



HOUSING
ALLIANCE
DELAWARE

The State of Housing & Homelessness in The First State

2017 JOINT REPORT
Who Can Afford to Live in Delaware?
&
Point in Time

The State of Housing & Homelessness in The First State 2017

Letter from the Executive Director

On any given night 1,000 people in Delaware are experiencing homelessness, including more than 200 children under 18 years of age. At the same time, thousands of others in our state are struggling to sustain their housing and afford rent that greatly exceeds their ability to pay. Lack of affordable housing and the crisis of homelessness are issues that we cannot afford to ignore in our state. We can do better. We must do better.

In 2017, Housing Alliance Delaware was established through the merger of two long-standing non-profit organizations: *Delaware Housing Coalition* and *The Homeless Planning Council of Delaware*. Our parent agencies were dedicated to ending homelessness in our state, advancing affordable housing, and promoting vibrant communities of opportunity. Housing Alliance Delaware is proud to carry their legacy forward. This report is the first issue combining the previous iconic publications of those agencies.

Consistent with the data of recent years, demand for rental housing in Delaware, including affordable and available units, continues to increase. Current levels of development and construction in our state will not keep pace with demand. The link between affordable housing and homelessness is a direct one. Delaware is the 15th most costly rental market in the United States. Programs to assist cost burdened renters, such as housing choice vouchers, continue to have extremely long waiting lists. Families in unstable housing circumstances face heartbreaking choices of skipping rent, or doing without other basic necessities like food, clothing, or transportation. Unable to save for any emergency, such as a medical issue or vehicle repair, they are always one crisis away from homelessness.

Delaware has made recent progress in some areas of homelessness and affordable housing. In 2016 Housing Alliance Delaware, in partnership with other state, non-profit and veteran agencies, celebrated being one of four states to effectively end veteran homelessness after taking on the *Mayor's Challenge to End Veteran Homelessness*. As of the writing of this letter, 656 formerly homeless veterans in Delaware have moved into permanent housing since the start of the challenge in January, 2015.

Delaware also saw gains in 2016 for the housing wage necessary to afford a two bedroom rental unit. The change moved the state down from the 12th most expensive renter state to the 15th. These advances are encouraging, but there is much more to be accomplished in our goal to provide affordable housing to all Delawareans.

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Speaking at this summer's annual conference of the National Alliance to End Homelessness in Washington, D.C., HUD Secretary Ben Carson stated, "A man will not beat addiction from a gutter. He will not get psychiatric help beneath a bridge. And he will not find a steady job without an address." Housing Alliance Delaware could not agree more.

Best regards,





**HOUSING
ALLIANCE
DELAWARE**

Our Mission

Advance Housing
Opportunities,
End Homelessness,
Promote Vibrant Communities

Our Values

Commitment
Compassion
Collaboration
Innovation
Respect

Our Vision

“Housing for All in Thriving and
Diverse Communities”

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Executive Summary

2017 Point in Time Count

The Point in Time (PIT) Count is a one-night count of the people experiencing homelessness in our communities, and a survey of their characteristics. The 2017 PIT Count in Delaware was conducted on January 25, 2017. **The total number of people homeless on the night of the PIT was 1,015**, including adults and children. It is estimated that approximately 3,000 people will experience homelessness in Delaware in 2017.

The PIT Count includes adults and children throughout the state who are sheltered in weather-related shelters (such as Code Purple sanctuaries¹), emergency shelters (including hotel/motel vouchers and domestic violence shelters), transitional housing facilities, and people who are sleeping in unsheltered locations, such as the streets, in cars, and other places not meant for human habitation.

2017 Key Facts:

- The total number of people experiencing homelessness decreased from 1,070 in 2016 to 1,015.
- Veteran homelessness decreased for the 3rd year in a row, with 93 veterans experiencing homelessness in the 2017 PIT Count.
- 24% of all people experiencing homelessness were children under the age of 18.
- African Americans continue to experience higher rates of homelessness than other racial groups, at 55% of people counted during the Point in Time count compared to 21% of Delaware's general population.
- Of the 1,015 people who experienced homelessness, more than 60% were in New Castle County.
- The rate of households experiencing homelessness in Kent County increased for the third year in a row, with 22% of people experiencing homelessness in Kent County during the 2017 PIT.
- The number of people experiencing chronic homelessness in Delaware remains high, at 127 people on any given night, or 12% of the homeless population.

2017 Who Can Afford to Live in Delaware?

Each year the National Law Income Housing Coalition (NLIHC) examines the availability of rental housing affordable to median income, low income, extremely low income and other income groups. The analysis consistently demonstrates a significant shortage of affordable and available limits in every state. Delaware is no exception.

For 2017, **Delaware's ranks 15th in the necessary hourly wage (state hourly wage) to afford a two bedroom apartment** at the Fair Market Rate (FMR) of \$1,124 a month. This is an improvement from the state ranking of 12th highest state hourly wage in 2016. Nevertheless, the shortage of available and affordable rental units in Delaware continues to grow and the income and affordable rent gap widens.

2017 Key Facts;

- In Delaware 29% of the 344,022 total households are rentals.
- A 2- bedroom rental at FMR requires a 105 hour work week, at the state minimum wage of \$8.25 per hour, and a 1-bedroom rental requires an 86 hour work week.
- In Delaware, 23% of renters are Extremely Low Income (ELI), which is the poverty line of 30% of the state Area Medium Income (AMI).

3 ¹ Code Purple Sanctuaries in Delaware provide low/no barrier access to shelter for the purpose of saving lives when the temperature on winter nights drops below a locally determined level.

- The FMR statewide for a 2-bedroom unit is \$1,124. The rent affordable with a full time minimum wage job is \$429, which leaves a 2-bedroom unit out of reach, even while working two full-time minimum wage jobs.
- Applying the 30% "rule of thumb" that housing and utilities not exceed 30% of income, the affordable rent for ELI households is \$569
- The SSI monthly benefit is \$735 making \$221 the maximum rent affordable for SSI recipients.

Homelessness

Delaware's Performance Data

System performance data allows us to understand our achievements as a community as we work collectively to resolve homelessness throughout the state. While Point in Time data is a useful tool for tracking changing trends over time, performance data is a better tool for system planners and policy makers seeking to understand our accomplishments and challenges, and make strategic changes that will improve our collective response to homelessness. Performance data is measured using client-level data in the Community Management Information System (CMIS).

Housing Alliance Delaware is working with partners throughout the state to achieve an effective end to homelessness. When we have achieved this goal, homelessness in Delaware will be:

RARE: Fewer people will experience homelessness. Homelessness will no longer be common-place.

BRIEF: When people experience homelessness, they are homeless for a very short period of time before being connected to permanent housing and appropriate support services, *AND*,

NON-RECURRING: Once someone is re-stabilized in permanent housing, our community provides the support and assistance necessary to prevent them from returning to homelessness again.

The following data, from October 2015 – September 2016, helps us to measure our progress towards this goal.

Length of Time Homeless: The average length of time that people experience homelessness in Delaware is 91 days.

Exits to Permanent Housing: 50% of people served by homeless assistance projects will move from homelessness to permanent housing each year.

Returns to Homelessness: 22% of people who move from homeless to housing will return to homelessness within 2 years.

First time Homeless: 79% of people who experience homelessness each year are newly homeless, meaning that they have not been homeless during the 2 years prior.

Success in Permanent Supportive Housing: 95% of clients that access permanent supportive housing in Delaware remain stably housed for more than 1 year, or move on to other permanent housing options.

Achieving an end to homelessness in Delaware will require that our communities collaborate in different ways, including leveraging additional resources, seeking strategic opportunities to work towards shared goals, increasing housing affordability, and effectively implementing best practices - including adopting a housing first approach to homeless service delivery at the program and community levels.

“Housing First” Model Practice

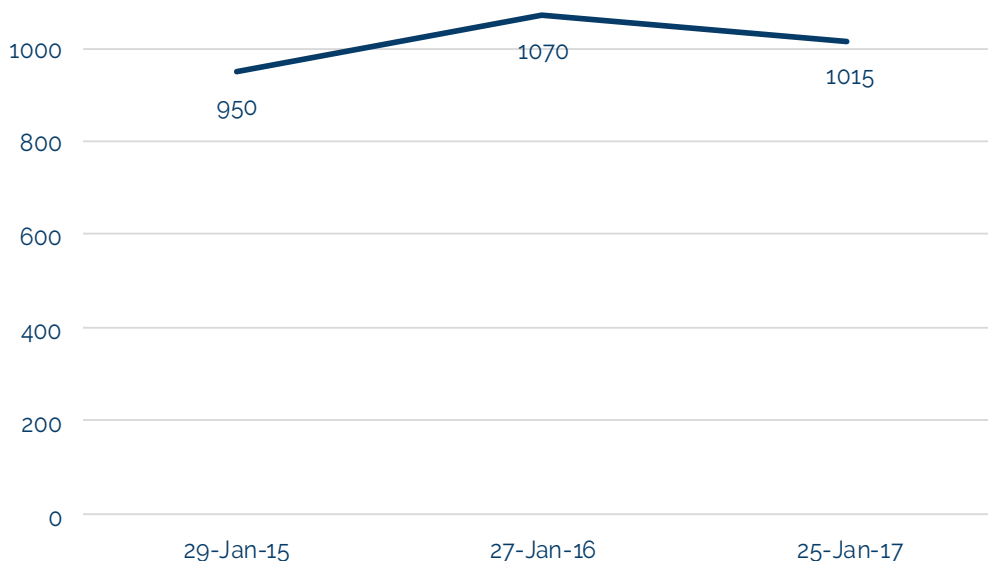
Housing first is an evidence-based best practice rooted in the belief that all people deserve – and are ready for – a safe place to live in our communities, regardless of their personal hardships or circumstances. In practice, to have a housing first response to homelessness means that:

- Programs do everything possible not to reject individuals or families due to poor credit, criminal histories, or behaviors that may be interpreted as not being “ready” for housing.
- Access to assistance is not contingent on programmatic compliance.
- Housing and service plans are highly tenant-driven and promote client choice.
- Participation in services is not a mandatory condition of housing, rather services are regularly offered as resources to help clients access and maintain housing.
- The community has a data-driven approach to prioritizing housing assistance to those with the highest needs.
- Resources and funding are aligned to promote increased availability of affordable and supportive housing that meets the needs of the population.
- Homeless outreach and other crisis response teams are coordinated and trained, and have the ability to engage with clients and quickly connect them to permanent housing opportunities.



Point in Time 2017 Data

Delaware Point in Time Counts 2015-2017



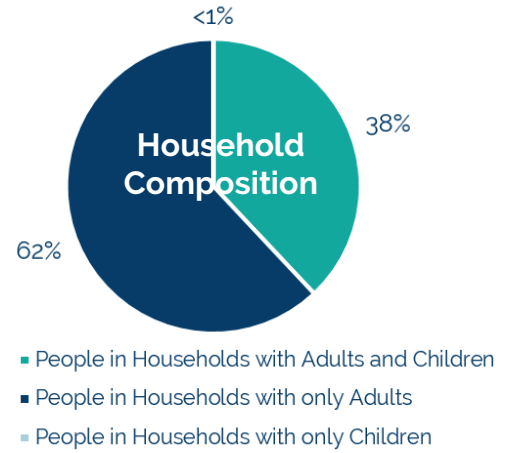
Household Composition

On January 25, 2017, 734 households experienced homelessness in Delaware. A household can be comprised of a single adult, multiple adults, or adults and children.

2017: 38% of people were in families with children

2016: 30% of people were in families with children

2015: 37% of people were in families with children

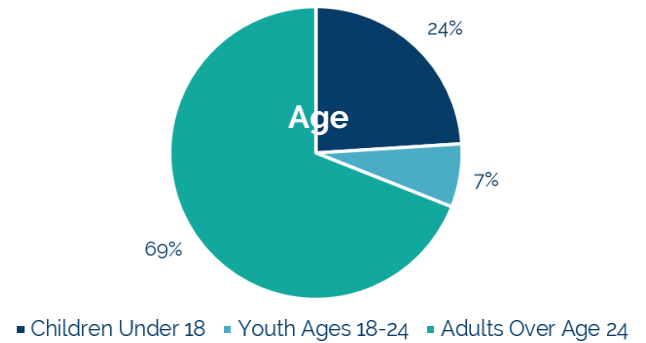


Age

2017: 24% of the homeless population were children under the age of 18; 7% were young adults ages 18-24

2016: 18% of the homeless population were children under the age of 18; 7% were young adults ages 18-24

2015: 24% of the homeless population were children under the age of 18; 8% were young adults ages 18-24

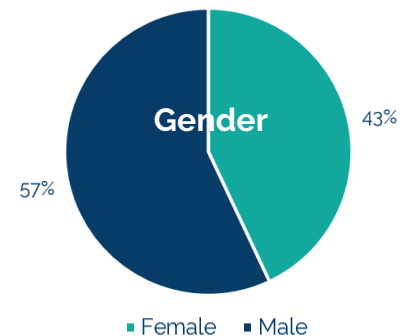


Gender

2017: 43% of adults and children were female; for the adult-only population, 41% of adults were female

2016: 38% of adults and children were female

2015: 42% of adults and children were female



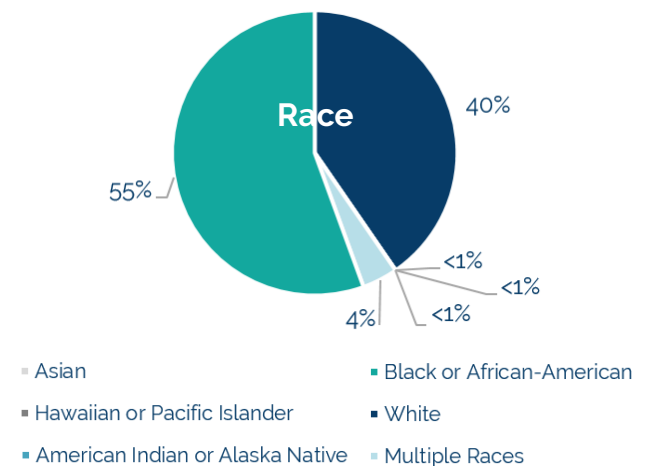
Race

Homelessness disproportionately impacts African American communities in Delaware. In 2016, 21% of Delaware residents identified as Black or African American.

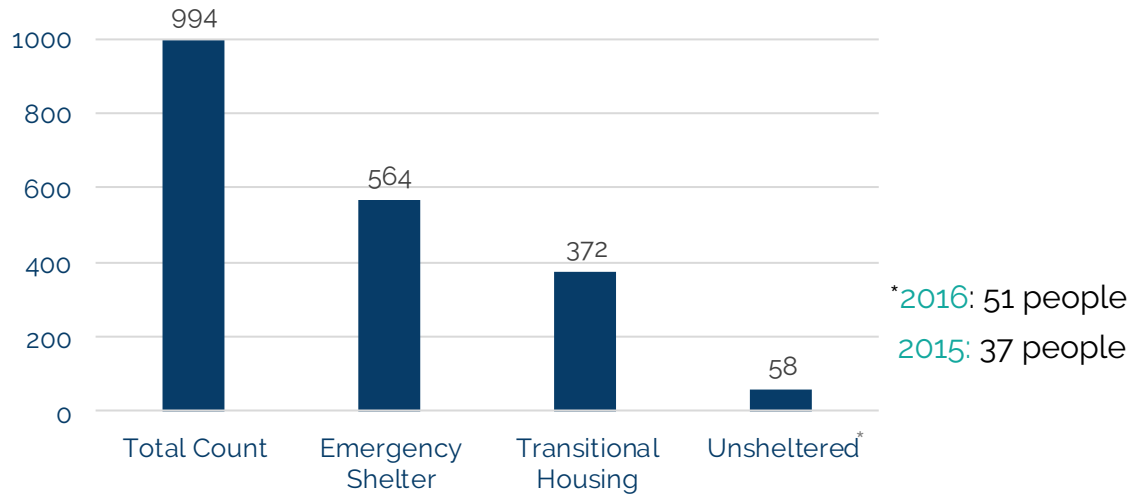
2017: 55% of people experiencing homelessness identified as Black or African American.

2016: 54% of people experiencing homelessness identified as Black or African American.

2015: 58% of people experiencing homelessness identified as Black or African American.



Sheltered Situation



Veteran Homelessness

2017: 9% of all people experiencing homelessness identified as veterans.

2016: 9% of all people experiencing homelessness identified as veterans

2015: 11% of all people experiencing homelessness identified as veterans

Chronic Homelessness

People who experience chronic homelessness are those who have been homeless on the streets or in emergency shelter for more than 1 year continuously or 4 or more times in 3 years, with a cumulative length of time on the streets or in shelters of 12 months or more. People who experience chronic homelessness are also diagnosed with a disabling condition that makes it hard for them to live independently.

2017: 127 people were chronically homeless, including 4 people in families with children

2016: 74 people were chronically homeless

2015: 122 people were chronically homeless

Youth Homelessness

Youth (under age 25) are referred to as "unaccompanied" when they are experiencing homelessness on their own, without other household members. Youth who experience homelessness with their children are referred to as "parenting youth" households.

2017: 63 youth were homeless

2016: 61 youth were homeless

2015: 78 youth were homeless

Additional Characteristics

Homelessness is the result of a myriad of circumstances including poverty, unemployment, physical, mental, and behavioral health issues, domestic violence, and other complex social and economic challenges. PIT data for two prevalent factors is as follows:

Serious Mental Illness

2017: 19% of adults

2016: 16% of adults

2015: 15% of adults

Disabling Condition

2017: 30% of adults

2016: 47% of adults

2015: 37% of adults

Point in Time County Data

On the PIT night in 2017, 654 people experienced homelessness in New Castle County - .11% of the county's population. In Kent County, 224 people experienced homelessness - .12% of the county's population. In Sussex County, 116 people experienced homelessness - or .05% of the county's population. In the City of Wilmington alone, 599 people experienced homelessness on the PIT night - .8% of the city's population.

Of the people who were homeless on the PIT night, 64.5% were homeless in New Castle County, 22% in Kent County, and 13.5% in Sussex County. Rates of homelessness by year are listed below for each county.



New Castle County	Kent County	Sussex County
2017: 64.5%	2017: 22%	2017: 13.5%
2016: 69%	2016: 20%	2016: 11%
2015: 72%	2015: 16%	2015: 12%

Housing Inventory Chart (HIC)

The HUD Housing Inventory Chart (HIC) is a catalog of the shelter and housing resources available in Delaware for households experiencing homelessness. The beds and housing units reported here are those dedicated to serving people experiencing homelessness. Beds in institutional settings that are *not* specifically dedicated for use by people who are experiencing homelessness (such as detox facilities, treatment centers, emergency rooms, and Oxford houses for example) are not included.

Types of Shelter and Housing

Emergency Shelter (ES): Temporary, short-term sleeping accommodations to people experiencing homelessness, includes year-round ES, weather-related or seasonal ES (such as Code Purple sanctuary), and vouchers for hotels and motels paid for by the state or local charitable organizations.

Transitional Housing (TH): A medium-term temporary accommodation where a person experiencing homelessness can typically stay for up to 24 months.

Rapid Re-Housing (RRH): Permanent housing intervention for homeless households. RRH provides short to medium term financial assistance to help the household quickly access permanent rental housing (such as security deposit, utility assistance, rental assistance, etc.), and provides supportive services to help the household stabilize in housing.

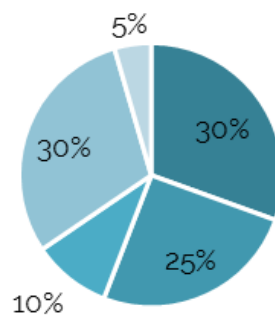
Permanent Supportive Housing (PSH): A long-term housing intervention that includes a permanent housing subsidy and ongoing access to intensive supportive services, provided to homeless households with highest needs, many of whom have disabling conditions and meet the HUD definition of chronically homeless. PSH includes beds that are funded by the HUD and the VA.

Other Permanent Housing (OPH): Permanent housing for people who are homeless, without the eligibility requirement for a disabling condition, may or may not include the provision of supportive services for residents.

Bed Types in 2017

56% of the beds in Delaware are temporary beds, and 44% are permanent housing.

Homeless Assistance Bed Types in Delaware



- Emergency Shelter- 653 Beds
- Transitional Housing- 568 Beds
- Rapid Re-Housing- 216 Beds
- Permanent Supportive Housing- 671 Beds
- Other Permanent Housing- 101 Beds

Beds by Household Type

Most beds are targeted for use by certain household types. The chart below indicates the percentage of each bed type in Delaware targeted for use by certain household types.

Bed Type	Beds for Households with Children	Beds for Households without Children
Emergency Shelter	38%	53%
Transitional Housing	59%	41%
Rapid Re-Housing ²	-	-
Permanent Supportive Housing	39%	61%
Other Permanent Housing	9%	91%

² RRH bed types vary based on community need and funding source.

Who Can Afford to Live in Delaware? 2017

Affordable Housing: 30% Rule of Thumb

The 30 percent “rule of thumb” represents an evolution of empirical norms and public policy dating from the era of the Great Depression. During that period, “one week’s pay for one month’s rent” was the accepted norm. This formula was subsequently incorporated into public policy which both identified housing need and eventually, was used as a Housing Cost to Income Ratio (HCIR). We use the 30% rule here for simplicity and in order to compare to other research including the previous editions of *Who Can Afford to Live in Delaware?*

Affordability in The First State

In Delaware, the Fair Market Rent (FMR) for a two-bedroom apartment is **\$1,128**. In order to afford this level of rent and utilities — without paying more than 30% of income on housing — a household must earn \$3,761.50 monthly or \$45,138 annually. Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a necessary **Delaware Housing Wage of \$21.62 per hour**. The **2016 National Housing Wage is \$21.21 per hour**.

At the Delaware minimum wage of \$8.25 an hour, a renter would have to work **105 hours** a week to afford a two bedroom rental home at Fair Market Value. A renter would need to work **86 hours** per week to afford a one bedroom unit.

Translated into employment, a renter would need **2.6 full time minimum wage jobs** to afford a two bedroom rental home at Fair Market Value, or **2.2 full time jobs** to afford a one bedroom unit.

Delaware has the 15th highest two bedroom rental housing wage in the U.S.

State Facts

Minimum Wage	\$8.25
Average Renter Wage	\$17.06
2-Bedroom Housing Wage	\$21.62
Number of Renter Households	99,173
Percent Renters	22%

Housing Wage by County

New Castle County	\$23.29
Dover MSA	\$19.94
Sussex County	\$17.60

New Castle County

Average Renter Wage	\$18.35
% of renters	31%
2-Bedroom Housing Wage	\$23.29
Number of Renter Households	62,593
Hours at Minimum Wage Needed for 2-BR FMR	113
Number of Jobs Needed at Minimum	2.8



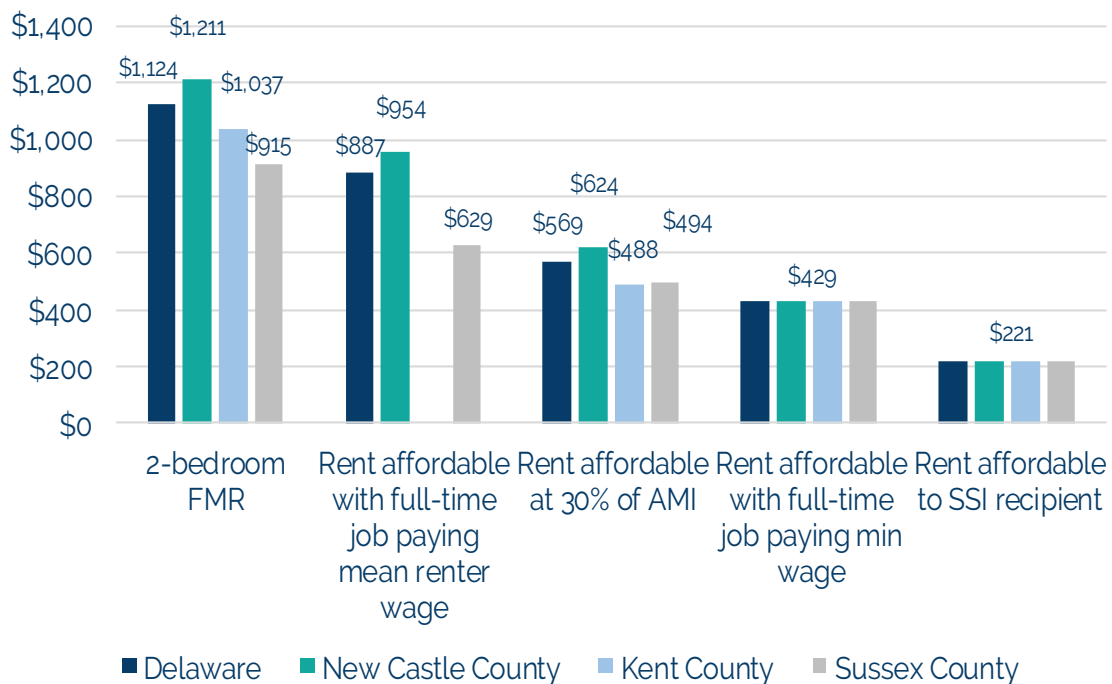
Kent County

Average Renter Wage *	\$17.06
% of renters	30%
2-Bedroom Housing Wage	\$19.94
Number of Renter Households	18,386
Hours at Minimum Wage Needed for 2-BR FMR	97
Number of Jobs Needed at Minimum	2.1

Sussex County

Average Renter Wage	\$12.10
% of renters	22%
2-Bedroom Housing Wage	\$17.60
Number of Renter Households	18,194
Hours at Minimum Wage Needed for 2-BR FMR	85
Number of Jobs Needed at Minimum	2.1

Delaware Rental Housing Costs



Delaware Housing Cost Burdens and Income

Many Delaware renters are extremely low income, which is defined as renter households with income at 30% or less of the area median income (AMI), which is below the poverty line.

Extremely Low Income (ELI) renters spending more than 30% of their income on housing costs and utilities are facing a **housing cost burden**. Those spending more than half their income on housing costs and utilities are **severely cost burdened**. Across the state, there is a deficit of affordable and accessible rental units to ELI renters. ELI renter households are defined as those with incomes at 30%

Affordable & Available Homes for ELI Renter Households

Across the state there is a severe shortage of affordable and available homes for ELI households. The shortage is greatest in New Castle County.

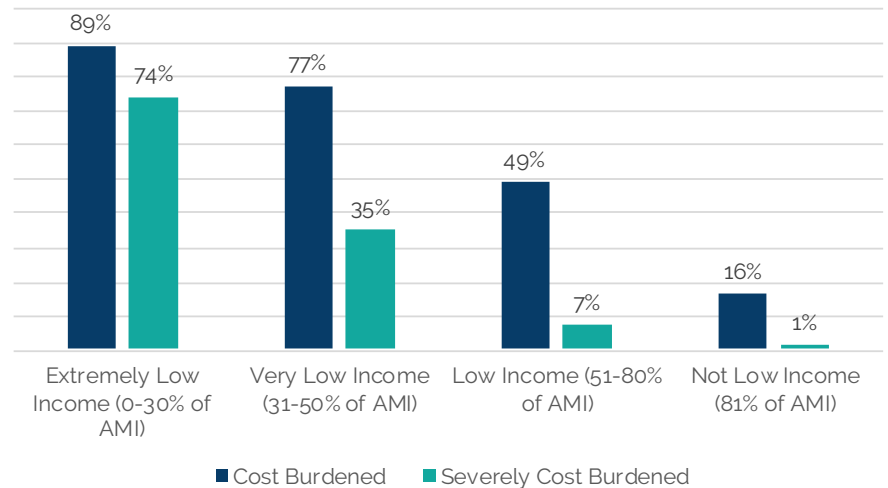
New Castle County	Less than 30 per 100 ELI households
Kent County	Between 41-45 per 100 ELI households
Sussex County	Between 30-40 per 100 ELI households

Rental Affordability by County

	Total Renters	AMI	ELI	Rent Affordable at 30% of AMI	1 BR FMR	2 BR FMR	Avg. Renter Wage
Delaware	99,173	\$75,913	\$22,774	\$559	\$926	\$1,124	\$17.06
New Castle	62,593	\$83,200	\$24,960	\$624	\$1,003	\$1,211	\$18.35
Kent	18,386	\$65,000	\$19,500	\$488	\$899	\$1,037	-
Sussex	18,194	\$65,900	\$19,770	\$494	\$688	\$915	\$12.10

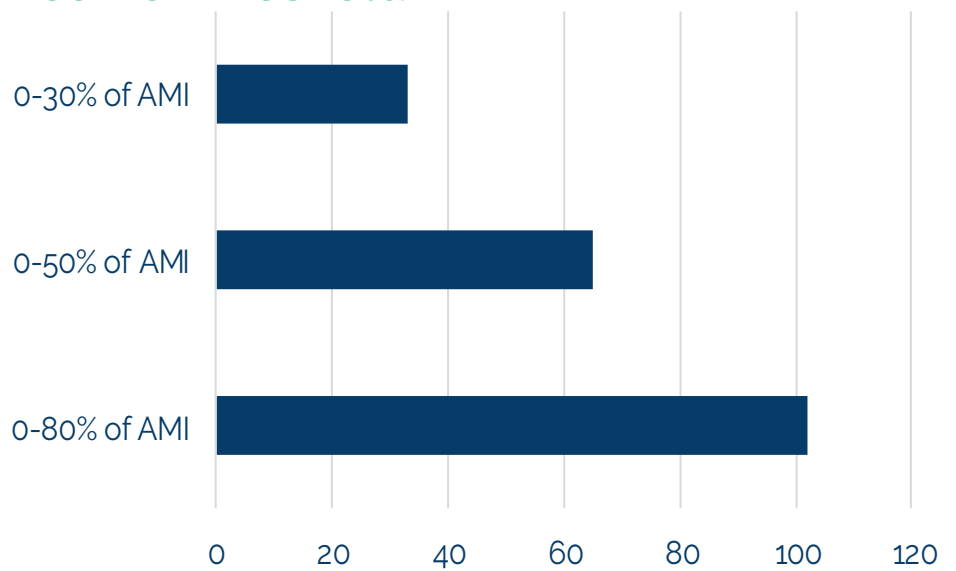
Housing Cost Burden by Income Group

Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are considered severely cost burdened.



Housing Shortage by Income Threshold

The lower the income threshold, the greater the shortage of affordable and available units per 100 renter households. There are less than 33 rental units available per 100 renters in the ELI income group.



State Renter Statistics*

	Total Renter Households	% with Severe Burden	Affordable and Available Rental Units per 100	Surplus (Deficit) of Affordable & Available Rental Units
Income at or below 30% of AMI**	26,070	74%	33	-17,380
Income between 31% and 50% of AMI	15,012	35%	65	-14,241
Income between 51% and 80% of AMI	22,375	7%	102	1,046
All Renter Households	102,389	26%		

Special Housing Needs

The housing affordability gap for renters with a disability is an even greater challenge than for ELI renters. Delaware is one of 22 states where the average one-bedroom rent is higher than the monthly Supplemental Security Income (SSI) benefit.

In 2017 in Delaware, a person with a qualifying disability received SSI benefits equal to \$735 per month. A renter on SSI would need 126% of their SSI monthly benefit to afford housing. The average state rent is \$926 per month for a one-bedroom apartment. An average SSI renter would need 107% of their monthly benefit to afford an efficiency unit. In 2017, 16,905 Delawareans receiving SSI benefits could not afford a one-bedroom unit anywhere in the state. Applying the 30% rule, a SSI renter could afford a monthly rent of \$221.

Housing Affordability for SSI Recipients

	Annual AMI	Annualized SSI	SSI as % of AMI	% SSI Needed for a 1-BR
Statewide	75,913	8,820	8.8%	126%
New Castle	83,200	8,820	10.6%	137%
Kent	65,000	8,820	13.6%	122%
Sussex	65,900	8,820	13.4%	94%

SSI Recipients 2017

State	16,905
New Castle	10,100
Kent	3,499
Sussex	3,306

Source: Social Security Administration

Affordable Rent—Out of Reach

In order to afford a modest two-bedroom rental home in the U.S., renters need to earn a wage of \$21.21 per hour. This housing wage is \$13.96 higher than the federal minimum wage of \$7.25 and \$4.83 higher than the estimated average hourly wage of \$16.38 earned by U.S. renters nationwide.

In Delaware, the average renter hourly wage, statewide, is \$17.06. However, many households have an average hourly wage far below \$17.06.

Minimum Wage Affordability Gap

	Minimum Wage	0-Bedroom Housing Wage	Difference	1-Bedroom Housing Wage	Difference
State	\$8.25	\$15.40	-\$7.15	\$17.81	-\$9.56
New Castle	\$8.25	\$16.25	-\$8.00	\$19.29	-\$11.04
Kent	\$8.25	\$16.00	-\$7.75	\$17.29	-\$9.04
Sussex	\$8.25	\$11.88	-\$3.63	\$13.23	-\$4.98

Source: Out of Reach 2017, nihc.org

Rental Housing Not Keeping Up with Demand*

The National Multifamily Housing Council and the National Apartment Association released *U.S. Apartment Demand—A Forward Look*, which estimates the future national demand for rental housing through 2030. The report projects 141 million rental households in the U.S. by 2030, an increase

of 16 million from 2016. Rental occupancy is projected to increase from 37.8% of households in 2016 to 39.5% in 2030. To meet this demand, 536,000 additional rental homes per year, including 328,000 apartments in multifamily structures, will be needed. Current construction, however, falls short of this need.

Several factors will increasing demand will also impact Delaware:

- Young adults are marrying and starting families later, delaying home ownership and increasing single person households.
- As the large Baby Boom generation ages, rental demand may increase as interest in home ownership decreases, and asset liquidation and down-sizing needs rise.
- Home ownership is increasingly out of reach, due to crippling student debt and tougher mortgage credit standards following the Great Recession.

Filling the Gaps

According to the NLIHC publication *"The Gap" A Shortage of Affordable Homes* March 2017 report, Delaware's extreme shortage of affordable and available units persists. The deficit of rental units for ELI renters in 2016 was 17,380. The deficit for renters at, or below, 50% of the area median income was 14,241.

Measures to reduce, and eventually close, this affordability gap include:

- Ensuring significant funding for the National Housing Trust Fund, which provides communities with funds to build, preserve and rehabilitate rental homes
- Preserving and expanding housing vouchers and other programs providing more opportunities for affordable housing
- Supporting and advocating for raising federal and state minimum wage rates
- Promoting Land Trusts and other programs that establish long-term affordable rental units
- Expanding state incentives to build new affordable and accessible rental units
- Amending zoning ordinances to include modern definitions of a family and permitting adjacent dwellings
- Working with landlords to encourage participation in rental assistance programs and providing support to those needing code upgrades and repairs.

* Source: *U.S. Apartment Demand—A Forward Look* can be found at: <http://bit.ly/2rAsq10>