



**STATE OF DELAWARE  
EXECUTIVE DEPARTMENT  
OFFICE OF STATE PLANNING COORDINATION**

October 31, 2014

Ms. Eileen Fogarty  
New Castle County  
87 Reads Way  
New Castle, DE 19720

RE: PLUS review 2014-10-08, New Castle County Ordinances 2014-0606 and 0607

Dear Ms. Fogarty,

Thank you for sending a representative from your office to meet with State agency planners on October 22, 2014 to discuss the proposed New Castle County Ordinances 2014-0606 and 0607. According to the information received, you are seeking a review of the ordinances to amend the UDC to eliminate the current Workforce Housing Regulations and create a Traditional Neighborhood Housing Program.

Please note that changes to the ordinances, other than those suggested in this letter, could result in additional comments from the State. Additionally, these comments reflect only issues that are the responsibility of the agencies represented at the meeting.

The Office of State Planning Coordination has no objection to the ordinances as written.

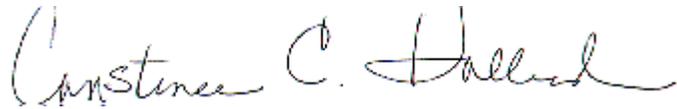
The only state department with significant comments is our Delaware State Housing Authority (DSHA) who offer the following comments and suggestions:

- DSHA supports New Castle County's ordinances to eliminate the existing workforce housing section of the Unified Development Code and to create in its place a Traditional Neighborhood Housing program. As designed, this program will expand the supply of affordable housing for working class families that are essential to the strength of the County's economy and vitality of its communities. DSHA offers the following comments and recommendations:
  - Sec. 40.07.510. DSHA supports the mandatory participation for all rezoning applications. Mandatory programs have been shown to be more successful than voluntary programs in increasing the number of affordable units.

- Sec. 40.07.550. DSHA supports using the area median income, as published annually by the U.S. Department of Housing and Urban Development, to establish eligibility and pricing standards. This is the most common source used for similar programs throughout the country because it is reliable, current, reflects the local market, and adjusts for household size. DSHA also supports the income and price targets to help ensure a sufficient pool of qualified households to participate in the program.
- Sec. 40.07.560. DSHA encourages the County to consider longer affordability periods, as 15 years is a short timeframe. The ability to not only produce affordable homes, but also to ensure their long-term affordability, is critical for meeting the housing needs of families and individuals that this program aims to serve. In a 2014 report by the Lincoln Institute of Land Policy “*Achieving Lasting Affordability through Inclusionary Zoning*”, 307 programs were reviewed. Of these programs, eighty-four percent of homeownership programs, and eighty percent of rental programs require units to remain affordable for at least 30 years; and one-third of the programs require 99-year or perpetual affordability whether it is rental or homeownership. The housing recovery actually offers a great opportunity to implement long-term affordability controls.
  - One way to facilitate a longer affordability period is to include a right of first refusal to the County, or to a non-profit who is committed to ensuring the unit’s long-term affordability.
- Marketing. DSHA encourages the County to advertise both rental and homeownership units produced through this program in DelawareHousingSearch.org. The County has been a wonderful and active supporter of this real-time housing locator service. While DelawareHousingSearch.org is available for both market rate and affordable rental units, only homeownership units created via federal, state or local housing programs are eligible to be featured on the website. Since there are many platforms for advertising market-rate homeownership units, there is a need to offer a free central platform to increase the visibility of available, affordable housing across the state for moderate-incomes homebuyers. It also provides housing counselors a centralized place to refer to when finding homes for eligible homebuyers. Listings can include pictures and map links, as well as, detailed information about income qualifications and nearby amenities like parks, schools, and hospitals. The service can be accessed online or via toll-free phone and is supported by a toll-free, bilingual call center.

Should the ordinance be adopted please forward a copy to OSPC for our files. Thank you for the opportunity to review this project. If you have any questions, please contact me at 302-739-3090.

Sincerely,

A handwritten signature in cursive script that reads "Constance C. Holland". The signature is written in black ink and is positioned above the typed name.

Constance C. Holland, AICP  
Director, Office of State Planning Coordination