2025 Annual Report on

State Planning Issues

Prepared for Governor Meyer and the 153rd Delaware General Assembly
Prepared by the Cabinet Committee on State Planning Issues

This report was prepared by the Office of State Planning Coordination (OSPC), on behalf of the Cabinet Committee on State Planning Issues (CCSPI), in accordance with Delaware Code (29 Del. C. c. 91). The Cabinet Secretaries and agency staff provided data, project updates, and comments to OSPC staff in the preparation of this report.

Cover image: The Cooper Building, Wilmington

Acknowledgements

Governor Matt Meyer

Cabinet Committee on State Planning Issues (CCSPI)

Nikko Brady, Deputy Chief of Staff, Governor's Office - Chair

Secretary Joshua Bushweller, Department of Safety and Homeland Security

Secretary Wm. Donald Clifton, Department of Agriculture

Secretary Shanté Hastings, Department of Transportation

Director Matthew Heckles, Delaware State Housing Authority

Secretary Charuni Patibanda-Sanchez, Department of State

Secretary Greg Patterson, Department of Natural Resources and Environmental Control

Director David Edgell, Office of State Planning Coordination – ex-officio

State Agency Staff

Thank you to all the staff liaisons who contributed to this report.

Jimmy Kroon — Department of Agriculture

Jennifer Carlson, Tamara Lang — Department of Education

Kim Ritter — Department of Health and Social Services

Karen Horton — Delaware State Housing Authority

Rachel Yocum, Beth Krumrine — Department of Natural Resources and Environmental Control

Patty Cannon — Division of Small Business

Wendy Hudson — Department of Safety and Homeland Security

Austin Gray, Steve Bayer — Department of Transportation

Gwen Davis — Division of Historical & Cultural Affairs

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Office of State Planning Coordination (OSPC)

David Edgell, AICP; Samantha Bulkilvish, AICP; Temple Carter; Dorothy Morris, AICP; Ethan Paradee; Joshua Thomas, AICP; Jason Vogl; and Rose Zappacosta

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State Strategies Implementation

House on West 6th Street, Wilmington

Development Trends

Monitoring development activity allows state agencies to track the progress of State Strategies implementation. Insights from this year's data collection follow.

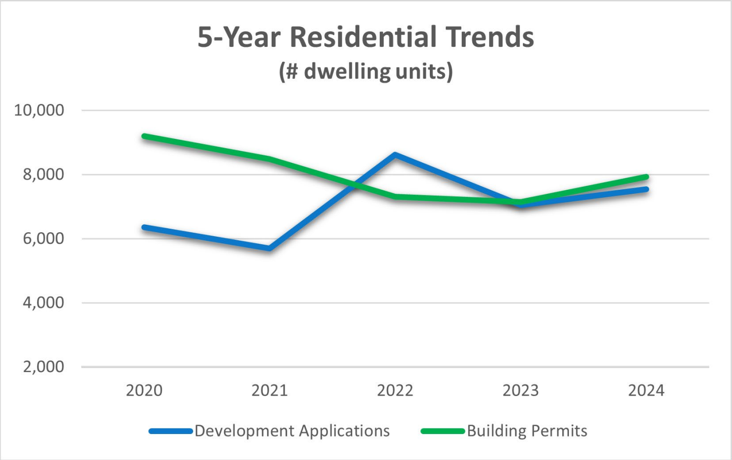
Introduction

Growth management in Delaware is a collaborative effort between the state and all 60 local jurisdictions. Every year, local governments collect building permit and development application data and submit them to the Office of State Planning Coordination (OSPC) for analysis. Residential and non-residential land-use actions are mapped to determine the location and intensity of development over time. By overlaying development activity with State Strategies Investment levels, it is possible to gauge the effectiveness of State Strategies implementation. The results can help agencies create strategies for managing growth.

Residential Trends

The numbers of dwelling units in approved development applications and building permits issued by local governments are used to interpret residential development trends. Since 2020, residential development has generally remained stable, with some fluctuations within an approximate range of +/- 2,000 units (**see Figure 1**). Between 2020 and 2021, statewide permits declined 8% and have since continued trending downward before rebounding slightly in 2024. Statewide development applications fell in 2021 but then spiked over 51% in 2022. In 2023, both figures converged at roughly 7,000 units, before applications edged upward again in 2024.

Figure 1: Total Dwelling Units Over 5 Years



Development approval data show major differences in each county's one-year change (**see Table 1**). Sussex County experienced another significant decline in applications, falling by 43% from the previous year. In contrast, New

Castle County more than doubled, with a 162% increase that marks the largest gain statewide. Kent County also recorded an increase of 22%. Overall, Sussex County's decline of 1,740 units (43%) was offset by increases in New Castle and Kent Counties, leading to a statewide increase of 7%.

Table 1: Annual Change in Potential Dwelling Units

Residential Development Applications (# potential units)

County	2023	2024	Change (%)
New Castle	1,119	2,931	**+162%**
Kent	1,909	2,329	**+22%**
Sussex	4,021	2,281	**-43%**
Total	**7,049**	**7,541**	**+7%**

Building permit data show less variation among the three counties (**see Table 2**). Sussex County units increased moderately by 11%, yet Sussex County still represents 64% of all residential permits in 2024. Kent County and New Castle County both experienced increases of 11% and 9%, respectively. All three counties issued permits in line with their recent averages, which contributed to an 11% statewide increase.

The total number of statewide residential building permits from 2020 to 2024 is 40,075 units. By one definition, two or more building permits approved on the same tax parcel are considered multi-family, and includes apartments, condominiums, and manufactured homes in land-lease communities. By this definition, 9,922 units (25% of total) were multi-family. When these units are mapped, it becomes apparent they are geared toward specific segments of the market and are not necessarily affordable to the broader market (**see Figure 2**). A significant concentration continues to exist in the resort area.

Table 2: Annual Change in Dwelling Units

Residential Building Permits (# units)

County	2023	2024	Change (%)
New Castle	1,622	1,776	**+9%**
Kent	965	1071	**+11%**
Sussex	4,562	5,080	**+11%**
Total	**7,149**	**7,927**	**+11%**

This number potentially overstates the amount of multi-family, therefore OSPC and the Delaware State Housing Authority (DSHA) are evaluating other data sources. For example, the Census Bureau's **Building Permits Survey (BPS)** data shows a ratio of 85% single-family and 15% multi-family for the same time period. The BPS is more granular and breaks down multi-family into categories. (**see Figure 3**).

See more on the Development Trends Dashboard! devtrends.stateplanning.delaware.gov

Figure 2: Concentrations of Multi-Family Development

(including condos and other land-lease communities)

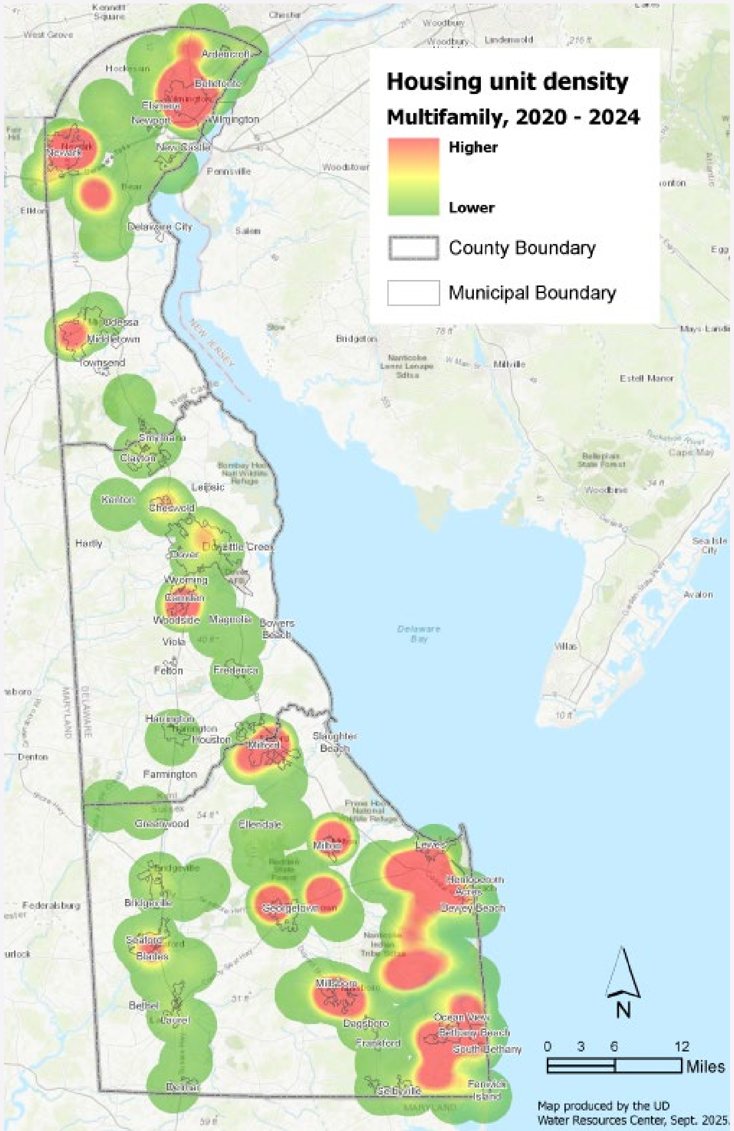
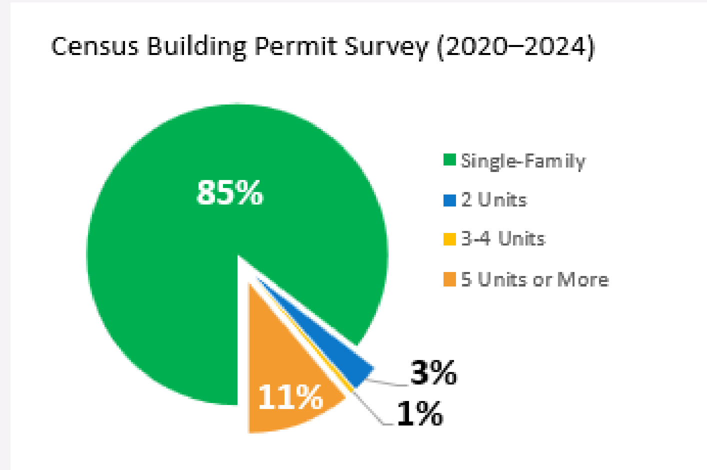


Figure 3: Residential Building Permits by Type

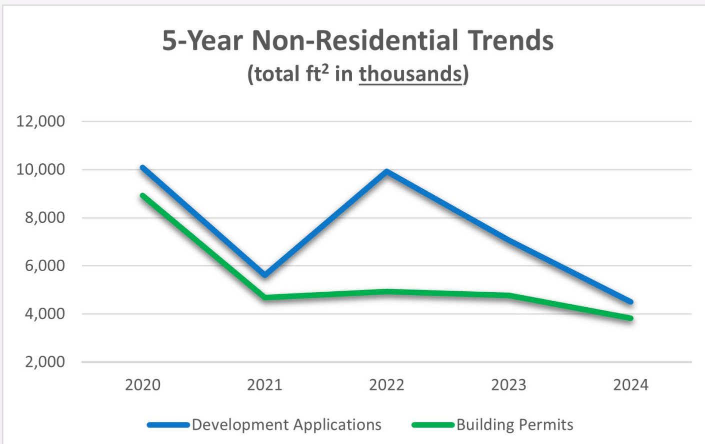


Non-Residential Trends

Total building square footage in approved development applications and building permits issued by local governments are used to interpret non-residential development trends for commercial, office, industrial, and institutional uses. Since 2020, non-residential development statewide has been highly variable (**see Figure 4**). Development applications reached highs of about 10 million square feet in both 2020 and 2022 before declining steadily to just under 5 million square feet in 2024. Building permits, by contrast, have not returned to their 2020 peak and have continued to trend downward, totaling just under 4 million square feet in 2024. As in prior years, most of this development will continue to occur in the southern half of New Castle County.

County-specific development approval data continue to show that New Castle County has the most potential square footage for non-residential projects (**see Table 3**). From 2023 to 2024, New Castle County experienced a decline of 3.1 million square feet (53%), which contributed to the overall statewide decrease. Despite this drop, New Castle County still represents 60% of the statewide total. Kent County and Sussex County both increased compared to the prior year, rising by 54% and 41%, and are close to their recent averages following a significant peak in 2020.

Figure 4: Total Square Footage Over 5 Years



While potential non-residential square footage decreased statewide in 2024 (**see Table 3**), the county level trends varied. Building permit activity also declined statewide in 2024 (**see Table 4**). New Castle again experienced the steepest drop, with permitted square footage falling 32%. Sussex County saw a more modest decline of 7%, while Kent was the only county to grow, up to 8% from the previous year. Taken together these trends resulted in a 20% decrease in non-residential building permits across the state.

Table 3: Annual Change in Potential Square Footage

Non-Residential Development Applications
(potential ft^2 in thousands)

County	2023	2024	Change (%)
New Castle	5,780	2,694	**-53%**
Kent	620	953	**54%**
Sussex	658	929	**41%**
Total	**7,058**	**4,511**	**-36%**

Table 4: Annual Change in Square Footage

Non-Residential Building Permits (ft^2 in thousands)

County	2023	2024	Change (%)
New Castle	2,930	2,002	**-32%**
Kent	683	739	**+8%**
Sussex	1,162	1,077	**-7%**
Total	**4,775**	**3,819**	**-20%**

Key Findings

The preceding data represent high-level changes observed over time. The next step is to interpret the data to determine the contributing factors and forecast the societal impacts. The following findings are trends that have persisted in recent years, which all have long-term impacts to local communities and the state's infrastructure spending (**see Figure 7**). For more detailed data, see the online Development Trends Dashboard (link on page 4).

I. Residential Building Permits Increase Statewide

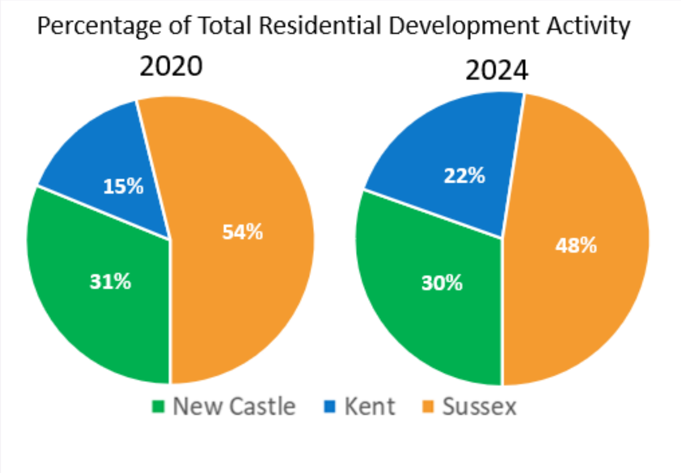
In 2024, there was an 11% increase in new permits issued for residential development, with a total of 7,927 units permitted. For the first time since before the COVID-19 pandemic, the annual number of permits increased in each of the three counties. This growth was fueled primarily through an increase in permits in Level 1 and 2 areas. The proportion of Level 1 and 2 permits issued increased from 61% in 2023 to 65% in 2024, the highest ratio since prior to the COVID-19 pandemic. Meanwhile, the total share of permits issued in Level 3 and 4 areas fell; 16% of permits came from Level 4 areas, representing the smallest annual share for Level 4 in the past five years.

While these trends indicate residential development patterns are beginning to even out across the state, Sussex County still vastly outpaces New Castle and Kent, with 5,080 units permitted in 2024 (64% of the total). Sussex County's permits in Levels 1 and 2 increased by 23% from 2023 to 2024, and Level 4 permits increased by 9% after a modest 2023 decline. New Castle County's growth in permits came from an increase in Level 1 and 2 permits (up 19% for the year), while experiencing a substantial reduction in Level 4 permits from 147 issued in 2023 to just 33 issued in 2024. The number of permits issued in Kent County grew across all investment levels in 2024, with permits issued in Levels 3 and 4 growing by 23% and 36% respectively.

The growth in permits issued across the state reflects a shift in development patterns. While Sussex County's growth continues to account for the most permits issued, growth in New Castle and Kent County indicate that development trends are beginning to level out across the three counties. This is particularly important in the context of Delaware's housing shortage. According to the Delaware State Housing Authority's 2023 Housing Needs Assessment, approximately 50,000 Delaware renters are cost-burdened, and the state will need to create 24,400 new housing units before 2030 to keep up with demand.

Furthermore, while Sussex County's residential trends continue to dominate, when permits and development applications are considered together, Sussex County's 48% share of total residential activity in 2024 represents a decline from previous years (**see Figure 5**).

Figure 5: Residential Development Activity by County



II. Level 4 Applications Decline While Level 3 Applications Soar

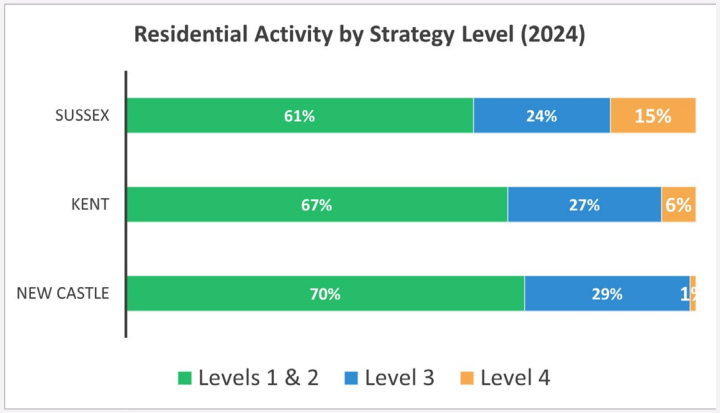
Delaware experienced a substantial increase in residential development applications in Level 3 areas, with 2,528 applications in 2024, more than 2022 and 2023 combined. The total share of Level 3 residential soared from 15% in 2023 to 34% in 2024, by far the highest share of applications in the past 5 years. This is punctuated by 1,198 applications in New Castle County Level 3 areas, up from 0 in 2023, and a 275% increase in Level 3 applications in Kent County. Although Sussex County experienced a 31% reduction in the number of Level 3 applications, the substantial growth in applications in New Castle and Kent Counties brings the state to a 145% increase in Level 3 applications in 2024.

While Level 3 applications have increased statewide, Level 4 applications declined. The state received just 44 applications for residential development in Level 4, down from 831 in 2023. Sussex County, where over 94% of Level 4 residential development applications in Delaware have been filed over the past 5 years, experienced a 95% decline in Level 4 applications in 2024. The decline in applications for Level 4 development represents a reversal of dominant trends since the COVID-19 pandemic.

The shift towards Level 3 likely reflects a combination of various development pressures working in tandem. According to data from the National Association of Home Builders, construction costs for new development rose 9% from 2022 to 2024. Subdivisions in Level 4 areas require substantial infrastructure investments (roads, sewer, etc.) to provide adequate services, representing another added cost for developers. Level 3 sites can often provide similar development opportunities with reduced infrastructure costs due to their closer proximity to existing development, which may be driving more home builders to examine Level 3 sites. Preferences among residents and prospective home buyers in Sussex County may also play a role, as traffic issues exacerbated by new sprawling developments make mobility and roadway safety more difficult.

Figure 6 combines development applications and building permits and groups them by county and investment levels. The graph shows the significant increase in Level 3 residential activity in 2024.

Figure 6: County Residential Activity by Strategy Level



III. Growth in Kent County Accelerates

Kent County saw a growth in development across both residential and non-residential sectors in 2024. Residential applications grew by 22%, and non-residential applications measured in square footage increased by 54%. The county received fewer Level 1 and 2 residential applications in 2024 (8% decrease) but experienced a large increase in Level 3 applications (275% increase from 2023 to 2024). Kent County also experienced a 54% increase in applications for non-residential development measured in square footage, with substantial growth across Level 1 and 2 (51%), Level 3 (169%), and Level 4 (28%). Permit data shares a similar story for Kent County. After a decline from 2022 to 2023, Kent County issued 1,071 residential permits in 2024, an 11% increase. Growth can be observed across all investment levels for residential permits. Finally, Kent County permitted 739,230 square feet of non-residential space in 2024, up 8% from 2023.

While these figures may indicate some encouraging signs for economic growth in the county, the development patterns may introduce land-use and transportation challenges. Kent County has seen an increasing number of residential development applications in Level 3 areas—the 761 applications received in 2024 is substantially higher than the number of applications received in the previous four years combined (461 from 2020-2023). After a decline in Level 4 permits issued in 2023, Level 4 permits increased by 23% (from 159 in 2023 to 196 in 2024). In each of the past five years, more Level 4 residential permits have been issued in Kent County than Level 3 permits. Accompanied with a growth in applications for non-residential development in Level 3 and 4 areas, the increased development pressures in rural and exurban areas of Kent County pose potential risks for agricultural land preservation, increasing traffic volumes, and other resource management challenges.

IV. Non-Residential Development Decreases Statewide

Non-residential development applications declined in 2024 by over 36% statewide, dropping from over 7 million square feet in 2023 to 4.5 million in 2024. The decline was most acutely experienced in New Castle County, with a 55% year-on-year decrease in square footage. Typically, no less than 70% of the non-residential square footage applied for each year falls in New Castle County, but 2024 totals amount to just 58% of the total square footage. Level 3 non-residential development applications plummeted to 0, down from over 1.2 million square feet in 2023. Applications also declined in Level 1 and 2 areas from over 4.5 million square feet to just over 2.6 million square feet. With New Castle County's non-residential data primarily driving statewide trends, this represents the continuation of a five-year trend: non-residential applications in 2024 were less than half of what they were in both 2020 (10.1 million sq ft) and 2022 (9.9 million sq ft). Conversely, Kent and Sussex Counties posted increases, with Kent seeing a 54% jump and Sussex growing 41% from 2023 to 2024.

While non-residential application data serves as a leading indicator, 2024 non-residential permits data tell a similar story. Permits measured in square footage declined by 20% statewide from 2023 to 2024, with most of the decline experienced in New Castle County (down 32% from 2023 to 2024). Despite growth in applications for non-residential development in Sussex County, square footage permitted in 2024 declined by 7%. A modest 8% increase in Kent County was not enough to counteract losses elsewhere. Overall, non-residential permits measured in square footage declined by

57% from 2020-2024, including a 50% decline in Level 1 and 2 areas. This includes a 73% drop in New Castle County. However, both Kent and Sussex have experienced non-residential permit growth over the 5-year period, with a 64% and 4% increase, respectively.

The reduction in non-residential development applications and permits may indicate development challenges in the business environment. However, the decline in activity appears to have allowed for a better coordination of investments into Level 1 and 2 areas overall. Across the state, 92% of the square footage for permitted non-residential development will occur in Levels 1 and 2, which is the highest one-year ratio in the 5-year period. Meanwhile, total square footage permitted in Level 3 and 4 areas has been reduced by over 60% from 2023 to 2024. Across the 5-year period, non-residential development permitted in Level 3 areas has declined by 92%, down from over 1.5 million square feet in 2020 to just 118,182 in 2024. In Sussex County, Level 1 and 2 non-residential permits are up 51% over the 5-year period, accompanied by a 65% reduction in Level 3 areas and a 44% reduction in Level 4 areas.

The increasing decline in 2024 may be attributed to the high interest rates and financing costs, particularly when compared to the low-interest environment of 2020. These high costs may push non-residential developers to look towards lower cost land options in Level 3 and 4 areas, which introduces challenges in the context of resource management and transportation. A continuation of teleworking trends may also play a role, resulting in a reduced need for office space for employers in certain sectors.

Wilmington Riverfront

Figure 7: By the Numbers

State Funding for Services and Infrastructure

Explore the Financial Investments Dashboard [Here](#)

Delaware's State government funds many services and infrastructure needs...

$699,958,000
Federal and state capital transportation funding for FY25

90%
State Roads

$166,128,100
State police personnel and budget for FY25

97%*
State's Largest Police Force

$17,086,654
State paramedic program funding for FY25

30%
Paramedics

Including a variety of support for public education...

90%
Public School Transportation

$180,406,200
School transportation funding for FY25

$200,405,745
Education capital funding for FY25

60-80%
Public School Construction

70%
Public School Operations

$2,157,198,000
Education operating funding for FY25

*In FY25, Sussex County provided $4,601,557 in supplemental funding to DE State Police.

Updating State Strategies

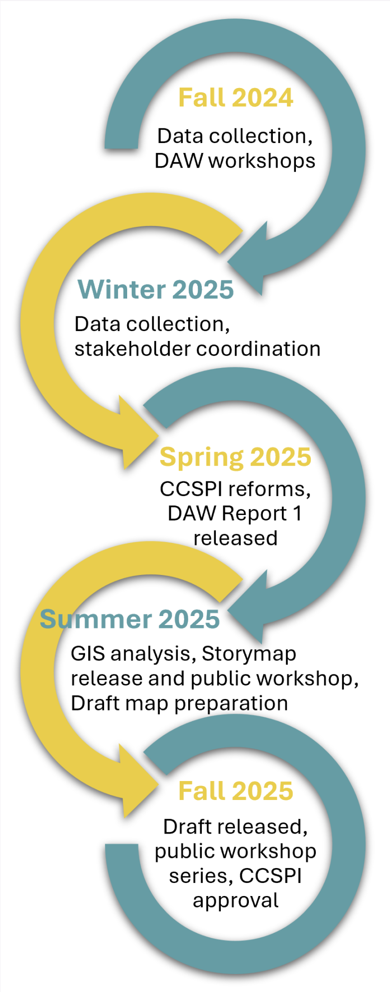
Every 5 years, the State Strategies must be updated. This section summarizes the statewide effort to establish a new benchmark for 2025.

2025 State Strategies

Typically, this annual report focuses on agency accomplishments in implementing the Strategies for State Policies and Spending, simply referred to as the State Strategies. In 2025, under the direction of the Cabinet Committee on State Planning Issues (CCSPI), state agencies' efforts were focused on a full update of the State Strategies Investment Levels and policy document. The update process was an opportunity for agencies to analyze current data, improve data quality and transparency, and reevaluate implementation policies. **Figure 8** shows the basic timeline followed with anticipated adoption in December 2025.

The purpose of the State Strategies is to coordinate land-use decision-making with the provision of infrastructure and services. The CCSPI last adopted the Strategies in 2020 and per code, they must be updated every 5 years (29 Del. C. §9101). The Office of State Planning Coordination (**OSPC**) facilitated stakeholder engagement with the Strategies Implementation Team (SIT) and local government representatives throughout the process.

Figure 8: Strategies Development Timeline



The SIT had monthly meetings for a full year to contribute to the production of the Investment Level Maps and also coordinated agency reviews of policies with their respective Cabinet Secretaries. The CCSPI and OSPC would like to thank the following agencies for participating in this process:

- **Department of Agriculture (DDA)**
- **Department of Education (DOE)**
- **Department of Health and Social Services (DHSS)**
- **Delaware State Housing Authority (DSHA)**
- **Department of Natural Resources and Environmental Control (DNREC)**
- **Department of Safety and Homeland Security (DSHS), including the Delaware Emergency Management Agency (DEMA)**
- **Department of State (DOS), including the Division of Historical and Cultural Affairs (DHCA) and the Division of Small Business (DSB)**
- **Department of Transportation (DelDOT)**

Local government feedback was gathered initially through the Data Analysis Workgroup (DAW) and then through a series of local government workshops in the summer of 2025:

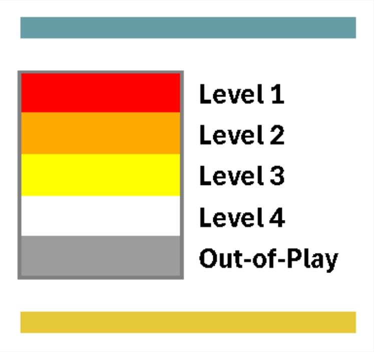
- County workshops held August 26, 2025, August 29, 2025, and September 3, 2025.
- Municipality workshops held September 2, 2025, and September 4, 2025.

All feedback was incorporated into the draft document and maps and released to the public on September 10, 2025. A series of 3 public workshops was held on the following dates and a 30-day public comment period was open until October 10, 2025.

- September 17, 2025 - Kent County and hybrid
- September 24, 2025 – New Castle County
- September 30, 2025 – Sussex County

All information about the 2025 State Strategies update can be found on the website highlighted in the green box below. **Figure 9** shows the color key used in previous versions of State Strategies and continue for 2025.

Figure 9: Strategies Development Timeline



Explore the 2025 State Strategies

strategies.stateplanning.delaware.gov

Going forward, state agencies will measure their State Strategies Implementation progress using the new benchmark the 2025 update provides. Next year's report will return to a focus on implementation.

Framework Statements

To guide implementation, the 2025 State Strategies debuts the following framework statements. The CCSPI and state agencies will use them to guide investment decisions.

DELAWARE
STATE STRATEGIES

Smart Growth:

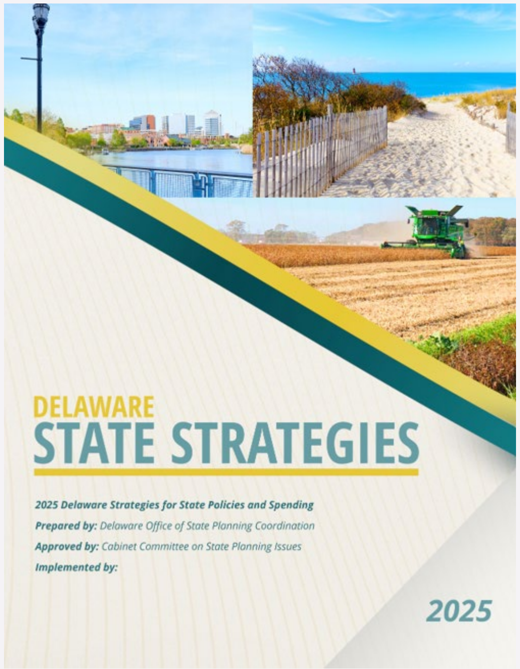
- **Efficient Spending.**
- **Affordable Housing.**
- **Climate Resiliency.**
- **Land Conservation.**
- **Economic Development.**

Agency Policy Coordination

A critical part of the State Strategies update was a reevaluation of agency-specific implementation policies. A new policy table format was used to better organize information by agency. Review the State Strategies document to view policy tables from all 10 contributing state agencies.

Also new in 2025, OSPC worked with DelDOT to develop new procedures to aid decision-making when a parcel(s) is covered by more than one investment level. See the "Determining the Investment Level for Individual Parcels" section in the document.

Read the State Strategies Policy Document



The Cabinet Committee in Action

The Cabinet Committee on State Planning Issues (CCSPI) acts in an advisory role to the Governor. The following is a summary of actions taken over the past year and a preview of the year ahead.

Meetings

The CCSPI meets whenever there are state planning issues to review and/or actions to take. Between August 2024 and August 2025, the Cabinet Committee met five times.

August 27, 2024

October 1, 2024

May 9, 2025

June 9, 2025

August 11, 2025

Actions

During their meetings, the Cabinet Committee discussed and approved its 2024 Annual Report on State Planning Issues, formed the Data Analysis Workgroup, granted a comprehensive plan deadline extension and Downtown Development District (DDD) boundary expansion for the City of Harrington, and approved DDD five-year renewals for the City of Wilmington and the City of Seaford. At its June 9, 2025 meeting, the CCSPI approved "Report 1" of the Data Analysis Workgroup (details follow), approved the public release of the State Strategies Data Storymap, and heard a presentation from the community group Rethinking Delaware.

In addition, over several meetings the CCSPI advised the Office of State Planning Coordination (OSPC) during the development of the 2025 Strategies for State Policies and Spending (State Strategies). The CCSPI anticipates recommending the adoption of the 2025 State Strategies in November 2025.

Data Analysis Workgroup (DAW)

Formed at the August 27, 2024 CCSPI meeting, the purpose of the Workgroup is to compile and analyze land-use, environmental, demographic, and infrastructure trends data to facilitate targeted discussions with local governments. Membership consists of representatives from the Department of Transportation (DelDOT), the Delaware

Forest Service, the Delaware State Housing Authority (DSHA), and the Delaware Population Consortium (DPC).

From August 2024 through December 2024, the Workgroup hosted a workshop series titled, "Building Collaborative Perspectives on Growth and Development," to engage with key stakeholders to communicate the state's understanding of growth trends and emphasize the anticipated impacts to our infrastructure spending. Stakeholders provided feedback on the data and insight into their growth plans. These workshops helped shape the 2025 State Strategies update. The Workgroup summarized and synthesized the stakeholder workshops and published "Report 1," which was presented to and approved by the CCSPI.

Governor Meyer's Cabinet Committee

Since taking Office in January, Governor Meyer has prioritized a range of land-use issues. And in March, he reestablished the CCSPI to ensure that the Administration would be attentive to land-use priorities and well-positioned to work constructively with local jurisdictions.

Governor Meyer has charged the CCSPI to look inward and identify opportunities for improvement in three areas:

1) Process, evaluating efficiencies and clarity across the Preliminary Land Use Service (PLUS) process and agency-specific permitting processes
2) Investments, ensuring consensus and alignment across agency policies and project plans, and identifying the effectiveness of state incentive mechanisms
3) Engagement, with local jurisdictions including improved understanding of how state agency policies may be incorporated in local land use rules and zoning codes.

CCSPI Policy Statement

As part of the 2025 State Strategies update, the CCSPI anticipates adopting the following policy statement to help align individual state agency policies and guide the implementation of State Strategies. This statement is considered draft until the adoption of the 2025 State Strategies via executive order.

"The Cabinet Committee on State Planning Issues (CCSPI) adopts the 2025 Strategies for State Policies and Spending as its policy guide. The CCSPI encourages state agencies to implement the policies contained herein through daily business practices. It also encourages local governments to maintain a steadfast commitment to their comprehensive plans and respect the link between them and State Strategies. This will ensure a shared path towards success."

CCSPI in 2026

The CCSPI has been productive in 2025, adding local government review meetings as a formal component of the State Strategies update process; allowing space for non-government organizations to present during CCSPI meetings, and collaborating with the DAW to coordinate data sets and pinpoint opportunities for strategic analysis and visualization. The CCSPI will build on this and focus its 2026 activities to evaluate state programs and tools designed to incentivize growth in Investment Levels 1 & 2; assist local governments to adhere to approved comprehensive plans; and implement process improvements to achieve housing development priorities.

Learn more about the CCSPI:

stateplanning.delaware.gov/ccspi

Wilmington Riverfront Pathway

OSPC Support Activities

Christina Landing, Wilmington

Data & Demographics

Delaware's population continues to age, net migration continues to rise, and housing costs continue to outpace household incomes.

Census State Data Center

The Office of State Planning Coordination (OSPC) is the Governor's liaison to the U.S. Census Bureau and disseminates Census communications to the State Data Center network, supports Census workshops for the Affiliates Network, and responds to public inquiries. Due to funding cuts at the federal level, Census webinars have been difficult to schedule this past year. However, OSPC kept the Affiliates Network informed through updates about the American Housing Survey and the findings of Delaware's Affordable Housing Production Task Force. Another information session with the Department of Labor is planned by the end of 2025. Also, OSPC staff were fortunate to attend the State Data Center Annual Training Conference again.

Population Consortium

The Delaware Population Consortium (DPC) is the state authority for demographic and population projections. These projections are vital to effective land-use planning, economic development, education planning, and other state functions.

The 2024 DPC projections show the population increasing to 1,171,796 persons by 2050, though the rate of growth is slowing. The number of deaths will continue to outpace the number of births at a higher rate and the only population growth will be from migration (**see Figure 10**).

GIS Initiatives

The availability of Geographic Information Systems (GIS) data is key to successful long-range planning. In July 2025, OSPC awarded a contract for multi-year aerial imagery (6-inch leaf-off), and land-use land-cover (LULC) data to begin in 2026. The contract has an option to extend for 2028 and 2030 acquisitions and has a buy-up option for potential oblique imagery acquisition.

To better manage the state's GIS data, the Statewide Land Inventory Management (SLIM) system was released in beta form in early 2025. OSPC will continue testing and refining SLIM through 2026.

Delaware Census State Data Center:

https://census.delaware.gov/pages/state-data-center

Figure 10: By the Numbers

Delaware Demographics and Housing

Sources: American Community Survey, Delaware Association of Realtors, Delaware Population Consortium

Housing costs are rising as Delaware's population ages and becomes more diverse.

Between 2014 and 2024…

↑61% in median home value

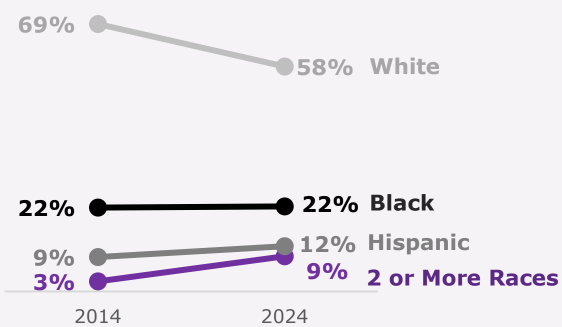
vs

↑47% in median household income

Delaware's rising housing costs outpaced household incomes.

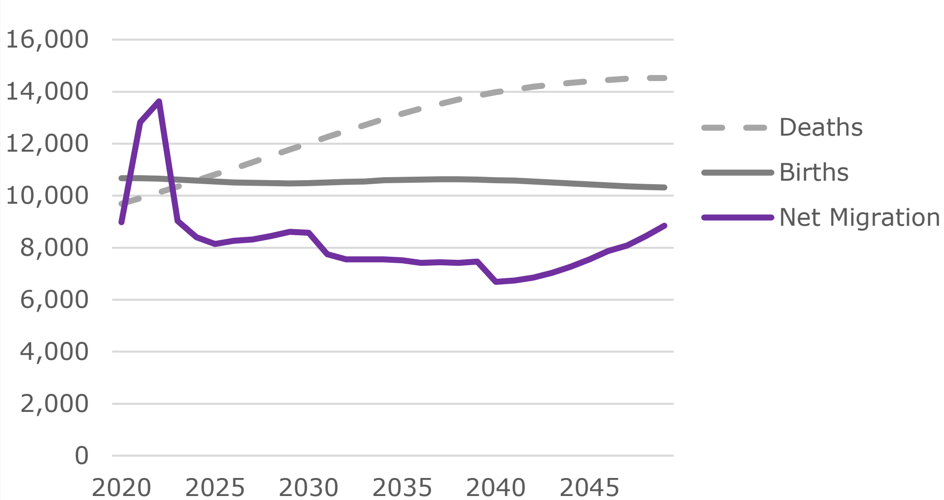
Delaware's 65+ population increased from 16% **to 22%.**

Delaware's Population by Race

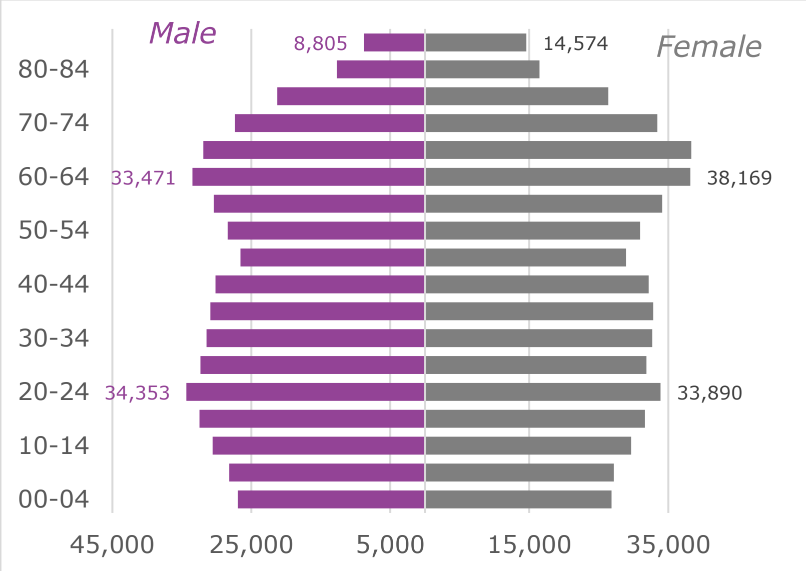


Delaware's population is aging, and net migration is on the rise.

Factors in Population Change



2024 Population Distribution by Age and Sex



Land-Use Coordination

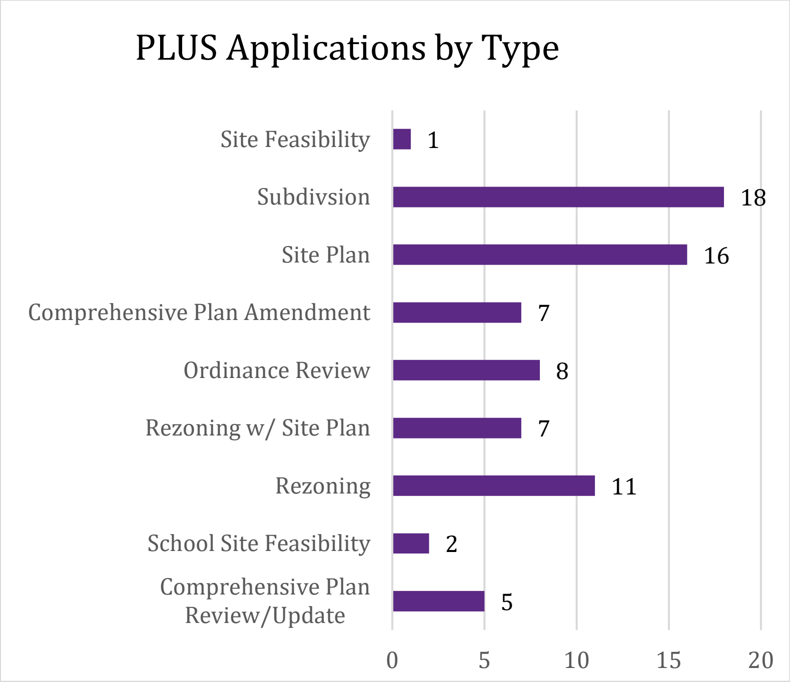
The following is a summary of land-use planning activities, annexations, and Downtown Development District investments this past year.

Preliminary Land-Use Service (PLUS)

The PLUS process allows property developers to participate in a state-agency review process to receive feedback on any unforeseen issues. This process is intended to shorten the time that projects are in the planning phase by resolving any issues before the project proceeds to the local jurisdiction for review and approval. Through the PLUS process, comprehensive plan updates and amendments are also reviewed. Between July 1, 2024, and June 30, 2025, a total of **75 PLUS applications** were reviewed. These applications included comprehensive plan reviews, updates, and amendments, rezoning requests, site plans, and subdivision plans. **See Figure 11** for the numbers of applications by type.

A two-year comparison of PLUS applications by type between FY25 and FY24 shows annual variations in development activity (**see Figure 12**). The most notable change was a drop in Subdivision and Site Plan applications from FY24 to FY25. Also, the only application categories with FY25 increases are Rezoning and Comp Plan Review/Update.

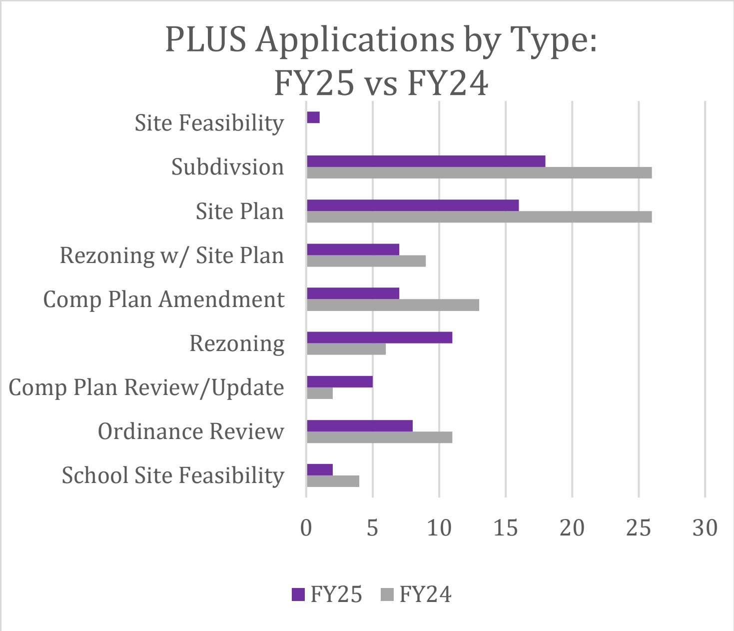
Figure 11: Fiscal Year 2025 PLUS Applications by Type



In addition to routine PLUS program management, the Office of State Planning Coordination (OSPC) completed a service efficiency evaluation with the Government Efficiency and Accountability Review (GEAR) team. Part of Governor Meyer's goal to streamline permitting and enhance customer outcomes, the service evaluation yielded immediate PLUS program improvements that were implemented in the summer of 2025. The following list and **Figure 13** describe the PLUS improvements to date.

- To improve the depth and quality of state agency comments, the internal review period was extended by 5 days and the PLUS meeting schedule was extended by 1 week.
- To better meets the needs of developers and local governments, agency comments are due to OSPC within 7 working days of the PLUS meeting.
- This **results in a reduction of applicants' review time**, often close to one week.

Figure 12: Two-Year Comparison of PLUS Applications



Municipal Annexations

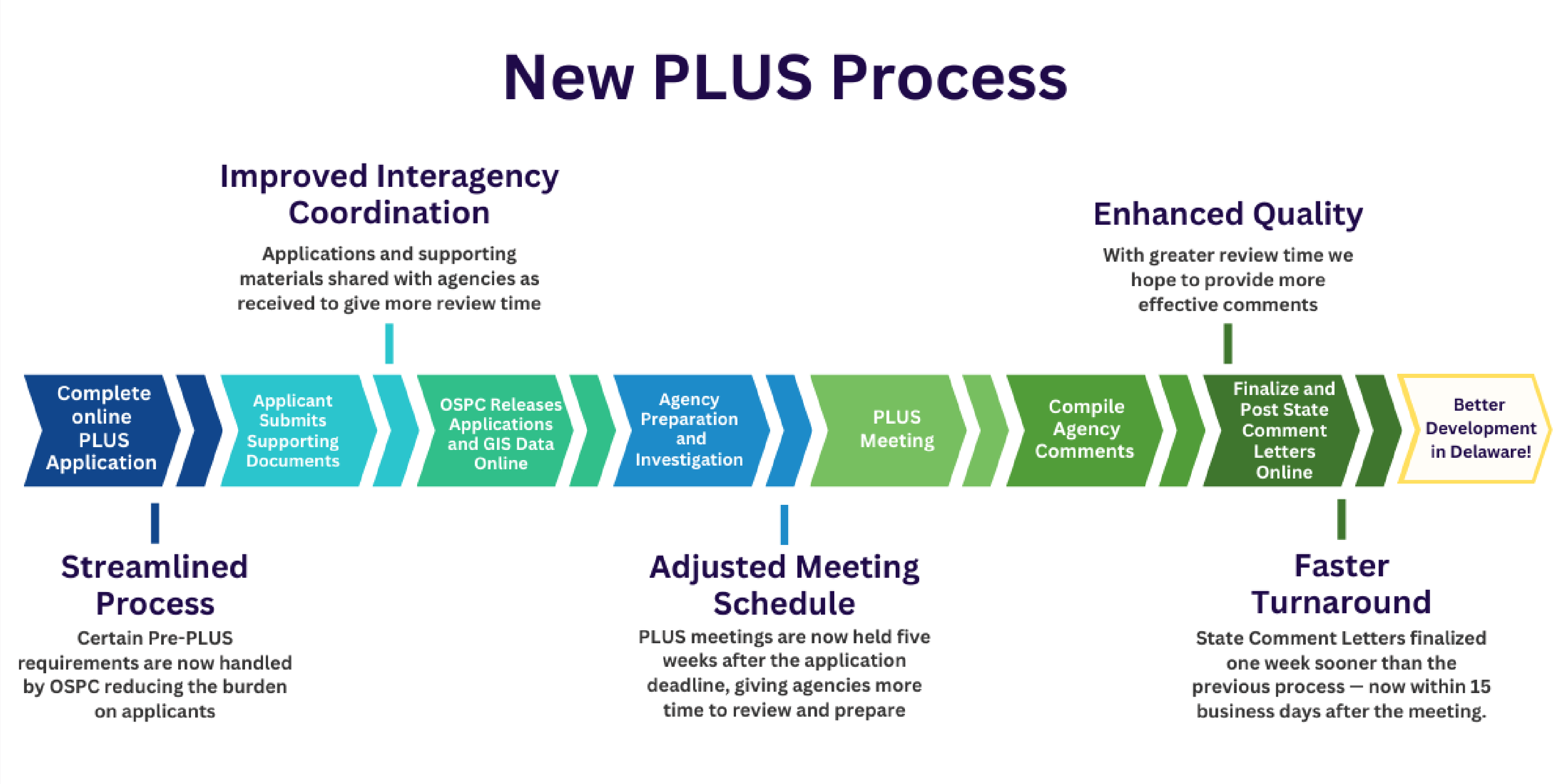
Per Delaware Code (22 Del. C. §101), all annexations must be consistent with the most recently adopted comprehensive plan, be depicted as future annexation areas within that plan, and must be rezoned by ordinance to classifications consistent with the comprehensive plan or development strategy. Annexation plans help municipalities examine the impact of development in annexation areas.

Cities and towns are also required to prepare a Municipal Annexation Plan of Services for all annexations. The plan demonstrates how services are to be provided and the operating and financial capabilities necessary to support them. The Plan of Services collects property and land-use data and information about needed utility and public safety services. Between July 1, 2024, and June 30, 2025, OSPC processed 19 annexation Plan of Services applications totaling 408 acres of land proposed for annexation. Of those, **5 applications equaling 308 acres have been formally annexed**. The remaining applications are still in process.

Local Government Comprehensive Plans

Throughout the past year, Governor Meyer certified one municipal comprehensive plan from the **Town of Bethel**. Per Delaware Code (22 Del. C. §702 and 9 Del. C. c. 26, c. 49, c. 69), all local jurisdictions are required to review their comprehensive plans every 5 years and complete a full update and recertification every 10 years.

Figure 13: PLUS Process Improvements to Date



Looking ahead, OSPC is currently working with 7 municipalities in the 10-year plan update process. OSPC is also working with 16 municipalities in the 5-year review process to determine if their current plans are still applicable or if changes are needed before the next 10-year update.

Local governments are also required to monitor their implementation progress and document that in an annual report to OSPC.

To date, 37 municipalities and all 3 counties submitted comprehensive plan annual reports. Of those jurisdictions, 4 have noted that plan amendments may be needed at this time, 15 are working on or have recently updated their ordinances or zoning code, 14 municipalities are considering bike and/or pedestrian walkway plans or trails, and 8 are actively working on parkland or playgrounds within their town. Twelve municipalities have designated Downtown Development Districts (DDD) and several are working with the Department of Transportation (DelDOT) on Transportation Improvement Districts (TIDs).

In addition, 19 local jurisdictions have identified issues that could benefit from technical assistance from OSPC. The requested assistance ranges from help with comprehensive plan amendments and zoning ordinances to identifying funding sources for projects.

Highlights from this year's reports:

Bethel completed a full update of their comprehensive plan, which was certified on April 1, 2025.

Clayton completed Phase II of its Capital Improvement Program (CIP) for sewer upgrades and received a grant for engineering of a shared-use pathway along Bassett Street.

Delaware City continues to work with the Delaware Emergency Management Agency (DEMA) to identify and mitigate flooding. In addition, the city finalized the sale of their water system to private company Artesian.

Dewey Beach approved an ordinance to increase freeboard from 1 foot to 2 feet to improve climate resiliency. The town also began construction on the new police station, town hall, and emergency medical services (EMS) building.

Elsmere completed a revitalization project for its park and playground.

Georgetown is working to adopt an ordinance to allow tiny homes. The first project has been identified and approved, pending the approval of the ordinance.

Harrington's 2025 comprehensive plan is nearing certification, and the city is working to renew their Downtown Development District (DDD) designation.

Hartly has established its first local police department.

Millsboro wishes to establish a Downtown Development District (DDD) managed by the town to encourage developer investment in its downtown.

Odessa is working on a repaving project with funds received through the Community Transportation Fund (CTF). The town also updated its ordinances related to marijuana establishments.

Comprehensive plans for the 3 counties and municipalities with populations greater than 2,000 persons, that are updated after November 15, 2026, will be required to incorporate climate change and resiliency considerations. This is due to the passage of Senate Bill 237 (152nd General Assembly) in June of 2024. In 2026, OSPC will publish guidance for applicable local governments to help them achieve compliance with the new requirements. This will be accomplished in close consultation with the Department of Natural Resources and Environmental Control (DNREC), and in compliance with the 2025 Climate Action Plan (to be adopted late 2025).

Downtown Development Districts

Since 2014, the Downtown Development District (DDD) program has revitalized downtowns by providing incentives for a variety of projects (**see Table 5**). OSPC works closely with the Delaware State Housing Authority (DSHA) to implement the program, which spurs private capital investments, stimulates job growth, increases housing opportunities, and improves the vitality of neighborhoods.

The primary incentive is the state's DDD Rebate Program, which is administered by DSHA and provides up to 20% of eligible construction or redevelopment costs (**see Figure 14**). In addition, our local government partners have provided investors with a variety of local incentives, such as tax abatements, permit fee waivers, impact fee waivers or reductions, business license fee waivers, and other financial incentives. They have also provided expedited processing and direct assistance that have value difficult to calculate in monetary terms.

In 2025, the DDD program celebrated its 10-year anniversary with press conferences in each of the three original districts, Wilmington, Dover, and Seaford. Since 2015, Delaware's investment in the DDD program has facilitated downtown revitalization with the completion of 495 projects (410 small and 85 large) that together used $47 million in state funds to leverage $693 million in private investment. In addition, there are 30 large projects that are still under construction.

Table 5: Designated Downtown Development Districts

There are **12 DDDs**, listed by their year of designation:

2015	2016	2019
Wilmington	**Smyrna**	**New Castle**
Dover	**Harrington**	**Delaware City**
Seaford	**Milford**	**Middletown**
	Georgetown	**Clayton**
	Laurel	

The 5 districts that were designated in 2016, Smyrna, Harrington, Milford, Georgetown, and Laurel, are expiring in 2026 and must complete 5-year renewal applications. OSPC and DSHA are coordinating to review the incoming applications, which are due by February 1, 2026.

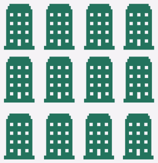
Visit the DDD Story Map:
https://bit.ly/2tDoWmI

Figure 14: By the Numbers

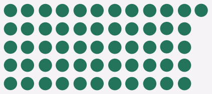
Downtown Development Districts

In FY25, the Downtown Development Districts (DDD) program sponsored...

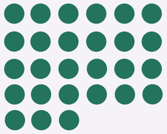
12
Designated Districts



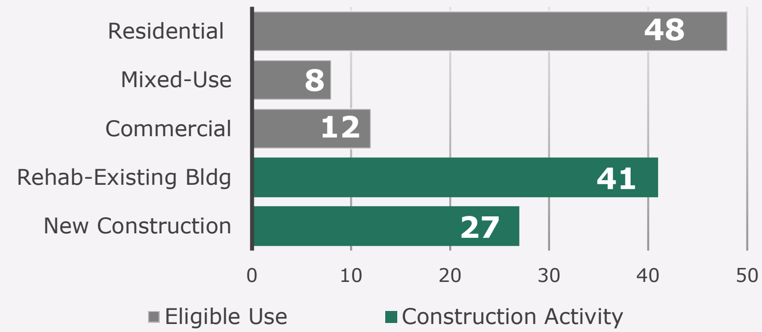
56
Small Projects



27*
Large Projects

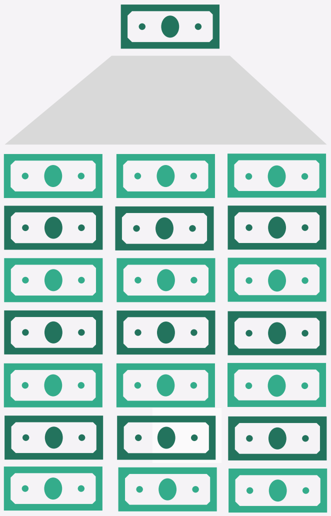


Eligible Use and Construction Activity



In FY25, the DDD program leveraged state funds for private investments...

$1
State Funds
=
$21
Private Investments



$13.6** million
in DDD funds
leveraged
$292** million
in private investments.

*Includes 12 rebated large projects + 15 reserved large projects in FY25

**Includes funds rebated and reserved in FY25

Recommendations

Port of Wilmington
Seaford River Walk looking east

Recommendations

This section summarizes the key challenges our state faces and presents recommendations to guide the work of the CCSPI, agency staff, and their partners in meeting these challenges.

Recommendations for Consideration

To help Delaware meet its state planning challenges and continue the implementation of State Strategies, agency staff and Cabinet Committee on State Planning Issues (CCSPI) members developed the following set of recommendations. The intent is not to implement all of them over the next 12 months, but rather to maintain an ongoing set of recommendations that can be monitored and adjusted each year. The CCSPI can work with the Strategies Implementation Team (SIT) to prioritize these recommendations and integrate them into the work programs of the individual agencies.

Challenges and Recommendations

1. Demographic Projections

Demographic data forecasts from the Delaware Population Consortium (DPC) are required for planning and policy purposes (29 Del. C. §9152). DPC requires consulting services to prepare the annual figures. The current arrangement with the University of Delaware is informal and funding is unpredictable. Ancillary products are also important, such as school enrollment projections needed to satisfy the requirements of 9 Del. C. §2656, §4956, and §6956.

1a. Continuity of Demographic Data

Work with the Delaware Population Consortium (DPC) members to develop a sustainable plan for funding and contractual services to produce the annual data. In addition, develop a reliable and consistent process for obtaining and interpreting school enrollment projections for use in the education element of county comprehensive plans, per 9 Del. C. §2656, §4956, and §6956. *Sources: DOE, OSPC, DelDOT*

2. Emerging Land-Use Compatibility

Emerging technological and societal trends can create land-use conflicts between existing and new uses. For example, the demand for renewable energy, such as solar and wind, will increase as the Climate Action Plan is implemented and sometimes projects are met with opposition from agricultural landowners. Also, freight truck traffic is often undesirable in local communities even though the warehousing and distribution building trend will likely continue.

2a. Renewable Energy and Agriculture

Develop policy guidance and provide planning assistance to local governments for the siting of renewable energy facilities, such as solar and wind, to ensure compatibility with agricultural land-uses. Co-location of compatible uses and reuse of brownfields is encouraged. *Source: DDA, DNREC*

2b. Freight as a Good Neighbor

Consider providing planning assistance for local governments to integrate elements of the Delaware State Freight Plan into their comprehensive plans to prepare for and attract freight activity on appropriate routes. *Source: DelDOT*

3. Housing Development Practices

Local land-use practices and real estate market forces are continuing the boom in single-family housing development, which frequently occurs in Level 4 areas where conservation should be encouraged. These practices make it difficult to meet conservation and climate goals, strain the state's infrastructure budgets, and are often incompatible with fair housing goals, which limits the availability of diverse housing options at lower price points. Contributing factors include, but are not limited to:

- Affordable housing developments often face strong community opposition.
- The predominant residential zoning is single-family homes, which limits housing options and creates barriers for some.
- Housing at lower price points is often not located near opportunities, such as jobs and high-performing schools.

3a. The Cost of Development Decisions

Develop new methods for calculating the long-term costs of providing state services for land-use actions that are inconsistent with State Strategies. Evaluate the quality-of-life and climate change impacts of disconnected Level 4 land uses. These figures would help agency leaders make policy decisions. *Sources: DelDOT, DNREC*

3b. Governance of Housing Supply

Review Delaware State laws and regulations that affect the local governance of housing supply in comparison to similar states that have addressed housing challenges and consider potential policy changes to help meet Delaware's fair housing goals. *Source: DSHA*

3c. Local Reform of Housing Policies

Throughout the development and implementation of local comprehensive plans, consider additional technical and financial support for communities to implement zoning changes that lead to more diverse housing options and monitor the implementation of these plans to track the percentage of affordable housing over time. *Source: DSHA*

3d. Incentives for Favorable Development

Consider the creation of additional incentives from Cabinet agencies for any residential development project that is consistent with State Strategies and increases the diversity of housing supply. *Source: DSHA*

4. Economic Opportunities and Barriers

There are multiple State programs and incentives encouraging economic development; there are also infrastructure needs and criteria that most new businesses rely upon. In addition, there are sometimes barriers for small businesses to redevelop or reuse brownfield or grayfield sites in developed areas where infrastructure already exists. These sites are consistent with State Strategies and prepared for growth.

Tools for combining this information are needed to reduce barriers and highlight opportunities for sites that are ready for growth.

4a. Ready in Delaware

Develop a consolidated map of site characteristics and available incentives for a one-stop shop approach. In addition, consider new financial incentives for development that is consistent with State Strategies investment levels, such as higher incentives in Levels 1 and 2. *Sources: DSB, OSPC, DNREC*

4b. Reuse of Brownfields and Grayfields

Consider new methods to identify and promote the redevelopment and/or reuse of underutilized or abandoned lands in developed areas, such as brownfields or grayfields. *Source: DSB, DNREC*

4c. Utilization of Rail Infrastructure

Consider potential incentives for local governments to rezone properties adjacent to rail lines to industrial and/or commercial zones, based on the recommendations of the Dover Kent MPO Rail Land-Use Study. *Source: OSPC*

5. Infrastructure for Health, Safety, and Welfare in Rural Areas

State infrastructure investments for health, safety, and welfare in rural Level 4 areas could inadvertently spur development interest in surrounding lands. This infrastructure is usually not designed for additional growth and would require significant capital investments for upgrades if development does occur.

5a. Manage Investment Impacts

Consider potential actions to ensure that State infrastructure investments for health, safety, and welfare in rural Level 4 areas are consistent with State Strategies and do not accommodate more intense development of the surrounding land uses. *Source: OSPC*

5b. Preserving Vital Transportation Corridors

Consider coordination of multiple agency funding sources to successfully manage access along State Route 1 (SR1) per DelDOT's updated Corridor Capacity Preservation Program transportation plan for SR1 to prevent more intense development of the surrounding properties. *Source: DelDOT, OSPC*

6. Healthy Community Resources

Many Delawareans do not have access to community resources that contribute to improved health, such as locally grown food, natural areas with adequate tree cover, and safe bike and pedestrian facilities.

6a. Local Food Programs

Develop policy guidance and provide planning assistance for local jurisdictions to create local food systems. Programs could encourage in-fill development, redevelopment, and adaptive reuse in Level 1 and 2 areas. *Source: DDA*

6b. Urban Forestry Programs

Develop policy guidance and provide planning assistance for local jurisdictions to create urban forestry programs. They could encourage in-fill development, redevelopment, and adaptive reuse in Level 1 and 2 areas. *Source: DDA*

6c. Walkable and Bikeable Communities

Consider improvements to the coordination of policymaking and infrastructure investments in safe bike and pedestrian facilities that provide active transportation in developed areas. *Source: DNREC*

7. Clean Energy Transition Assistance

The Climate Action Plan outlines strategies for Delaware to meet its climate change challenges. Local governments have a large role to play in implementing the plan and must be prepared for emerging trends in transportation and energy.

7a. Local Resiliency Planning

Support local government efforts to plan for the impacts of climate change, such as planning assistance for resiliency plans, sustainability plans, and providing guidance to ensure comprehensive plans address climate change. *Source: DNREC*

7b. Reducing Emissions from Transportation

Develop policy guidance and provide planning assistance for local governments to transition to electric vehicle fleets and provide public and residential vehicle charging. Provide education and best practices for the implementation of 22 Del. C. §119, which requires municipalities with more than

30,000 persons to develop a permitting process for residential curbside charging. *Source: DNREC, DelDOT*

7c. Energy Building Codes

Develop best practices and educational resources for local governments to implement updated energy building codes. *Source: DNREC*

8. Meeting all Challenges

These recommendations could help Delaware meet all the challenges presented in this report.

8a. Enhancements to CCSPI

The Cabinet Committee on State Planning Issues (CCSPI) is comprised of Cabinet agency leaders, but not all agencies are official members. Evaluate the responsibilities and membership of the CCSPI to determine if changes would be beneficial. *Source: OSPC*

8b. Comprehensive Plan Amendment Process

Review the comprehensive plan amendment process and consider improvements to clarify the actions of the CCSPI, reduce potential conflicts with local jurisdictions, and make the process more transparent and efficient. *Source: OSPC*

Business on West 9th Street, Wilmington