

State & Local Housing Policy Issues: The Crisis and Beyond

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Delaware Housing Coalition

- **Nationally, the short-term picture at the state and local level is bleak**
 - Housing prices are plummeting
 - Foreclosures are rising rapidly, particularly in older industrial regions and fast-growing Sunbelt areas
 - State & local governments are facing severe and growing budget shortfalls

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- **The impact of the housing and foreclosure crisis on Delaware has been less to date than many other states:**
 - House prices are down, but not by as much as many other areas; the number of new sales, however, is sharply down.
 - Foreclosures are up, but not by as much as many other areas

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■ **Delaware is catching up!**

- State government already facing significant shortfalls
- The nation is entering a severe economic recession
- The financial industry is experiencing significant contraction
- Major job losses are expected in the automobile industry

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■ **Delaware's housing policies must simultaneously address two different goals:**

- Address the immediate and short-term crisis conditions.
- Lay the groundwork for sound long-term policies going forward.

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■ **Short-term goals**

- Target state resources to sustain markets and maintain viable neighborhoods
- Maintain the viability of the affordable housing preservation and delivery system
- Address the foreclosure crisis
 - Help keep owners in their homes
 - Mitigate the neighborhood impacts of foreclosure

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■ **Use the Neighborhood Stabilization Program strategically**

- Target resources
- Take market-sensitive actions
- Leverage resources
- Focus on neighborhood stabilization, not acquisition, rehabilitation and demolition totals.

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- **Target state resources to support homeowners and sustain the housing market**
 - Prevent foreclosures
 - Further responsible home ownership opportunities
 - Build home ownership support system

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- **Maintain the affordable housing system**
 - Preserve expiring use projects
 - Use subsidy resources – LITC, HOME – strategically
 - Maintain the viability of Delaware’s non-profit affordable housing providers – make sure they get through the crisis in one piece.

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■ **Long-term goals**

- Create a strong affordable housing sector
- Foster social and economic integration
- Build strong communities

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■ **Long-term strategies**

- Increase state support for affordable housing activities
- Target housing resources to build stronger communities, particularly urban neighborhoods and older, smaller cities and towns.

- Long-term strategies (2)

- Foster affordable/workforce housing through inclusionary zoning programs and local housing trust funds
- Explore fair share housing models to foster greater and better distributed production of affordable housing.

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