Chapter 5
HOUSING AND COMMUNITY DEVELOPMENT
(07/24/15)

Photo: Newark Preserves

This chapter anticipates the effects of City services, incentives, and policies on housing needs, goals, and strategies to provide safe, affordable, and quality housing to Newark's current and future population. Newark is a home where people grow up, raise families, attend university, work, play, and retire. Housing is an essential element of the City's vision as a "Healthy and Active Community," a "Sustainable Community," and an "Inclusive Community."

Healthy and Active Community: Ensure that existing and future housing developments are built to safely accommodate pedestrian and bicycle traffic, including connectivity to parks, commercial and employment centers, and other residential areas.

Sustainable Community: Provide safe and sanitary housing that preserves quality housing stock; protect against blight; and improve the appearance and function of older housing stock through rehabilitation and redevelopment.

Inclusive Community: Support policies that encourage an adequate supply of housing choices and styles, eliminate impediments to fair housing, and implement programs that create opportunities for affordable housing.

The *2009 Newark Resident Survey* and Planning Commission Workshops identified several key findings:

- Newark is an "excellent place for senior citizens to live," based on variety and affordability of housing, as well as the available AC zoning, which age-restricts occupants to 55 and older.
- While residents express a high level of satisfaction with the attractiveness of their neighborhood, they also express concern about property maintenance and the proliferation of single-family dwellings into student rentals.
- Mix of housing types, choices, and affordability levels were cited as strengths; however, the "student housing market" was blamed for inflating housing costs and creating a lack of housing choices for low- to moderate-income households/families to buy or rent.
- Strong support for City programs that promote owner occupancy by providing financial incentives to first-time and low- to moderate-income homebuyers.

- Strong concerns regarding the conversion of single-family homes into student rentals, as well as frustration about a perceived lack of code enforcement on single-family homes used as student rentals.
- Concern regarding the "overdevelopment" of apartment housing targeted as student rentals, particularly downtown, where there is a desire to see more owner-occupied housing.

The complete report is available online:
http://cityofnewarkde.us/index.aspx?nid=641

Housing Inventory and Assessment

U.S. Census data show shifts in new housing construction in Newark over the past 20 years. Table 5-1 shows housing figures for Newark from the 1990 Census and 2000 Census and estimates from the 2008-2012 American Community Survey.

Table 5-1: Increased Construction of Multi-Unit Structures

Types of Housing Structures City of Newark	1990	2000	# increase	2008-2012 Est.	# increase
Single-unit structures	5,167	6,052	885	6,928	876
Multi-unit structures	2,639	3,252	613	4,205	953

Source: U.S. Census, 1990, 2000, and 2008-2012 American Community Survey

From 1990 to 2012, there was a shift in the types of new housing construction from a majority of single-unit structures to a majority of multi-unit structures. In 1990, the City of Newark contained approximately 7,806 housing units, of which 66.2% were single-unit structures and 33.8% were multi-unit structures. Between 1990 and 2000, 1,498 housing units were constructed, of which 59.1% were single-unit structures and 40.9% were multifamily structures. From 2000 to 2012, an estimated total of 1,829 new housing units were constructed, of which 47.9% were single-unit structures and 52.1% were multi-unit structures.

Changes in new housing construction have caused a shift in the overall makeup of our housing stock. Table 5-2 shows that in 1990 approximately 66.2% of the City's housing was single-unit structures and 33.8% was multi-unit structures. By 2012, approximately 62.2% of the City's housing was single-unit structures and 37.8% was multi-unit structures.

Table 5-2: Shift in the Overall Makeup of Housing Stock

Types of Housing Structures City of Newark	1990	2000	2008-2012 Estimates
% Single-unit structures	66.2	65	62.2
% Multi-unit structures	33.8	35	37.8

Source: U.S. Census 1990, 2000, and 2008-2012 American Community Survey

Table 5-3 shows a comparison of Newark's housing stock. The City of Newark has approximately the same percentage of multi-unit structures as Dover and Wilmington and a higher percentage of housing in multi-unit structures than Middletown, New Castle County, the State of Delaware, and the United States.

Table 5-3: Delaware Housing Comparison

Middletown, Delaware		
Total Housing Units	6,629	
Single-unit structures	5,635	**85%**
Multi-unit structures	994	**15%**
Delaware		
Total Housing Units	403,095	
Single-unit structures	332,307	**82%**
Multi-unit structures	70,681	**18%**
New Castle County		
Total Housing Units	216,801	
Single-unit structures	162,229	**75%**
Multi-unit structures	54,494	**25%**
United States		
Total Housing Units	131,034,946	
Single-unit structures	97,015,806	**74%**
Multi-unit structures	33,910,368	**26%**
City of Newark		
Total Housing Units	11,133	
Single-unit structures	6,928	**62%**
Multi-unit structures	4,205	**38%**
Dover, Delaware		
Total Housing Units	14,338	
Single-unit structures	8,977	**63%**
Multi-unit structures	5,361	**37%**
Wilmington, Delaware		
Total Housing Units	34,029	
Single-unit structures	21,872	**64%**
Multi-unit structures	12,157	**36%**

Source: 2008-2012 American Community Survey 5-Year Estimates

Newark residents are less likely to own their homes compared to the rest of the state and the country. Table 5-4 shows that approximately 54.3% of Newark housing units are owner-occupied, compared to New Castle County (70%), the State of Delaware (72.7%), and the United States (65.5%). Because Newark is a "college town" with a larger percentage of the population who are

transient, Newark's home ownership rate is more comparable to metropolitan areas such as Wilmington, Delaware (47.9%) and Dover, Delaware (55.1%).

Among owner-occupied units, Newark homes tend to be more valuable, and Newark homeowners tend to be better positioned to afford them. Table 5-4 shows the median value of an owner-occupied unit in Newark is approximately 10.7% higher than those in New Castle County and 14.3% higher than those in Delaware. Yet, among owner-occupied units with a mortgage, the median monthly owner costs are only 4% higher than those in Delaware and approximately the same as in New Castle County. An important measure of housing affordability is the monthly owner cost as a percentage of household income. Among the sample in our region, Newark has the lowest percentage of households who pay 30% or more of their income for housing costs. The comparisons in Table 5-4 suggest that Newark homeowners are affluent enough to afford more expensive housing and tend to make more conservative and long-term mortgage choices, which keep their housing costs affordable over time.

Table 5-4: Newark Home Ownership Comparison

	Newark	United States	Delaware	Wilmington, Delaware	New Castle County	Dover, Delaware
% Owner-Occupied	54.3%	65.5%	72.7%	47.9%	70.2%	55.1%
Median Value (Owner-occupied units)	$281,400	$181,400	$241,100	$179,300	$251,200	$187,500
Median Monthly Owner Costs (Housing units with mortgage)	$1,681	$1,618	$1,617	$1,419	$1,685	$1,558
% of owners with monthly housing costs ≥ 30% of household income.	21.1%	35.3%	36.2%	34.8%	32.9%	39.9%

Source: 2008-2012 American Community Survey 5-Year Estimates

The Census data on Newark renters are slightly different. Table 5-5 shows that the median rent in Newark is higher than those of other jurisdictions. The median rent in Newark is nearly equal to that of New Castle County, 3.3% higher than that of Delaware, 5.3% higher than that of Dover, and 11.7% higher than that of Wilmington. The percentage of Newark renters who pay 30% or more of their household income on rent is 67.9%, compared to that of Wilmington renters (57.2%), Delaware renters (53%), and New Castle County renters (51.5%). These figures are skewed by the high percentage of Newark residents who are full-time college students and who either tend to not work or work part-time in low-wage jobs.

Table 5-5: Median Rent Comparison

	Newark	United States	Delaware	Wilmington, Delaware	New Castle County	Dover, Delaware
Median Rent	$1,008	$889	$975	$890	$1,003	$955
% of renters with monthly gross rent ≥ 30% of household income.	67.9%	52.1%	53.0%	57.2%	51.5%	53.6%

Source: 2008-2012 American Community Survey 5-Year Estimates

Existing Land Use and Density

According to the 2010 Census, Newark's population is 31,454 with an average density of 3,424 residents per square mile. As shown in Table 5-6, the City's population density exceeds the densities of Dover, Middletown, and New Castle County. In Delaware, only the City of Wilmington's population density exceeds Newark's. For the purpose of comparison, the population density of the City of Philadelphia was included to contrast Newark with a major urbanized area. The comparison shows that Newark's population density is more comparable to a small city such as Wilmington than it is to more "suburban" Delaware towns or cities such as Middletown and Dover.

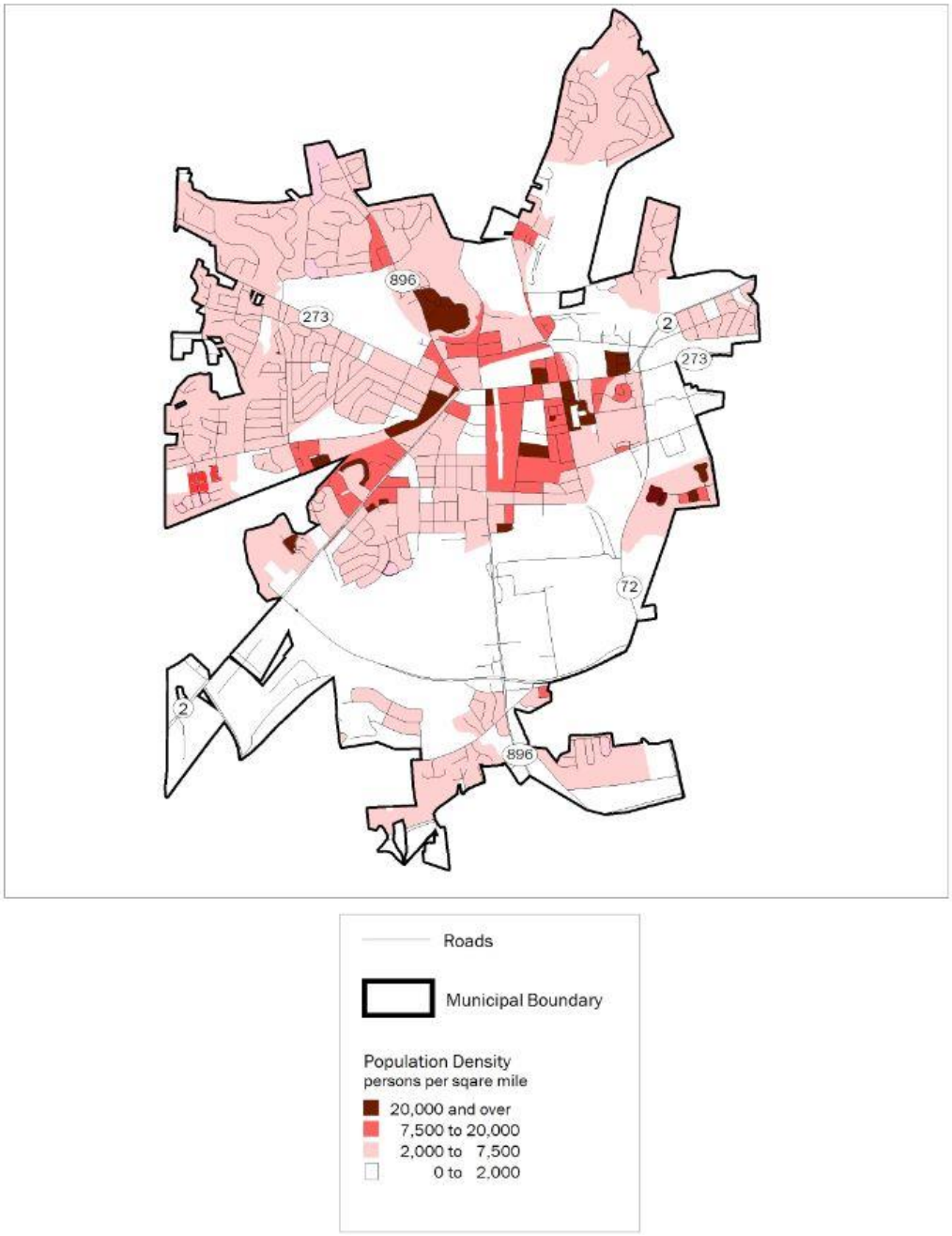
Table 5-6: Population Density

	Population per Square Mile
Philadelphia, Pennsylvania	**10,693**
Wilmington, Delaware	**4,181**
Newark	**3,424**
Middletown, Delaware	**1,617**
Dover, Delaware	**1,558**
New Castle County	**1,090**
Delaware	**361**
United States	**81**

Map 5-1 shows Newark's population density by Census block group and illustrates where the City's residents are living. The map shows area densities ranging from 20,000 and over per square mile to under 2,000 per square mile, with most residential districts having between 2,000 and 7,500 people per square mile. The pockets of the City with the highest density (20,000+) are shown in dark red and include major University of Delaware–owned housing complexes on the Laird Campus, West Campus, and South Central Campus, as well as some privately owned student apartment complexes, such as University Courtyard. These areas are zoned UN for University or RA for high-rise apartments. Some townhome areas, such as College Park, White Chapel, and Blair

Court, are also included as higher density and have RR zoning, which allows row homes. Most of downtown Newark, between East Main Street and Delaware Avenue, with its mixed-use development, shows population density between 7,500 to 20,000 persons per square mile. Finally, areas shown in white tend to be open space, commercial and industrial areas, and the University of Delaware's athletic fields and farmland.

Map 5-1: Population Density in Newark



Source: WILMAPCO; U.S. Census; 2010 Census

The second densest areas, shown in a medium red with densities between 7,500 to 20,000 residents per square mile, make up a large portion of the City's downtown core, which includes mixed-use redevelopment, the central portion of the University's Campus with dormitories around "The Green," as well as older Newark areas that were built with a more traditional (and denser) neighborhood design.

Finally, areas shaded in a light red represent densities between 2,000 and 7,500. This includes most of the suburban-style single-family housing developments, which make up most of the residential districts in the City, with lot sizes ranging from 6,250 square feet to more than half an acre.

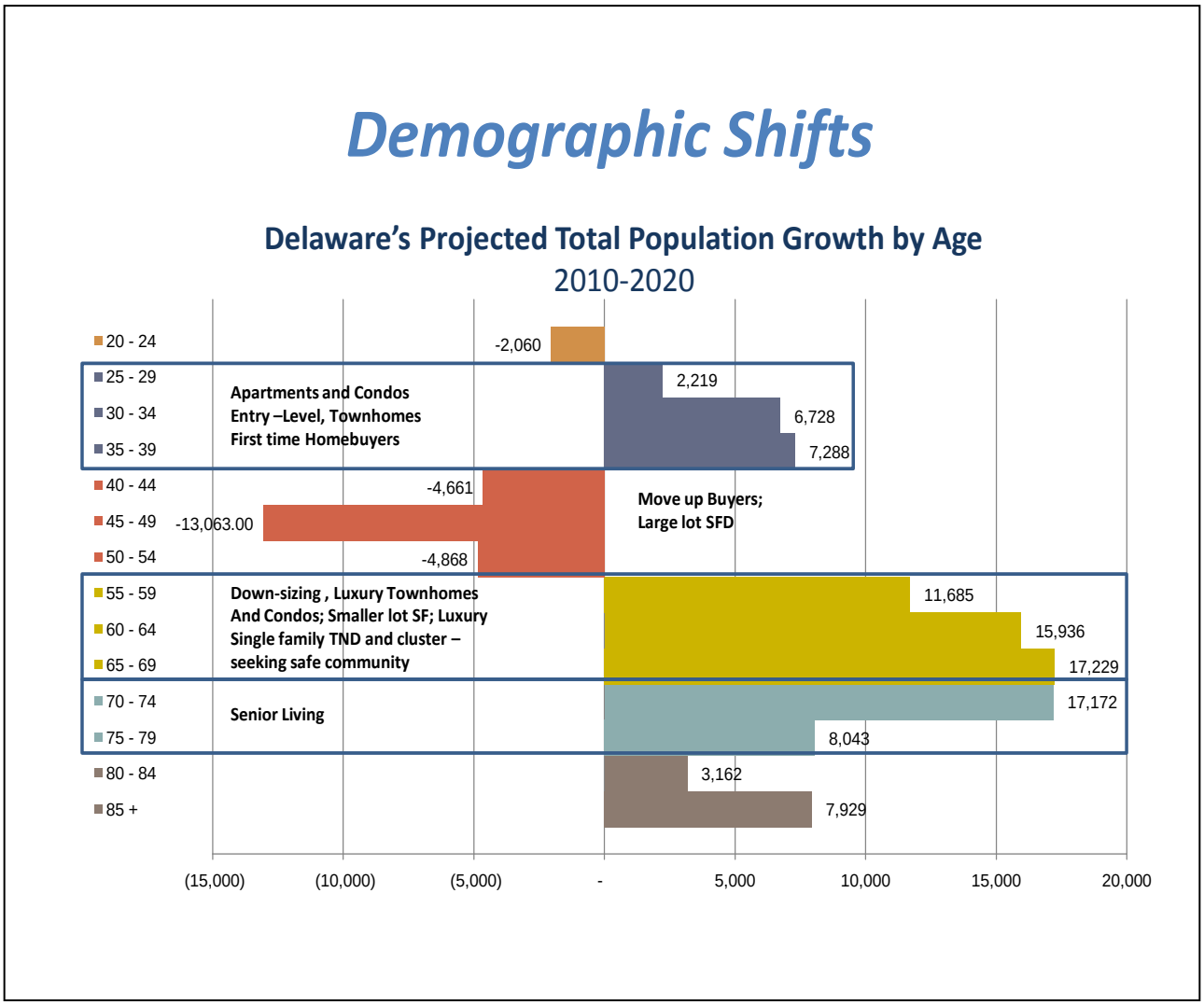
Housing Needs and Trends

Numerous publications and studies indicate that Delaware, like the rest of the nation, is in the midst of a demographic and market shift that will significantly change consumer demand for various styles and types of housing over the next 20 years. This market shift is being driven by two population cohorts: the baby-boomers, generally considered persons born between the years 1946 and 1964, and the millennials, generally considered persons born between the years 1984 and 2002.

Baby-boomers were once the prime market for the single-family houses in the suburbs. Today, this cohort is looking to downsize into more manageable housing and is moving to communities that are walkable and transit-oriented in order to be less dependent on their automobiles. Millennials, on the other hand, were the first American generation in which the majority had grown up in suburban neighborhoods. Market research indicates that this generation is less interested in purchasing a home or automobile and wants to live in places that are pedestrian- and bicycle-oriented and that offer a wide variety of entertainment and lifestyle choices. In other words, millennials are not interested in living in the suburbs in which they grew up. The population cohort in between, often referred to as Gen X, persons born between the years 1964 and 1983, are now the primary market for single-family houses in the suburbs. However, this is a smaller cohort than the baby-boomers and millennials. As a result, Delaware Population Consortium (DPC) projections indicate that there will be a large number of suburban homes placed on the market by baby-boomers and that there will be a decline in the number of buyers who typically seek larger homes.

Chart 5-1 illustrates these demographic shifts and the types of housing choices the respective population cohorts are making.

Chart 5-1: Demographic Shifts



Source: Delaware Population Consortium Population Projections by 5-Year Age Cohorts. October 28, 2010, Version 2010.0

University Housing

As of its Fall 2013 academic year, the University of Delaware's enrollment was approximately 17,500 undergraduates (full- and part-time) and 3,500 graduate students at its Newark campus. These numbers have increased slightly over the past few years due to UD's Commitment to Delawareans program; however, University administration states that it has no plans to drastically increase the size of incoming classes. The University's strategy is to replace or rehabilitate its existing housing stock. Residence halls such as Dickinson and Rodney are viewed as "removed" from campus and a less desirable location for students to live. Therefore, the University is seeking to centralize on-campus housing by moving residential units closer to The Green and making the Laird Campus more accessible and student-friendly.

Campus housing projects include the following:

- Completion of an East Campus residence hall complex will replace the Gilbert Hall complex.
- Construction of a residence hall across Academy Street from the Perkins Student Center is set to be completed by 2015. The new building will phase out the use of Rodney and Dickinson as residence halls by 2016.
- Harrington Residence Hall complex will undergo major renovations.

Rental Housing

The City of Newark has experienced significant growth in multifamily off-campus units targeted for students of the University of Delaware. Since the 1980s, the City's strategy has been to limit the conversion of single-family homes into student rentals while encouraging the development of mixed-use buildings with apartments in the downtown business district, as well as allowing greater densities for infill projects in locations around the University campus. This strategy has been instrumental in revitalizing Newark's downtown into a vibrant mixed-use commercial district with upper-floor apartments or condominiums. Other projects involving infill or redevelopment and consisting largely of apartments have been approved in areas within walking distance of the campus. Much of this redevelopment has been the result of the demonstrated demand and success of the student-rental market.

However, the City's strategy has not been without controversy. First, the City is concerned that the surge in proposals for new developments for student housing could result in an oversupply and high vacancy rate among existing apartment units. During 2013, City Council considered nine subdivisions totaling 476 apartments. This is nearly equal to the number of new apartment units that had been approved from 2000–2012 (482 units) and 150 units more than what had been approved from 1990–1999 (329 units). The surge of proposals has continued with, as of June 2014, 100 new rental units approved and 79 new rental units pending.

Second, the City's regulation and restrictions on rentals of single-family houses has strained relations with some landlords. The City is considering changes to how it inspects apartments and single-family rental properties and to regulations concerning the number of unrelated tenants allowed in single-family rental units.

The City is also evaluating the size and type of apartment units that will best meet the rental housing needs of the future and where those units should be located. Proposals for very large townhouse-style apartments (5–6 bedrooms each) are targeted to undergraduate students; however, while the market for student rentals is high currently, new multi-unit housing is being constructed "condo ready," to include adequate firewalls and utility hook-ups so that the apartment units could be sold individually as condominiums, should demand increase for such housing types. Given demographic trends with baby-boomers looking to downsize and millennials looking for more compact, urban living, Newark housing stock seems well positioned.

The City has also implemented density bonuses for one- and two-bedroom apartment units in the downtown district in hopes of attracting graduate students, young professionals, and couples.

The effort has resulted in a large number of newly approved two-bedroom units in the downtown core, with larger townhouse-style apartment units on the outskirts of downtown, most within walking distance of the UD campus.

Rental Market Needs Assessment

As a result, the City hired an outside consultant to study and evaluate the City's housing needs, particularly as they relate to rental housing. The study was divided into two phases. Phase one of the study, a Rental Housing Needs Assessment, was completed on January 13, 2015, and analyzes the question of "How much is too much?" rental housing for this community. Summary findings include the following:

- Despite the stated policy of keeping a steady enrollment number, the University of Delaware has added over 1,450 students (undergrads and full-time grads) between 2005 and 2013. This represents a 1% annual growth rate. The additional UD students have increased demand by 50 units per year from 2005-2013.

- Based on Urban Partners' polling of property owners and management companies, the vacancy rate for Newark's rental housing market as of December 2014 is estimated at 2.9%. The vacancy rate for the apartment complexes with more than 50 units is 3.5%.

- Landlords with newly built units report very strong demand with rents as high as $750 to $850 per bedroom. Most of these newer units are off the market by October-November for the following academic year.

- The vacancy rate is currently impacted by the "lease-up" process at the Retreat. The Retreat was completed in the summer of 2014 and missed the window when a large proportion of UD students made housing arrangements for the academic year (2014-2015). As of December 2014, the Retreat had a 40% vacancy rate. It is likely that by Fall 2015, the Retreat will absorb the demand generated by the incremental annual growth in UD students population and, as a result, have a vacancy rate of no more than 10%. The overall vacancy rate in the Fall 2015 for the City of Newark is projected at 1.9%.

- At any given session, there are approximately 800 students (or approximately 2,200 unique students per year) enrolled in the English Language Institute (ELI). The consultant estimates that approximately 200 units of rental apartments in Newark are occupied by ELI students.

The complete report is available online:
http://cityofnewarkde.us/index.aspx?NID=876

Phase two of the study will assess the City's home ownership–assistance programs and its single-family rental-occupancy and maintenance controls, as well as recommend best practices from other University communities. Topics to be addressed in Phase two include the following:

- Should there be additional rental housing availability for the market-rate, non-student community? If so, what household or family sizes should be encouraged?

- Should there be additional rental housing availability for low-and-moderate income households? If so, what household or family sizes should be encouraged?
- Are there certain neighborhoods where the market should be shifted to non-student renters or owner-occupants?
- Should Newark continue its policy to concentrate student rental housing as close to campus as possible? How does that change the parking requirements for Downtown?
- What are the best practices in rental housing code enforcement?
- Are our occupancy restrictions, including the student home ordinance, effective.

Community Development and Revenue Sharing

The Federal Housing and Community Development Act of 1974 established the U.S. Department of Housing and Urban Development's (HUD) Community Development Block Grant Program (CDBG). The primary objective of the program is to assist in the development of viable urban communities by providing decent housing, providing a suitable living environment, and expanding economic opportunities primarily for low- and moderate-income residents. The CDBG replaced several earlier federal grant and loan programs like Model Cities and Urban Renewal. In 1977, Congress reauthorized the CDBG and added a new objective that linked economic development to the principal goal of improving housing conditions.

In addition, in 1986, City Council adopted a Revenue Sharing Program to continue to support social service agencies following the demise of the Federal Revenue Sharing Program. The Community Development/Revenue Sharing Advisory Committee, with staff and administration support from the Planning and Development Department, reviews requests from local social service and related nonprofit agencies for local municipal-funding assistance and makes annual recommendations to City Council for both programs.

Newark, as part of an "Urban County," receives CDBG funds through New Castle County under an entitlement formula based on population. Under the entitlement program, Newark must submit a yearly application to the County after holding public hearings on current and proposed programs. Newark's Community Development/Revenue Sharing Advisory Committee provides direct community participation in the CDBG program, and the final project decisions are made by City Council. The New Castle County's Department of Community Services and the HUD local-area office make determinations, if necessary, on program eligibility.

Federal regulations stipulate the formulation of a local housing-assistance plan as part of the CDBG application process. This plan, produced by the New Castle County Department of County Community Services, presents analyses of the physical conditions of the local housing stock, provides estimates of the financial assistance needs of renter households, and sets housing-assistance goals to be provided over a three-year period, with updated annual goals for housing assistance. The housing-assistance plan is also utilized by the Newark Housing Authority in its requests for federal funding.

Over the past five years of the City's CDBG, Newark has received approximately $1.4 million. Taking into account the likelihood of reduced federal funding for grants of this type, the Planning and Development Department and the Community Development/Revenue Sharing Advisory Committee continue to utilize whatever CDBG funds are available in the most cost-effective manner by implementing the following planning strategies:

1. Limiting the assumption of additional multiyear commitments
2. Prioritizing funding requests to fund those activities that appear to meet the most critical needs
3. Containing costs wherever possible
4. Identifying supplemental resources
5. Leveraging CDBG funds with private capital

Public and Subsidized Housing

The Newark Housing Authority (NHA) was established under the provisions of the State of Delaware *Code* (Title 31, Chapter 43, approved April 24, 1934), following an initiative by the League of Women Voters. On September 24, 1960, the State Board of Housing issued a certificate of its determination to the Mayor of the City of Newark that there was a need for a Newark Housing Authority. Eventually, NHA was formed under state requirements.

NHA is the smallest of four housing authorities in Delaware whose primary source of funding is federal. NHA receives no state funds. As a result of the Joint Sunset Review in 2010, the Board was recently expanded from six members to seven. The Mayor has the ability to appoint four Board members at his or her discretion, three of which are approved by City Council. The Governor of the State of Delaware appoints the remaining three.

NHA administers two federally funded affordable-housing programs within the City limits, including Low-Income Public Housing (LIPH) and a Housing Choice Voucher Program (Section 8). The LIPH program, authorized by the U.S. Housing Act of 1937, provides decent and safe rental housing for eligible families making less than 80% of the area median income, including the elderly and persons with disabilities. The Housing Choice Voucher Program, authorized by the Federal Housing and Community Development Act of 1974, gives eligible families the opportunity to rent from a private landlord. Because of high rents, payment standards, and competition with student housing, NHA is limited as to the number of participants it can assist. NHA has 209 vouchers associated with the Section 8 program but is only able to assist approximately 100 families. NHA owns and manages 98 LIPH units, including 20 scattered sites, 36 units for the elderly, and 56 multifamily units (to be constructed in 2015). Both programs have waiting lists with a combination of approximately 1,500 families in need of affordable housing.

In 2011, NHA was ranked a "high performer" in both the LIPH and Section 8 programs. Under the LIPH program, NHA was evaluated under the Public Housing Assessment System (PHAS). Under the Section 8 program, the Section 8 Management Assessment Program (SEMAP) enables HUD to better manage the voucher program by identifying NHA's capabilities and deficiencies related to the administration of the program. In both of these programs, NHA was

scored by individual indicators that include, but are not limited to, lease-ups, property selection from the waiting list, recertifications, annual inspections, capital-fund obligation, and expenditure of funds and financials.

NHA is faced with some financial challenges moving forward. Recently, it had its operating reserves offset by $80,000 as a result of federal cutbacks. The buildup of reserves was designated for the Cleveland Heights project, and NHA will no longer receive any phase-down operating subsidy for that project. Instead, NHA will be forced to use funds set aside for Cleveland Heights to continue to meet the day-to-day routine expenses of the agency.

From 2008 to 2015, the City of Newark provided more than $250,000 through its Community Development Block Grant (CDBG) program to NHA for assistance in rehabilitating public housing units in Newark.

Cleveland Heights Redevelopment (Alder Creek)

In September 2013, the Planning and Development Department received an application from the NHA and Newark Housing Redevelopment, LLC, for the redevelopment of 6.77-acre property located at McKees Lane and Cleveland Avenue, also known as Cleveland Heights. The application requested development approval to demolish the existing structures on the site and build 13 new three-story buildings containing a total of 56 apartments, along with other site amenities and improvements, as part of an affordable-housing project. To accommodate the development, the applicant requested the City vacate Terrace Drive, a City-owned and -maintained street, in favor of a privately owned and maintained access way. The project also included a 3,500-sq. ft. community center for social activities and community services, including after-school and day care programs, for the residents of the new development and other NHA-managed properties in the City. The project was approved by Newark City Council in 2014. Construction is expected to be completed in 2015.

Rendering of Alder Creek

Special-Needs Housing

The City of Newark recognizes that individuals and families who are homeless or at risk of being homeless, as well as persons with disabilities, face significant obstacles accessing affordable housing. Through the City's CDBG and Revenue Sharing Program, the City has assisted with operational support to Homeward Bound, Inc., which provides shelter to homeless families with children through the Emmaus House Program. Emmaus House is a 14-bed facility with the capacity to provide housing for four families. While being sheltered and fed, residents are required to utilize 30-day case-management services that are meant to move the family toward self-sufficiency by addressing the root cause(s) of each family's housing crisis.

The City is also the location for several group homes for persons with disabilities. Most of the group homes are operated by Chimes of Delaware and the Arc of Delaware. Newark follows Delaware State Law c.22 309(a), which states:

> *For purposes of all local zoning ordinances, a residential facility licensed or approved by a state agency serving 10 or fewer persons with disabilities on a 24 hour-per-day basis shall be construed to be a permitted single-family residential use of such property.*

As a result, group homes are allowed "by right," without need of a special-use permit, in any residential district.

Fair Housing

Equal access to residential housing is an essential human need in pursuing personal, educational, employment, or other goals. Because housing is so important, fair housing is a goal that government, public officials, and private citizens must achieve if equality of opportunity is to become a reality. Under federal law, fair housing choice is defined as "the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices." Persons who are protected from discrimination by fair housing laws are referred to as members of the "protected classes." HUD defines an impediment to fair housing choice as "any actions, omissions, or decisions that restrict, or have the effect of restricting, the availability of housing choices, based on race, color, religion, sex, disability, familial status, or national origin."

In 2011, the City of Newark cooperated in the *Analysis of Impediments to Fair Housing Choice*, required for all HUD entitlement communities that receive federal funds for housing and community-development activities. The analysis includes a list of impediments (or barriers) to fair-housing choice for members of protected classes, as well as specific plans consisting of strategic actions to be taken to eliminate housing discrimination across Delaware.

While the analysis contained no findings on the City of Newark, it included the following recommendations for local jurisdictions:

- Local government entities should reduce and/or waive their respective sewer, water, and/or public facilities and service impact fees for area developers and nonprofit organizations seeking to build affordable housing units, both for rental and owner-occupied units.

- The City of Newark does not have a definition encompassing the "group home" use, and this use is not listed as a permitted use in any zoning district. In practice, the City relies on the jurisdiction of state law to define a group home, a definition that is consistent with the Fair Housing Act. However, to promote consistency and clarity, the City of Newark should amend its zoning ordinance to include the definition of group homes as cited under state law.
- Ease zoning and other regulatory barriers to affordable rental housing for families.
- Area localities should encourage members of appointed boards and commissions, elected officials, and municipal staff who deal with housing, community development, zoning, and code-enforcement issues to attend an annual fair-housing training.

The complete report is available online:
www.destatehousing.com/FormsAndInformation/pubs.php

Affordable Housing

The Delaware State Housing Authority's *Delaware Housing Needs Assessment 2015-2020* concluded the following for the City of Newark:

1. Given the demand for rental housing, rents are disproportionately high. Only 8% of units have contract rents less than $500 per month; 26% of units cost more than $1000 per month, making Newark's rental market the second most expensive in the state after South New Castle.

2. While rental housing is more expensive, the homes for sale are moderately priced, with 66% of units valued below $300,000 (compared to 67% statewide).

The City of Newark's Affordable Housing Plan has three aspects. First, the City provides programs and incentives that help qualified applicants become homeowners in the City. For Newark homeowners who have low to moderate income (those who make 80% or below of the area median income), the City offers a variety of programs to help repair homes. And, finally, the City supports agencies and efforts to help make renting in Newark more affordable to low- and moderate-income households.

The complete report is available online:
http://www.destatehousing.com/FormsAndInformation/needs.php

Home Ownership/Home Repair Programs

The City of Newark's Home Ownership Programs help qualified applicants, particularly first-time homebuyers, to purchase a home in Newark. Existing programs include the following:

- *Home Buyer Incentive Program*

  The Home Buyer Incentive Program provides funds to income-qualified first-time homebuyers to purchase affordable housing. The program provides interest-free, deferred-payment loans up to $5,000 to be used for settlement/closing costs and up to 50% of the down payment for homes purchased within the City of Newark. The loans will be secured by a second mortgage on the home to be purchased. The full balance of the loan becomes payable either upon title transfer of the residence or if the homeowner converts the property into a rental.

- *Promoting Owner Occupancy of Homes (POOH)*

  The City's pioneering "shared equity" POOH Program promotes and encourages owner occupancy of homes in Newark by providing interest-free, deferred-payment loans of up to $30,000 toward the purchase of any single-family home in the City with a valid rental permit. Rental permits for homes to be purchased must have been issued a minimum of two years from the date of application. The loan will be secured by a second mortgage. Loan repayment will be required at the time of sale or transfer of the property and will include the full principal amount plus a percentage of the increased value of the home during the borrower's ownership, in direct proportion to the amount loaned by the City at the time of settlement. For example, if the total value of the City POOH loan consisted of 20% of the original purchase price, then the City would receive as the loan repayment 20% of the net appreciation plus the principal amount. Our "shared equity" program is an example of the kind of housing-affordability program that national experts recommend for the expansion of the local supply of reasonably priced housing.

The City of Newark had two other programs to make purchasing a home more affordable, but they were discontinued during the financial difficulty starting in 2008. When feasible, it is recommended that funding for these programs should resume.

- *Live Near Your Work Program*

  The Live Near Your Work (LNYW) Program is a partnership among the City, the State of Delaware, and participating employers that encourages employees to purchase homes near their place of work. The LNYW Program provides down-payment and closing-cost assistance to eligible employees of participating employers who purchase homes in designated areas.

- *Home Buyer Assistance Program*

  The Home Buyer Assistance program provides low-interest monthly payback loans, up to $15,000 at 1% below the Federal Home Loan Market Interest Rate. The loans will be secured by a second mortgage on the home to be purchased. To qualify, homebuyers must be willing to buy a house within target areas of the City and remain owner occupants for at least six years.

The City also funds, through its CDBG program, three programs to help low- to moderate-income residents who own their homes to make minor (and sometimes significant) repairs. These programs include the following:

- *Home Improvement Program*

  The Home Improvement Program provides low-interest, interest-free and deferred-payment loans for qualified repairs to owner-occupied properties of income-eligible Newarkers. The maximum loan amount is $15,000. This program has assisted Newark owner occupants with home-improvement grants and loans since 1974.

- *Senior Home Repair Program (60+)*

  The Newark Senior Center's Senior Home Repair Program provides free City CDBG-funded minor home repairs to income-eligible senior citizens (age 60 and over) who are homeowners in Newark.

- *Newark Energy Watch Program*

  The Newark Senior Center provides free assistance to low- and moderate-income Newark homeowners to promote the efficient use of energy, including diagnostic energy-conservation audits and free home repairs that increase a home's energy efficiency.

Plan Goals and Action Items: Housing and Community Development

Encourage diverse housing choices that contribute to attractive and unique places to live, work, play, and attend school.

Strategic Issues:

- Supply and demand for rental and owner-occupied housing.
- Protection of the rights of tenants and landlords that maintain safe and attractive housing stock while balancing quality-of-life issues.
- Preservation of existing housing stock.
- Pathways to homeownership.
- Impediments to fair housing.

Community Vision: **Inclusive**

Goal 1	**Encourage affordable and safe housing choices for home ownership and rentals through zoning, incentive programs, and investments.** The City advances its vision as an "Inclusive Community" by investing and supporting safe and affordable housing choices for residents of diverse ages and income levels. The City supports programs that help people purchase homes, affordably repair their homes, and have choices for renting.

Action Item 1

Complete a comprehensive analysis through a Housing Needs Assessment (HNA) to evaluate the City's housing needs with regard to the supply of rental housing and approaches to encourage home ownership. The HNA would have two phases. The first phase would include an assessment of student housing needs, including the current student-rental inventory and a determination of the number of additional units needed to ensure the economic feasibility of the market. This phase would also include recommendations on the number of additional units needed to meet current and future demand, including the type and location of the units necessary and strategies to update the determination of need as development continues. The second phase would include an assessment of the current homeowner assistance programs, single-family occupancy and maintenance controls, and downtown mixed-use development strategy as a tool to balance the impacts associated with off-campus student-rental housing growth and provide examples of successful programs for the City to investigate with regard to promotion of owner occupancy. The HNA would be presented to the Planning Commission and City Council for review, and policy addenda could be added to the *Comprehensive Development Plan V*.

Participating agencies:
City of Newark Planning Commission
City of Newark Department of Planning and Development
New Castle County Department of Community Services
Delaware State Housing Authority
Newark Housing Authority
Nonprofits and organizations focused on housing issues

Policy and program recommendations:

- Continue to provide funding for programs such as the Home Buyer Incentive Program and the Promoting Owner Occupancy of Homes (POOH), that provide opportunities for affordable home ownership.
- Consider resuming funding for the Live Near Your Work Program and the Home Buyer Assistance Program, which provide opportunities for affordable home ownership in targeted locations in Newark.
- Continue to fund the Home Improvement Program and the Senior Home Repair Program, which make owning a home more affordable for low- to moderate-income (below 80% of the area median income) households.
- Encourage nonprofits and affordable housing providers to develop housing in Newark.

***Community Vision:* Sustainable and Inclusive**

Goal 2	**Promote and remove impediments to fair housing for a racially, ethnically, and socioeconomically diverse community.** An economically "Sustainable Community" must have residents of all ages and income levels, from low-wage earners to higher-wage professionals and from young professionals and families to retired persons, to help make a complete community. The City advances its vision as an "Inclusive Community" by ensuring fair housing and promoting diversity.

Policy and program recommendations from Analysis of Impediments to Fair Housing Choice, the Delaware State Housing Authority, and the New Castle County Department of Community Services:

- Encourage the development of affordable housing by considering incentives such as reducing or waiving sewer, water, and/or public facilities and service impact fees for developers and nonprofit organizations seeking to build affordable housing units for renters or owner occupants.
- Amend the *City of Newark Zoning Code* to include a definition of "group home" to match the definition under state law. Include "group home" as a by-right use under all residential zoning districts to clarify existing city policy.
- Encourage and promote opportunities for members of appointed boards and commissioners, elected officials, and city staff who deal with housing, community development, zoning, and code enforcement to attend training on fair housing and other housing-related planning issues.
- Review zoning ordinances and consider opportunities and appropriate zoning best practices to reduce barriers to affordable housing for families, promote greater housing choice, and ensure consistency with the Fair Housing Act.
- Encourage diversity on appointed volunteer boards.

Community Vision: **Sustainable**

Goal 3	**Encourage housing built and retrofitted to high-energy, efficient, and environmental standards.** The City's vision as a "Sustainable Community" is advanced by encouraging that the City's new housing stock be constructed to a high standard of environmental practice and that older housing stock is retrofitted to improve efficiency.

Policy and program recommendations:

- Continue the City of Newark's Energy Conservation Program, adopted in 2010, based on the United States Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system for all new construction, including new single-family and multifamily residential units.
- Continue to provide assistance through the Newark Energy Watch program (NEW) to provide free assistance to low- and moderate-income Newark homeowners to promote the efficient use of energy, including diagnostic energy-conservation audits and free home repairs, which increase the home's energy efficiency.
- Continue to provide assistance through the Home Improvement Program to provide low-interest, interest-free, and deferred-payment loans for qualified repairs, such as more energy-efficient heaters, air conditioning units, and windows.