

# **FAQ – Workforce Housing**

## **What is Workforce Housing?**

Workforce Housing is housing that is affordable to the average working person. In many communities, the people who provide vital services – teachers, police officers, nurses, medical personnel, service workers, etc. – often cannot themselves afford to live there.

Workforce housing is designed for people who make 50% to 120% of area median income – between \$39,400 and \$94,550 for a family of four\*. Families who fall into this income category have found it difficult to purchase a home that is adequate for their needs.

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## **What is the Workforce Housing Program?**

The Workforce Housing Program is an initiative designed to offer an opportunity to average working people to purchase or rent affordable housing units within New Castle County. It is a series of requirements and incentives for developers who include at least 20% workforce housing in a subdivision. This initiative does not use Federal, State or County funding to accomplish the goal of providing workforce housing. Those developers who choose to participate must also make a financial contribution to the Housing Trust Fund – a fund which provides resources to households for affordable housing.

## **How was the legislation on Workforce Housing developed?**

The 2007 Comprehensive Development Plan Update identified the shortage of affordable housing, particularly in new growth areas of the county, as a concern. The state, particularly the Delaware State Housing Authority, encouraged the county to address this shortage in the plan and several strategies were incorporated, including the development of inclusionary housing legislation.

When the workforce housing legislation was drafted, it was widely disseminated to housing providers, developers, the civic community and state agencies for input. Public meetings were also held to solicit feedback. As with any other amendment to the Unified Development Code, the legislation was on the agendas for the Planning Board public hearing and later for New Castle County Council.

## **Shouldn't the free market best determine what housing gets built at what price?**

In the last 15 years, New Castle County has experienced a strong economy and housing market. We have become an attractive destination in the Mid-Atlantic region for those looking for a higher quality of life with relatively low taxes.

The recent tightening of lending standards, foreclosures, and rising interest rates are having a significant impact on housing affordability. Also, rising construction costs are prohibitive and limit a developer's ability to meet the need for affordable housing. As a result, fewer moderately priced homes are available to accommodate our county's working class families. Housing plays an important role in economic advancement and growth of the middle class.

Working households represent a vital part of the economy, providing essential services that most of us depend on every day – in the classroom, ensuring public safety, in food service, medical offices, etc. The wages associated with these professions make it difficult to live in the communities which they serve. The Workforce Housing ordinance was designed to encourage developers to provide a range of housing opportunities rather than continuing to build housing beyond the means of most New Castle County families.

### **Where can Workforce Housing communities be located?**

To qualify for the Workforce Housing Program, the project must be located on land that is zoned for residential development and is served by sewer. These are locations within the growth zones or redevelopment zones. They are also targeted as Levels 1, 2 or 3 in the State Spending Strategies.

### **How does the legislation encourage builders to participate?**

#### Density

- The project can receive a 100% density bonus if at least 20% of the units are set aside – and at least half of those units are priced affordable.
- The project can receive a 50% density bonus if at least 20% of the units are set aside – and less than half of those units are priced affordable.

#### Site Requirements

- A 30% reduction in the required open space, a 30% increase in floor area ratio.
- An elimination of the minimum site area.
- A credit of acreage on a one-to-one basis for open space if space is dedicated for community facilities such as schools, parks and public buildings.
- A 25% reduction in lot and building standards (NOT construction standards) and a 25% increase in height limits.
- A 20% reduction in landscaping, on lot plants, street trees and opacity in buffer areas.
- Transfer of water resource protection areas is permitted.
- Alternative dwelling types may be used.

#### Expedited Reviews

Whenever a response or decision is required by the Land use Department, it shall be issued in writing within 10 days of receipt of the complete submission.

#### Fee Waivers

- Application fee waiver if the project is 100% workforce development.
- Graduated waiver of building permit fees.

### **Will workforce units look different than other homes in the neighborhood?**

No. Workforce housing looks just like the other homes and are distributed throughout the community.

**Can an eligible family buy one of the workforce units, then rent it out to someone else to make money?**

No. Eligible applicants must sign a declaration that they will be the owner-occupants.

**Does the public still have the opportunity to comment on workforce housing projects?**

Any new development plan must proceed through the process, including public hearings. Existing, recorded plans that are resubmitted as workforce housing plans will be considered as revised minor plans, which do not require a public hearing – only if the increase in units is less than 50%. However, if no rezoning is required, plans are reviewed to make certain that they meet all code requirements and cannot be denied once all the legal requirements are met.

**Can a workforce housing project be approved in an area where the roads can't handle it?**

Proposed development is subject to DeIDOT transportation impact standards and may be limited in scope by the County if DeIDOT recommends that it be done. DeIDOT can also require transportation improvements. Up to 50 workforce dwelling units may be excluded from the traffic impact study, but workforce housing plans must still go through the traffic review process.