity for inclusionary housing and land use. It can foster land use patterns that place jobs near housing to reduce commuting and auto use. Create equity in housing through policies that create affordable housing development incentives.” – Charuni “Char” Patibanda, Director of Office of Economic Development, New Castle County

“I think it is a worthwhile challenge to provide affordable housing that is equitable and energy-efficient. That would solve several issues we have discussed—inequality, climate-change and mixed type developments” – Public Survey Participant

Housing Stock

The housing stock in New Castle County is dominated by single-family detached units, which account for over 50% of the overall housing stock. The second largest group, single family attached units, make up an additional quarter leaving only a quarter of the housing stock to multifamily units. Single family detached homes traditionally have larger lots and contribute to sprawl. If New Castle County wants to plan for affordable, walkable communities in the future, adding a variety of housing types in designated growth areas is key. See **Figure H-1** for the Housing Stock breakdown in New Castle County.

The [2015-2020 Statewide Housing Needs Assessment](#) examined housing trends and issues related to housing policy through 2020. The assessment and its associated [Executive Summary](#) showed differences in housing in the northern and southern portion of the county.

In northern New Castle County, housing stock is much older than the state average, with more than 60% of the homes built before 1970. Alternately, housing in the southern portion of the county is significantly newer, with 80% of the housing developed after 1980 and 40% built in the last 10-15 years. See **Figure H-2**. Since the housing bubble burst in 2009, there has been slow growth in new homes being built, around 5% of the entire housing stock. Reinvestment into the older housing stock and strategic placement of new, planned housing with greater density will be explored in more detail in the following pages.

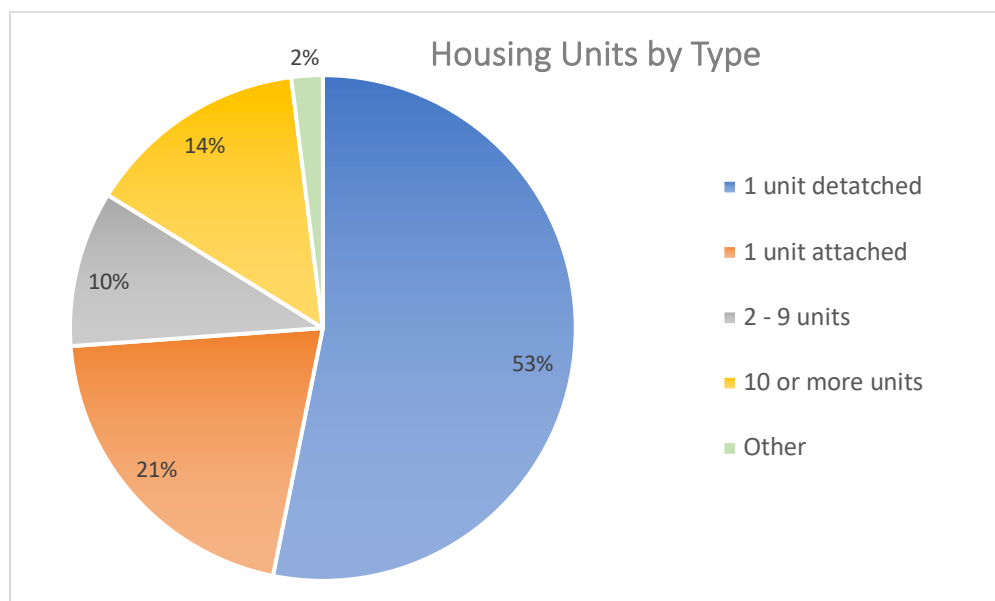


Figure H-1: Type of Housing Stock in New Castle County, 2019 ACS

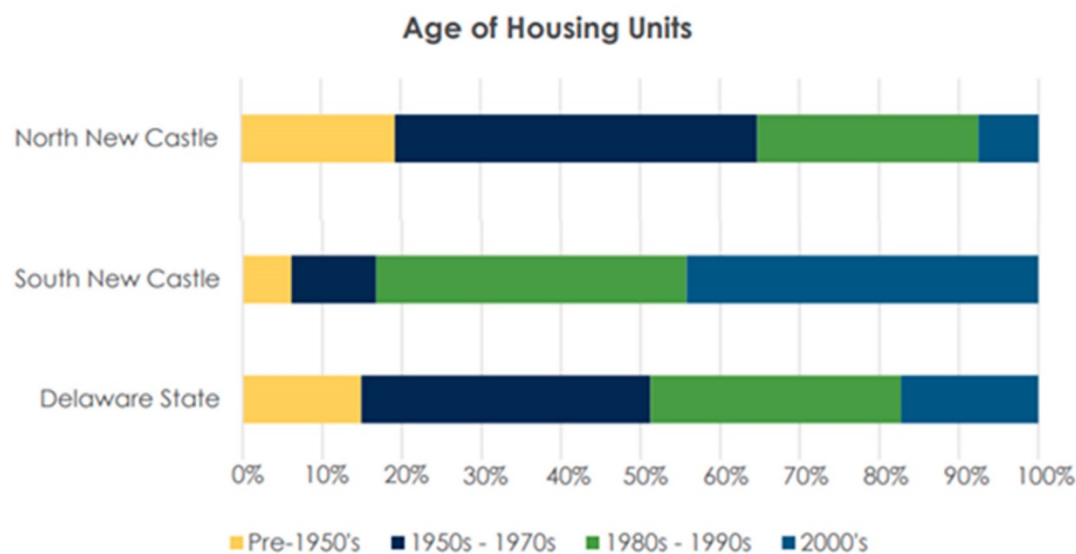


Figure H-2: Age of Housing Units; Source: DSHA Delaware Housing Needs Assessment Executive Summary

DSHA's 2015-2020 *Statewide Housing Needs Assessment* found there was a significant need for more rental housing and physically smaller, more affordable housing. This is due in part to trends of a growing senior population, aging family members living with younger generations, and smaller family sizes in general.

Housing Costs and Income

DSHA's [2020 Delaware Statewide Analysis of Impediments to Fair Housing Choice](#) addressed housing options related to income and ethnicity. This analysis highlighted that New Castle County is the most populous and most diverse of Delaware's three counties. The City of Wilmington is home to more of the minority population and displays high levels of segregation. The housing stock in Wilmington is more likely to be older, multifamily units, while homes in the suburbs tend to be newer, single family detached homes. Outside of the city, 2.1% of housing is publicly supported (i.e., Section 8), while 16% of the housing in the city is subsidized.

Tables H-1 and H-2 illustrate rental and owner-occupied housing affordability related to income for a single person and a four person household. These tables illustrate affordability ranges for rental and owner housing costs at various income limits relative to Area Median Income. The affordability ranges are calculated based on the assumption that rental housing costs should not exceed 30% of gross income and that owner costs should not exceed 3.5 times annual income in order to be considered affordable.

Table H-1 - Housing Affordability by Income
1 person household*
\$66,200

	Income Limits	Rent**	Owner Costs***
<30% AMI	\$19,860	\$497	\$69,510
30-50%	\$19,860 - \$33,100	\$479 - \$828	\$69,510 - \$115,850
50%-80%	\$33,100 - \$52,960	\$828 - \$1,324	\$115,850 - \$185,360
80%-100%	\$52,960 - \$66,200	\$1,324 - \$1,655	\$185,360 - \$231,700

*Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

** Rent, utilities affordable at 30% of gross household income

*** Mortgage affordable at 3.5 times gross household income

Source: 2021 HUD Income Limits, Novogradac Income and Rent Calculator

Table H-2 - Housing Affordability by Income
Family of 4*
\$94,500

	Income Limits	Income Ranges	Rent**	Owner Costs***
<30% AMI		\$28,350	\$709	\$99,225
30-50%		\$28,350 - \$47,250	\$709 - \$1,181	\$99,225 - \$165,375
50%-80%		\$47,250 - \$75,600	\$1,181 - \$1,890	\$165,375 - \$264,600
80%-100%		\$75,600 - \$94,500	1,890 - \$2,363	\$264,600 - \$330,750

*Philadelphia-Camden-Wilmington, PA-NJ-DE-MD MSA

** Rent, utilities affordable at 30% of gross household income

*** Mortgage affordable at 3.5 times gross household income

Source: 2021 HUD Income Limits, Novogradac Income and Rent Calculator

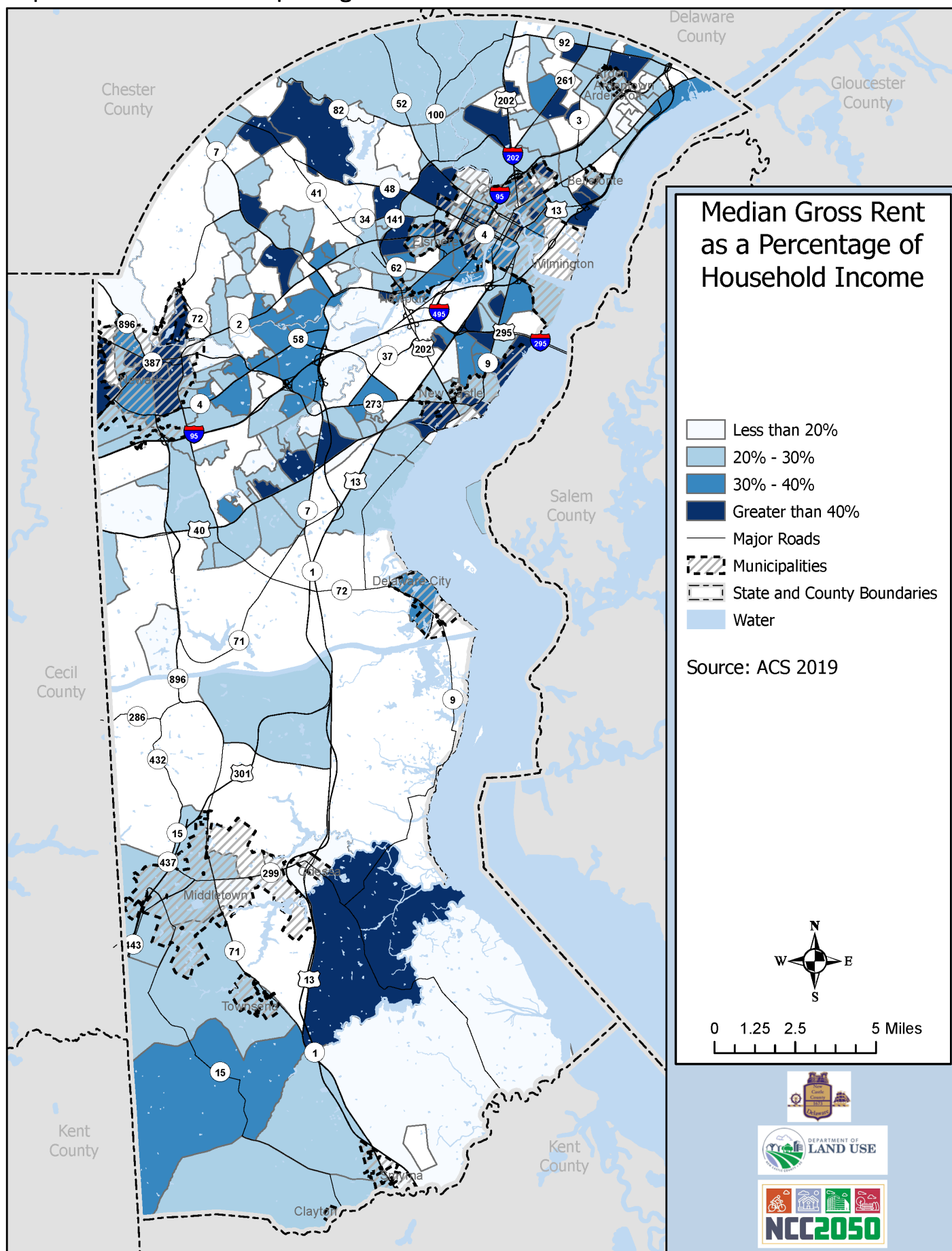
Map H-1 demonstrates the distribution of renters spending more than 30% of their income on housing costs. Thirty percent (30%) is the threshold where households are considered cost burdened. As shown in the darker blue shades, much of the highest concentration of rent disparities are found north of the C&D Canal, though almost all of the county has a percentage of renters experiencing rent burdens. Further, an estimated 14 percent (27,000) of households in New Castle County are extremely cost burdened, meaning they spend 50% or more of their household income on housing.²³

Map H-2 displays similar data for homeowners. There are fewer areas with homeowners spending 30% or more of their income on housing, but areas with homeowners spending between 17 and 30% of their income on housing are widespread in the county.

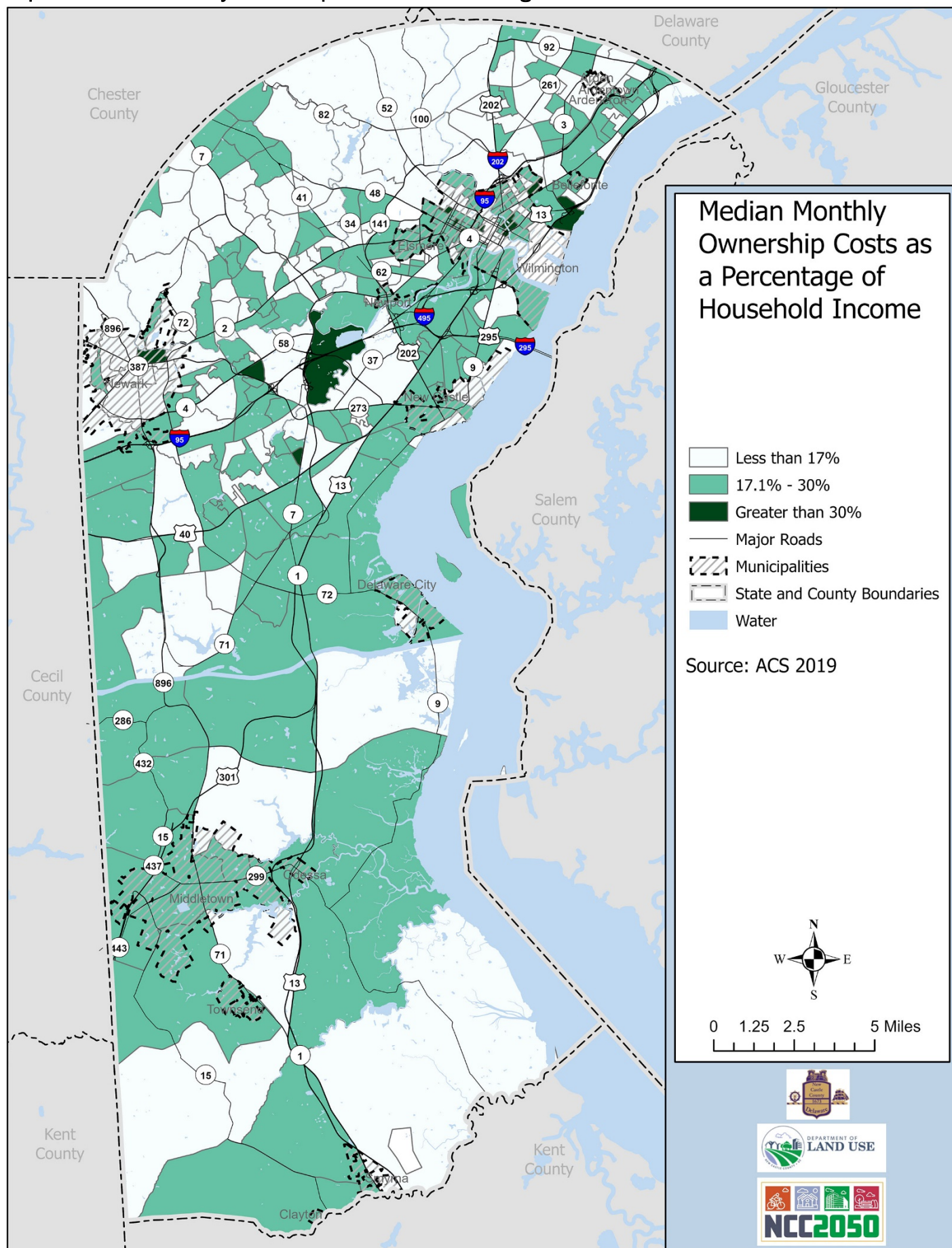
²³ Includes the population of incorporated municipalities

<https://www.countyhealthrankings.org/app/delaware/2021/measure/factors/154/data>

Map H-1 Percent of Renters Spending 30% or More of Income on Rent

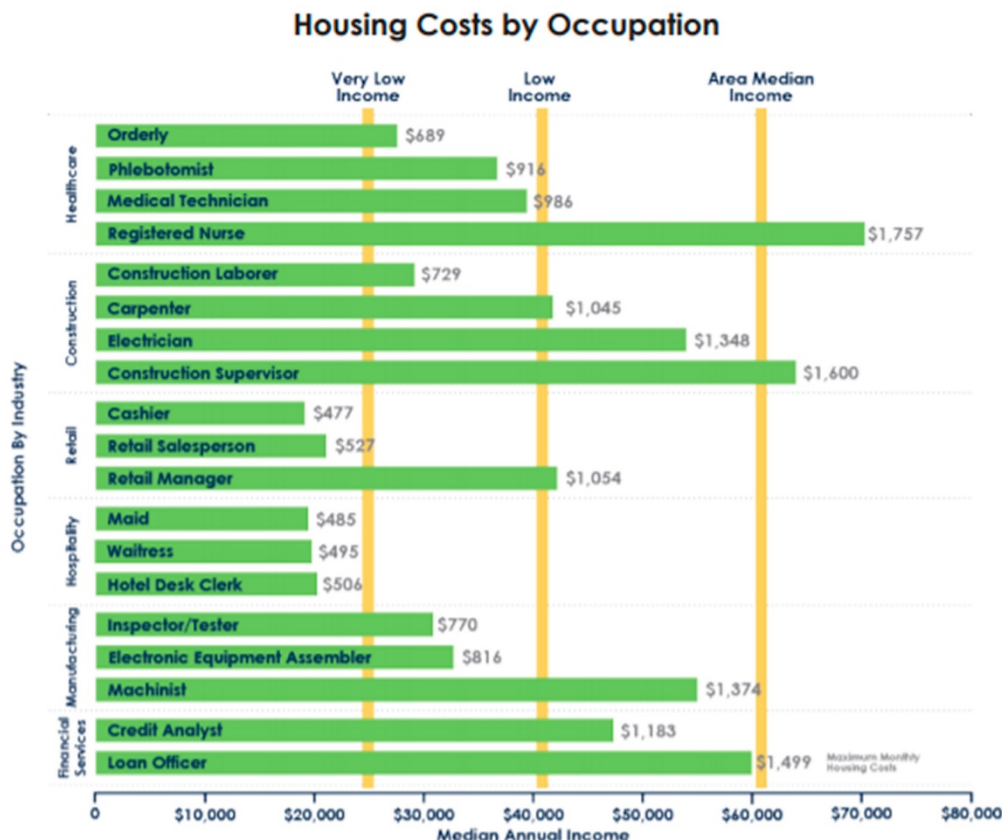


Map H-2 Median Monthly Ownership Costs as a Percentage of Household Income



According to the 2019 ACS, 152,974 units, or 67.9%, of the housing stock was owner-occupied. The median mortgage was \$1,657 per month and the median value of a home was \$272,800.

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. See **Figure H-3 Error!** Reference source not found.for a breakdown of housing costs by occupation in New Castle County.



Source(s): Delaware Department of Labor, *Delaware Occupation and Industry Projections*, August 13, 2012; and income data from Novogradac and Company using New Castle County income limits.

Figure H-3: Housing Costs by Occupation; Source: 2015-2020 Delaware Housing Needs Assessment

Minority households are less likely to become homeowners than White, non-Hispanic households, and when they do become homeowners, have a higher chance of experiencing housing challenges than White, non-Hispanic homeowners. The 2019 ACS Survey reported that 72,303 units, or 32.1%, of the housing stock was renter-occupied. The National Low Income Housing Coalition estimates that the rent affordable at mean renter wage in New Castle County is \$954. However, Housing and Urban Development (HUD) Fair Market Rents for New Castle County in 2017 were \$1,003 for a one-bedroom unit, \$1,211 for a two-bedroom unit, and \$1,515 for a three-bedroom unit.²⁴ The average renter wage was \$8.35, and the wage needed to afford a fair market rate two-bedroom unit in New Castle County was \$23.29, meaning a person working at minimum wage would need almost three full-time jobs to afford a two-bedroom apartment.²⁵ The Fair Market Rent value of even a one-bedroom unit is outpricing average renter wages. In New Castle County, almost half of all renters and one-third of all homeowners have housing challenges, which is defined as paying more than 30% of their income on housing costs, living in overcrowded conditions, or

²⁴ DSHA Housing Fact Sheet

²⁵ The State of Delaware passed Senate Bill 15 in July 2021 which increased the hourly minimum wage to \$10.50 effective January 1, 2022 and provides for annual increases of \$11.75 in 2023, \$13.25 in 2024, and \$15.00 in 2025.

substandard living condition (See). Since the COVID-19 pandemic, this number has increased dramatically, based on the trends observed across the country.

[The State of Housing and Homelessness in the First State](#) from the Housing Alliance Delaware noted that there is still a significant population of residents experiencing homelessness or housing hardship. New Castle County had the highest amount of people experiencing homelessness on the Point in Time Count (PIT)²⁶ conducted in accordance with the Housing and Urban Development (HUD) federal mandate. On that night in January 2020, 654 people were counted as experiencing homelessness (or 64% of the state's total homeless population).

In order to help address the urgent need for emergency housing, New Castle County created the New Castle County Hope Center. The Hope Center is a 192-room former hotel which was acquired by the County using CARES Act funding and opened in December 2020. The New Castle County Hope Center is an emergency shelter with the goal to reduce the homeless population in the county by providing safe and stable temporary housing to those experiencing homelessness. The Hope Center also provides on-site health and social services as well as resources that help residents locate and transition into a permanent housing solution, breaking the cycle of homelessness.

Gross Rent as a Percentage of Income

(American Community Survey, 2019)

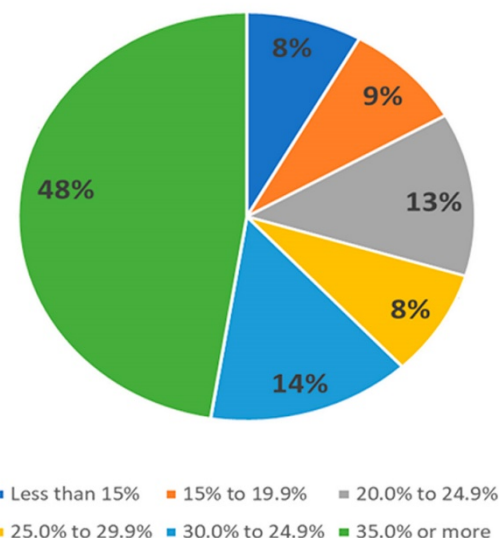


Figure H-4: Gross Rent as a Percentage of Income

Housing and Aging

Seniors will have different housing needs as they age, such as homes that feature universal design (zero step entrances, hallways wide enough for a wheelchair, and bathrooms on the main level). Since most are homeowners, solutions to age within their homes will be increasingly important. In addition, a variety of housing types provide opportunities for seniors to age in place, including apartments, age-restricted communities, or accessory dwelling units (ADUs). An ADU allows for seniors to maintain independent living while still being close to family members or caretakers.

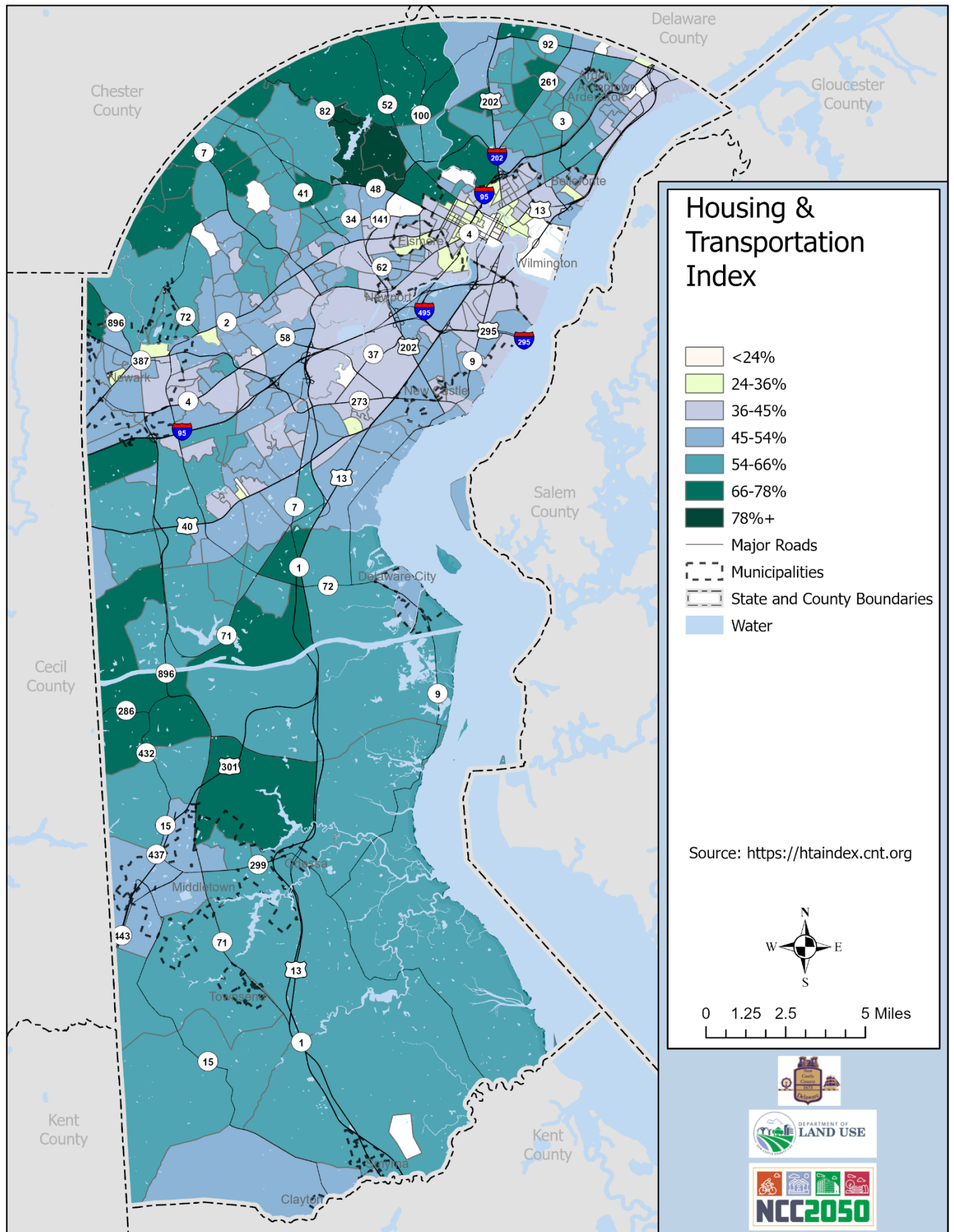
Housing and Transportation

Along with housing costs, transportation costs are a critical part of household spending. Transportation spending allows household members to access jobs, goods, and services, so having affordable housing and transportation are imperative. The Housing and Transportation Index looks at the combined spending per household on housing and transportation. As seen in [Map H-3](#), there are several regions in New Castle County where households are spending over 45% of their income on combined housing and transportation costs²⁷. As expected, areas of more dense population have more alternative transportation choices. Many of those areas have housing costs that exceed the 30% threshold, so while transportation costs appear to be less of a burden, a majority of the costs are taken up by rent. Housing recommendations need to be planned in coordination with transportation to minimize cost burdens on households and ensure access to opportunity.

²⁶ HUD defines Point-in-Time (PIT) count as count of sheltered, unsheltered people experiencing homelessness on a single night in January

²⁷ The Housing and Transportation index is an affordability index that factors for both housing and transportation costs created by the Center for Neighborhood Technology. The H+T Index sets the benchmark for affordability at no more than 45% of household income. (<https://htaindex.cnt.org>)

Map H-3 Housing and Transportation Index



Addressing Housing Challenges

The Housing Pipeline

As outlined in the *2015-2020 Statewide Housing Needs Assessment*, families are getting smaller, but there tends to be more “doubling up,” multiple families living in one home or multigenerational families living in one home. The housing crisis and recession has resulted in fewer households of all ages being homeowners, and demand for new housing has shifted to smaller, more affordable homes and rental housing. However, the development pipeline and new home construction in New Castle County is dominated by single family detached dwellings, as shown in DHSA’s [Housing Production Report](#), creating a mismatch between available housing and the needs of the community (See *Figure*).

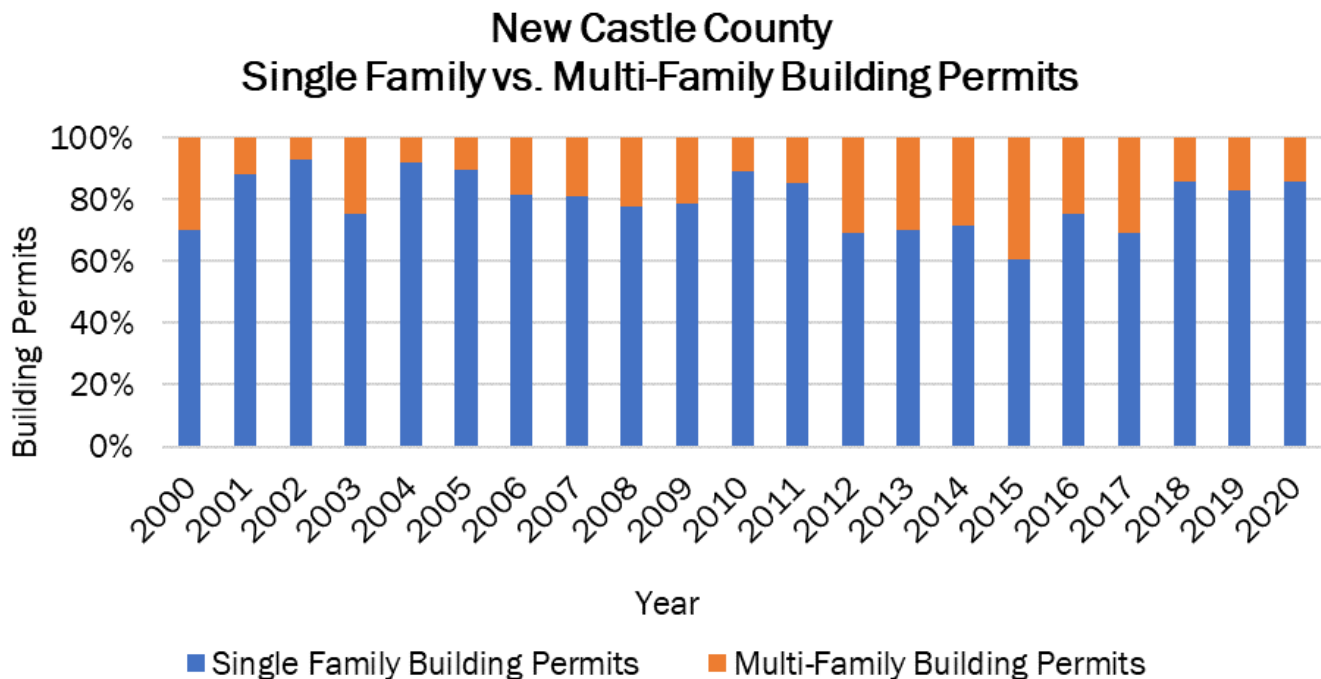


Figure H-5 Single Family vs. Multi-family Building Permits, 2000-2020, Source: DSHA Housing Production Report

Affordable Housing Programs

New Castle County Department of Community Services administers initiatives to address some of the challenges noted in this element and provide an opportunity for low to moderate income households to purchase homes in the county.

They coordinate with [federal housing programs](#) and administer the [Workforce Housing Program](#), which is designed to provide an opportunity for middle income households to purchase or rent affordable new construction housing units in New Castle County. There are certain lots within select developments that are specifically available for income-qualified buyers.

In addition to these assistance programs and to eliminate government redundancies, New Castle County consolidated the previously established Housing Advisory Board and the Rental Housing Advisory Committee. The consolidated board, which retained the [Housing Advisory Board](#) name, not only continues to focus on rental housing matters but also engages in a broader focus on housing development, services, and Housing Trust Fund distributions to address the housing needs of very low-income households (those earning less than 65% of median income), and low-income households (those earning less than 80% of median income) in New Castle County. This ensures all residents, regardless of economic challenges, are able to obtain safe, quality housing.

Traditional Neighborhood Housing & Moderately Priced Dwelling Units

Traditional Neighborhood Housing is an inclusionary zoning program with a mandatory and voluntary component. [Moderately Priced Dwelling Units](#) (MPDUs) are required for all major residential subdivisions proposing a rezoning application or variance applications with density increases proposing twenty-five (25) or more dwelling units except for mixed-use developments. Major residential subdivisions that do not require a rezoning may receive a density bonus if a portion of the proposed units are voluntarily designated as MPDUs. The Traditional Neighborhood Housing Program is designed for people who make less than 90% of area median income as determined by the U.S. Department of Housing and Urban Development (HUD) for New Castle County.

The County's Housing Trust Fund is part of the broader affordable housing program. per Section 40.07.530 of the UDC: "A contribution shall be made for all dwelling units that are not designated as MPDUs on all Traditional Neighborhood Housing Program plans. The contribution shall be twelve (\$12.00) dollars per one thousand (\$1,000) dollars of permit construction valuation and shall be payable at the time of issuance of a Certificate of Occupancy. All monies shall be deposited in the Housing Trust Fund."

Accessory Dwelling Units

One solution that New Castle County currently allows in residential zoning districts are Accessory Dwelling Units (ADU), added to the County code in 2007. It is defined as: *"a second, subordinate dwelling unit added to or created within a single-family detached dwelling, which provides independent living, sleeping, eating, cooking and sanitation facilities."* ADUs are currently permitted on any residential property. However, an ADU must be attached to the main dwelling unit on properties less than two acres. On properties two acres or larger, ADUs may be detached from the primary dwelling unit. In all cases, the property owner is required to live in one of the units. However, the County placed a cap on ADU permits, allowing only 0.2% of single-family detached homes in the county which was reached in 2016.

As a result, the County added an additional 0.2% for a total 0.4% ADU permitted. Over half of the permitted ADUs are on lands that are connected to septic, not sewer, and on average 20 to 25 units have been permitted per year. This use could become part of a solution to many of the existing housing issues within the county. ADUs create opportunities for aging in place by providing space near family members for older residents. ADUs may serve as rental homes to provide affordable housing for low-income residents and an additional revenue source for owners. ADUs also provide an opportunity to meet housing needs while not sacrificing green fields. Enhancing ADU provisions would increase their use and effectiveness for fulfilling housing needs.

New Castle County population demographics are changing and so are the housing needs of our residents. This Comprehensive Plan will allow the County to review and revise land use regulations, policies, and programs, and to encourage the availability of the right housing options for New Castle County residents regardless of income, race, age, or ability. Housing stock in the county should provide diverse options to meet the many needs of our residents and integrate with our existing communities. Our strategies also will help us to create a better balance of employment centers, housing, shopping and other resources, along with access to our transportation network. This plan proposes to improve existing housing stock, expand access to homeownership, and other initiatives to ensure that more residents thrive where they live.

Related Goals, Objectives, and Strategies

4. Goal: Healthy, safe housing options throughout the county are diverse, meeting needs of people of all incomes, ages, abilities, and races, while maintaining design and form of the built environment that integrates with existing communities.

- 4.1. Objective: Increase variety and range of price-points of safe, quality housing options, in a diversity of locations.
 - 4.1.1. Strategy: Enable/encourage greater range of housing types in residential zones, including Accessory Dwelling Units (ADUs), duplexes, and multiplexes.
 - 4.1.2. Strategy: Modify existing ADU provisions by removing regulatory barriers. Eliminate the limit on the percentage of permitted ADUs in the county, as well as assess current lot size requirement for detached ADUs.
 - 4.1.3. Strategy: Enable and pursue innovative housing types to help meet demand now and in the future.
 - 4.1.4. Strategy: Require moderately priced dwelling units (MPDUs) in by-right residential developments of 15 units or more. Model after Montgomery County, MD, and their MPDU program.
 - 4.1.5. Strategy: Using the market value analysis (MVA) and other data, identify priority areas and areas of opportunity and implement affordable and moderately priced housing efforts there to achieve better distribution of housing types and price points along with accessibility to daily needs (jobs, transit, school, etc.). Consider establishing sliding scale for MPDU requirements. For example, in parts of the county better served by affordable housing fewer MPDUs are required, and in areas with fewer affordable units more MPDUs are required.
- 4.2. Objective: Increase proximity of quality housing to other daily needs throughout the county, especially jobs, to support overall cost of living affordability. Better balance of jobs and housing to support residents and their access to both quality/affordable living and living-wage jobs as well as employers and their workforce.
 - 4.2.1. Strategy: Incentivize mixed-use development areas that balance jobs, housing, shopping, and services at varying income levels.
 - 4.2.2. Strategy: Support the creation and enhancement of transit-oriented development and mixed income development, such as by allowing multi-family housing within a distance of all transit centers/stations and specific transit lines.
 - 4.2.3. Strategy: Advance Universal Design to support aging in place by allowing for by-right Accessory Dwelling Units (ADU) and evaluate current development bonuses for age-restricted housing.
 - 4.2.4. Strategy: Designate target growth areas and encourage development in those places where transit, water, and sewer infrastructure already exists. Also ensure there is consistency as the transportation investment area map (part of the regional transportation plan) to include areas in the county where transit and transit supportive infrastructure exists (e.g. Newport, Churchman's Crossing, Claymont).
 - 4.2.5. Strategy: Update Chapter 38 and Public Works policies to achieve consistency with the UDC and Comprehensive Development Plan updates.
 - 4.2.6. Strategy: Update the Unified Development Code to clearly differentiate between zoning districts intended to receive sewer service and districts that will not.

- 4.2.7. Strategy: Work with countywide organizations to promote and support the Fair Housing Law to guide fair housing practices.
- 4.3. Objective: Expand access to homeownership, especially among low-income residents and people of color.
 - 4.3.1 Reduce regulatory barriers and processes that unnecessarily increase the cost of housing or delay/prevent its development.
- 4.4. Objective: Upgrade the condition of substandard housing stock—including integration of green energy—throughout the county, without causing displacement.
 - 4.4.1. Strategy: Work with local communities to create partnerships to help communities establish and advance a neighborhood vision, including supporting and funding the upgrade and installation of environmentally friendly design elements and energy conservation in existing homes.
 - 4.4.2. Strategy: Work with housing agencies to identify and monitor for displacement/gentrification and proactively implement strategies to prevent it from happening.
 - 4.4.3. Strategy: Work with residential real estate industry to establish energy disclosure reporting (e.g. Truth in Sale of Housing and Time of Rent energy disclosure) to provide homeowners, prospective buyers, and renters with the general energy performance of a home/unit and provide recommendations on what could be done to improve the energy efficiency.
 - 4.4.4. Strategy: Provide support and funding for home repairs for low- and middle-income households while providing protections from foreclosures or sheriff's sale for homeowners whose residence has code violations.

See Also:

[Economic and Community Development](#), Goal 6