



2023 Annual Report on
State Planning Issues

*Prepared for Governor Carney and the 152nd Delaware General Assembly
Prepared by the Cabinet Committee on State Planning Issues*

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Governor John Carney

Cabinet Committee on State Planning Issues (CCSPI)

Secretary Michael Scuse, Chair, Department of Agriculture

Secretary Nicole Majeski, Department of Transportation

Secretary Shawn Garvin, Department of Natural Resources and Environmental Control

Secretary Nathaniel McQueen, Jr., Department of Safety and Homeland Security

Director David Edgell, Office of State Planning Coordination

Director Eugene Young, Delaware State Housing Authority

Director Regina Mitchell, Division of Small Business

State Agency Staff

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

Jimmy Kroon — Department of Agriculture

Jennifer Carlson, Kim Klein, Jamie Mack — Department of Education

Kim Ritter — Department of Health and Social Services

Karen Horton — State Housing Authority

Clare Quinlan — Department of Natural Resources and Environmental Control

Patty Cannon — Division of Small Business

Wendy Hudson — Department of Safety and Homeland Security

Pam Steinebach, Cooper Bowers — Department of Transportation

Gwen Davis — Historical & Cultural Affairs

Carla Cassell-Carter, Kylie Taylor — Office of Management and Budget

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Office of State Planning Coordination (OSPC)

David Edgell, AICP; Tricia Arndt, AICP; Ayesha Bilal; Samantha Bulkilvish, AICP; Temple Carter; Dorothy Morris, AICP; Joshua Thomas, AICP; and Jason Vogl

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Introduction

The Office of State Planning Coordination (OSPC) presents this report on behalf of the Cabinet Committee on State Planning Issues (CCSPI).

Smyrna's cherished small town character was challenged in the early 2000s after the completion of Route 1. The new limited-access highway suddenly made the Smyrna area easily accessible to the jobs in northern Delaware. Land developers responded by proposing housing developments and shopping centers. Throughout this time the community struggled to envision their future. How could they maintain their identity while accommodating the new development?

The cover picture shows part of the area Smyrna annexed south of the historic town, an area they planned to meet the needs of the growing community. Developers proposed, and the town approved, a wide variety of housing units of nearly every conceivable market segment. If you look closely, you will see single-family detached homes, large and small, townhouses, duplexes, and apartments. Hard to see in this view, but very near-by, are also manufactured housing units and a 55 and older residential community as well as medical offices and commercial shopping centers. In the center is Smyrna School District's Sunnyside Elementary School. The school was built in the middle of these new neighborhoods on land donated by a developer. Twenty years later this area has matured and reflects the vision of the town leaders at the

time – an inclusive community with a variety of housing options and a mix of services and institutions.

This is not just a nice story about planning in one of Delaware's oldest towns. Later in this report you will see a section titled "Delaware is Home." It describes the present challenges facing Delaware's housing market, an unsustainable mismatch between housing supply, housing prices, demographics, and incomes. Housing affordability is no longer just an issue for the lowest of incomes, it is affecting many Delawareans. The building industry is producing plenty of houses, but too many of them are expensive homes for the resort and retirement markets. As a result, households with higher incomes, even those above the median, are unable to afford a home. What is the solution? There are many answers to that question, but it may be helpful to look at the decisions Smyrna made over twenty years ago about the future of their community. Some of the answers may be on the cover photo – a variety of housing styles and market segments located around community services and facilities. If Smyrna can do it, the other municipalities and counties can certainly rise to meet the housing challenges that Delawareans now face. Thank you for your interest in planning Delaware's future.

*- David Edgell
Director, OSPC*

State Strategies Implementation



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

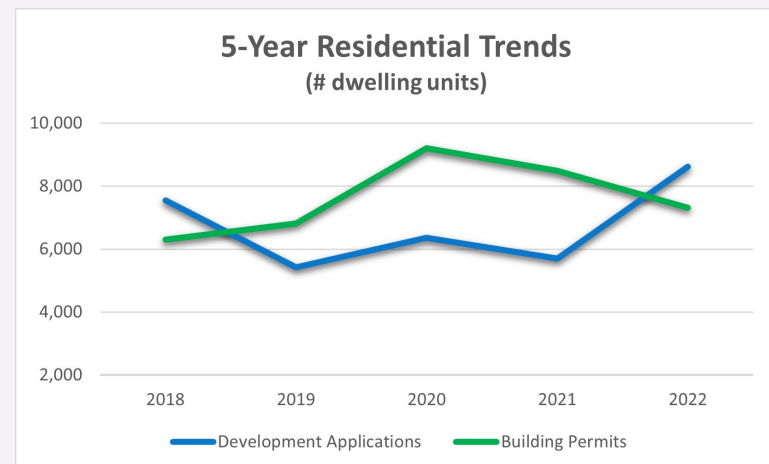
Growth management in Delaware is a collaborative effort between the state and all 60 local jurisdictions. Every year, local governments collect building permit and development application data and submit them to the Office of State Planning Coordination (OSPC) for analysis. Residential and non-residential 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.

This year, OSPC took the analysis a step further by adding a comparison of single-family versus multi-family housing. This is only a snapshot of the types of homes being built to gain insight into Delaware's housing supply. Later in this report, these data will be further examined to show where the homes are being built, to discuss housing needs, and to present strategies to ensure the housing market is meeting the needs of residents.

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 2018, residential development has been increasing, but has fluctuated from year to year, with 2022 outpacing 2018. (see Figure 1). After notable upticks in applications and permits from 2019 to 2020, coinciding with the pandemic housing boom, the number of permits has steadily been declining. However, development applications declined from 2020 to 2021 but increased by 51% in 2022.

Figure 1: Total Dwelling Units Over 5 Years



County-specific development approval data show significant variations among the three counties (see Table 1). New Castle and Kent Counties both experienced a significant decline in applications while Sussex County more than doubled, with a one-year 101% increase. This represents the highest level of developer speculation in the Sussex County residential market since 2008. This large number of applications is solely responsible for the 51% statewide increase. The 7,676 potential units in Sussex are 89% of the 8,617 statewide total in 2022.

Table 1: Annual Change in Potential Dwelling Units

Residential Development Applications (# potential units)			
County	2021	2022	Change (%)
New Castle	1,450	668	-54%
Kent	421	273	-35%
Sussex	3,822	7,676	+101%
Total	5,693	8,617	+51%

Building permit data also show variations among the counties (see Table 2). Sussex County units stayed relatively level with a moderate one-year 9% decrease. Despite this decrease, 65% of all residential permits in 2022 were in Sussex, the highest in over 5 years. Kent County also stayed relatively level with a moderate one-year 10% increase. New Castle County experienced a sharp one-year decline with 1,439 units (35% decrease), which is below its 5-year average of 1,784 units.

Table 2: Annual Change in Dwelling Units

Residential Building Permits (# units)			
County	2021	2022	Change (%)
New Castle	2,221	1,439	-35%
Kent	1,008	1,104	+10%
Sussex	5,256	4,772	-9%
Total	8,485	7,315	-14%

The 5-year total of statewide building permits (2018 – 2022) is 38,159 units, of which 8,412 were multi-family units (28% of total). County data again show variations in the breakdown of units by housing type (see Table 3). For this analysis, a housing unit is considered multi-family if two or more building permits were approved on the same tax parcel. This included apartments, condominiums, and manufactured homes in land-lease communities. Sussex County is close to the state’s percentage of multi-family homes and New Castle County beats it by 16 percentage points. Kent County is the lowest at 6%, which could be considered a concerning figure, as multi-family homes are often affordable choices.

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

Table 3: Single-Family vs. Multi-Family Homes

2018–2022 Residential Building Permits by Type (# units)			
County	Single-Family	Multi-Family	% Multi
New Castle	6,195	2,724	44%
Kent	5,391	302	6%
Sussex	18,161	5,386	30%
Total	29,747	8,412	28%

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 2018, non-residential development statewide has been highly variable (see Figure 2). From 2018 – 2020, there was a sharp increase in non-residential activity. In 2021, the square footage dropped drastically but remained historically high. In 2022, development applications jumped back up to their 5-year highs again. Examined in more detail below, most of this increase was due to large facilities in New Castle County.

County-specific development approval data continue to show that New Castle County has the majority of potential square footage for non-residential projects (see Table 4). From 2021 – 2022, the number for New Castle almost doubled (90% increase). With an increase of nearly 4 million square feet, New Castle represents roughly 91% of the one-year

increase statewide and approximately 84% of the total statewide number. Also notable, all 3 counties increased this year. Kent County and Sussex County followed a similar pattern with significant increases that are in line with their 5-year averages.

Figure 2: Total Square Footage Over 5 Years

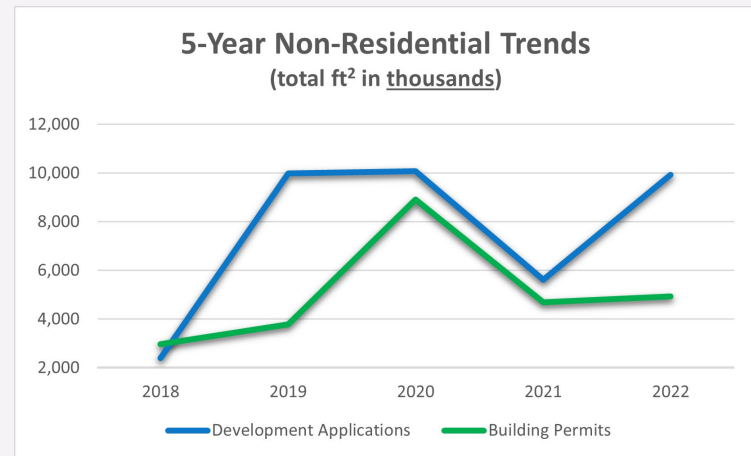


Table 4: Annual Change in Potential Square Footage

Non-Residential Development Applications (potential ft² in <u>thousands</u>)			
County	2021	2022	Change (%)
New Castle	4,372	8,296	+90%
Kent	580	795	+37%
Sussex	661	835	+26%
Total	5,613	9,926	+77%

While development applications show increases in all counties (**Table 4**), building permit data for each county show greater variations in non-residential activity (**see Table 5**). Again, New Castle had the greatest one-year increase at 42 percent. New Castle's permits accounted for roughly 72% of the statewide total and helped offset decreases in Kent and Sussex Counties, which led to a modest 5% increase statewide. Sussex stayed relatively stable with a minor 5% decrease. Kent's decrease was drastic at 69%, with a number below its 5-year average after 2021's outlier year.

Table 5: Annual Change in Square Footage

Non-Residential Building Permits (ft ² in <u>thousands</u>)			
County	2021	2022	Change (%)
New Castle	2,492	3,545	+42%
Kent	1,094	339	-69%
Sussex	1,103	1,049	-5%
Total	4,689	4,933	+5%

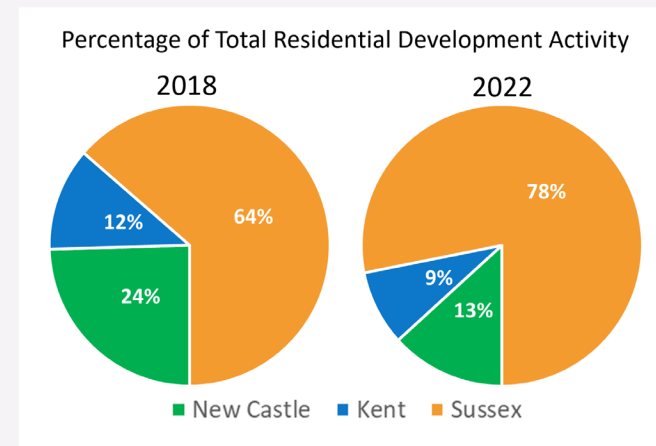
Key Findings

The preceding trends 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. **Four key findings** emerged from the analysis that 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.

I. Rapid Development in Sussex County

Compared to last year, the story in Sussex County remains the same. Homebuilders have a niche market in coastal Sussex for retirees migrating to Delaware and those looking for second homes. Many residents come for the tax savings versus higher cost metro locations, such as New York or Washington, D.C. **Figure 3** shows a 5-year comparison of development applications and building permits combined per county. New construction of resort-area homes is in high demand, but many residents are finding that coastal Sussex is becoming overwhelmed by higher traffic and rising housing costs. Furthermore, the middle-class and the local workforce are increasingly being priced out of the market.

Figure 3: Residential Development Activity by County



The data show the current rate of development has not slowed, which will have long-term impacts on the provision of infrastructure and state services. **In 2022, Sussex accounted for a staggering 78% of total development.**

This number is due to the 101% increase in development applications as shown in **Table 1**.

II. Residential Activity in Level 4 Areas

Residential development activity in Sussex County is disproportionately located in Level 4 areas where conservation and preservation are the goals. **Figure 4** shows the proportions of total development activity (development applications and building permits) per county by State Strategy Level in 2022. **Twenty four percent (24%) of Sussex County’s activity was in Level 4.** On a positive note, in 2021 the total in Level 4 was twenty eight percent (28%). This is a welcome improvement, but the overall trend is concerning if numbers remain similar in future years.

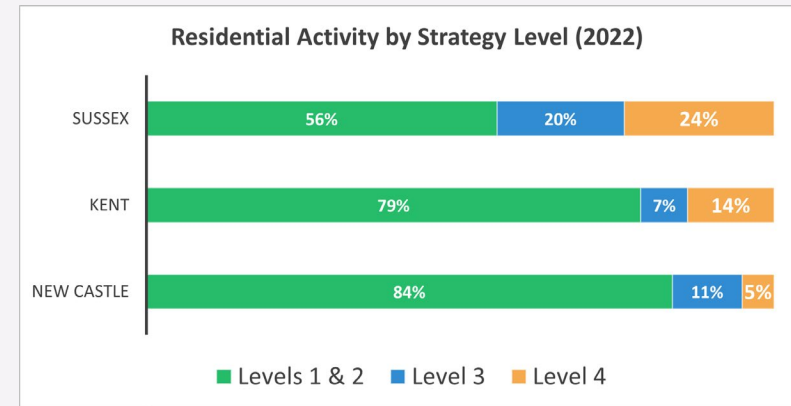
This pattern continues because most of the county’s rural land is zoned Agricultural Residential (AR-1), which allows two dwelling units per acre (commonly referred to as by-right development). Two units per acre is a density that should not be considered “rural” and is therefore misleading. Also, there are not enough incentives to direct Sussex County developers to Levels 1 and 2 areas that are better prepared to manage this new development.

The state is responsible for constructing infrastructure and providing public services; therefore, there is a long-term cost burden for developing in Level 4. Also, the loss of natural land is counterproductive to the state’s quality-of-life and environmental protection goals. To estimate the tangible and intangible long-term costs of our development patterns, OSPC is working with other state agencies to build a

simulation model, per recommendation 3a:

3a. The Cost of Development Decisions

Figure 4: County Residential Activity by Strategy Level



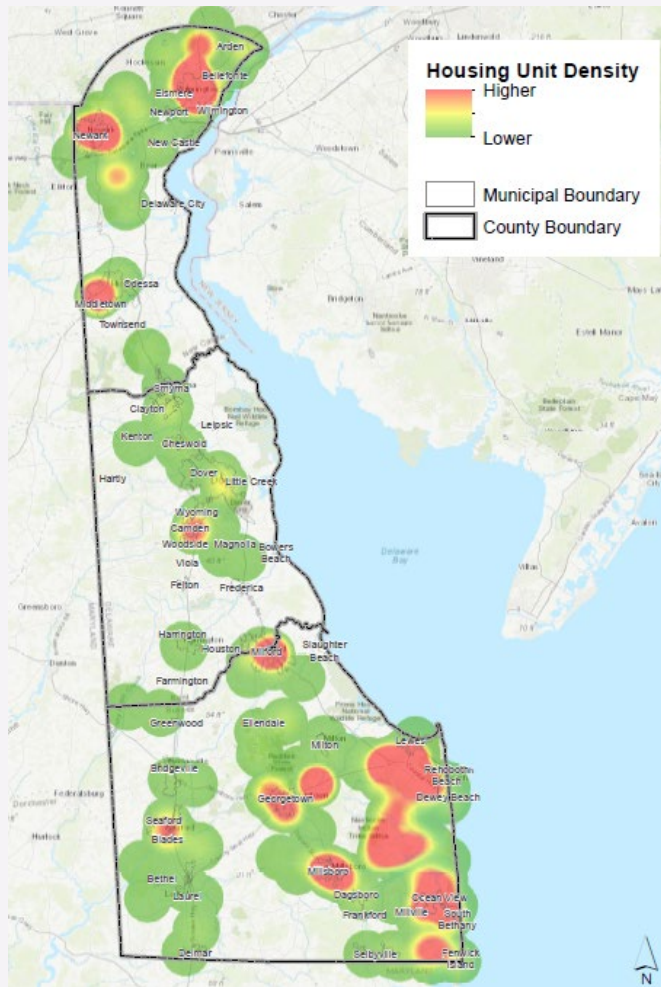
III. Multi-Family Housing Affordability

Residential building permit numbers demonstrate that Delaware is building a substantial amount of houses each year, but the majority are single-family homes. Multi-family homes are generally more affordable for homebuyers and renters due to clustered development patterns and smaller unit sizes. The amount of multi-family units permitted over the last five years is a surprising number, which suggests there should be more affordable options on the market.

However, when the locations of these multi-family units are mapped, it becomes apparent they are geared towards specific segments of the market and are not necessarily affordable to the broader market (see **Figure 5**). There are high concentrations around student, urban professional, and

resort populations. The takeaway is there is an unmet need for more affordable multi-family housing units in communities across the state. For example, Kent County’s multi-family percentage is only 6% over the last five years, which is a low number given the economic profile of the county.

Figure 5: Concentrations of Multi-Family Development



IV. Warehousing and Logistics Growth

Warehousing, distribution, and logistics projects continue to be the bulk of non-residential development. This is especially true in New Castle County, where the largest three projects in 2022 totaled approximately 1.6 million square feet. The largest project in New Castle County was an 807,240 square foot logistics complex near the Wilmington Airport.

While warehousing and logistics projects were prevalent in all three counties, Kent and Sussex Counties had more varied projects (see Figure 6). In Kent County, the largest project was the Delaware Food Bank facility at 67,125 square feet. A 129,250 square foot self-storage facility near Roxana was the largest project in Sussex County.

Figure 6: Three Largest Non-Residential Projects in Each County by Type (2022)

Warehousing & Logistics



1,783,243 ft²
 NCC - 807,240 ft²
 NCC - 408,000 ft²
 NCC - 385,420 ft²
 SC - 129,250 ft²
 KC - 53,333 ft²

Hospitality



155,142 ft²
 SC - 97,373 ft²
 KC - 57,769 ft²

Non-Profit & Government



177,125 ft²
 SC - 110,000 ft²
 KC - 67,125 ft²

Figure 7: By the Numbers

State Funding for Services and Infrastructure

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



\$681,500,000
Federal and state capital transportation funding for FY23

90%
State Roads



\$141,274,000
State police personnel and budget for FY23

100%
State's Largest Police Force



\$14,248,241
State paramedic program funding for FY23

30%
Paramedics

Including a variety of support for public education...



90%
Public School Transportation



60-80%
Public School Construction

\$390,209,848
Education capital funding for FY23



60%
Public School Operations

\$1,832,408,000
Education operating funding for FY23

Agency Accomplishments

This year, state agencies and their partners completed work that contributes to the implementation of State Strategies. This section celebrates those accomplishments and sets the stage for the year ahead.

Delivering for Delaware

Over the past year, our state agencies and our partners faced many challenges, including but not limited to, managing increased costs due to inflation, compressed timelines due to federal funding requirements, and implementing new legislation. Our agency leaders and staff contribute to State Strategies implementation in many ways, so the following selection of accomplishments is only a sample of the work that is most applicable. Information was provided by agency staff and compiled by **OSPC**. The Cabinet Committee on State Planning Issues (**CCSPI**) acknowledges that together we overcome challenges to deliver for Delaware every day.

Planning at the State Level

State Strategies implementation begins with our agencies' plans and programs that impact development activity and conservation efforts statewide. Agency staff and partners

work together on efforts to encourage growth and infrastructure spending in Levels 1–2, Level 3 where appropriate, and to encourage spending on agricultural preservation and natural resources in Level 4 areas, where conservation and preservation are critical.

This year, the Division of Small Business (**DSB**) and the Department of Agriculture (**DDA**) are working to reinvigorate the **Delaware Rural Irrigation Program** to expand low-interest loans to other agricultural uses beyond the installation of irrigation systems. Broadening financial incentives to farmers will help conserve Level 4 lands in Delaware.

Our state continues to grow at a rapid pace. Addressing this growth requires the Department of Safety and Homeland Security (**DSHS**) to monitor the volume of calls and the response times for first responders. DSHS continues to work on meeting the increased call demand and reducing response times where possible. When a developer builds in a Level 4 area, it is more challenging to spread first response resources over a larger area. A crucial data input to the agency's work are demographic projections, as discussed in recommendation 1a:

1a. Continuity of Demographic Data

The Department of Transportation (**DeIDOT**) is currently updating its **Long Range Transportation Plan (LRTP)**, titled “**Connecting Everyone Everywhere**,” and anticipates its completion by the end of calendar year 2024. The plan establishes a strategic vision for transportation infrastructure investments and sets the agency’s policies to meet the needs of our residents and employers and to respond to the demands of increased development.

DeIDOT Long Range Transportation Plan Theme

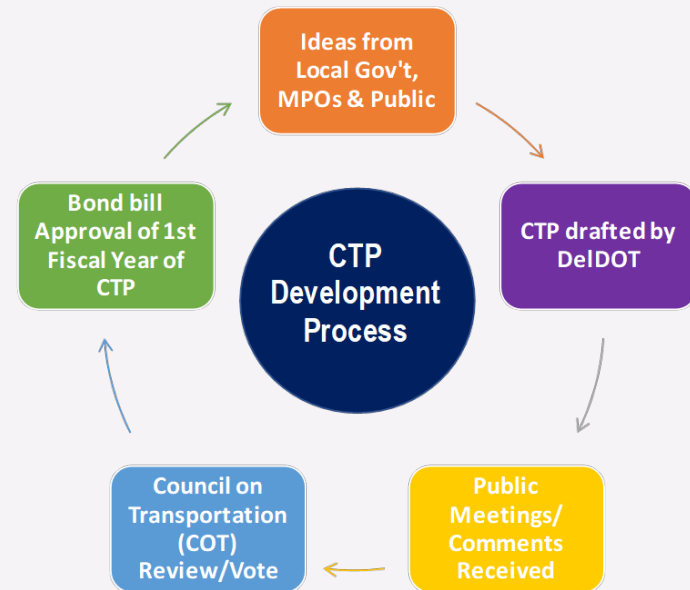


DeIDOT is also busy working on the **FY2025 – FY2030 Capital Transportation Program (CTP)**, which transitions long-range plans into capital projects. Partnering with each of the three Metropolitan Planning Organizations (MPOs), DeIDOT hosted a round of public workshops in the summer of 2023 to introduce the proposed CTP to all stakeholders.

As development increases, it will be more critical than ever to reduce individual vehicle trips through bike and pedestrian facilities, ridesharing, and transit use. The Delaware Transit Corporation (**DTC**), commonly known as DART, is tirelessly working to reinvent transit in our state. **DART Reimagined** is a year-long study that is currently

underway with anticipated completion by the end of 2023. The study is evaluating the current transit system and will result in recommendations to improve the system for future riders. The project website states, “DART Reimagined will provide the framework to serve more riders based on where they live today and where they want to go in the future.”

CTP Development Cycle



DART Reimagined logo from project website



The Delaware State Housing Authority (**DSHA**) is evaluating our state’s housing supply in its **Housing Needs Assessment**, which will be published in Fall of 2023. The assessment is a critical response to our state’s development and growth as many Delawareans are increasingly priced out of the housing market. DSHA conducted a survey to inform the study that gathered an impressive 2,650 responses. For more details about housing issues, see the **Delaware is Home** special section of this report.

To plan for future energy needs, the Governor’s Energy Advisory Council (**GEAC**) was reconvened this year. The council is drafting recommendations that will shape the Department of Natural Resources and Environmental Control (**DNREC**) update to the **Delaware Energy Plan** in 2024. This plan is an important factor in meeting the climate goals established in the **Climate Action Plan**.

DNREC is also updating other statewide plans over the next few months. Strategic plans for Coastal Programs and Waste and Hazardous Substances are underway. Coastal Programs is developing an ocean and bay resource management plan, due in the Spring of 2024. The Division of Parks and Recreation has begun work on the **Statewide Comprehensive Outdoor Recreation Plan (SCORP)**, which provides policy guidance for future state and local investments in outdoor recreation. Parks should also be commended for adding 235 acres (5 properties) under the Open Space Program and adding 119 acres of dedicated nature preserves in FY2023.

DNREC and DelDOT continue to partner on other energy and emission reduction initiatives, such developing the state’s future electric vehicle (EV) infrastructure. DelDOT continues to make progress on the **National Electric Vehicle Infrastructure (NEVI)** plan and DNREC is coordinating the \$1.4 million for EV charging access awarded to the state through the Volkswagen Mitigation Settlement. The two agencies also continue to make progress on developing a **Carbon Reduction Plan**. These coordinated efforts are implementing recommendation 7b:

7b. Reducing Emissions from Transportation

Long-range planning and adherence to the State Strategies requires federal funding and plans that guide compliance. DelDOT recently updated two plans in coordination with the Federal Highway Administration (FHWA). The updated **Delaware State Freight Plan**, which sets freight policies and programs federal freight dollars, was adopted in December of 2022. The **Resilience Improvement Plan**, which guides the programming of federal resilience dollars, has been submitted to FHWA for review and approval.

The Department of Health and Social Services (**DHSS**) distributed more than \$20.8 million in loan funds, through

DART is reimagining transit!
dartreimagined.com

the Drinking Water State Revolving Fund, to water providers to aid in the construction of public water systems. These systems are critical for public health and must be coordinated with the location and pace of development without undermining the principles of State Strategies.

As our state grows, it is important to preserve our historic and cultural resources. The Division of Historic and Cultural Affairs (**DHCA**) is improving educational opportunities and developing a new online application system for the Historic Property Tax Credit (**HPTC**) program. DHCA is also updating its **Disaster Preparedness Plan** for all properties held by the agency. These investments ensure that historic properties will be maintained for years to come and enjoyed by many.

It is also important to ensure that development happens in harmony with our environment. The **Climate Action Plan** tasked DNREC with conducting an alternatives analysis to consider updating the regulatory **Beach Building Line** along Delaware's coast using the latest science and management practices. This analysis is underway. DNREC also recently doubled the match requirement for brownfield developers under the **Brownfield Funding Policy**. The 50% match was increased to a 100% match, which will provide more funding for environmental cleanup, pursuant to recommendation 4b:

4b. Reuse of Brownfields and Grayfields

Planning at the Community Level

The next level of State Strategies implementation happens with our agencies' plans and programs that are more focused at the local community level. State agencies partner with local governments to develop more detailed plans that ensure that state investments are made in the most efficient ways and provide benefits to communities.

Local supply chains and food systems can help promote in-fill development and adaptive reuse in Levels 1 and 2. DDA was integral in completing the first round of **First State Food System Grants** in partnership with the **Delaware Council on Farm and Food Policy**. Fourteen projects received a total of \$670,000 to advance the capacity, distribution, and efficiency of food systems, which makes progress in the implementation of recommendation 6a:

6a. Local Food Programs

DHSS continued making progress on the planned expansion of health facilities at the **Delaware Hospital for the Chronically Ill (DHCI)** campus. The new 120-bed, roughly 120,000 square-foot building has an \$88 million budget and is mostly funded through the American Rescue Plan Act (ARPA). Construction is slated to begin in September of 2024 with an anticipated completion in the Fall of 2026. The new facility will greatly improve the quality of healthcare in the Smyrna area.

DSHA works tirelessly to ensure that communities have access to affordable housing in proximity to necessary services. For example, DSHA works with DART to prioritize tax credit applications for the **Low-Income Housing Tax Credit (LIHTC)** and **Housing Development Fund (HDF)** programs that are located near transit facilities. Since 2015, the effort has provided 1,444 low-income housing units with access to transit.

DSHA is also benefiting local communities by investing in three public housing sites, McLane Gardens, Peach Circle, and Holly Square, through HUD's **Rental Assistance Demonstration (RAD)** program. In Fall of 2023, DSHA is converting these sites to participate in the RAD, which allows housing authorities to access additional sources of funding to maintain, repair and replace public housing units.

Historic and cultural sites provide many benefits to local communities by providing recreational amenities and educational opportunities. DHCA is developing a master plan to improve the 10-acre homestead at the **Cooch's Bridge Historic Site**. Also, DHCA and DNREC recently constructed a new trail at the **John Dickinson Plantation** that connects to the **Delaware National Estuarine Research Reserve (DNERR)** St. Jones site. Long-term community planning and investments made by DHCA promote Delaware's history by increasing the knowledge of residents and attracting tourists.

Community resilience and sustainability plans are also important to keep residents and visitors safe while protecting critical infrastructure. Through the **Resilient Communities Partnership**, four local jurisdictions, Fenwick

Island, Lewes, Little Creek, and Milton, are working with DNREC on a variety of resilience planning efforts. DNREC is also coordinating with the Resilient and Sustainable Communities League (**RASCL**) to publish guidance to help local governments develop their own resiliency plans.

Through the identification of frequently flooded roadways, DelDOT is a partner in resiliency planning, by prioritizing infrastructure improvements in the communities most vulnerable to climate change. For example, DelDOT recently raised South Bowers Road to temporarily mitigate flooding. In addition, DelDOT is working with our resort communities to finalize the **State Route 1 (SR1) Coastal Corridor Resilience Study**, to inform future mitigation decisions.

Together, these planning efforts demonstrate a commitment to the implementation of recommendation 7a:

7a. Local Resiliency Planning

To support economic development in our communities, DelDOT and the Department of State (**DOS**) funded nearly \$10 million for eligible projects in the latest three rounds of the **Transportation Infrastructure Investment Fund (TIIF)** (see Table 6). The program helps attract new businesses by assisting with local transportation improvement costs.

Resilient and Sustainable Communities League (RASCL): derascl.org

Table 6: TIIF Funding and Jobs

TIIF Round	Grants Awarded	Jobs Created or Maintained
6	\$2,894,805	67
7	\$105,298	14
8	\$6,928,985	745
Total 6-8	\$9,929,088	826

Transportation planning at the community level is crucial to ensure that travelers have a variety of mode choices and that future investments are consistent with State Strategies and anticipated development activity. DelDOT was awarded \$6 million from the **Rebuilding American Infrastructure with Sustainability and Equity (RAISE)** program to complete the **Route 9 Redefined** local planning project.

DelDOT uses **Transportation Improvement Districts (TIDs)** to ensure infrastructure investments are coordinated with development. These districts are formalized by agreements with local governments and provide districtwide capital programs and predictable developer fees to implement the planned improvements. Status updates for TIDs are found in **Table 7**.

Table 7: TID Status Updates

TIDs In Operation	County
For the 7 TIDs in operation, more than \$14 million in total developer funds have been received so far.	
Westown	New Castle
Eastown	New Castle
Southern New Castle County	New Castle
Newark	New Castle
Hyetts Corner	New Castle
Southeast Milford	Sussex
Henlopen	Sussex
TIDs Nearing Adoption	County
The development of these 2 TIDs is almost complete and are anticipated to be in operation by the end of 2023.	
Little Heaven	Kent
South Frederica	Kent

TIDs In Development	County
These 5 TIDs are in development and substantial progress on the technical analyses and administrative setup was made this year.	
Churchman’s Crossing	New Castle
Magnolia	Kent
Cheswold Area	Kent
Milton	Sussex
Roxana Area	Sussex

Policy Updates

The implementation of State Strategies is affected by occasional policy changes, whether legislative, regulatory, and/or internal policymaking. It is important to regularly evaluate these changes to determine how they impact State Strategies implementation long term.

Residential development activity continues to increase pressure on state resources which necessitated policy changes this year. Increased residential development is straining our educational infrastructure, with many schools at or above design capacity. Recent amendments to **Title 9, §2656, §4956, and §6956** begin to address this challenge by requiring county comprehensive plans updated after January 1, 2023, to include an educational element. Kent County’s 2028 plan update will be first unless a county voluntarily decides to update their plan early.

By January 1, 2024, the Department of Education (**DOE**) must develop the policy guidance for the counties and school districts. DOE is currently working with OSPC to develop this guidance and additional resources well in advance of this deadline. On June 6, 2023, DOE and OSPC jointly hosted a workshop with a small group of district representatives and county staff to inform them of the implementation timeline and upcoming requirements.

Successful educational planning requires sustainable and reliable school enrollment projections. OSPC is working with the University of Delaware’s **Center for Applied Demography and Survey Research (CADSR)** to develop updated enrollment trends and future projections, making progress in the implementation of recommendation 1a:

1a. Continuity of Demographic Data

DOE is also making progress on the development of a Facility Assessment Tool, which will provide school districts the necessary resources to complete annual reports on facility conditions. As required by recent amendments to **Title 14, Chapters 23 and 43**, DOE anticipates completion of the Facility Assessment Tool by the January 1, 2024, deadline.

In addition, the impact of residential development on schools is being addressed through the implementation of **Senate Bill 186 (152nd General Assembly)**, which enables Sussex County to use a **Voluntary School Assessment (VSA)** to mitigate the impacts of development on school capacity. The VSA program already exists in New Castle County.

Related to increased residential development, often times developers have used timber harvest permits through the DDA's Forest Service for advance clearing of land they intend to subdivide. DDA recognized these practices are inconsistent with forest management under **Title 3, Chapter 10** and instituted a policy change that requires developers to consult with and obtain approval for forest clearing through the local conservation district. This change ensures that future development is more consistent with long-term forestry and water management practices.

Senate Bill 30 and House Bill 219 (152nd General Assembly) are other changes that could have positive benefits to owners of agricultural and forested lands by increasing their economic potential. Senate Bill 30 clarifies language related to silvicultural activities to help promote future forestry uses. House Bill 219 expands tax credit eligibility for large-scale fruit and vegetable growing greenhouse facilities to help bolster our agriculture industry. An added benefit of these bills could be reduced residential development pressure in Level 4 areas.

DNREC had a very busy year navigating many policy changes. Waste and Hazardous Substances adopted an **Environmental Justice (EJ) Compliance Policy**, which requires public notices to be distributed in languages other than English. The division is also working to update regulations that implement the **Hazardous Substances Cleanup Act** and is currently revising the **Regulations Governing Solid Waste** (7 Del. Admin Code 1301).

The Climate, Coastal, and Energy division is updating the **State Energy Conservation Code** and aims for statewide compliance in 2024. **The Climate Change Solutions Act (House Bill 99 - 152nd General Assembly)** sets statutory greenhouse gas emissions targets, establishes a process for regular updates of the **Climate Action Plan**, and creates climate change officers in certain agencies. And **Senate Bill 50 (152nd General Assembly)** codified the **Advisory Council on Walkability and Pedestrian Awareness** to aid state agencies in making pedestrian connectivity improvements. In addition, DNREC is coordinating on several more climate and energy related bills (**see Table 8**).

Table 8: DNREC Policy Coordination

Bill Number(s)	Category
House Bills (HB) and Senate Bills (SB) from the first half of the 152 nd General Assembly	
HB 10, HB 12	Electric Vehicles
HB 161, SB 7, SB 170, SB 190	Water, Energy, Utilities
HB 11, SB 103, SB 126	Building Standards

State agencies should keep State Strategies implementation in mind when policy changes affect business practices, to ensure that future decisions are consistent with the principles set forth in State Strategies.

Figure 8: By the Numbers

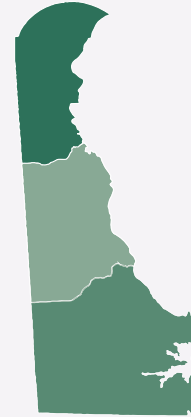
DART: Reimagining Delaware's Transit System

Operated by Delaware Transit Corporation (DTC), DART offers a statewide network of transportation options...

2K+
square-mile
service area

4M+
bus trips
per year

273
fixed bus
routes



Where do trips in the state originate?

57% New Castle County

19% Kent County

24% Sussex County

58
bus routes

450K+
paratransit trips
per year

310
paratransit
vehicles

The DART Reimagined Transit Study identified gaps in in the system...

Where do gaps in transit access exist?



For **40% of Delawareans** and **25% of Delaware employers**, the demand for transit is greater than the services offered.



Delaware's transit commuters are **5 times less likely** to have access to a vehicle than the average Delaware employee.

It takes transit commuters almost **twice as long** to get to work compared to Delaware's overall workforce who drive to work.



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, which directly affected State Strategies implementation.

Meetings

The **CCSPI** meets whenever there are state planning issues to review and/or actions to take. Between August 2022 and July 2023, the Cabinet Committee met three times.

October 4, 2022

January 18, 2023

July 18, 2023

Actions

During their meetings, the Cabinet Committee discussed and approved their 2022 Annual Report on State Planning Issues, heard a presentation on **DelDOT's** State Route 1 Corridor

Capacity Preservation plan, approved one comprehensive plan extension for the Town of Bethany Beach, and approved four Downtown Development District (**DDD**) boundary expansions.

The Town of Georgetown, City of Milford, City of New Castle, and City of Wilmington were all granted DDD extensions pursuant to the revised acreage allowances in the updated Program Guidelines document (published Fall 2022). The CCSPI was an integral part in reviewing and approving the new Program Guidelines for the districts.

In addition, the Cabinet Committee is coordinating with Governor Carney's office to consider expanding the CCSPI to include members of the Department of Health and Social Services (**DHSS**), the Department of Education (**DOE**), the Office of Management and Budget (**OMB**), the Department of Finance (**DOF**), and the Division of Historic and Cultural Affairs (**DHCA**).

Learn more about the CCSPI:

stateplanning.delaware.gov/ccspi



OSPCC Support Activities

Data & Demographics

Delaware's population has surpassed 1,000,000 persons and counting. Future growth is predicted to occur through net migration.

Census State Data Center

The Office of State Planning Coordination (**OSPC**) is the Governor's liaison to the **U.S. Census Bureau**. In this role, OSPC disseminates Census communications to the State Data Center network and affiliates, supports Census workshops, and responds to public inquiries. This year, Census webinars included information on the changes to the urban and rural areas, the Household Pulse Survey, and the release of the Demographic and Housing Characteristics. Also, a new State Data Center website was launched, which showcases webinars, data releases and frequently used data.

Population Consortium

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

other state functions. The DPC provides updated projections every October and is in the process of fine-tuning the 2023 projections through 2050. The 2022 projections show that deaths will continue to outnumber births and the state will only grow in population due to net migration. The projections also show the number of households will continue to increase through 2035.

GIS Initiatives

Geographic Information Systems (**GIS**) applications and data integration are key components of long-range planning. This year, OSPC, the FirstMap team, and the Delaware Geological Survey (**DGS**) leveraged American Rescue Plan Act (**ARPA**) funding and coordinated with the United States Geological Survey (**USGS**) to acquire Light Detection and Ranging (**LiDAR**) data for elevation purposes.

Also, OSPC is working with the Department of Technology and Information (**DTI**) to select a vendor to implement the **State Land Inventory**, which will ultimately be a single cross-agency inventory of state land, facilities, and resources.

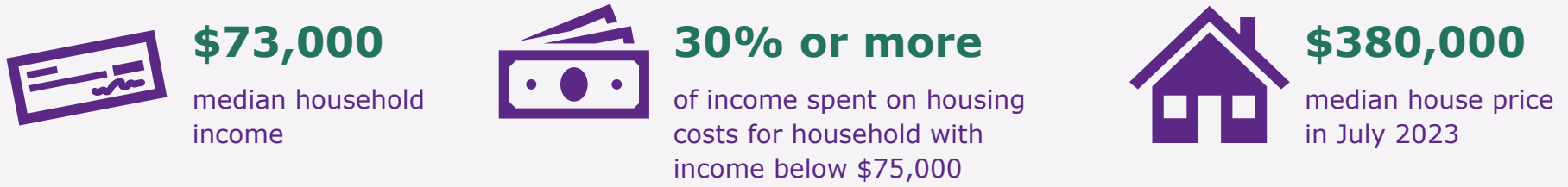
Net migration is driving Delaware's growth beyond 1,000,000 persons.

Figure 9: By the Numbers

Delaware Demographics and Housing

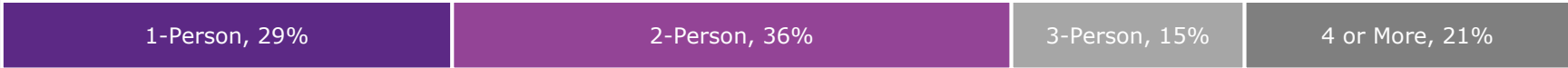
Sources: American Community Survey, Delaware Association of Realtors, Delaware Population Consortium

Delaware's income does not align with housing costs...

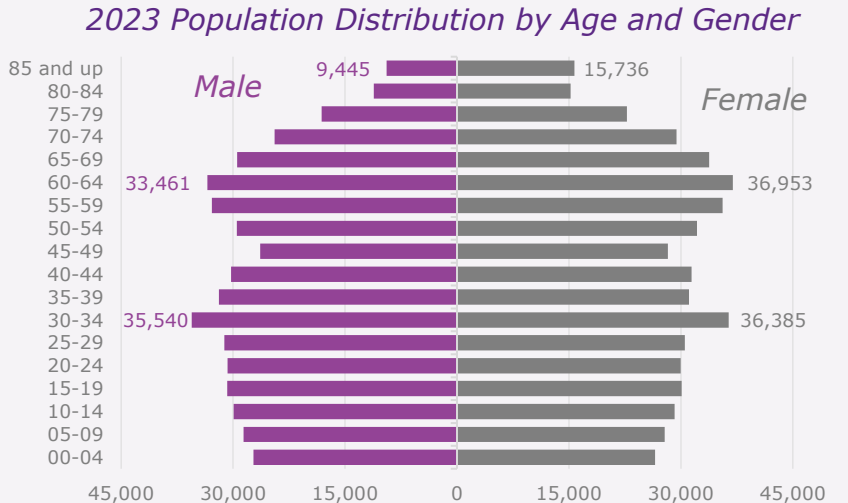
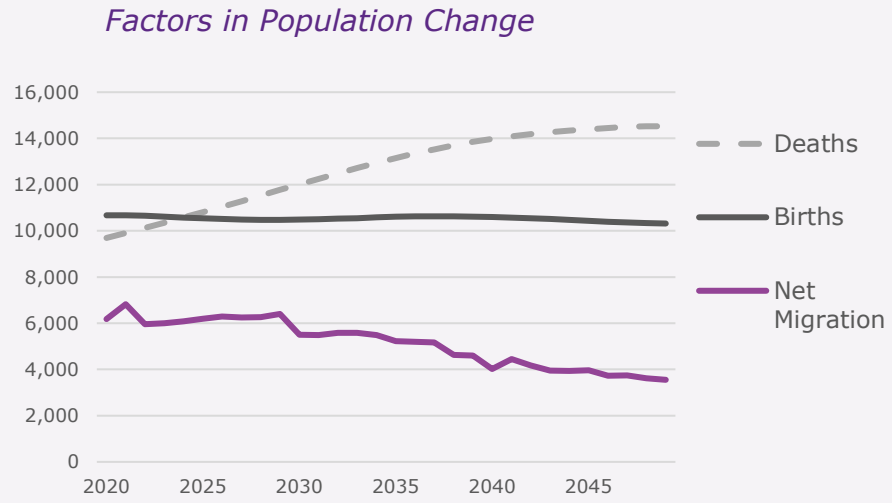


A minimum household income of \$114,000 is needed to meet the 30% threshold on a \$380,000 house.

Household make-up of the 402,334 occupied housing units in Delaware:



Delaware's population is aging...



Land-Use Coordination

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

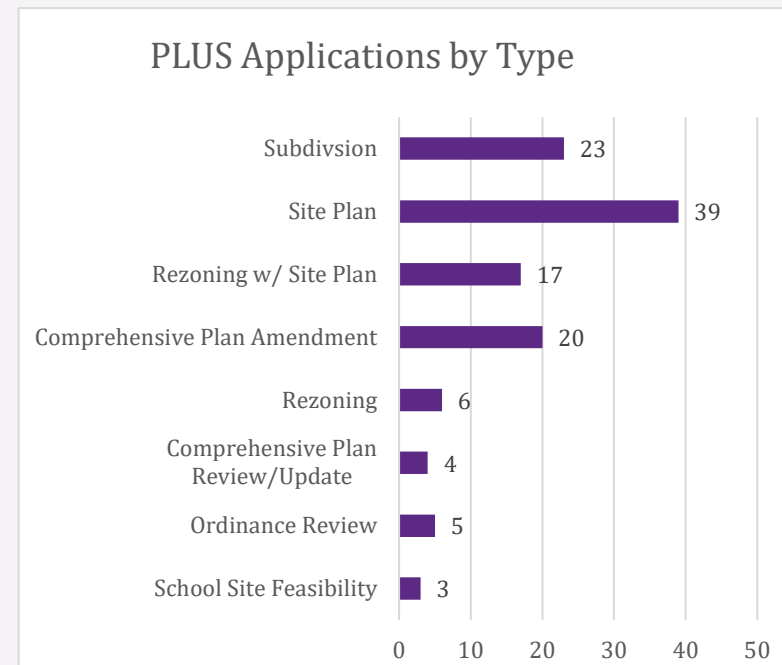
Preliminary Land-Use Service (PLUS)

The **PLUS** process is an opportunity for property developers to participate in a state-agency review process to receive feedback on any unforeseen issues. This review process is intended to shorten the timeframe projects are in the planning phase by getting any issues resolved before the project proceeds to the local jurisdiction for review and approval. Through the PLUS process comprehensive plan updates or amendments are also reviewed. Between July 1, 2022, and June 30, 2023, a total of **117 PLUS applications** were reviewed. These applications included comprehensive plan reviews, updates, and amendments, rezoning requests, site plans, and subdivision plans. **See Figure 10** for the numbers of applications by type.

Land-use approval decisions are made at the local government level and not by state agency reviewers during PLUS meetings. As a result of Governor Carney signing **House Substitute 1 for House Bill 293** in October of 2022, meeting agendas now have a public comment section. While

the Office of State Planning Coordination (**OSPC**) does not discourage public comments, it does adamantly encourage citizens to comment during the local jurisdiction review and approval process, where final decisions are made.

Figure 10: Number of PLUS Applications by Type



House Bill 104

During the first half of the 152nd General Assembly, House Bill 104 passed. Effective June 20, 2023, the bill is codified in 29 Del. C. §9202 and §9203. This waives the PLUS requirement for some economic development projects that create full-time jobs, are located at least partially within State Strategies Levels 1 or 2 and are consistent with local comprehensive plans and zoning. In the coming months, OSPC will be working with local jurisdictions to update their PLUS memoranda of understanding (MOU) so they can take full advantage of the revised regulations if they choose to.

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, 2022, and June 30, 2023, OSPC processed 25 annexation Plan of Services applications totaling 1,204 acres of land proposed for annexation. Of

those, **22 applications equaling 1,067 acres have been formally annexed.** The remaining applications are still in process.

Local Government Comprehensive Plans

Throughout the past year, Governor Carney certified three municipal comprehensive plans from Delaware City, Middletown, and Odessa. In addition, the Governor certified the City of Rehoboth Beach comprehensive plan and the New Castle County plan which were adopted last year but the certification process was not completed. 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.

Looking ahead, OSPC is currently working with 6 municipalities in the 10-year plan update process. OSPC is also working with 14 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. Fenwick Island, during their 5-year review, determined that the plan needed updates and is currently working on adopting their amended plan.

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

To date, 40 municipalities and all 3 counties submitted comprehensive plan annual reports. Of those jurisdictions, 7 have noted that plan amendments may be needed at this time, 19 are working on or have recently updated their ordinances or zoning code, 14 municipalities are considering bike and/or pedestrian walkway plans or trails, 14 are actively working on parkland or playgrounds within their towns, and 6 are working to create a master plan or are working with the Department of Transportation (**DelDOT**) on a Transportation Improvement District (**TID**).

For the first time, OSPC included a custom-tailored question asking local jurisdictions to comment on the implementation status of the housing goals in their plans and whether they have aided housing affordability. These responses were shared with the Delaware State Housing Authority (**DSHA**) and informed the housing framework in this report.

In addition, 17 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:

Cheswold completed partial installation of a water distribution system and installation of fire hydrants that will supply the old town section with improved fire safety.

Dewey Beach continues to work on a major stormwater infrastructure project to prevent flooding. Phase I is completed and Phase II will begin before the end of 2023.

Georgetown received a cycling innovation grant for a feasibility study of connecting trails. In addition, the town purchased pallet homes for **Pallet Shelter Village**, which provides temporary shelter for the homeless.

Harrington used a site readiness grant to begin work on a 140-acre industrial park and made substantial revisions to their bulk standards.

Kent County is coordinating with DelDOT and the **Dover Kent MPO** (Metropolitan Planning Organization) to connect bicycle and pedestrian facilities to county parks.

Lewes updated their comprehensive plan at the 5-year mark to include new environmental and housing policies and completed the **Great Marsh Master Plan**.

Magnolia completed a \$1.7 million water main upgrade project and is working with the **Division of Public Health** to plan the replacement of their existing water tank. In addition, the town is working with DelDOT on implementing a TID.

Millville expanded their parkland acreage to create the Mayors for Monarch Butterfly Garden.

City of New Castle collaborated with the Wilmington Area Planning Council (**WILMAPCO**) and DelDOT to update their transportation plan and has established a task force to research the impact of sea level rise and prepare remediation recommendations.

Newark is coordinating with DelDOT to finalize a TID and is working with the Delaware Transit Corporation (**DTC**) on a

Explore all comprehensive plans!
<https://redclay.wra.udel.edu/wpplan>

micro transit service. The city has also earned a Silver Level Bike-Friendly community achievement.

Seaford has broken ground on the Western Sussex Business Campus and the first lot is under construction.

Wyoming updated their land-use code in March of 2023 and their comprehensive plan in June of 2023. Infrastructure improvements have begun on the Wyoming Industrial Park.

Downtown Development Districts

Since 2014, the Downtown Development District (**DDD**) program has helped revitalize downtowns by providing incentives for a variety of projects (see **Table 9**). OSPC works closely with the **Office of the Governor** and DSHA to implement the program, which spurs private capital investments, stimulates job growth, increases housing opportunities, and improves the vitality of neighborhoods.

Table 9: 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 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 11**). 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 November 2022, OSPC published updated program guidelines to aid district administrators with the management of their districts. The revised guide contains new procedures for district expansions and outlines the process for renewal of expiring districts.

Wilmington, Dover, and Seaford were designated in 2015 and therefore are set to expire in 2025. These three districts have the option of applying for a renewal, which upon approval would extend a district for an additional 5 years. In July 2023, the DDD Resource Team hosted a workshop for the expiring districts to share the updated program guidelines, review the renewal application, and answer questions from the district administrators. It is anticipated that all three districts will submit renewal applications.

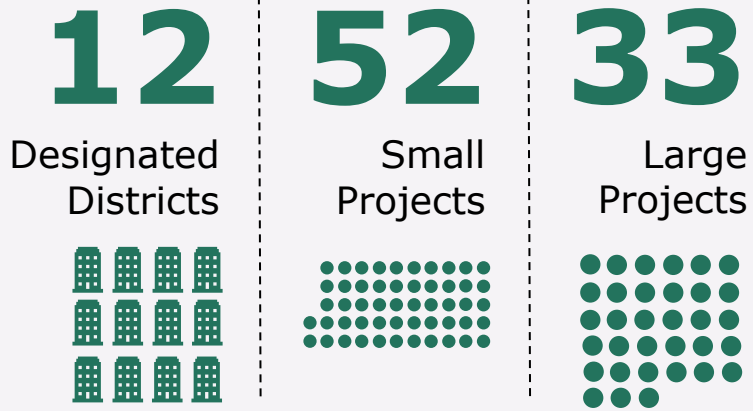
Visit the DDD Story Map:

<https://bit.ly/2tDoWmI>

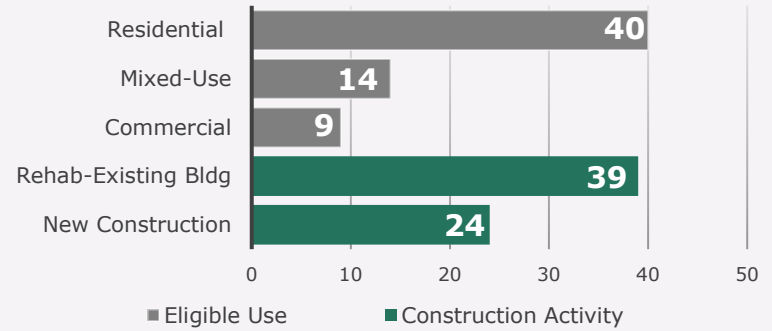
Figure 11: By the Numbers

Downtown Development Districts

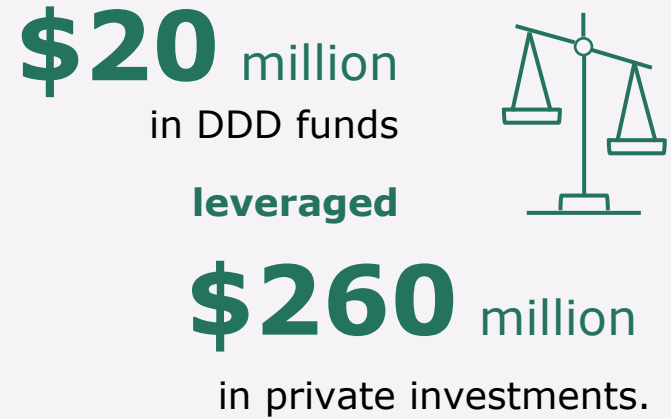
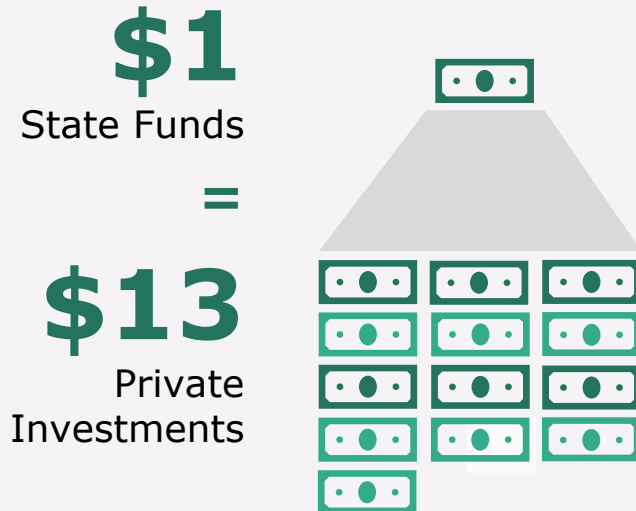
In FY23, the Downtown Development Districts (DDD) program sponsored...



Eligible Use and Construction Activity



In FY23, the DDD program leveraged state funds for private investments...



Delaware is Home

A Framework to Increase Housing Options



A Housing Framework

As Delaware grows, the housing needs of residents are changing. Leaders must understand the issues and ensure the housing supply meets these needs. This section presents key information and proposes potential strategies.

Change the Status Quo

Land-use policies at the state and local levels, combined with real estate market demand, have dictated the evolution of Delaware's housing supply for decades. The problem is some of these policies and market practices have not adapted to the changing demographics and market conditions. Therefore, the status quo in the state's housing supply won't meet the future needs of a changing population.

Last year, the Cabinet Committee on State Planning Issues (**CCSPI**) included recommendation 3b in its annual report, which suggested a review of state housing policies and regulations to determine if changes could be made. The Delaware State Housing Authority (**DSHA**) is taking this task seriously and is partnering with the Office of State Planning Coordination (**OSPC**) to develop strategies to produce more variety in the state's housing supply. It is the hope of both agencies that this effort starts conversations about how to

change the status quo of housing in Delaware. This framework is best understood in combination with the **Development Trends** section of this report and DSHA's **Housing Needs Assessment**.

A Growing Supply Issue

When viewing the residential development trends data in this report alone, one might assume there is no housing supply shortage in Delaware. In 2022, more than 7,000 dwelling units were permitted, and more than 8,000 potential dwelling units were planned. Estimates of the number of units needed to accommodate future population growth range from roughly 3,000 - 5,000, depending on the source. Compared to the 7,000 permitted last year, there is a surplus. What is the problem?

The state's changing demographics begin to answer that question. The number of deaths continues to exceed the number of births. This means that all population growth is coming from net migration (people moving) rather than natural increase (births vs deaths). Delaware's aging population, its reputation for low property taxes, its popularity as a retirement destination, and the strong demand for beach resort homes are all factors contributing to this change.

As expected, private developers are profit-driven, and are reacting to the changing demographics by building thousands of homes for more affluent buyers and renters. When the residential units are mapped, high concentrations are evident in the resort area (see **Figure 12**). The key takeaway is that developers are building a high volume of homes, but increasingly they are higher-cost units for retirees, second homes, and seasonal rental investments. Despite the high volume, more units are needed for working families.

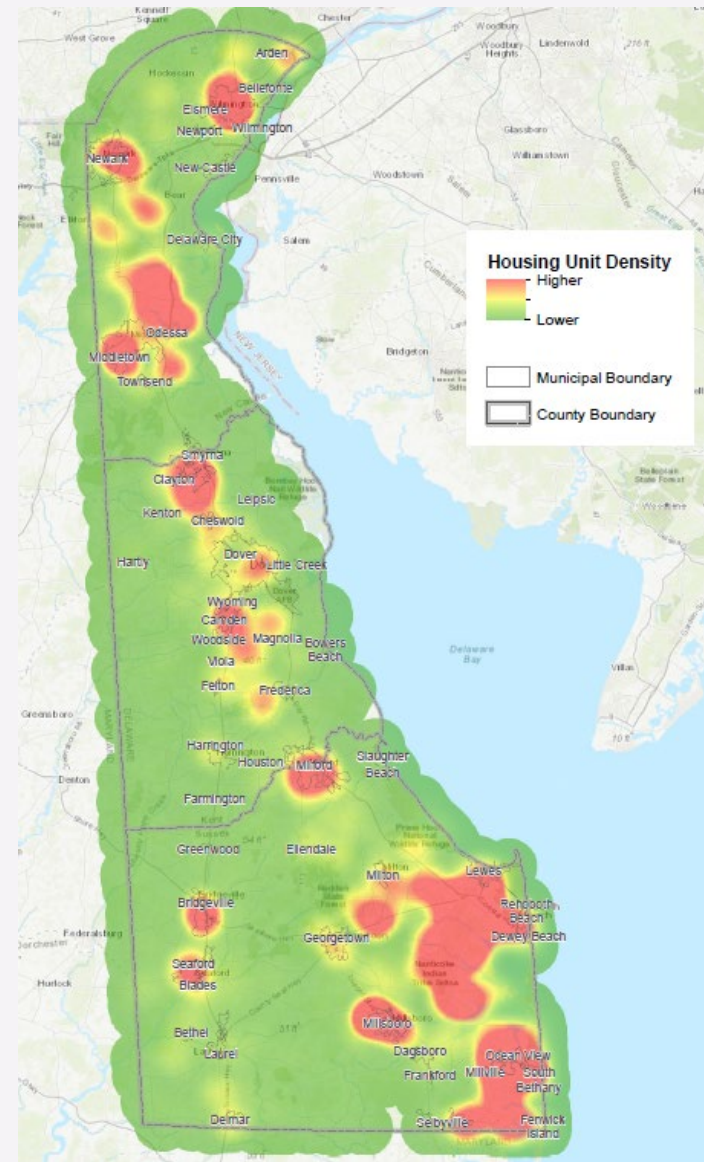
Another contributing factor is most local land-use codes favor single-family homes with larger lot sizes. These homes are often permitted uses in zoning codes (allowed-by-right) while other home styles are conditional uses. This means they are subject to approval processes (often with public hearings), which add time, cost, and uncertainty to projects. Also, projects could be denied if met with strong community opposition. These create barriers for developers to build the higher-density housing that residents need.

The collective impact of these factors is resulting in a constrained supply of homes at lower price points. When combined with increased demand, consumer competition, and macroeconomic forces, home sale prices and rental rates are on the rise.

Affordability is Relative

The term “affordable housing” has traditionally been associated with a variety of housing programs that provide income-based subsidies for the lowest-income population.

Figure 12: Residential Building Permit Concentrations



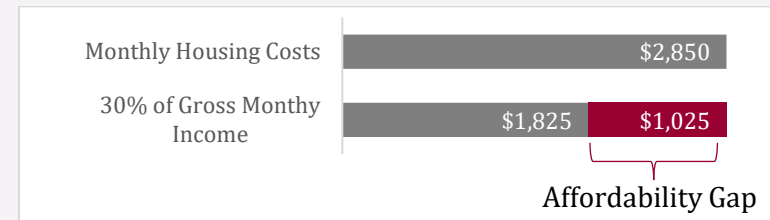
But that definition is obsolete because there is a growing issue across the nation that is often referred to as the “**missing middle**” housing. This means that housing is increasingly unaffordable and out of reach for average Americans in the workforce. Housing affordability is relative to household income. When an insufficient number of housing units at lower price points are on the market, then even Delawareans with livable wages can’t afford home ownership. That pushes them into the rental market, which further inflates rental rates.

According to the federal definition, housing is considered affordable if the total costs do not exceed 30% of the gross household income. The following is a simplified sample calculation for a potential homebuyer. The US Census Bureau reports Delaware’s median household income in 2021 was approximately **\$73,000**.¹ Assuming this homebuyer’s income matches the median, 30% of the gross monthly income equals **\$1,825**. The Delaware Association of REALTORS (DAR) reports that the “median sold price” for homes in July 2023 was approximately **\$380,000**.² Using an estimated monthly cost of **\$2,850**³(mortgage, insurance, taxes, and utilities), the homebuyer needs a minimum **\$114,000**⁴ household income to meet the 30% threshold on a \$380,000 house. This homebuyer has a **monthly income gap of \$1,025** (see Figure 13) and will compete with other buyers for the constrained supply of homes at lower price points.

¹ <https://www.census.gov/quickfacts/fact/table/DE/BZA110221>

² <https://delawarerealtor.com/buyers-and-sellers/monthly-housing-statistics/>

Figure 13: Housing Costs vs. 30% Income Target



These rough figures expose a growing issue in the housing market. Unaffordable housing is no longer an issue isolated to the lowest-income population. One logical conclusion is that government subsidized housing programs are important but insufficient to provide enough units for the missing middle. For more information about housing affordability, review DSHA’s **Housing Needs Assessment**.

Commendable Actions

The preceding explanation of the supply issue does not mean our local governments are not working every day to address it. The three counties and 57 municipalities play a crucial role in ensuring the market is meeting the needs of residents. While the exact definition of affordable may vary from one local jurisdiction to another, there are commendable actions Delaware’s communities are taking today.

Some municipalities, such as Milford, Newark, and Frederica, are waiving fees, reducing parking minimums, and offering

³10% down, and \$180 taxes, \$120 insurance, \$25 HOA, \$250 utilities per month

⁴ \$2,850/.30 = \$9,500 monthly gross x 12 months = \$114,000 annual gross

expedited processing for affordable housing developments. Sussex County has a trust fund that provides grants to developers and homebuyers to lower home prices. Redeveloping and/or rehabilitating older homes can help increase affordable options. In Smyrna, they offer grant funds for redevelopment projects with matching funds from developers. There are more examples than listed here, but additional guidance and resources are needed to help local governments remove barriers and implement programs that stimulate more variety in the housing supply.

A Path to Better Housing

Solving the housing supply problem will require a variety of actions from legislators, government agencies, and private developers. Current assistance programs are a critical component but can't address the missing middle due to income restrictions. The missing piece is making the business case work for developers to build more units in the middle. Without private investments, government funding alone is not enough to produce the number of affordable units needed.

The following high-level strategies are starting points in addressing **recommendations 3b, 3c, and 3d**. OSPC and DSHA will continue refining these strategies and developing action items to stimulate development of affordable units through efficient government spending.

- 1. Enhance the state's role in housing governance.**
 - a. Evaluate state laws, regulations, and resources to identify effective changes.

- b. Optimize the use of current subsidies and housing assistance programs.
 - i. Enable more permitted units in Areas of Opportunity (as defined by DSHA).
 - ii. Better distribute new units to reduce concentrations of poverty.

- 2. Turn community opposition into support.**

- a. Eliminate any law, regulation, or ordinance that violates federal fair-housing standards.
- b. Create campaigns to educate communities about the benefits of more housing options.

- 3. Provide resources to modernize comprehensive plans and local land-use regulations.**

- a. Evaluate comprehensive plan requirements and facilitate efforts to improve adoption.
- b. Assist local governments with increasing the types of homes, lot sizes, and densities permitted under zoning (by-right).

- 4. Provide incentives for developers.**

- a. Engage with home builders to identify the path of least resistance to build affordable.
- b. Apply economic development principles to create affordable housing incentives.

- 5. Designate shovel-ready communities.**

- a. Master plan communities that are pre-permitted and ready for developers.

Housing Needs Assessment:

destatehousing.com/FormsAndInformation/needs.php

Recommendations



Recommendations

Based on the preceding input from our state agencies, this section summarizes the key challenges we face 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, like the New Castle County trend presented earlier.

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. *Source: DDA*

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*

4c. Utilization of Rail Infrastructure [NEW]

Consider potential incentives for local governments to rezone properties adjacent to rail lines to industrial and/or commercial, 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*

6a. 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*

6a. 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, DeIDOT*

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*

8c. Foundational GIS Data Acquisition

Aerial imagery, land-use/land-cover, and LiDAR data are foundational datasets in the State's FirstMap Geographic Information System (GIS). Develop a dedicated funding plan to ensure long-term availability of these datasets. *Source: OSPC*



