

Delaware Housing Coalition Urges New Castle County Housing Trust Fund

There is movement afoot in Delaware to establish a housing trust fund in New Castle County. County officials dealing with increasing unaffordability and the impacts of sprawling development are exploring a housing trust fund to provide a range of affordable housing options to County residents and workers.

The initiative was kicked off when the Delaware Housing Coalition issued a paper last summer recommending the adoption of six policies to promote the development of affordable housing in accordance with the Comprehensive Plan.

Among the tools included was a County Affordable Housing Trust Fund, with recommendations that New Castle County work with Kent and Sussex Counties to secure state enabling legislation identifying potential revenue sources. The report also recommended the County act on its own to establish a housing trust fund with dedicated county revenues, to subsidize *“the costs of the development of affordable*

housing and providing matching funds for federal and other housing grants, including the [potential] National Affordable Housing Trust Fund.”

It was recommended that the County administer the fund with a Board of Directors comprised of representatives from nonprofit and for-profit housing developers, financial institutions, housing advocacy organizations, and community associations.

In October, the County Council took up this charge, and passed a resolution establishing a New Castle County Housing Trust Fund, sited within the Department of Community Services and managed by an intergovernmental working group, for the purpose of dedicating public funds and other revenue sources to address affordable housing needs in the County. However, the Council did not identify nor dedicate a revenue source to the Fund, but does allow for the collection of future funds. The resolution calls for annual budget appropriations by the Council as the initial funding source.

The County’s resolution permits funds to be used to support production and preservation of housing units affordable to households earning up to 120% of the area median income. The Fund can provide loans or grants designed to meet a number of important housing goals with emphasis on the production of multi-family rental housing for very low income earners.

The County Department of Community Services issued a draft manual detailing the policies and procedures to govern the Fund. The policies seek to ensure that funds do not simply add additional housing, but are used to build neighborhoods and strengthen communities. The competitive process used to distribute funds would also require the equitable distribution of affordable workforce housing units throughout the County. Assisted projects would be required to remain affordable for twenty years in the case for sale units, and thirty years for rental developments.

Advocates have had an opportunity to comment on the directives in the manual and are seeking to target the funds to lower income households and lengthen the affordability control periods, as well as secure dedicated revenues. *“The trust fund proposal, for better or worse, was introduced in tandem with a draft inclusionary housing (now “workforce housing”) ordinance which has received more attention and been the focus of considerable efforts at dilution. Delaware affordable housing advocates hope that the trust fund will not suffer the same fate. It would be ideal for this fund to serve those most in need--people are being crushed by the cost of housing, if they are lucky enough to have housing,”* says Ken Smith, Executive Director of the Delaware Housing Coalition.

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HABITAT FOR HUMANITY NEW CASTLE COUNTY



More than 90 volunteers gathered on Westminster Presbyterian Church grounds to build two Habitat homes with Habitat for Humanity New Castle County.