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City works to build affordable housing

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REHOBOTH BEACH -- Residents of West Rehoboth Beach, some struggling to make ends meet as rental and housing prices rise, are a few steps away from some relief.

The West Rehoboth Community Land Trust has been working to secure a plot in West Rehoboth to build affordable housing. The plan, however, still faces votes from the Sussex County Council and favorable recommendations from the Department of Planning and Zoning and the Board of Adjustment.

"Our purchase is contingent on us building two housing units on the property," said Richard Legatski, president of the land trust.

If the \$99,000 property sale is approved by all three entities, the land trust would begin building a duplex-style house expected to fit two families within the year.

Buying property and building a house in the Rehoboth Beach area has gotten increasingly difficult in recent years as the cost of doing business has skyrocketed, said Gina Miserendino, a grass-roots policy specialist with the Delaware Housing Coalition. The close proximity to pricey vacation homes and the curb appeal for developers has increased land values for the permanent blue-collar work force as well as the low-income residents living in West Rehoboth.

"They were quite clear about needing affordable housing in the community because people were being priced out and the land costs are exorbitant," said Miserendino, whose coalition has been working with the land trust to move the project forward.

In a letter to Robert C. Wheatley, chairman of the Sussex County Planning and Zoning Commission, the Sussex housing group says the county has the highest median home sale price in the state at \$236,000.

"This represents a 59 percent increase in the purchase price since 2000," reads the letter. "The gap between what a low-income household can afford, \$165,201, and the median home price is \$71,699."

Renting in the resort town for those of lower income isn't any easier. The gap for what low-income families can afford to rent and the list price is nearly \$300 per month.

Legatski said he isn't sure if the duplex would be to rent or to buy; he did say either way it will be affordable.

"They would lease the land and in this case, initially, they would be rentals," Legatski said. "The reason for that being some of the people in the community living in the very worst conditions are renters that couldn't qualify for a basic mortgage."

Eventually the duplex could be offered as a way for low-income renters to own their first home.

That model would most likely follow the land trust, which allows any family living in the duplex to rent the land for about \$40 per month.

"The land trust model is a housing model where the land trust owns the land and the family owns the actual lease," Miserendino said. "The advantage of that is that people are homeowners yet the cost of the land is separated from the cost of the actual house -- so it becomes a lot more affordable."

Those living in the duplexes would have a 99-year lease for the land and have the option of leaving it to their heirs.

Legatski said once the first plot of land has a house sitting upon it and people living inside, he would like to begin looking for other pieces of property in the area that could be used for quality affordable housing.

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