



Questions & Answers About Workforce Housing

What is Workforce Housing?

Workforce Housing is housing that is affordable to average working people. In general, there are two ranges of household income that are the focus of the workforce housing regulations – those with a household income that is 50% - 80% of the median (referred to as low-moderate by HUD); and those with a household income that is 80% - 120% of the median (referred to as moderate by HUD). In the first quarter of 2008, the median income for the New Castle County area was \$74,300. Low-moderate income households for a family of four earn between \$37,150 and \$59,450. Moderate-income households of a family of four earn between \$59,451 and \$89,160.

What is the Workforce Housing Program?

The Workforce Housing Program is designed to stimulate production of workforce housing units so that people who work in the county can afford to live in the county. The voluntary program has a series of requirements and incentives for those who choose to include workforce units in a housing development where 20% of the units that are sold to those households between 50% and 120% of median income. Developers who choose to participate must also make a designated contribution to the Housing Trust Fund that exists to provide resources for very low- and low-income households.

How was the legislation on Workforce Housing developed?

The 2007 Comprehensive Development Plan Update identified the shortage of affordable workforce 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 and public meetings were held to solicit input. As with any other amendment to the Unified Development Code, the legislation was on the agenda of the Planning Board public hearing and, later, County Council.

What is the New Castle County Housing Strategy?

As stated in the 2007 New Castle County Comprehensive Plan, the goal for housing is to “facilitate housing and community choices for people and families in all stages of life, all income ranges, and throughout the county.” One component of that goal is that those who work in, contribute to, and have a stake in our community deserve to be able to own a home in our community. From 2000 to 2004, housing prices in New Castle County grew by over 43% while incomes only rose by 3%, thereby pricing many working County residents out of the housing market.

Objective 6 of the Housing Section addresses this issue even more directly by stating that the County should “provide homeownership opportunities for low and moderate income households. 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 Countians.

The comprehensive plan identifies 12 strategies to help meet our goal. Among those is Strategy 11, which states that New Castle County should “encourage the creation of affordable housing through initiatives such as accessory dwelling units, inclusionary zoning, homeownership incentive programs and a Housing Trust Fund for development of affordable housing.” The

Workforce Housing Program is a voluntary inclusionary zoning initiative that, through incentives to developers who build affordable housing, makes it possible for working people to own their own homes.

Where can Workforce Housing communities be located?

To qualify for the Workforce Housing program, it must be located on land that is zoned for residential development and is served by New Castle County public sewer. These are locations within the growth zones or redevelopment zones and are also targeted as Levels 1, 2 or 3 in the State Spending Strategies. See attached map of the State Spending Strategies areas.

How are developers encourage 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 to households making 50% to 80% of median OR
- A 50% density bonus if at least 20% of the units are set aside – and less than half of those units are priced affordable to households making 80% - 120% of median.

Site Requirements:

- A 30% reduction in the required open space, a 30% increase in floor area ratio; and no set acreage minimum for development;
- 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 setbacks and lot sizes and a 25% increase in height limits;
- A 20% reduction in landscaping;
- Transfer of water resource protection areas is permitted.

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 homes look just like the other homes and are distributed throughout the community.

Can substandard homes be built?

No. Building code requirements must be met, as with all homes built in New Castle County. All construction – including workforce housing – must meet the building code standards and none of those standards have been relaxed.

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

No. Buyers of workforce housing units are required to sign a regulatory agreement which restricts the use of the home to owner-occupancy.

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 – that do not require a public hearing 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.

How is growth looked at holistically?

There are various ways that growth is analyzed holistically. The first is the Comprehensive Development Plan update process, which occurs every five years. During this process, growth

patterns are analyzed and strategies are developed to help direct new growth into desirable areas, those areas that have (or will have) the infrastructure needed to support growth. In conjunction with DeIDOT we partner in 'area studies' that look at transportation in a broader context than a standard TIS. There have been area studies done for several areas of the county including the Route 40 Corridor and the MOT area. Another effort underway in Southern New Castle County is a joint planning analysis that includes the County, state agencies, local incorporated areas and school districts.

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.

How is school capacity factored into development plans?

All new major development plans or existing record plans with proposed workforce revisions must be sent to the Department of Education for review. The Department of Education consults with the school district to determine if capacity is available. If capacity is not available, the applicant may enter into a Voluntary Assessment in order for the plan to proceed. The formula for calculating the voluntary assessment is outlined in state code. State code also states that New Castle County cannot deny a development plan based on school capacity.

What infrastructure requirements exist for development plans?

The Unified Development Code details concurrency requirements for roads, sewers, schools and water. In addition, concurrency shall be obtained solely through the payment of an impact fee for library, emergency medical, fire, parks and police services. Concurrency for drainage shall be achieved by compliance with Article 22 of the UDC.

Why are workforce housing developments allowed where employment centers and mass transit aren't located nearby?

This isn't the case. Workforce housing is restricted to the growth areas of the county – those areas which will be served by sewer and which are identified by both the state and the county as locations where infrastructure funds are to be expended.

Will workforce housing developments negatively impact the environment?

There are no obvious environmental negative impacts. Denser housing does not increase the risk to the environment. Actually, by serving a larger number of homes with the same amount of pavement (roads, sidewalks) the impact on water volume and water quality is lessened. By serving the same number of school children in a smaller geographic area, there are gas and emissions savings. By building the same number of homes on fewer acres, more acreage is left undeveloped. There is no provision to allow workforce housing in the floodplain. Environmental protections have been left in place.

The workforce provisions are said to be in deed restrictions. Can the county enforce them?

Yes, the deed restrictions stipulated in workforce housing give New Castle County the right of enforcement. Community based deed restriction that may address restrictions such as signage, yard ornamentation, home-based businesses, etc., are not enforced by the county because the county is not a principal party.

What is the Housing Trust Fund?

The Housing Trust Fund is a fund into which contributions collected shall be deposited, and from which monies shall be expended to construct, purchase and maintain permanently affordable units and to administer programs consistent with the purposes of the County Code. The Housing Trust Fund provides the county with monies to help deal with the housing needs of very low income families. It provides the County with a financing that can be used to construct or renovate properties.

What is affordability in New Castle County? What is considered affordable housing for the average family?

NEW CASTLE COUNTY COMMUNITY SERVICES INCOME GUIDELINES

Effective February 13, 2008 – approximately February 13, 2009*

<i>Number in Family</i>	<i>50% of Median Income</i>	<i>80% of Median Income</i>	<i>120 % of Median Income</i>
1	\$26,000	\$41,600	\$62,400
2	\$29,700	\$47,550	\$71,280
3	\$33,450	\$53,500	\$80,280
4	\$37,150	\$59,450	\$89,160
5	\$40,100	\$64,200	\$96,240

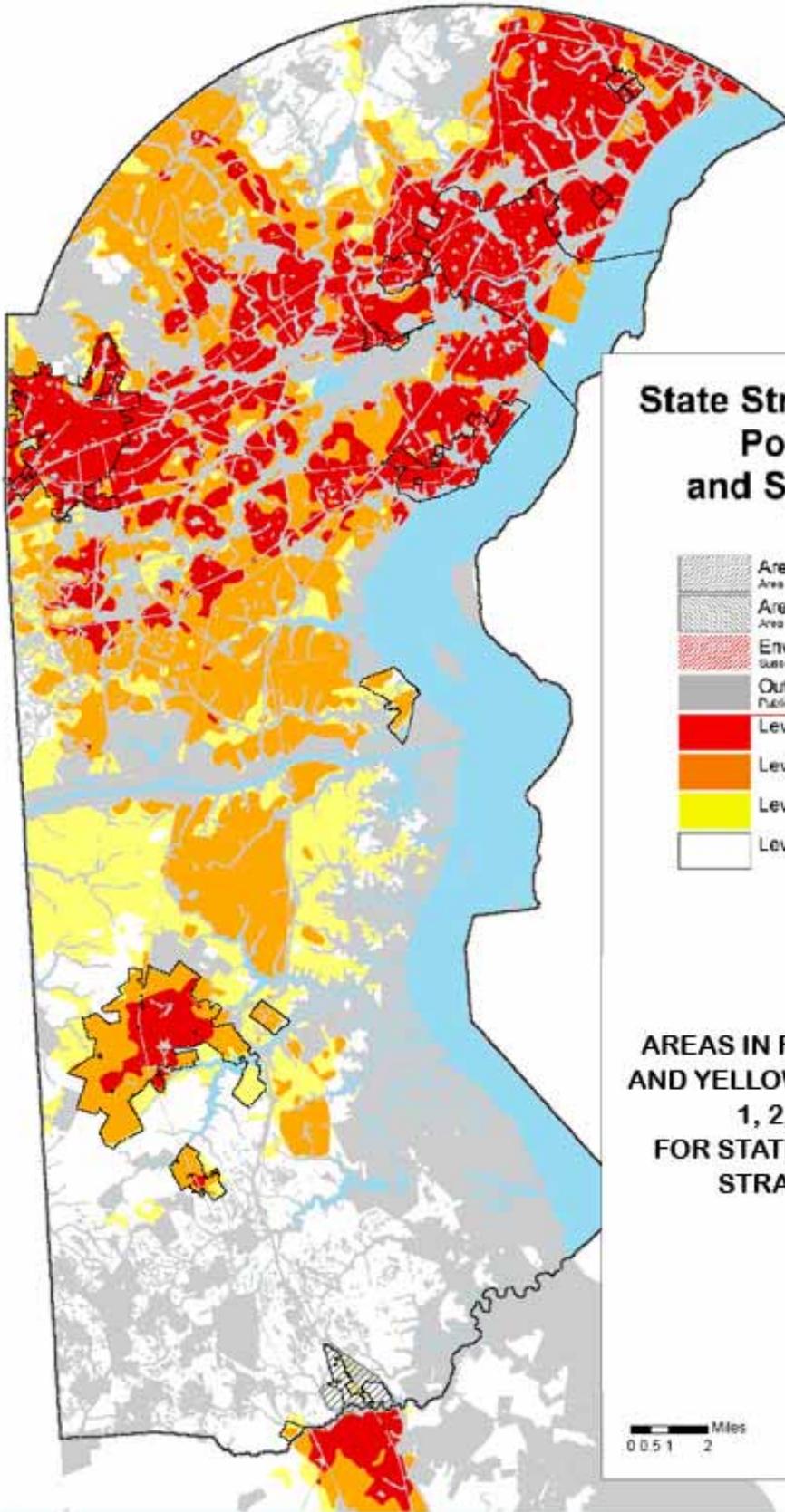
** Annual determination of Area Median Income for New Castle County is published annually by the United States Department of Housing and Urban Development, set forth in 24 C.F.R. 5.609 (or any successor regulations) and is available at <http://www.huduser.org/datasets/pdrdatas.html>*

Calculating Affordable Prices

	80%	80%	80%	80%	120%	120%	120%	120%
Bedroom Size	Studio	1	2	3	Studio	1	2	3
Household Size	1	2	3	4	1	2	3	4
Annual Income	\$41,600	\$47,550	\$53,500	\$59,450	\$62,400	\$71,280	\$80,280	\$89,160
Maximum Sales Price <i>Rounded Down to Nearest \$100</i>	\$117,800	\$137,900	\$158,000	\$178,100	\$188,100	\$218,100	\$248,600	\$278,600

Calculating Affordable Prices for 3 Bedroom Home, Household of Four

Income Level	80%	120%
Income Level Household of Four	\$59,450	\$89,160
Maximum Mortgage Loan Amount	\$178,172	\$278,653
Maximum Sales Price <i>Rounded Down to Nearest \$100</i>	\$178,100	\$278,600



State Strategies for Policies and Spending

-  **Area of Dispute**
Area subject to legal action
 -  **Area of Study**
Area subject to further study
 -  **Env. Sens. Dev.**
Sussex Co. city
 -  **Out of Play**
Public-owned/heavily restricted
 -  **Level 1**
 -  **Level 2**
 -  **Level 3**
 -  **Level 4**
- NOTE:** Reference to the chapter "Directing Growth" in the State Strategies Document for details of the four investment levels.

AREAS IN RED, ORANGE AND YELLOW ARE LEVELS 1, 2, AND 3 FOR STATE SPENDING STRATEGIES.

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