

VIII. Chapter 07

HOUSING

The future growth of Delmar depends in great measure upon the development of housing and its availability in quantity and variety within a broad price range. The provision of areas, and the redevelopment and maintenance of attractive residential neighborhoods, protected from adverse effects of traffic and incursion of incompatible uses, are also major considerations in the relocation of new industry and future growth of Delmar. No other element in the physical development of a community has such a direct influence of its future. For this reason, the Housing Element is included within the framework of the Comprehensive Plan so that housing proposals can be fully integrated into community development proposals.

The quality of Delmar's neighborhoods is determined by the cumulative impact of the Town's housing supply and living environment. Since major community goals are to improve the quality of life and to promote the availability and affordability of decent, safe, and sanitary housing for all Town residents, housing ranks as an important local concern. Important factors to be considered in forming Town policy toward the public function of housing in the Comprehensive Plan are:

1. Housing is a durable, physical product in a neighborhood setting.
2. Housing is a major user of the Town's land.
3. Housing is a generator of local public facilities and services.
4. Housing is the object of local real estate taxes.
5. Housing is a major influence on the Town's physical and social environment.
6. Housing is an essential requirement for continued economic development.
7. Housing construction is a major source of employment.
8. Housing is a major investment or expenditure for individual families.
9. Housing is a major investment for the private financial community.
10. Housing is a major ingredient in family satisfaction or dissatisfaction and in a community's sense of well-being.

A. POLICIES

1. The following are the Town's policies for housing planning.
2. A variety of housing types should be provided for within the Town's land use controls.
3. The purpose of Town housing and building codes is to insure high standards of quality in new construction, but with sensitivity to housing affordability.
4. Regulations for mobile homes and mobile home parks have been established to insure that those developments meet the same standards as required for other single family dwelling developments.
5. The Town will continue to encourage, through both private and public actions, the renovation or removal of substandard housing.
6. Continue to encourage, through both private and public actions, an opportunity for families to live in adequate homes in price ranges that are affordable.
7. Federal and state programs should be utilized when appropriate to help meet Delmar's housing needs.

B. HOUSING DEFICIENCIES

The background information provided at the beginning of this planning report indicated that a substantial portion of the housing in Delmar is old and in need of repair. In addition, certain areas, particularly at the northwesterly sector of Delmar, in need of clearance, rehabilitation or redevelopment or a combination of all three. These general conclusions were based upon age and value of housing, as compared with the same statistics for the State of Delaware, crowding and a windshield survey of the various residential areas in Delmar. The background study revealed that housing, occupied by minority groups, is in a deteriorated or dilapidated condition. Much other information, which is not available to us, such as family income as correlated to age, and size of family, we believe would corroborate the general statement that the elderly, the low income family and the large family occupy poorer housing and bear the brunt of housing deficiencies.

Middle income families also find it increasingly more difficult to purchase a home because of the rising cost of land and homes. Their ability to live and prosper in the Town is essential to the community's quality of life. Therefore, the Town should provide medium and low-income families with information on housing program's that can assist them in purchasing homes within the Town.

C. RECOMMENDED ACTIONS

In an effort to provide a comprehensive approach to relieve housing deficiencies and provide more housing in Delmar, the following actions are recommended:

1. Cooperation with Wicomico County and Delaware State Housing Authorities to provide housing for the elderly or public subsidized housing for those displaced by enforcement of housing codes.
2. Make information available pertaining to federally assisted housing rehabilitation and loan programs (The Farmers Home Administration always ends the year with surplus funds available for such programs.)
3. Include in capital improvements programs, public improvements such as street paving and repair, street lighting, tot lots, playgrounds, and sewerage and water mains in transition neighborhoods to reinforce and protect residential uses and demonstrate public commitment in the preservation of such areas.
4. Revise the zoning code, which provides for a variety of housing types including apartments, and townhouses.
5. Work with landlords to develop and provide incentives to upgrade rental property in ways, which do not cause exorbitant rent increases.

Mobile Home Enhancements

Mobile homes offer housing ownership within the means of people who might otherwise be required to rent, and this mode of housing should not be excluded entirely from the Delmar Planning Area. However, due to their basic incompatibility with areas developing with conventional housing, mobile homes should be carefully controlled.

It is recommended that mobile homes be permitted on an individual basis as accessory to farms in rural-agricultural areas or in mobile home parks in areas carefully selected and provided for in the zoning code. Areas for mobile home parks should be selected on the basis of the ability to serve the area efficiently with public services and compatibility with surrounding development.

Mobile home parks should be developed at a density appropriate for conventional dwellings; 7,000 to 9,000 square feet per dwelling unit is recommended. Mobile home parks should be excluded from established, conventional residential areas and zoning regulations should provide standards to assure greatest compatibility with the character of the area. The following mobile home standards should be considered:

1. A minimum total area standard required for a manufactured home subdivision and a rental community - a 10-acre total area minimum is suggested.

2. Standards should be set for maximum density of all manufactured home subdivisions and rental communities (6 units per acre is suggested), and all homes should be required to have landscape plantings and low-level decorative fencing.
3. Setbacks should be required. A minimum setback of 50 feet from county and state roads, as well as other properties is a recommended minimum.
4. Both a manufactured home subdivision and a rental community should be buffered on all sides with a permanently maintained natural or artificial barrier/buffer. Such a buffer could be located in the area suggested for a minimum setback.
5. All manufactured homes should be installed upon an approved anchor tie-down system and should be securely anchored to prevent them from shifting or overturning.

Housing Deficit Actions

The following recommendations are made in an effort to increase the supply of housing in Delmar:

1. Extend sewer and water service lines into undeveloped areas to encourage residential construction and to permit higher densities. This action may tend to reduce land cost per dwelling unit.
2. Provide sufficient residentially zoned land to allow developers adequate market choice and discourage land speculation, thereby reducing land appreciation costs.
3. Program and phase supporting community facilities (street improvements and recreational facilities) to anticipate and induce demand for residential development.

In addition to the actions described above, there are several implementation alternatives available to local governments for the provision of affordable housing. The extent, to which these alternatives are used, either singularly or in combination, depends on the particular needs of the community. Each approach to providing affordable housing has varying degrees of success.

D. HOUSING PROGRAMS - DE

Homeownership Programs

Single Family Mortgage Revenue Bond Program - (SFMRB)

Commonly referred to as the First-Time Home Buyers Program or the Bond Program, this program helps low- and moderate-income Delawareans afford homeownership by providing a below market interest rate mortgage to persons who have not owned a home in the past three years.

Second Mortgage Assistance Loan Program - (SMAL)

This program provides up to \$5,000 (at 6% interest rate) in down payment and closing costs assistance to persons who have not owned a home in the past year.

Delaware Housing Partnership - (DHP)

This initiative combines 6% interest rate down payment and closing cost loans of up to \$10,000 with pre-approved, newly-constructed affordable homes.

Live Near Your Work – LNYW

The LNYW Program is a cooperative partnership between the state, local jurisdictions and employers to provide financial assistance to eligible employees in purchasing homes near their places of employment.

Resident Homeownership Program - (RHP)

This program offers eligible DSHA assisted housing residents the option of purchasing a home. Qualified participants will have the opportunity to purchase a home utilizing their existing assistance toward the mortgage.

Public Housing Home Ownership Program - (PHHOP)

This program, operated in Kent County only, provides Public Housing, Section 8, Capitol Green residents and Waiting List applicants with the opportunity to purchase their own homes in modest, residential neighborhoods.

Rental Housing

Housing Development Fund - (HDF)

The HDF is Delaware's primary financial resource to help housing providers across the State access financing to create or rehabilitate affordable housing, or offer unique housing programs for low- and moderate-income persons.

HOME Investment Partnerships - (HOME)

This federal program is offered statewide by DSHA and provides financial assistance to affordable housing providers, often in conjunction with Housing Development Fund financing.

Low Income Housing Tax Credits - (LIHTC)

This program provides a direct federal income tax credit to qualified owners and investors who build, acquire or rehabilitate rental housing units to rent to low-income Delawareans.

Multi-Family Mortgage Revenue Bond Program - (MFMRB)

This statewide program permits DSHA, through the issuance of tax-exempt mortgage revenue bonds to finance the acquisition, new construction or substantial rehabilitation of apartment complexes which are available for rent to low-income individuals and families.

Subsidized Rental Housing Assistance Programs

Public Housing - (PH)

DSHA offers low-income Delawareans in Kent and Sussex Counties who are in need of assistance to afford month-to-month rent payments a subsidized rental housing assistance program. The program offers DSHA-owned Public Housing apartment site residency.

Section 8 Housing Choice Vouchers

DSHA also offers a Section 8 Housing Choice Voucher Program for DSHA-approved private rental residency. For more information, please see the Moving To Work Demonstration Program description below.

Moving To Work Demonstration Program - (MTW)

Applicants on the two programs listed above are placed on a combined waiting list for assistance. They are given the first available subsidy location, which may be a public housing site or in the form of a Section 8 Voucher for use in the private market. Most residents, with the exception of the elderly and disabled, are eligible to receive subsidy under these programs for a maximum of 5 years (with some one-year extensions) while they take part in a mandatory self-sufficiency program.

Section 8 New Construction- (SEC 8 NC)

This program offers very low-income Delawareans 30 different affordable housing sites throughout the state, at which participants pay approximately 30% of their income for rent. DSHA provides managerial and financial oversight to these sites and directly manages two of the locations. (The name of this program is misleading, for it does not concern new construction.)

Home Repairs

Housing Rehabilitation Loan Program - (HRLP)

This program offers loans of up to \$35,000 at 3% interest rates to low- and moderate-income home owners and landlords who rent to low-income tenants in order to make necessary State Housing Code repairs or handicapped- accessibility modifications.

Neighborhood Revitalization Fund - (NRF)

New Funding Currently Unavailable. The goal of this program is to help entire communities restore their homes to State Housing Code standards. Neighborhoods and communities apply to receive a set aside of funds that their home owners can access in the form of low-interest loans. Home owners residing in approved neighborhoods can access deferred low-interest rate loans of up to \$35,000; landlords can borrow up to \$25,000.

Community Development Block Grants – (CDBG)

Each year, Kent and Sussex County and local municipalities within these counties apply to DSHA for a portion of this federal grant money. DSHA administers the funds to these governmental entities, which in turn use the money to help repair substandard housing and make infrastructure improvements in needy areas of each county. Municipalities can request sewer and water system improvements, street repairs, street lights and other infrastructure improvements that support low- and moderate-income housing development.

Community Development

Housing Capacity Building Program - (HCBP)

This initiative helps providers of affordable housing increase their capacity to build and maintain affordable housing. A joint initiative of DSHA, the University of Delaware, the Delaware Community Investment Corporation and the Delaware Community Foundation, the program provides a range of assistance including capacity building grants, training and technical assistance.

Emergency Shelter Grants Program - (ESGP)

The federal assistance provided under this program benefits emergency shelters by allowing them to expand services and renovate their shelters. It is offered by DSHA in Kent and Sussex Counties.

E. HOUSING PROGRAMS - MD

As federal housing and other related programs have disappeared, cities and counties have sought to aid the would-be homeowner. Maryland has mounted an ambitious housing program in 1986 in response to federal cutbacks. Most of the state housing programs are administered by the State of Maryland's Community Development Administration which offers a variety of housing programs that fall under the general categories of home ownership, rental housing, special loans and housing subsidy programs. These programs are briefly described below:

Home Ownership Programs

Maryland Mortgage Program (MMP) - The purpose of the MMP is to enable low- and moderate-income households to purchase homes by providing below-market interest rate mortgage financing through private lending institutions. The MMP, which targets first-time homebuyers, is available to individuals and households with incomes at or below 85 percent of the State median income.

Maryland Home Financing Program - Home Purchase (MNFP) - The purpose of MNFP is to provide low-interest rate mortgages for lower-income households. The MMFP, which targets first-time homebuyers, is available to individuals and households with incomes at or below 55 percent of the State median income.

Maryland Home Financing Program - Emergency Mortgage Assistance (MNFP-EMA) - The MNFP-EMA assists low-income homeowners in imminent danger of losing their homes and is intended to prevent foreclosures brought about by critical circumstances such as loss of employment, a disabling injury, divorce or death of a spouse, or other similar circumstances which result in loss of income.

Maryland Home Financing Program - Reverse Equity (MHFP-REMP) -The purpose of the MHFP-REMP is to enable elderly families of limited income to access part of their accumulated equity in order to pay for housing and other personal expenses to continue to occupy the home. For eligible applicants and properties, the Community Development Administration (CDA) will establish a line of credit up to a program maximum of \$50,000 from which funds may be requested on a monthly basis. No repayment of loans is required until the death of the last surviving borrower, after the borrower voluntarily moves out, or after the sale or transfer of the property.

Settlement Expenses Loan Program (SELP) - SELP provides financial assistance in the form of low interest loans to pay settlement expenses.

Rental Housing Programs

Multi-Family Bond Program (MBP) - This program is designed to increase the construction and rehabilitation of multi-family rental housing for families with limited incomes. Tax exempt bonds and notes provide below-market rate construction and permanent financing to profit and nonprofit developers. A certain percentage of units in the project must be made available to low-income persons and households.

Rental Housing Production Program (RHPP) - The purpose of the RHPP is to increase the supply of rental housing for low-income families by providing below-market rate and deferred payment loans to developers. The program is designed to be used in conjunction with tax-exempt, private, local and federal loans.

Elderly Rental Housing Program (ERHP) - The purpose of the ERHP is to increase the supply of rental housing for low-income elderly households by providing below-market rate and deferred payment loans to developers. The program is designed to be used in conjunction with tax-exempt, private, local and federal loans.

Nonprofit Rehabilitation Program (NRP) - The purpose of the NRP is to provide low-interest mortgage loans to nonprofit organizations and local governments to rehabilitate housing for low-income households.

Partnership Rental Housing Program (PRHP) - The PRHP is intended to expand the supply of affordable housing for poor families through State and local government partnerships. Eligible projects include new construction and acquisition or rehabilitation of rental housing.

Maryland Housing Rehabilitation Program - Multi-Family (MHRP) - The purpose of the Multi-Family Program is to provide loans to assist owners in bringing their multi-family units up to applicable building codes and standards.

Multi-family Home and Energy Loan Program (HELP) - The purpose of the HELP is to finance rehabilitation and energy conservation of existing multi-family properties using the proceeds of tax-exempt bonds.

Construction Loan Program (CLP) - The CLP provides low-interest, construction financing loans to nonprofit and local governments to acquire, rehabilitate, or construct certain types of housing and for bridge loans to profit motivated developers.

Shelter One - Shelter One is an initiative to encourage community organizations, groups affiliates with churches and other nonprofit organizations to help address housing problems. The program provides technical assistance and preferred interest rate loans for undertaking first, small housing projects.

Special Loan Programs

Maryland Housing Rehabilitation Program - Single Family (MHRP SF) - The purpose of the program is to preserve and improve existing small residential properties by bringing the properties up to applicable codes and standards. In 1990 this program was merged with the Livability Code Rehabilitation Program.

Accessory, Shared and Sheltered Housing Program (ACCESS) - The purpose of ACCESS is to expand low cost housing opportunities for low-income households and low-income elderly, handicapped or disabled persons by financing the creation of accessory, shared, and sheltered housing facilities.

Indoor Plumbing Program (IPP) - The purpose of the IIP is to provide indoor plumbing in residential properties. Loans are made to income eligible households in owner-occupied single family units.

Residential Lead Paint Abatement Program (RELAP) - Loans are provided through the RELAP to reduce instances of lead poisoning of children by financing the abatement of lead paint in residential buildings.

Group Home Financing Program - The purpose of this loan program is to assist individuals and nonprofit organizations to construct or acquire and modify existing housing to serve as group homes or temporary and emergency shelter for income-eligible persons and households with special housing needs.

Single Family Home and Energy Loan Program (HELP SF) - The purpose of the HELP SF is to finance rehabilitation, energy conservation and basic livability of owner-occupied housing with one to four units using the proceeds of tax-exempt bonds.

Energy Bank Program - This program provides matching grants for energy conservation improvements in owner-occupied housing with one to four units using the funds from the Energy Overcharge Fund.

Housing Subsidy Programs

Rental Allowance Program (RAP) - This program provides grants to local governments to provide flat rent subsidies to low-income families who are homeless or have emergency housing needs. The purpose of the program is to help these families to move from temporary housing to permanent housing and self-sufficiency.

Section 8 Existing Certificate/Voucher Program - A U.S. Department of Housing and Urban Development Program (HUD), Section 8 Existing is a rental assistance program which subsidizes the rent of low income families through the use of federal grants. This program is administered through the Maryland CDA.

Section 8 Moderate Rehabilitation Program - The U.S. Department of Housing and Urban Development Program (HUD) Moderate Rehabilitation Program, a component of the Section 8 Existing Program, is designed to encourage owner investment in substandard and aging housing that would otherwise continue to deteriorate in order to expand the supply of rental housing to low-income households. This program is administered through the Maryland CDA.

Section 8 Rental Rehabilitation Program - The U.S. Department of Housing and Urban Development Program (HUD) Rental Rehabilitation Program is designed to increase the supply of rental housing for low- and moderate-income families. As a split-subsidy federal grant funds are provided to building owners to help offset the cost, in conjunction with private financing, of rehabilitation of deteriorated existing rental units.

Low Income Housing Tax Credit Program

The Federal Low-Income Housing Tax Credit, created by the Tax Reform Act of 1986 and extended by the Revenue Reconciliation Act of 1989, is designed to encourage private sector investment in the construction and rehabilitation of housing for low- and moderate-income families. The law gives states annual tax credit allocation based on population. CDA is the agency, which allocates the state's tax credits on a competitive basis.

Infrastructure Program

The purpose of this program is to provide an efficient and economical means of access to capital markets in order to finance infrastructure projects to local governments. This program is administered through the Maryland CDA.