

# INVESTING TO MEET DELAWARE'S AFFORDABLE HOUSING NEEDS: AN ECONOMIC IMPACT ANALYSIS



PREPARED BY:  
WILLIAM LATHAM, PH.D.

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COMMISSIONED BY:  
THE DELAWARE HOUSING COALITION  
P.O. Box 1633  
DOVER, DELAWARE 19903



## Delaware Housing Coalition

P.O. Box 1633 • Dover, DE • 19903-1633

(302) 678-2286 • FAX (302) 678-2286

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Dear Friend of Affordable Housing:

Safe, decent, and affordable housing is a basic human need. It is also an economic investment which brings with it significant benefits. For both of these reasons, we, as a state, should not waver in our dedication to providing safe, decent, affordable housing for all.

### Needs

The Delaware State-wide Housing Needs Assessment, released in 2003, illustrates the need for investment in housing, including affordable rental housing, affordable homeownership opportunities, and rehabilitation of substandard housing. The needs are so great, in fact, that fully meeting them would require an investment of over \$965 million. The market is simply unable to meet these needs, and current public funding cannot make real inroads.

To address this funding gap the Housing Trust Fund Working Group, a broad-based group of private and non-profit organizations and individuals, has proposed *Fostering a Livable Delaware: A Five-Year Strategic Housing Plan*, a series of measures to be funded by the state's Housing Development Fund:

1. *Homes for Families* – Grants for new very low-income housing and perpetual affordability;
2. *Livable Towns and Cities* – Funds for housing and neighborhood renewal in municipalities;
3. *Promoting Homeownership* – Down payment, settlement and homeownership counseling aid;
4. *Affordable Rental Housing* – Affordable rental housing production and preservation; and
5. *Innovative Housing Initiatives* – Special purposes such as transitional and SRO housing.

### The Benefit

The proposed *Five-Year Plan* would invest \$60 million in housing over five years. The following study, *Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis*, calculates the positive economic impacts of fully funding the proposed *Five-Year Plan*.

If the proposed total of \$60 million is invested in the *Five-Year Plan*'s program areas over five fiscal years, *over \$420 million of net new economic output* will be produced in the state. These dramatic economic impacts include:

Leveraging - each dollar of investment leverages *seven additional dollars*

Housing Production - *875 rental opportunities* and nearly *3,900 homeownership opportunities*

Employment - *almost 3,400 new jobs* in all sectors of the economy

Total Output - more than *\$420 million in economic output*.

Tax Revenues - more than *\$43 million of annual tax revenues*

The activities and funding outlined in the *Five-Year Plan* would have a substantial economic impact in each of the state's three counties, creating greater economic output, new jobs, and increasing state and local tax revenues.

**Total Impact by County**

	<b>Total Impact on Economic Output</b>	<b>Total Impact - New Full-time Jobs</b>
Kent County	\$86,245,470	700
New Castle County	\$152,359,289	1,182
Sussex County	\$181,627,847	1,513
<b>Statewide</b>	<b>\$420,232,606</b>	<b>3,395</b>

In addition to the economic impacts of *Five-Year Plan* investment, there are documented social and community benefits associated with housing families and individuals in decent and affordable homes - and in expanding access to homeownership. When affordable housing is integrated into broader community plans for land use, transportation, and economic development, the range of effects broadens to encompass both community and individual quality of life, including effects on *family stability, supporting households to move from welfare to work, health, educational achievement, and economic development*.

The Delaware Housing Coalition is pleased to release this study, which gives us sound economic reasons beyond the human ones to invest in affordable housing in Delaware. After having read the study, we invite your organization to join the many groups now endorsing the *Five-Year Plan* and to work with DHC to secure increased public resources to be applied to the state's affordable housing need.

Sincerely,

Dorothy Medeiros  
President

## **Final Report**

# Investing to Meet Delaware's Affordable Housing Needs: An Economic Impact Analysis

Prepared by:

*William Latham, Ph.D.*  
*Principal Investigator*

For:  
*The Delaware Housing Coalition*

November 2004

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## EXECUTIVE SUMMARY

Projected impacts on the Delaware economy are calculated for the total investments stimulated by State of Delaware funding for a series of measures proposed to the Governor by the Delaware Housing Coalition in a December 2003 document entitled *Fostering a Livable Delaware: A Five-Year Strategic Housing Plan* (hereafter referred to simply as the *Five-Year Plan*). The calculated impacts include effects on jobs and incomes, production in individual sectors of the economy, tax revenues, and changes in spending by households that benefit from increased access to affordable housing opportunities. In addition to these quantifiable impacts, the study enumerates a range of social and community benefits that can be expected to accrue from implementation of the *Five-Year Plan*.

The *Five-Year Plan* proposes increasing funding for the state's Housing Development Fund (HDF) over the next five fiscal years from the currently projected level of approximately \$28 million to \$60 million. Part of each year's funding would be invested in new construction and rehabilitation, with a high leveraging ratio and with correspondingly high economic impacts. The balance of the total state funds made available each year would be invested in housing and land acquisition or down payment assistance programs which constitute redistributions within the economy, but have no new net economic impacts. While the increase in funding for the HDF is significant, it only begins to address the problem of affordable housing in Delaware as identified in the most recent statewide housing needs assessment completed by the Delaware State Housing Authority in 2003.\*

### Leveraging

Fortunately, the impact on the state's total need is greater than just the amount of direct spending from the HDF. The state funding dollars will leverage additional dollars of public and private investment in affordable housing. It is expected that the \$60 million from the HDF would be a part of more than \$273 million of investment in new housing in the state. This latter figure begins to approach the statewide need of approximately \$500 million identified in the needs assessment.

Table A shows the way in which *Five-Year Plan* program expenditures from the HDF will be leveraged.

The net new expenditures stimulated by the HDF funds also have larger effects on the economy than just the direct dollars. It is these larger effects that are the subject of this impact study. Table B summarizes the results of the study. As can be seen in the table, if the proposed total of \$60 million is invested in the *Five-Year Plan's* five programs over

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\* Mullin & Lonergan Associates (February 2003), *Delaware State-Wide Housing Needs Assessment, 2003-2007*

**Table A. Leveraging of Five-Year Plan Expenditures by Category**

<i>Five-Year Plan</i> Programs	Total Five Year HDF Investment \$'s	# of Housing Units	Total Cost per Housing Unit \$'s	Subsidy Per Housing Unit \$'s	Total Subsidy \$'s	Total Housing Investment \$'s
<b>Homes for Families</b>	8,000,000	75	106,000	106,000	7,950,000	7,950,000
<b>Livable Towns and Cities</b>	8,000,000	160	150,000	50,000	8,000,000	24,000,000
<b>Promoting Homeownership</b>	6,000,000					
Down payment and Settlement Help						
New Construction		100	160,000	7,500	750,000	16,000,000
Existing Housing Units		300	160,000	7,500	2,250,000	48,000,000
Homeownership Counseling						
New Construction		767	160,000	900	690,300	122,720,000
Existing Housing Units		2,566	160,000	900	2,309,400	410,560,000
<b>Affordable Rental Housing Production</b> (Low Income Housing Tax Credit Investments)	32,000,000	800	120,000	40,000	32,000,000	96,000,000
<b>Innovative Housing Initiatives</b>	6,000,000					
Manufactured Units Infrastructure					3,000,000	3,000,000
Pass Through					3,000,000	3,000,000
<b>Five-Year Plan Totals</b>	<b>60,000,000</b>	<b>4,768</b>			<b>59,949,700</b>	<b>731,230,000</b>
<b>On-Going Impacts</b>		<b># of Housing Units</b>	<b>Average Income Freed per Unit</b>	<b>Total Income Freed</b>	<b>Disposable Income Freed (75%)</b>	
Income Relief for Previously Cost-Burdened Households		1,898	2,460	4,669,080	3,501,810	
		<b># of Housing Units</b>	<b>Average Income per Unit</b>	<b>Total Income</b>	<b>Disposable Income (75%)</b>	
New Households Moving Into Region		1,898	35,000	66,430,000	49,822,500	

five fiscal years, over \$420 million of new output will be produced in the state because the leveraging ratio of the state stimulus in these programs is 7. This shows how each dollar of new funding will stimulate additional spending. The individual programs' ratios range from a low of .7 for the Innovative Housing category to 41.3 for the Promoting Home Ownership category. A total 3,395 new jobs will be added to the state during this period and state and local tax revenues will increase by \$12.51 million. The latter effect means that the net new state funding required to support the *Five-Year Plan* amounts to only \$47.49 million dollars. The size of the leverage for the value of output produced in the state based on this smaller state public investment rises to 8.85.

The housing-related activity also generates nearly \$31 million in federal taxes. When the federal, state and local taxes are subtracted from the required funding to find the net total new public funds required and this figure is used to calculate the leverage for total output, the resulting value is 25.45, a very high leverage ratio for any activity.<sup>1</sup>

**Table B. Summary of Funds Required and Impacts of the *Five-Year Plan* by Program**

(All dollar figures are in millions)

<i>Five-Year Plan</i> Programs	State Funds Required FY2005-2009	Value of Output Produced	Output/ State Funds Leverage Ratio	New Jobs	State and Local Taxes Generated	Net State Funds Required
1. Homes for Families	\$8.00	\$10.40	1.3	78	\$0.26	\$7.74
2. Livable Towns and Cities	\$8.00	\$33.10	4.1	280.3	\$0.89	\$7.11
3. Promoting Home Ownership	\$6.00	\$247.70	41.3	2064.8	\$8.16	(\$2.16)
4. Affordable Rental Housing	\$32.00	\$125.20	3.9	942.1	\$3.10	\$28.90
5. Innovative Housing Initiatives	\$6.00	\$3.91	0.7	29.4	\$0.10	\$5.90
<b>Total</b>	\$60.00	\$420.31	7.0	3,394.6	\$12.51	\$47.49

<sup>1</sup> Housing trust funds leverage other investment at a ratio averaging 1:8. States' leverage ratios can vary greatly depending on the state's economic situation. A Colorado study which uses a methodology similar to the one used in this study calculates a leverage ratio of 10. *C.f.*, Economic & Planning Systems, Inc., *Colorado Housing Trust Fund Impacts Study, Final Report*, September 2002. Few other expenditures by the State of Delaware have any leverage at all. Most, like tax cuts, simply result in multiplier effects based on their size and the nature of the expenditures. Some, like State transportation expenditures that are matched by Federal funds, generally have smaller leverage ratios than those reported here.

## **Economic Benefits**

The estimated economic impacts for *each year* of housing investment through the *Five-Year Plan* include:

- **Housing Production** – Increased housing units of all kinds will be produced *each year*, including shelter beds, rental units, and homeownership units. The construction and real estate industries will experience the direct effects of spending and job growth *each year*, generating additional indirect and induced impacts.
- **New Spending Patterns** – Formerly rent-burdened households will have additional income to spend on goods and services other than housing, including transportation to work, clothing, health care, and food. Each year of housing production will generate new total impacts due to changes in household spending patterns.
- **New Households** – Households will move into the region to fill vacancies created by new affordable housing production. Their presence will generate jobs and ongoing direct, indirect, and induced output.
- **Tax Revenues** – New economic activity will generate tax revenues, which will accrue to state and local governments. Property taxes and income tax revenues related to changes in household spending will be ongoing impacts.

## **Social and Community Benefits**

Social and community benefits can also be expected as a result of additional investment in affordable housing:

- **Family Stability** – Low and moderate income households each year will have access to decent and affordable rental housing and homeownership opportunities, removing a key barrier to opportunity. Stable living situations will allow children a better chance at success in school and later in life.
- **Health** – Helping families move into better quality housing can be expected to yield health benefits, especially to children, and corresponding savings in public healthcare costs.
- **Welfare to Work** – Research has demonstrated a link between rental assistance and employment success. Thus Delaware families can expect better outcomes as they transition from welfare to work
- **Household Wealth** – New homeownership opportunities will allow families to build wealth through home equity.
- **Female-headed Households** – Access to affordable housing can help offset the financial and social challenges experienced by female-headed households who are disproportionately represented in lower income groups. Female-headed households who are no longer rent-burdened will have incomes to spend on other needs.

- Environmental Benefits – Providing affordable housing opportunities close to employment centers and along transit corridors can reduce sprawl and traffic congestion, reducing associated air quality impacts by shortening driving distances and making transit more viable.
- Economic Development – A variety of housing types and prices close to employment centers will help enhance Delaware’s competitive position in attracting and retaining business.

## **THE DELAWARE HOUSING COALITION**

For twenty years, the Delaware Housing Coalition has advocated for safe, decent and affordable housing throughout the state. A membership-based nonprofit organization, the Delaware Housing Coalition is governed by an elected **Board of Directors**, whose members are:

Don Blair, Milford Housing Development Corporation  
Dr. Karen Curtis, University of Delaware Center for Community Research and Service  
Lorraine deMeurisse, Deutsche Bank Trust Company Delaware  
Helen Drayton, First State Community Action Agency  
Deborah Gottschalk, Community Legal Aid Society  
Fernando Guajardo, Discover Bank  
Leslie Holland, Baltimore Trust Bank  
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Joe Myer, NCALL Research, Inc.  
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James Peffley, Fannie Mae  
Norma Zumsteg, PNC Bank

The Delaware Housing Coalition commissioned and supported this study at the request of the **Delaware Housing Trust Fund Working Group**, whose members are:

Paul Calistro, Executive Director, West End Neighborhood House  
Lorraine deMeurisse, Vice President, Deutsche Bank Trust Company Delaware  
Mark Kleinschmidt, MAK Associates  
Helen McArdle-Stewart, Vice President, JPMorgan Chase  
Joe Myer, Executive Director, NCALL Research, Inc.  
Gary Pollio, Executive Director, Interfaith Housing Delaware  
Ken Smith, Executive Director, Delaware Housing Coalition

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## **THE PRINCIPAL INVESTIGATOR<sup>2</sup>**

**William Latham** has taught model building, econometric analysis, and forecasting for many years at the University of Delaware, where he has been a faculty member in the Department of Economics for more than 30 years. He first estimated economic impacts in Delaware more than twenty-five years ago in a project funded by the U.S. government. Since then he has performed many economic impact analyses both in Delaware and elsewhere, including studies of: recreation; the arts; a nuclear power plant; a steel plant; an auto assembly plant; the manufacturing, wholesale distribution, and retail sales of an industry in all the US states; a convention center; a baseball stadium; a basketball tournament; a fishing tournament; a monobuoy port; shipping channel deepening; and oil and gas developments. Dr. Latham has recently testified to legislative committees of the Delaware House and Senate as well as on the floor of the Senate regarding economic impacts.

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<sup>2</sup> The principal investigator undertook this project as a private consultant; the views and opinions expressed herein do not represent official views or opinions of the University of Delaware or any of its components.



## STUDY PURPOSE

The purpose of this study is to assist policy makers and interested individuals in understanding and communicating about the potential economic and social impacts of public investments in a variety of housing options designed to address the needs of lower income Delawareans. The details of the needs and the specific plans to address them were described in a proposal submitted to the Governor on December 16, 2003 entitled *Fostering a Livable Delaware: A Five-Year Strategic Housing Plan* (hereafter referred to simply as the *Five-Year Plan*). The *Five-Year Plan* proposes substantial additions to Delaware's Housing Development Fund.

## BACKGROUND ON HOUSING TRUST FUNDS

Housing trust funds are dedicated sources of revenue to help low- and moderate-income people achieve affordable housing. As reported in the *Housing Trust Fund Progress Report 2002*, published by the Center for Community Change, 34 states have state housing trust funds, and a combined total of 275 trust funds are in place at local and state levels, delivering at least \$750 million each year in support of housing needs.

The key features of a typical housing trust fund include:

- **Dedicated Revenue Sources** – one or more ongoing revenue sources earmarked for affordable housing.
- **Orientation to Results** - funds are used to support the production, rehabilitation, and preservation of affordable housing and support services.
- **Commitment** – funds are targeted for the specific purpose of providing affordable housing.
- **Legislative Mandate** – the fund is implemented by law.

Typically, state housing trust funds are created by state legislation providing an ongoing revenue source. The *Housing Trust Fund Progress Report 2002* indicates that state housing trust funds receive more than \$437 million per year from a variety of revenue sources. General fund appropriations and real estate transfer taxes are the most commonly used sources. Additional revenue sources include interest on state funds, interest on real estate escrow accounts, grants and donations, document recording fees, bond proceeds, interest on security deposits, and unclaimed property funds. Housing trust funds leverage other investment at ratios ranging from 1:1 to 1:25 and averaging 1:8. In most states, a government agency -- usually an existing housing agency -- administers the housing trust fund and awards grants and loans to local governments, non-profit developers, for-profit developers, and in some cases, individuals, for a variety of low- and moderate-income housing activities. Most housing trust funds are overseen by an appointed board that advises on or makes decisions regarding funding awards. The states that have had housing trust funds in place for several years are listed in Appendix B along with the revenue sources each uses. This listing is suggestive of the range of alternatives already in use in various states to fund housing trust funds.

## INTRODUCTION

In the study we calculate the direct, indirect, and induced economic impacts of funding the *Five-Year Plan*. These impacts include effects on employment, income, spending, industry sectors, and tax revenues in the state. The study also identifies some of the other qualitative benefits that could be expected to accrue from additional investment in housing, including effects on health, educational achievement, family stability, female-headed households, community health, and growth-related environmental issues.

As estimated by the Delaware State Housing Authority in February 2003<sup>3</sup>, Delaware has an unmet need for affordable housing opportunities across a continuum of need ranging from emergency shelter beds to affordable homeownership opportunities, for very low- to moderate-income households. The market is unable to meet this need. Estimated available funding for needed housing investment is limited, making it impossible to provide for the total need within a reasonable period of time.

To address this funding gap the Delaware Housing Trust Fund Working Group, a broad-based group of public, private and non-profit organizations and individuals, has proposed in the *Five-Year Plan* a series of measures to be funded by the State. The working group anticipates that these measures will serve households at incomes substantially below the state's median income level. Funds would be used to make loans and grants for preservation, production and acquisition of housing and to supplement down payment assistance programs for first-time homebuyers. Consistent with historical trends, it is expected that every dollar invested would be leveraged with the result that many more dollars of additional public and private investment would result.

This study relies on prior research on needs and extrapolations from base data provided by the Delaware State Housing Authority. Using the IMPLAN regional economic model and production, equity subsidy, and household spending assumptions derived from State Housing Authority base data, the analysis shows how leveraged investment for affordable housing can be expected to provide affordable housing opportunities over an extended period. The funding can fill a part of the estimated gap between the cost of meeting the 2003 State Housing Authority estimate of total need and the projected level of available resources.

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<sup>3</sup> Mullin & Lonergan Associates (February 2003), *Delaware State-Wide Housing Needs Assessment, 2003-2007*.

## METHODOLOGY

### Overview of the Study Methodology

The methodology applies results from the most current literature on measuring economic impacts with well-documented, accepted economic impact modeling methods.

1. First a Delaware Housing Economic Impact Modeling System (hereafter, simply referred to as the Model) was developed for the study. The Model is based on a complete economic model of the state. The core economic model is installed in a comprehensive impact modeling system program that was purchased specifically for this project from the Minnesota Implan Group (IMPLAN). IMPLAN's models are frequently used in the U.S. by government agencies and private firms for the calculation of impacts. The data required to establish the economic impact model system for Delaware were collected, processed, and installed into the overall impact modeling system by the IMPLAN group.

2. In order to produce economic impacts of housing programs, the Model requires specific input information. This information is a set of detailed direct activities, which represent how a specific housing program affects specific industries and activities such as household spending, migration, and government activity. These direct activities can be measured either in terms of numbers of individuals employed by the detailed industries or in terms of the dollar volumes of expenditures by the detailed industries and activities. The *Five-Year Plan* contains five separate proposals for addressing various housing needs in the state. Each of the five proposals was translated into the required set of detailed direct activities affecting specific industries and activities in the state. These sets of direct activities were then input to the Model. Another set of direct inputs was used for the total of all five *Five-Year Plan* categories combined. Additional sets of direct inputs were developed to address two specific questions. One question is, "What are the economic impacts on the state of constructing one more housing unit?" The answer to this question can be used to understand the magnitude of any proposed change that affects the number of housing units constructed. The second question is, "What is the economic impact on the state when new households move into the state in response to the availability of additional housing units?" Finally, direct input sets were developed to permit us to estimate the impacts of the *Five-Year Plan* for each of the three Delaware counties separately. Thus a total of eleven different sets of direct activities for input to the Model were developed.

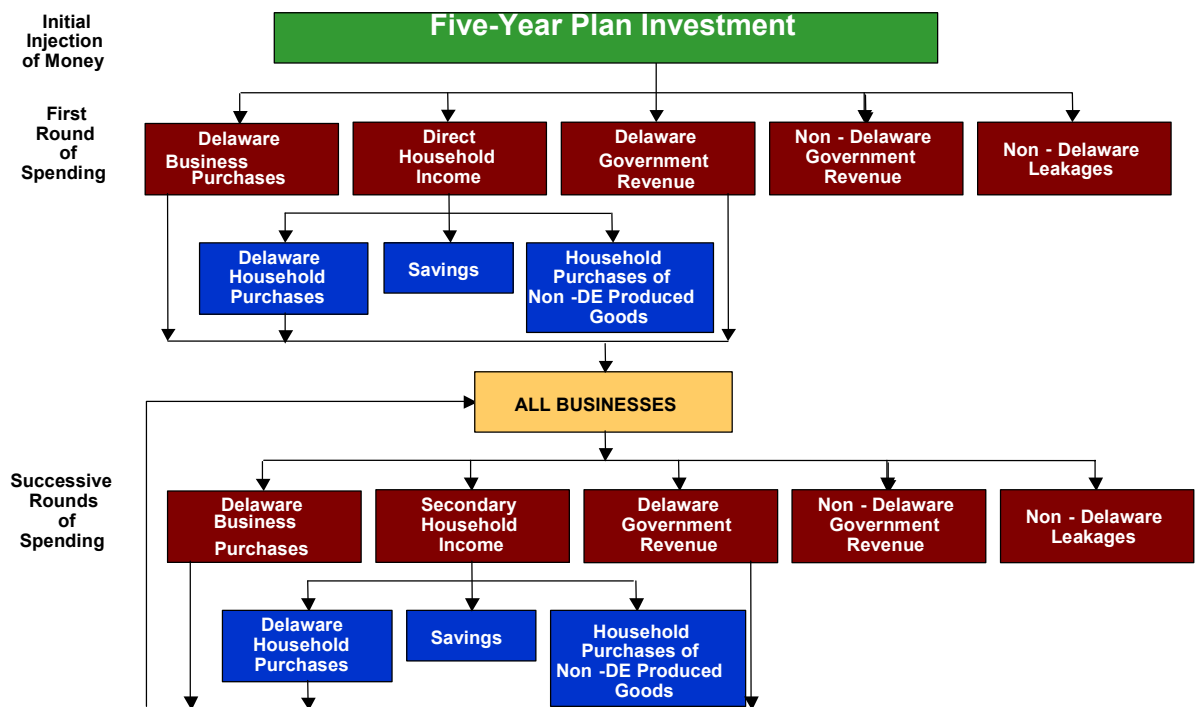
3. Each of the eleven sets of direct activities was input into to the Model. For each of the eleven sets of direct activities the Model produced outputs which show the direct, indirect, and induced impacts on employment, output, incomes, wages and taxes by

industry at various levels of industry detail. The Model also produced calculations of all the relevant multipliers which show the way in which an initial expenditure of any amount is multiplied to become a larger total expenditure as expenditures become income for recipients who turn them into additional expenditures, etc.

### Detailed Description of the Model's Capabilities, Inputs Required and Outputs Produced

The Model provides a complete representation of the operation of the Delaware economy. Inputs to the Model's capital investment sectors can include lengths of construction periods, costs of construction, and expected outputs. Figure 1 below illustrates how the Model calculates the components that enter into the multiplier process. Each of the *Five-Year Plan's* provisions for housing will generate a certain level of direct economic activity in terms of increased construction expenditures, reduced rent burdens of households leading to increased spending from disposable income, and/or expenditures by new households attracted to the state by the availability of affordable housing. Each expenditure may go directly to any of the five destinations shown in the boxes in the row labeled "First Round of Spending" below.

Figure 1: The Delaware Housing Economic Impact System's Multiplier Process



Under this model, the three Delaware recipients of expenditure in this first round will, in turn, spend what they receive in the same five ways. This respending in Delaware of a portion of expenditures in Delaware continues over successive rounds of spending. Money that flows to Non-Delaware Government Revenue and to Non-Delaware Leakages (business purchases from non-Delaware suppliers and payments to non-Delaware employees) is lost from the respending in Delaware. The initial expenditure has a ripple effect through the economy as successive rounds of spending magnify its impact. This is the principle of the multiplier.

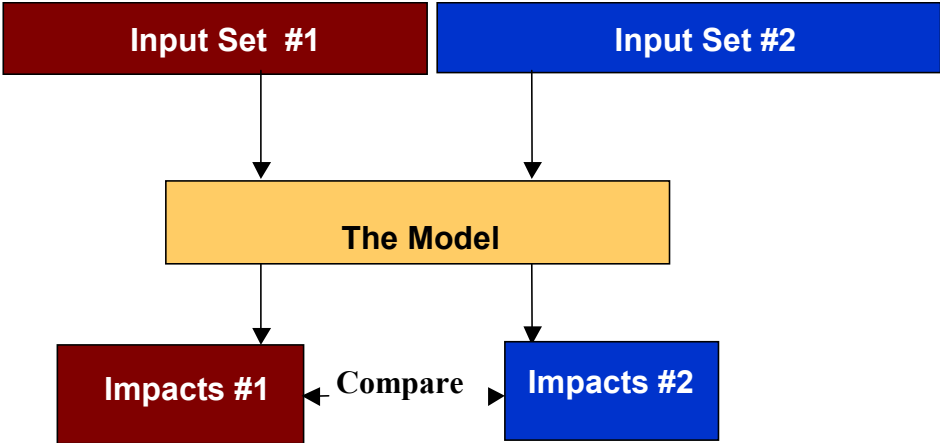
The multiplier is calculated as the ratio of the final total expenditure to the initial direct expenditure. An agency spends funds budgeted for a program on purchases from vendors. This expenditure is the direct effect of the program. The vendors purchase materials and products from secondary vendors and also pay wages and salaries to their own employees. These purchases and payments constitute the indirect effects of the initial expenditure. These wages and salaries received by the vendors' employees become incomes which lead to induced spending. Together, all of these effects (direct, indirect and induced) constitute the final total expenditure.

The multipliers reported in this study capture the complete effects (direct, indirect and induced) of the *Five-Year Plan* on the State of Delaware's economy. Furthermore, the way in which the analysis is done makes the outputs independent of each other. Various subsets of the inputs from the eleven different impacts calculated can be analyzed and compared (see Figure 2). For example, comparisons can be made between and among the various components of the *Five-Year Plan* or the impacts in New Castle County can be compared with the total statewide effects or with the other counties.

State budgetary expenditures on programs that affect sectors of the economy other than housing also have multiplier effects. State spending in programs that have construction aspects (such as education, nursing homes, and highways) will have multiplier effects similar to those reported for housing in this study. However, none of these other programs has the kind of "leveraging" effect, in addition to the multiplier effect, that housing programs do.

"Leveraging" occurs when some amount of expenditure brings with it additional expenditures from other sources. When the State of Delaware expends its funds on housing counseling, this expenditure, like all expenditures, will have multiplied impacts on the local economy. However, in the case of housing counseling, these multiplier impacts are only part of the story. If housing counseling makes it possible for a family to qualify for a loan that they could not have had without the counseling, then the value of the house purchased with the loan becomes part of the leveraging that the housing program produces. Any budgetary expenditure produces some multiplier effects, but, only housing program expenditures will produce significant benefits through leveraging.

**Figure 2: Comparing Alternative Impacts**



## ECONOMIC IMPACTS BY CATEGORY

### The Five-Year Plan's Homes for Families Category

A total of 75 new units will be constructed and the entire cost of \$106,000 per unit will be subsidized. These units would be mixed in with other newly built affordable housing units.

**Table 1. Summary of Impacts of Homes for Families on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	7,269,935	2,011,304	1,083,606	10,364,845
<b>Jobs (#, FTE)</b>	40.6	23.5	14	78
<b>Incomes (\$)</b>	1,201,969	777,496	403,637	2,383,102
<b>Total Taxes (\$)</b>				918,937

### The Five-Year Plan's Livable Towns and Cities Category

Funding will be provided to towns and cities in the state for 160 units with the state subsidy being \$50,000 of the total cost of \$150,000 per unit.

**Table 2. Summary of Impacts of Livable Towns and Cities on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	22,690,333	5,935,692	4,472,357	33,098,381
<b>Jobs (#, FTE)</b>	154.1	68.7	57.6	280.3
<b>Income (\$)</b>	5,932,739	2,226,777	1,665,926	9,825,443
<b>Total Taxes (\$)</b>				3,470,742

### The Five-Year Plan's Promoting Homeownership Category

There are two parts to this measure: (a) **Down payment and Settlement Help** and (b) **Homeownership Counseling**.

**Down payment and Settlement Help** will consist of a \$7500 loan to a homebuyer to help with closing costs including the down payment. A total of 400 units will receive assistance. Of these, 100 will be new construction (at a cost of \$160,000 per unit). The remaining 300 units will be purchased from the existing housing stock.

**Homeownership Counseling** will give first-time buyers training in home buying and will qualify the buyer for a below market interest rate mortgage. Homeownership training and education assists families to improve their credit standing, institute family budgeting, reduce consumer debt, and understand the complicated mortgage process while working towards the goal of homeownership. Counselors assist households in finding attractive, often below market interest rate mortgages and down payment and settlement help products to best address their needs. A total of 3,333 homeowners will receive counseling, 767 for the purchase of newly constructed units and 2,566 for the purchase of existing units. The average annual savings provided by the below market interest rate mortgages will be \$1,466.

**Table 3. Summary of Impacts of Promoting Homeownership on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	177,385,177	41,009,367	29,303,195	247,697,736
<b>Jobs (#, FTE)</b>	1,210.10	477.3	377.5	2,064.80
<b>Incomes (\$)</b>	37,901,542	15,681,832	10,915,267	64,498,642
<b>Total Taxes (\$)</b>				27,665,171

**The Five-Year Plan's Affordable Rental Housing Production Category**

This category supports the Low Income Housing Tax Credit Program (LIHTC) which presently constitutes the bulk of the state's activity in the production of affordable rental housing units. A total of 800 units will be constructed at a state cost of \$40,000 of the total cost of \$120,000 per unit.

**Table 4. Summary of Impacts of Affordable Rental Housing Production on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	87,787,887	24,287,439	13,085,056	125,160,382
<b>Jobs (#, FTE)</b>	490.2	283.4	168.6	942.1
<b>Incomes (\$)</b>	14,514,343	9,388,636	4,874,106	28,777,084
<b>Total Taxes (\$)</b>				11,096,608



**The Five-Year Plan’s Innovative Housing Initiatives Category**

These funds would be used for a variety of model programs, new homeownership and rental opportunities, housing for special populations, and service-enriched housing. Examples might include the establishment of a single-room occupancy (SRO) facility for poultry workers in the Georgetown area; investment in the new three-year housing production plan of the Delaware Rural Housing Consortium; start-up help to one or more community land trusts (CLTs), because of the lasting affordability of housing produced via the CLT model; support for existing and new manufactured housing communities needing infrastructure improvements and financial help in making the conversion to viable cooperatively run ventures, thus preserving affordability; and an emergency fund for intervention in unexpected critical housing situations. In addition, funds in this category could be used for gap financing for facilities for special populations, such as group homes, emergency and transitional housing, and service-enriched permanent housing for veterans, people with AIDS, farmworkers, and the disabled.

For the purposes of this study, the effects of two possible uses of funds in the Innovative Housing category have been modeled: (a) **Infrastructure for Manufactured Housing** and (b) **Land Trust activity**. In this example, each would be funded at a level of \$3 million over the five year time period. The Land Trust Activity is a pass-through transfer that does not generate impacts.

**Table 5. Summary of Impacts of Innovative Housing Initiatives on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	2,743,371	758,982	408,908	3,911,262
<b>Jobs (#, FTE)</b>	15.3	8.9	5.3	29.4
<b>Incomes (\$)</b>	453,573	293,395	152,316	899,284
<b>Total Taxes (\$)</b>				346,773

**Total Impacts of All Five-Year Plan Categories Statewide**

**Table 6. Summary of Impacts of All Five-Year Plan Categories Statewide on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	297,876,702	74,002,782	48,353,122	420,232,606
<b>Jobs (#, FTE)</b>	1910.3	861.6	622.8	3394.7
<b>Incomes (\$)</b>	60,004,167	28,368,136	18,011,252	106,383,555
<b>Total Taxes (\$)</b>				43,498,229

**Total Impacts of All Five-Year Plan Categories in Each of the State's Counties<sup>4</sup>**

**Total Impacts of All Five-Year Plan Categories in New Castle County**

**Table 7. Summary of Impacts of All Five-Year Plan Categories in New Castle County on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	104,805,108	26,840,133	22,649,533	152,359,289
<b>Jobs (#, FTE)</b>	657	268	263	1,182
<b>Incomes (\$)</b>	24,823,472	10,300,813	8,631,012	43,691,078
<b>Total Taxes (\$)</b>				19,510,993

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<sup>4</sup> In the detailed analyses presented in the tables in Appendix A for each of the three counties, it is assumed that only 70% of direct program expenditures in a county are made with businesses in the same county. For this reason the sum of the three county's individual impacts in Appendix A is less than the statewide sum, because a larger percentage of the spending is assumed to occur within the state in the statewide case. The figures in the following Tables 7, 8 and 9 for the three counties do not match those in the appendix tables. Tables 7, 8 and 9 include the estimated intrastate, inter-county spillover effects of all programs on each county. These have been estimated as each county's proportionate share of the difference between the statewide effects and the sum of the individual county effects shown in the appendix tables. The purpose of this procedure is to ensure that the sum of the county effects is equal to the statewide effects.

**Total Impacts of All *Five-Year Plan* Categories in Kent County**

**Table 8. Summary of Impacts of All *Five-Year Plan* Categories in Kent County on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	61,555,307	15,463,654	8,952,702	86,245,470
<b>Jobs (#, FTE)</b>	378	195	129	700
<b>Incomes (\$)</b>	11,254,187	5,868,021	3,183,826	20,294,378
<b>Total Taxes (\$)</b>				7,911,480

**Total Impacts of All *Five-Year Plan* Categories in Sussex County**

**Table 9. Summary of All *Five-Year Plan* Programs in Sussex County Impacts on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	131,516,287	31,698,995	16,750,887	181,627,847
<b>Jobs (#, FTE)</b>	875	398	231	1,513
<b>Incomes (\$)</b>	23,926,509	12,199,302	6,196,415	42,398,099
<b>Total Taxes (\$)</b>				16,076,235

**Impacts of New State Residents**

There are substantial impacts resulting from new households moving into the regional economy to fill vacant units created from those served by *Five-Year Plan* expenditures from Delaware's Housing Development Fund. These impacts are related to new annual household income being spent in the local economy and represent an ongoing annual impact. The construction and rehabilitation of housing units allows 160 new households with average incomes of at least \$35,000 to move into the local economy (this figure assumes that the newly vacant units will be occupied in the long run). The resulting impacts are shown in Table 10. This annual effect will continue indefinitely and will be further increased proportionally as new housing units are created through housing trust fund investment.

**Table 10. Summary of Impacts of New State Residents on Total Output, Jobs, Incomes and Taxes**

	<b>Direct Effects</b>	<b>Indirect Effects</b>	<b>Induced Effects</b>	<b>Total Impacts</b>
<b>Total Output (\$)</b>	54,680,790	6,577,761	7,775,349	69,033,900
<b>Jobs (#, FTE)</b>	416.6	68.3	100.2	585.1
<b>Incomes (\$)</b>	11,930,275	2,357,632	2,896,274	17,184,181
<b>Total Taxes (\$)</b>				8,296,618

**Impacts of Constructing a Single Additional House**

Knowledge of the economic impacts of building an additional house can be used to quickly estimate the impacts of increases or decreases in various housing programs. For the calculations to be made relevant for several programs, specific house values were assumed. We used \$160,000, the cost of construction in Promoting Home Ownership category, \$150,000, the cost of construction in the Livable Towns and Cities category, and \$106,000, the cost of construction in the Homes for Families category. Of these amounts, *ninety percent* is assumed to remain in Delaware as direct construction expenditures.

**Table 11. Summary of Impacts of Constructing a Single Additional \$160,000 House on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	158,983	42,038	24,546	225,567
<b>Jobs (#, FTE)</b>	0.9	0.5	0.3	1.8
<b>Incomes (\$)</b>	28,645	16,206	9,143	53,993
<b>Total Taxes (\$)</b>				21,592

**Table 12. Summary of Impacts of Constructing a Single Additional \$150,000 House on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	141,569	38,008	22,226	201,803
<b>Jobs (#, FTE)</b>	0.8	0.4	0.3	1.6
<b>Incomes (\$)</b>	25,953	14,694	8,279	48,926
<b>Total Taxes (\$)</b>				20,542

**Table 13. Summary of Impacts of Constructing a Single Additional \$106,000 House on Total Output, Jobs, Incomes and Taxes**

	Direct Effects	Indirect Effects	Induced Effects	Total Impacts
<b>Total Output (\$)</b>	97,282	26,855	14,587	138,724
<b>Jobs (#, FTE)</b>	0.5	0.3	0.2	1
<b>Incomes (\$)</b>	16,258	10,383	5,434	32,074
<b>Total Taxes (\$)</b>				12,343

**Meeting All Housing Needs as Identified in Needs Assessment Report**

The total housing need identified in the *Delaware State-Wide Housing Needs Assessment, 2003-2007* is substantially greater than what is addressed by the *Five-Year Plan*. It is interesting to examine how large an economic impact the State of Delaware would experience if the total was addressed. The following table summarizes the impacts of such an effort.

**Table 14. Summary of Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report**

	<b>Direct Effects</b>	<b>Indirect Effects</b>	<b>Induced Effects</b>	<b>Total Impacts</b>
<b>Total Output (\$)</b>	967,128,469	264,935,569	159,299,584	1,391,363,656
<b>Jobs (#, FTE)</b>	5,696.00	3,081.20	2,052.00	10,829.10
<b>Incomes (\$)</b>	189,368,748	101,305,435	59,338,141	350,012,301
<b>Total Taxes (\$)</b>				130,426,434

## NONECONOMIC AND UNMEASURED IMPACTS

In addition to the economic impacts of *Five-Year Plan* investment, there are documented social and community benefits associated with housing families and individuals in decent, safe, and affordable homes – and in expanding access to homeownership. When affordable housing is integrated into broader community plans for land use, transportation, and economic development, the range of effects broadens to encompass effects on both community and individual quality of life, including effects on family stability, educational achievement, health, female-headed households, community fabric, economic development, and growth-related issues.

### Why Housing Matters

In general, social and other benefits accruing from housing development fund investment are supported by research but difficult to quantify, and therefore are reviewed here in more qualitative terms. Data on social and community impacts was largely derived from a review of recent literature, including *Meeting Our Nation's Housing Challenges*, a 2002 report to Congress by the congressionally appointed bipartisan Millennial Housing Commission. The report states:

Decent, affordable, and accessible housing fosters self-sufficiency, brings stability to families and new vitality to distressed communities, and supports overall economic growth. Very particularly, it improves life outcomes for children. In the process, it reduces a host of costly social and economic problems that place enormous strains on the nation's education, public health, social service, law enforcement, criminal justice, and welfare systems. *Housing very much matters – to the individual, to the family, to the neighborhood, and to the nation.*

### Family Stability and Education

Decent, affordable, and stable housing contributes to family stability and provides a positive environment for children to grow up in. In their 2002 report to Congress, the Millennial Housing Commission notes that families who cannot afford good-quality housing may have to make frequent moves in search of decent affordable housing. Research shows that disruptive moves during childhood and adolescence have a strong negative impact on school performance. The studies found that children who change schools frequently tend to have lower math and reading scores and are significantly less likely to finish high school on time.<sup>i</sup>

Other research demonstrates the positive effects that homeownership can have on childhood outcomes. Using a national data set and controlling for a large number of economic, social, and demographic variables, one study observed that “children of

homeowners have better home environments, high cognitive test scores, and fewer behavior problems than do children of renters. The independent impact of homeownership combined with its positive impact on the home environment results in the children of owners achieving math scores up to nine percent higher, reading scores up to seven percent higher, and reductions in children's behavior problems of up to three percent." Other studies note correlations of homeownership with completion of high school and lower teenage pregnancy rates.

While affordable housing is only one of many factors that have a bearing on educational achievement, it has a direct connection with success in school, and corresponding success later in life. Although difficult to isolate the impact of housing on education, the stable and affordable living situations and homeownership opportunities created through housing trust fund investment can be expected to improve the educational performance of Delaware schoolchildren, breaking down some of the barriers to opportunity in life, and reducing the societal costs of unsuccessful child outcomes.

### **Health**

Housing Development Fund investment has the potential to rehabilitate or move Delaware families out of homes with lead-based paint and other health hazards associated with dilapidated older, lower-rent housing stock. Research indicates a relationship between better-quality housing and lower levels of psychological distress, with linkage to reduced health care costs and improved productivity.<sup>ii</sup> Other research finds that children who live in substandard housing are more likely to suffer from health conditions such as lead poisoning, which in turn are linked to learning disorders, reading difficulties, higher school dropout rates, and behavior problems.<sup>iii</sup> The incidence of asthma and allergies is increased by dust, molds, and roach allergens in substandard housing, and faulty electrical systems, poor lighting, and other deficiencies increase the risk of illness, injuries, and death.<sup>iv</sup>

Again, while many factors influence health, there are documented linkages between housing quality and affordability and physical and mental health, especially the health of children who are most vulnerable to hazards such as lead-based paint. Housing trust fund investment can help to rehabilitate or replace Delaware's substandard housing, with a positive impact on public health and educational achievement and a reduction in the cost of dealing with the problems that result from inadequate housing.

### **Welfare to Work**

Delaware's efforts to promote successful transitions from welfare to work are also likely to benefit from housing trust fund investment. A Minnesota study that compared the employment success of welfare-to-work individuals who received rental assistance with



those who had not, found that workers who received a combination of job assistance and housing assistance had more favorable outcomes.

Other research examining the barriers to successful transition from welfare to work finds a mismatch between the largely suburban location of entry-level job growth and the central city location of housing for welfare recipients in transition. Transportation from home to work is cited as an important element to successful transition. In Delaware, Housing Development Fund investment has the potential to influence those mismatches by assigning funding priority to projects that locate affordable housing close to employment areas, eliminating the need for long and expensive commutes, and by getting families into affordable living situations thereby freeing up income that can be used for other household needs, including transportation to work.

### **Household Wealth**

Housing Development Fund investment in homeownership opportunities will allow more Delaware families to build the financial resources and environment that provide access to opportunities. One study notes that homeownership represents 44 percent of the gross assets for families earning \$50,000 or less annually. The Millennial Housing Commission research supports this conclusion, finding that “homeownership not only insulates families from rising rents and home prices, but it also enables them to build financial resources than can be tapped for other purposes.” The Commission also notes the economic impact of capital gains on home sales, citing a 1999 Federal Reserve Board estimate that the capital gains on an average home resale, net of transaction costs, exceeded \$25,000. If multiplied by national sales of more than 5 million homes per year, capital gains contribute \$125 billion per year into sellers’ savings, spending in the economy, or purchase of trade-up homes. While equity growth may be limited under some affordable homeownership programs, it can be expected that a portion of the Delaware households benefiting from *Five-Year Plan* homeownership programs will see a substantial change in household wealth over time.

### **Female-headed Households**

Housing Development Fund investment has the potential to offset the housing challenges faced by female-headed households. Of particular concern are the female-headed households that are disproportionately represented in the lower income groups. When compared to all households, a greater percentage of female-headed households are in income groups below \$50,000. The 2000 Census reports that 26.1 percent of female-headed households with children under 18 years old have incomes below the poverty level, compared to 9.2 percent of all families with children. These households are most vulnerable to homelessness and extreme rent burden.

Women are also disproportionately underrepresented in homeownership and the asset building associated with it. Fannie Mae reports that women-headed households represent a growing segment of the housing market, but that only about half of the women who head households own their own homes.<sup>v</sup> The McAuley Institute characterizes the situation as a catch-22: "If more women could own their homes, their assets and disposable incomes would rise; however, because of their lower incomes and assets they are less able to buy homes."

Additional investment in affordable housing through Housing Development Fund investment has the potential to impact female-headed households by providing additional access to housing opportunities, including shelter beds, deep subsidy rental units, affordable worker rental units, and homeownership – with the social benefits associated with safe and stable housing situations. There are also economic benefits from changes in household spending for formerly rent-burdened female-headed households, and additional economic impacts of investment of trust fund dollars in construction and real estate-related activities on wages earned by females across industry segments.

### **Environmental Benefits**

Strategic investment of housing development fund monies can have a positive impact on growth management and related environmental issues confronting Delaware. Bruce Katz, Director of the Brookings Institution Center on Urban and Metropolitan Policy, observed what happens when the supply of affordable housing is limited in scale and location:

- The working poor get concentrated in particular parts of a metropolis, often far from educational and employment opportunities, often because suburbs practice exclusionary zoning and limit affordable housing within their borders.
- The resulting jobs/housing imbalance increases traffic congestion and has a negative effect on employers by limiting the number of workers within a reasonable commuting distance.
- Moderate-income families in search of affordable housing move further and further away from urban centers.

These effects are evident in Delaware throughout the state. Strategic investment of housing development fund dollars to provide affordable housing opportunities close to employment centers can be expected to have a positive effect on sprawl and congestion, reducing associated air quality impacts by shortening driving distances and making transit more viable.

### **Reduced Crime**

Research has shown that higher quality housing, higher rates of homeownership, and lower turnover rates all contribute to lower crime rates. The consequent savings, both in terms of less direct losses and in the form of reduced expenditures for fire, police, etc. can be significant.

### **Economic Development**

Housing affordability is linked to economic development and business success. In choosing where to locate, employers consider cost-of-living and quality-of-life indices, including the availability of housing affordable to a cross-section of workers. Delaware enjoys high rankings on a number of quality of life measures, but the cost of housing is a growing competitive concern. One agency has observed that “the availability of workforce housing, along with affordable healthcare, quality public schools and a good transportation infrastructure, is key in terms of creating an environment that is attractive to relocating and growing companies.”

## CONCLUSIONS

Additional public investment in statewide affordable housing programs is projected to yield both economic and social benefits for Delaware. Available resources, however, are insufficient to produce the amount of affordable housing opportunities needed as indicated by the Delaware State Housing Authority's 2003 needs analysis. To address the gap in affordable housing funding, the Delaware Housing Trust Fund Working Group has proposed substantial expansion of Delaware's Housing Development Fund with a dedicated revenue source to fund a series of programs under its *Fostering a Livable Delaware: A Proposed Five-Year Strategic Plan for Housing..*

The projected benefits of increasing the Housing Development Fund's spendable revenues to \$60.0 million over the five years from FY2005-FY2009 are substantial. As summarized in the preceding sections and below, the proposed mix of affordable housing initiatives including new construction of housing, acquisition and rehabilitation of existing housing, and funding assistance to individuals and families is estimated to produce more than 4,750 housing opportunities over the 5 year period, filling part of the gap between the total need and available resources, and yielding significant economic benefits for *every year of investment.*

- Leveraging - each dollar of equity subsidy can be expected to leverage seven additional dollars of economic output.
- Housing Production – an average of over 950 housing opportunities in new and renovated housing will be produced in *each of the five years*, including 175 rental opportunities and over 775 homeownership opportunities each year.
- Employment – almost 3,400 new jobs will be directly and indirectly supported by the newly funded trust fund investments. While many of these will be in the construction and real estate industries, all other sectors of the economy will be affected.
- Total Output – \$84 million of direct, indirect and induced economic activity will be generated from trust fund investment *each year.*
- New Spending Patterns – formerly rent-burdened households will have an average of \$2,460 of annual income per household to spend on goods and services other than housing, including transportation to work, clothing, health care, and food. These expenditures represent an ongoing effect on the State's economy
- New Households – households moving into the region to fill vacancies created by new affordable housing production will generate more than 580 new jobs and ongoing direct, indirect, and induced output of more than \$69 million annually.
- Tax Revenues – New economic activity will generate more than \$43 million of annual tax revenues, more than \$12.5 million of which accrues to state and local government. Property taxes and income tax revenue related to changes in household spending are ongoing impacts.

## APPENDIX A: DETAILED ECONOMIC IMPACT TABLES

The pages that follow contain detailed tables showing impacts by category (employment, Incomes, and value of output) by industry sector and taxes by type for each of the five *Five-Year Plan* categories, for the statewide total of all five categories, for the distribution of the statewide total of all five categories to the three counties, for new state residents, and for the construction of a single house.

### **A1. Detailed Impacts of Homes for Families**

Table A1.1. Detailed Impacts of Homes for Families on Employment

Table A1.2. Detailed Impacts of Homes for Families on Incomes

Table A1.3. Detailed Impacts of Homes for Families on the Total Value of Output

Table A1.4. Impacts of Homes for Families on Taxes

### **A2. Detailed Impacts of Livable Towns and Cities**

Table A2.1. Detailed Impacts of Livable Towns and Cities on Employment

Table A2.2. Detailed Impacts of Livable Towns and Cities on Incomes

Table A2.3. Detailed Impacts of Livable Towns and Cities on the Total Value of Output

Table A2.4. Impacts of Livable Towns and Cities on Taxes

### **A3. Detailed Impacts of Promoting Homeownership**

Table A3.1. Detailed Impacts of Promoting Homeownership on Employment

Table A3.2. Detailed Impacts of Promoting Homeownership on Incomes

Table A3.3. Detailed Impacts of Promoting Homeownership on the Total Value of Output

Table A3.4. Impacts of Promoting Homeownership on Taxes

### **A4. Detailed Impacts of Affordable Rental Housing Production**

Table A4.1. Detailed Impacts of Affordable Rental Housing Production on Employment

Table A4.2. Detailed Impacts of Affordable Rental Housing Production on Incomes

Table A4.3. Detailed Impacts of Affordable Rental Housing Production on the Total Value of Output

Table A4.4. Impacts of Affordable Rental Housing Production on Taxes

### **A5. Detailed Impacts of Innovative Housing Initiatives**

Table A5.1. Detailed Impacts of Innovative Housing Initiatives on Employment

Table A5.2. Detailed Impacts of Innovative Housing Initiatives on Incomes

Table A5.3. Detailed Impacts of Innovative Housing Initiatives on the Total Value of Output

Table A5.4. Impacts of Innovative Housing Initiatives on Taxes

### **A6. Detailed Impacts of All Categories Statewide**

Table A6.1. Detailed Impacts of All Categories Statewide on Employment

Table A6.2. Detailed Impacts of All Categories Statewide on Incomes

Table A6.3. Detailed Impacts of All Categories Statewide on the Total Value of Output

Table A6.4. Impacts of All Categories Statewide on Taxes

**A7. Detailed Impacts of All Categories in New Castle County**

Table A7.1. Detailed Impacts of All Categories in New Castle County on Employment

Table A7.2. Detailed Impacts of All Categories in New Castle County on Incomes

Table A7.3. Detailed Impacts of All Categories in New Castle County on the Total Value of Output

Table A7.4. Impacts of All Categories in New Castle County on Taxes

**A8. Detailed Impacts of All Categories in Kent County**

Table A8.1. Detailed Impacts of All Categories in Kent County on Employment

Table A8.2. Detailed Impacts of All Categories in Kent County on Incomes

Table A8.3. Detailed Impacts of All Categories in Kent County on the Total Value of Output

Table A8.4. Impacts of All Categories in Kent County on Taxes

**A9. Detailed Impacts of All Categories in Sussex County**

Table A9.1. Detailed Impacts of All Categories in Sussex County on Employment

Table A9.2. Detailed Impacts of All Categories in Sussex County on Incomes

Table A9.3. Detailed Impacts of All Categories in Sussex County on the Total Value of Output

Table A9.4. Impacts of All Categories in Sussex County on Taxes

**A10. Detailed Impacts of New State Residents**

Table A10.1 Detailed Impacts of New State Residents on Employment

Table A10.2. Detailed Impacts of New State Residents on Incomes

Table A10.3. Detailed Impacts of New State Residents on the Total Value of Output

Table A10.4. Impacts of New State Residents on Taxes

**A11. Detailed Impacts of Constructing a Single Additional House \$160,000**

Table A11.1. Detailed Impacts of Constructing a Single Additional House on Employment

Table A11.2. Detailed Impacts of Constructing a Single Additional House on Incomes

Table A11.3. Detailed Impacts of Constructing a Single Additional House on the Total Value of Output

Table A11.4. Impacts of Constructing a Single Additional House on Taxes

**A12. Detailed Impacts of Constructing a Single Additional House \$150,000**

Table A12.1. Detailed Impacts of Constructing a Single Additional House on Employment

Table A12.2. Detailed Impacts of Constructing a Single Additional House on Incomes

Table A12.3. Detailed Impacts of Constructing a Single Additional House on the Total Value of Output

Table A12.4. Impacts of Constructing a Single Additional House on Taxes

**A13. Detailed Impacts of Constructing a Single Additional House \$106,000**

Table A13.1. Detailed Impacts of Constructing a Single Additional House on Employment

Table A13.2. Detailed Impacts of Constructing a Single Additional House on Incomes

Table A13.3. Detailed Impacts of Constructing a Single Additional House on the Total Value of Output

Table A13.4. Impacts of Constructing a Single Additional House on Taxes

**A14. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report**

Table A14.1. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Employment

Table A14.2. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Incomes

Table A14.3. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on the Total Value of Output

Table A14.4. Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Taxes

**Detailed Impacts of Homes for Families**

**Table A1.1. Detailed Impacts of Homes for Families on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	0.7	0.1	0.8
Mining	0	0	0	0
Construction	40.6	0.3	0.2	41.1
Manufacturing	0	1.8	0.3	2.1
TCPU	0	2.1	0.4	2.5
Trade	0	11.3	5.5	16.8
FIRE	0	1.5	1	2.6
Services	0	5.6	6	11.6
Government	0	0.1	0.1	0.2
Other	0	0	0.2	0.2
Institutions	0	0	0	0
Total	40.6	23.5	14	78

**Table A1.2. Detailed Impacts of Homes for Families on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	10,210	1,970	12,180
Mining	0	106	10	115
Construction	1,201,969	13,143	9,453	1,224,565
Manufacturing	0	68,733	18,800	87,533
TCPU	0	88,041	20,936	108,977
Trade	0	347,779	114,907	462,685
FIRE	0	36,159	29,920	66,080
Services	0	207,807	198,802	406,609
Government	0	5,519	5,831	11,350
Other	0	0	3,008	3,008
Institutions	0	0	0	0
Total	1,201,969	777,496	403,637	2,383,102

\*TCPU = Transportation, Communications, and Public Utilities

\*\*FIRE = Finance, Insurance and Real Estate



**Table A1.3. Detailed Impacts of Homes for Families on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0	28,275	8,999	37,274
Mining	0	686	171	857
Construction	6,542,941	21,043	18,119	6,582,103
Manufacturing	0	339,322	103,044	442,366
TCPU	0	280,260	77,451	357,712
Trade	0	769,983	251,208	1,021,190
FIRE	0	158,304	246,076	404,380
Services	0	399,200	355,109	754,309
Government	0	14,231	20,421	34,653
Other	0	0	3,008	3,008
Institutions	726,994	0	0	726,994
<b>Total</b>	<b>7,269,935</b>	<b>2,011,304</b>	<b>1,083,606</b>	<b>10,364,844</b>

**Table A1.4. Impacts of Homes for Families on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	659,546
<b>State and Local Total</b>	259,391	<b>Total Federal plus State and Local</b>	918,937

**Detailed Impacts of Livable Towns and Cities**

**Table A2.1. Detailed Impacts of Livable Towns and Cities on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	2.3	0.5	2.8
Mining	0	0	0	0
Construction	140.5	0.9	0.9	142.3
Manufacturing	0	5.9	1.4	7.4
TCPU	0	5.7	1.8	7.5
Trade	0	30.7	22.6	53.3
FIRE	0	4.8	4.2	9
Services	0.4	17.9	24.7	43.1
Government	13.1	0.3	0.5	13.9
Other	0	0	1	1
Institutions	0	0	0	0
Total	154.1	68.7	57.6	280.3

**Table A2.2. Detailed Impacts of Livable Towns and Cities on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	100	32,273	8,132	40,505
Mining	0	294	39	333
Construction	5,381,881	41,404	39,017	5,462,302
Manufacturing	520	232,025	77,592	310,137
TCPU	668	243,537	86,410	330,614
Trade	464	932,686	474,253	1,407,403
FIRE	511	103,037	123,489	227,038
Services	34,809	623,753	820,514	1,479,076
Government	513,786	17,769	24,065	555,621
Other	0	0	12,414	12,414
Institutions	0	0	0	0
Total	5,932,739	2,226,777	1,665,926	9,825,443

**Table A2.3. Detailed Impacts of Livable Towns and Cities on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	289	89,543	37,143	126,974
Mining	1	2,038	704	2,743
Construction	19,757,368	66,313	74,783	19,898,462
Manufacturing	3,138	1,201,894	425,293	1,630,325
TCPU	2,812	785,369	319,663	1,107,844
Trade	1,124	2,060,676	1,036,808	3,098,609
FIRE	2,309	454,251	1,015,629	1,472,189
Services	48,165	1,230,333	1,465,635	2,744,133
Government	663,102	45,277	84,285	792,664
Other	0	0	12,414	12,414
Institutions	2,212,025	0	0	2,212,025
<b>Total</b>	<b>22,690,333</b>	<b>5,935,692</b>	<b>4,472,357</b>	<b>33,098,381</b>

**Table A2.4. Impacts of Livable Towns and Cities on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	2,583,000
<b>State and Local Total</b>	887,742	<b>Total Federal plus State and Local</b>	3,470,742

**Detailed Impacts of Promoting Home Ownership**

**Table A3.1. Detailed Impacts of Promoting Home Ownership on Employment**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0.1	16.2	3.1	19.4
Mining	0	0.2	0	0.3
Construction	708.3	17.8	6	732.1
Manufacturing	0.8	32.7	9.5	42.9
TCPU	0.9	40	11.8	52.7
Trade	17	200.5	147.9	365.4
FIRE	160.9	42.1	27.6	230.7
Services	21.1	125	161.9	308
Government	300.6	2.8	3.2	306.5
Other	0.4	0	6.4	6.8
Institutions	0	0	0	0
<b>Total</b>	<b>1,210.10</b>	<b>477.3</b>	<b>377.5</b>	<b>2,064.80</b>

**Table A3.2. Detailed Impacts of Promoting Home Ownership on Incomes**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	2,065	223,733	53,283	279,081
Mining	2	1,914	258	2,174
Construction	20,973,226	764,055	255,641	21,992,922
Manufacturing	40,809	1,265,983	508,388	1,815,180
TCPU	46,216	1,719,700	566,167	2,332,082
Trade	353,042	6,158,412	3,107,333	9,618,786
FIRE	3,491,065	954,371	809,111	5,254,547
Services	1,209,548	4,444,211	5,376,075	11,029,832
Government	11,779,939	149,455	157,676	12,087,070
Other	5,631	0	81,336	86,967
Institutions	0	0	0	0
<b>Total</b>	<b>37,901,542</b>	<b>15,681,832</b>	<b>10,915,267</b>	<b>64,498,642</b>

**Table A3.3. Detailed Impacts of Promoting Home Ownership on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	9,498	622,215	243,361	875,074
Mining	33	13,123	4,613	17,769
Construction	114,168,144	1,422,959	489,986	116,081,088
Manufacturing	236,555	6,244,082	2,786,549	9,267,184
TCPU	178,118	5,574,609	2,094,459	7,847,186
Trade	768,397	13,645,755	6,793,221	21,207,372
FIRE	25,854,308	4,449,654	6,654,467	36,958,428
Services	1,830,007	8,629,212	9,602,961	20,062,180
Government	15,230,032	407,759	552,243	16,190,034
Other	5,631	0	81,336	86,967
Institutions	19,104,454	0	0	19,104,454
<b>Total</b>	<b>177,385,177</b>	<b>41,009,367</b>	<b>29,303,195</b>	<b>247,697,736</b>

**Table A3.4. Impacts of Promoting Home Ownership on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	19,507,504
<b>State and Local Total</b>	8,157,667	<b>Total Federal plus State and Local</b>	27,665,171

**Detailed Impacts of Affordable Rental Housing Production**

**Table A4.1. Detailed Impacts of Affordable Rental Housing Production on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	8.8	1.4	10.2
Mining	0	0.2	0	0.2
Construction	490.2	3.6	2.7	496.5
Manufacturing	0	21.6	4.2	25.9
TCPU	0	25.1	5.3	30.4
Trade	0	136.5	66	202.6
FIRE	0	18.7	12.3	31
Services	0	67.7	72.3	140
Government	0	1.2	1.4	2.6
Other	0	0	2.9	2.9
Institutions	0	0	0	0
Total	490.2	283.4	168.6	942.1

**Table A4.2. Detailed Impacts of Affordable Rental Housing Production on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	123,287	23,793	147,080
Mining	0	1,277	115	1,393
Construction	14,514,343	158,708	114,154	14,787,205
Manufacturing	0	829,985	227,016	1,057,001
TCPU	0	1,063,138	252,816	1,315,954
Trade	0	4,199,591	1,387,551	5,587,142
FIRE	0	436,643	361,301	797,944
Services	0	2,509,364	2,400,632	4,909,996
Government	0	66,642	70,409	137,051
Other	0	0	36,320	36,320
Institutions	0	0	0	0
Total	14,514,343	9,388,635	4,874,106	28,777,085

**Table A4.3. Detailed Impacts of Affordable Rental Housing Production on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0	341,430	108,670	450,100
Mining	0	8,289	2,060	10,349
Construction	79,009,096	254,104	218,798	79,482,000
Manufacturing	0	4,097,467	1,244,307	5,341,774
TCPU	0	3,384,275	935,260	4,319,535
Trade	0	9,297,904	3,033,451	12,331,354
FIRE	0	1,911,592	2,971,487	4,883,080
Services	0	4,820,529	4,288,105	9,108,634
Government	0	171,850	246,599	418,448
Other	0	0	36,320	36,320
Institutions	8,778,791	0	0	8,778,791
<b>Total</b>	<b>87,787,887</b>	<b>24,287,439</b>	<b>13,085,056</b>	<b>125,160,384</b>

**Table A4.4 Impacts of Affordable Rental Housing Production on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	7,964,334
<b>State and Local Total</b>	3,132,274	<b>Total Federal plus State and Local</b>	11,096,608

**Detailed Impacts of Innovative Housing Initiatives**

**Table A5.1. Detailed Impacts of Innovative Housing Initiatives on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	0.3	0	0.3
Mining	0	0	0	0
Construction	15.3	0.1	0.1	15.5
Manufacturing	0	0.7	0.1	0.8
TCPU	0	0.8	0.2	1
Trade	0	4.3	2.1	6.3
FIRE	0	0.6	0.4	1
Services	0	2.1	2.3	4.4
Government	0	0	0	0.1
Other	0	0	0.1	0.1
Institutions	0	0	0	0
Total	15.3	8.9	5.3	29.4

**Table A5.2. Detailed Impacts of Innovative Housing Initiatives on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	3,853	744	4,596
Mining	0	40	4	44
Construction	453,573	4,960	3,567	462,100
Manufacturing	0	25,937	7,094	33,031
TCPU	0	33,223	7,901	41,124
Trade	0	131,237	43,361	174,598
FIRE	0	13,645	11,291	24,936
Services	0	78,418	75,020	153,437
Government	0	2,083	2,200	4,283
Other	0	0	1,135	1,135
Institutions	0	0	0	0
Total	453,573	293,395	152,316	899,284



**Table A5.3. Detailed Impacts of Innovative Housing Initiatives on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0	10,670	3,396	14,066
Mining	0	259	64	323
Construction	2,469,034	7,941	6,837	2,483,813
Manufacturing	0	128,046	38,885	166,930
TCPU	0	105,759	29,227	134,985
Trade	0	290,560	94,795	385,355
FIRE	0	59,737	92,859	152,596
Services	0	150,642	134,003	284,645
Government	0	5,370	7,706	13,077
Other	0	0	1,135	1,135
Institutions	274,337	0	0	274,337
<b>Total</b>	<b>2,743,371</b>	<b>758,982</b>	<b>408,908</b>	<b>3,911,262</b>

**Table A5.4. Impacts of Innovative Housing Initiatives on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	248,889
<b>State and Local Total</b>	97,884	<b>Total Federal plus State and Local</b>	346,773

**Detailed Impacts of All Categories Statewide**

**Table A6.1. Detailed Impacts of All Categories Statewide on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0.1	28.3	5.1	33.5
Mining	0	0.4	0.1	0.5
Construction	1,394.90	22.8	9.9	1,427.50
Manufacturing	0.8	62.7	15.6	79.1
TCPU	0.9	73.7	19.5	94.1
Trade	17	383.3	244.1	644.3
FIRE	161	67.7	45.6	274.3
Services	21.5	218.3	267.2	507
Government	313.7	4.4	5.2	323.4
Other	0.4	0	10.5	11
Institutions	0	0	0	0
Total	1,910.30	861.6	622.8	3,394.70

**Table A6.2. Detailed Impacts of All Categories Statewide on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	2,165	393,356	87,923	483,443
Mining	2	3,631	426	4,059
Construction	42,524,992	982,269	421,832	43,929,096
Manufacturing	41,329	2,422,663	838,890	3,302,882
TCPU	46,883	3,147,639	934,230	4,128,752
Trade	353,505	11,769,704	5,127,405	17,250,614
FIRE	3,491,577	1,543,855	1,335,112	6,370,544
Services	1,244,357	7,863,552	8,871,042	17,978,950
Government	12,293,725	241,468	260,181	12,795,374
Other	5,631	0	134,213	139,844
Institutions	0	0	0	0
Total	60,004,166	28,368,136	18,011,252	106,383,557

**Table A6.3. Detailed Impacts of All Categories Statewide on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	9,787	1,092,132	401,569	1,503,488
Mining	34	24,395	7,612	32,041
Construction	221,946,576	1,772,359	808,524	224,527,472
Manufacturing	239,692	12,010,810	4,598,077	16,848,578
TCPU	180,930	10,130,271	3,456,060	13,767,261
Trade	769,520	26,064,876	11,209,482	38,043,880
FIRE	25,856,616	7,033,537	10,980,518	43,870,672
Services	1,878,172	15,229,915	15,845,813	32,953,900
Government	15,893,135	644,487	911,254	17,448,876
Other	5,631	0	134,213	139,844
Institutions	31,096,600	0	0	31,096,600
<b>Total</b>	<b>297,876,695</b>	<b>74,002,781</b>	<b>48,353,121</b>	<b>420,232,612</b>

**Table A6.4. Impacts of All Programs Statewide on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	30,983,270
<b>State and Local Total</b>	12,514,959	<b>Total Federal plus State and Local</b>	43,498,229

**Detailed Impacts of All Categories in New Castle County**

**Table A7.1. Detailed Impacts of All Categories in New Castle County on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	5.7	0.9	6.6
Mining	0	0	0	0
Construction	275.8	6.8	2.3	285
Manufacturing	0.3	10.4	2.7	13.4
TCPU	0.6	15.1	4.9	20.6
Trade	11.1	71.9	61.5	144.5
FIRE	62.3	16.6	11.3	90.1
Services	12	47	65	124.1
Government	118.4	1.7	1.6	121.8
Other	0.3	0	3	3.4
Institutions	0	0	0	0
Total	480.9	175.3	153.3	809.4

**Table A7.2. Detailed Impacts of All Categories in New Castle County on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	749	83,261	13,348	97,359
Mining	1	95	49	145
Construction	9,442,553	320,594	108,427	9,871,574
Manufacturing	22,302	435,958	183,532	641,793
TCPU	32,376	668,210	246,037	946,622
Trade	238,875	2,299,098	1,337,424	3,875,396
FIRE	1,479,065	379,291	346,403	2,204,759
Services	677,418	1,732,441	2,309,016	4,718,875
Government	4,931,744	106,186	86,606	5,124,536
Other	3,968	0	37,632	41,600
Institutions	0	0	0	0
Total	16,829,051	6,025,133	4,668,473	27,522,657

**Table A7.3. Detailed Impacts of All Categories in New Castle County on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	2,365	216,771	36,921	256,057
Mining	11	1,690	881	2,581
Construction	44,418,588	588,491	205,145	45,212,224
Manufacturing	133,481	2,145,040	1,027,820	3,306,342
TCPU	121,745	2,147,533	883,101	3,152,379
Trade	518,499	5,086,045	2,915,697	8,520,241
FIRE	10,977,635	1,773,351	2,869,047	15,620,033
Services	1,037,148	3,351,471	4,063,082	8,451,700
Government	6,381,721	208,229	239,304	6,829,254
Other	3,967	0	37,621	41,588
Institutions	27,673,830	0	0	27,673,830
<b>Total</b>	<b>91,268,990</b>	<b>15,518,620</b>	<b>12,278,619</b>	<b>119,066,229</b>

**Table A7.4. Impacts of All Categories in New Castle County on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	8,684,172
<b>State and Local Total</b>	3,419,516	<b>Total Federal plus State and Local</b>	12,103,688

**Detailed Impacts of All Categories in Kent County**

**Table A8.1. Detailed Impacts of All Categories in Kent County on Employment**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0.1	4.4	0.7	5.2
Mining	0	0.3	0	0.3
Construction	196.1	3.5	1.2	200.8
Manufacturing	0.2	7.4	1.2	8.9
TCPU	0.4	9.8	2.2	12.4
Trade	9.2	56.5	31.9	97.6
FIRE	26.7	7.1	5.8	39.5
Services	7.4	37.5	30.6	75.6
Government	36	0.6	0.8	37.5
Other	0.2	0	1	1.1
Institutions	0	0	0	0
<b>Total</b>	<b>276.4</b>	<b>127.1</b>	<b>75.5</b>	<b>478.9</b>

**Table A8.2. Detailed Impacts of All Categories in Kent County on Incomes**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	2,062	54,134	12,043	68,240
Mining	1	2,504	175	2,680
Construction	5,298,546	134,591	47,701	5,480,838
Manufacturing	8,975	248,280	44,248	301,502
TCPU	13,576	349,085	72,692	435,353
Trade	170,697	1,506,759	591,742	2,269,199
FIRE	476,219	177,114	141,797	795,130
Services	262,518	932,958	761,901	1,957,378
Government	1,394,703	26,886	36,601	1,458,190
Other	2,469	0	13,216	15,685
Institutions	0	0	0	0
<b>Total</b>	<b>7,629,766</b>	<b>3,432,312</b>	<b>1,722,116</b>	<b>12,784,194</b>

**Table A8.3. Detailed Impacts of All Categories in Kent County on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	7,173	151,157	38,890	197,220
Mining	27	9,331	3,120	12,478
Construction	30,659,968	249,396	94,544	31,003,908
Manufacturing	43,777	1,062,255	197,726	1,303,757
TCPU	51,043	1,164,997	271,500	1,487,540
Trade	377,644	3,347,033	1,312,001	5,036,677
FIRE	3,593,322	817,471	1,270,258	5,681,051
Services	448,308	2,014,924	1,473,662	3,936,894
Government	1,832,200	124,323	178,450	2,134,972
Other	2,471	0	13,229	15,700
Institutions	16,589,190	0	0	16,589,190
<b>Total</b>	<b>53,605,123</b>	<b>8,940,886</b>	<b>4,853,381</b>	<b>67,399,388</b>

**Table A8.4. Impacts of All Categories in Kent County on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	3,251,054
<b>State and Local Total</b>	1,656,835	<b>Total Federal plus State and Local</b>	4,907,889

**Detailed Impacts of All Categories in Sussex County**

**Table A9.1. Detailed Impacts of All Categories in Sussex County on Employment**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0.1	10.5	1.4	12
Mining	0	0	0	0
Construction	422.3	8.6	2.2	433.2
Manufacturing	0.4	18.4	3.2	22
TCPU	0.5	20.2	3.6	24.3
Trade	11.3	128.5	57.4	197.3
FIRE	63.9	12.4	6.9	83.2
Services	11.9	59.3	56.5	127.7
Government	129.9	2.3	1.4	133.7
Other	0.2	0	1.8	2.1
Institutions	0	0	0	0
<b>Total</b>	<b>640.7</b>	<b>260.2</b>	<b>134.6</b>	<b>1,035.50</b>

**Table A9.2. Detailed Impacts of All Categories in Sussex County on Incomes**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	1,399	127,511	22,317	151,227
Mining	3	53	28	84
Construction	10,191,203	293,931	75,387	10,560,521
Manufacturing	14,844	583,685	118,661	717,191
TCPU	17,178	786,929	126,179	930,286
Trade	221,576	3,450,858	1,129,192	4,801,626
FIRE	1,254,983	304,214	170,469	1,729,666
Services	537,801	1,464,227	1,615,245	3,617,273
Government	3,978,665	124,185	68,563	4,171,412
Other	3,304	0	25,571	28,875
Institutions	0	0	0	0
<b>Total</b>	<b>16,220,956</b>	<b>7,135,594</b>	<b>3,351,611</b>	<b>26,708,161</b>



**Table A9.3. Detailed Impacts of All Categories in Sussex County on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	9,256	399,394	127,681	536,331
Mining	50	963	506	1,520
Construction	63,633,048	572,498	157,552	64,363,096
Manufacturing	73,461	2,159,208	537,954	2,770,623
TCPU	63,120	2,530,535	452,192	3,045,848
Trade	482,920	7,668,515	2,469,453	10,620,888
FIRE	9,399,190	1,752,018	2,089,482	13,240,690
Services	853,663	2,994,455	3,010,542	6,858,659
Government	5,152,847	250,367	209,927	5,613,140
Other	3,307	0	25,593	28,901
Institutions	34,859,420	0	0	34,859,420
<b>Total</b>	<b>114,530,283</b>	<b>18,327,952</b>	<b>9,080,883</b>	<b>141,939,116</b>

**Table A9.4. Impacts of All Programs in Sussex County on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	<b>6,861,583</b>
<b>State and Local Total</b>	<b>3,111,331</b>	<b>Total Federal plus State and Local</b>	<b>9,972,914</b>

**Detailed Impacts of New Residents**

**Table A10.1. Detailed Impacts of New Residents on Employment**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	1	3.2	0.8	5
Mining	0	0.1	0	0.1
Construction	0	8	1.6	9.5
Manufacturing	9.4	4.1	2.5	15.9
TCPU	11.3	4.2	3.1	18.6
Trade	207.3	5.1	39.2	251.6
FIRE	27	14.8	7.3	49.1
Services	152	27.9	43	222.9
Government	3.3	0.9	0.8	5.1
Other	5.4	0	1.7	7.1
Institutions	0	0	0	0
<b>Total</b>	<b>416.6</b>	<b>68.3</b>	<b>100.2</b>	<b>585.1</b>

**Table A10.2. Detailed Impacts of New Residents on Incomes**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	25,202	49,530	14,138	88,870
Mining	23	346	68	438
Construction	0	340,852	67,832	408,684
Manufacturing	498,110	228,051	134,897	861,058
TCPU	564,102	201,940	150,228	916,270
Trade	4,309,187	179,095	824,499	5,312,780
FIRE	853,565	361,997	214,690	1,430,252
Services	5,451,285	943,854	1,426,502	7,821,641
Government	160,067	51,968	41,838	253,873
Other	68,734	0	21,582	90,316
Institutions	0	0	0	0
<b>Total</b>	<b>11,930,275</b>	<b>2,357,632</b>	<b>2,896,274</b>	<b>17,184,181</b>

**Table A10.3. Detailed Impacts of New Residents on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	115,935	241,044	64,573	421,553
Mining	408	6,198	1,224	7,830
Construction	0	644,172	130,014	774,186
Manufacturing	2,887,358	1,099,742	739,386	4,726,486
TCPU	2,174,090	731,653	555,747	3,461,489
Trade	9,378,962	423,949	1,802,512	11,605,422
FIRE	7,628,873	1,520,049	1,765,702	10,914,624
Services	9,663,883	1,773,244	2,548,077	13,985,204
Government	622,064	137,710	146,533	906,307
Other	68,734	0	21,582	90,316
Institutions	22,140,484	0	0	22,140,484
<b>Total</b>	<b>54,680,790</b>	<b>6,577,761</b>	<b>7,775,349</b>	<b>69,033,900</b>

**Table A10.4. Impacts of New Residents on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	5,636,064
<b>State and Local Total</b>	2,660,554	<b>Total Federal plus State and Local</b>	8,296,618

**Detailed Impacts of Constructing a Single Additional \$160,000 House**

**Table A11.1. Detailed Impacts of Constructing a Single Additional \$160,000 House on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	0	0	0
Mining	0	0	0	0
Construction	0.8	0	0	0.8
Manufacturing	0	0	0	0
TCPU	0	0	0	0.1
Trade	0	0.2	0.1	0.4
FIRE	0	0	0	0.1
Services	0	0.1	0.1	0.3
Government	0.1	0	0	0.1
Other	0	0	0	0
Institutions	0	0	0	0
Total	0.9	0.5	0.3	1.8

**Table A11.2. Detailed Impacts of Constructing a Single Additional \$160,000 House on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	1	217	45	263
Mining	0	2	0	2
Construction	24,211	410	214	24,835
Manufacturing	3	1,398	426	1,827
TCPU	4	1,820	474	2,299
Trade	3	7,022	2,603	9,628
FIRE	980	813	678	2,470
Services	245	4,398	4,503	9,146
Government	3,199	125	132	3,456
Other	0	0	68	68
Institutions	0	0	0	0
Total	28,645	16,206	9,143	53,993

**Table A11.3. Detailed Impacts of Constructing a Single Additional \$160,000 House on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	2	601	204	806
Mining	0	14	4	18
Construction	131,714	712	410	132,836
Manufacturing	20	6,901	2,334	9,254
TCPU	18	5,822	1,754	7,594
Trade	7	15,549	5,690	21,247
FIRE	7,214	3,636	5,574	16,425
Services	338	8,475	8,044	16,857
Government	4,128	329	463	4,920
Other	0	0	68	68
Institutions	15,543	0	0	15,543
<b>Total</b>	<b>158,983</b>	<b>42,038</b>	<b>24,546</b>	<b>225,567</b>

**Table A11.4. Impacts of Constructing a Single Additional \$160,000 House on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	15,400
<b>State and Local Total</b>	6,192	<b>Total Federal plus State and Local</b>	21,592

**Detailed Impacts of Constructing Single Additional \$150,000 House**

**Table A12.1. Detailed Impacts of Constructing Single Additional \$150,000 House on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	0	0	0
Mining	0	0	0	0
Construction	0.8	0	0	0.8
Manufacturing	0	0	0	0
TCPU	0	0	0	0
Trade	0	0.2	0.1	0.3
FIRE	0	0	0	0.1
Services	0	0.1	0.1	0.2
Government	0.1	0	0	0.1
Other	0	0	0	0
Institutions	0	0	0	0
Total	0.8	0.4	0.3	1.6

**Table A12.2. Detailed Impacts of Constructing a Single Additional \$150,000 House on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	1	193	40	234
Mining	0	2	0	2
Construction	22,698	250	194	23,141
Manufacturing	3	1,298	386	1,687
TCPU	4	1,663	429	2,096
Trade	3	6,563	2,357	8,923
FIRE	3	685	614	1,301
Services	244	3,936	4,078	8,257
Government	2,999	105	120	3,223
Other	0	0	62	62
Institutions	0	0	0	0
Total	25,953	14,694	8,279	48,926

**Table A12.3. Detailed Impacts of Constructing a Single Additional \$150,000 House on the Total Value of Output**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	2	534	185	720
Mining	0	13	3	17
Construction	123,481	400	372	124,253
Manufacturing	18	6,408	2,114	8,540
TCPU	16	5,294	1,589	6,899
Trade	7	14,531	5,153	19,691
FIRE	13	2,999	5,047	8,060
Services	336	7,559	7,284	15,179
Government	3,870	270	419	4,559
Other	0	0	62	62
Institutions	13,824	0	0	13,824
Total	141,569	38,008	22,226	201,803

**Table A12.4. Impacts of Constructing a Single Additional \$150,000 House on Taxes**

State & Local Governments, Noneducation		Federal Government	
		Federal Total	15,400
State and Local Total	5,142	Total Federal plus State and Local	20,542

**Detailed Impacts of Constructing a Single Additional \$106,000 House**

**Table A13.1. Detailed Impacts of Constructing a Single Additional \$106,000 House on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	0	0	0
Mining	0	0	0	0
Construction	0.5	0	0	0.5
Manufacturing	0	0	0	0
TCPU	0	0	0	0
Trade	0	0.2	0.1	0.2
FIRE	0	0	0	0
Services	0	0.1	0.1	0.2
Government	0	0	0	0
Other	0	0	0	0
Institutions	0	0	0	0
Total	0.5	0.3	0.2	1

**Table A13.2. Detailed Impacts of Constructing a Single Additional \$106,000 House on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	136	27	163
Mining	0	1	0	2
Construction	16,026	176	127	16,329
Manufacturing	0	917	253	1,170
TCPU	0	1,175	282	1,457
Trade	0	4,638	1,547	6,184
FIRE	0	484	403	886
Services	231	2,783	2,676	5,690
Government	0	74	78	153
Other	0	0	40	40
Institutions	0	0	0	0
Total	16,258	10,383	5,434	32,074



**Table A13.3. Detailed Impacts of Constructing a Single Additional \$106,000 House on the Total Value of Output**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	377	121	498
Mining	0	9	2	11
Construction	87,239	281	244	87,764
Manufacturing	0	4,526	1,387	5,913
TCPU	0	3,740	1,043	4,783
Trade	0	10,268	3,382	13,649
FIRE	0	2,119	3,313	5,432
Services	315	5,344	4,780	10,439
Government	0	191	275	466
Other	0	0	40	40
Institutions	9,728	0	0	9,728
Total	97,282	26,855	14,587	138,724

**Table A13.4. Impacts of Constructing a Single Additional \$106,000 House on Taxes**

State & Local Governments, Noneducation		Federal Government	
		Federal Total	8,864
State and Local Total	3,479	Total Federal plus State and Local	12,343

**Detailed Impacts of Meeting Entire Housing Needs as Identified  
in Needs Assessment**

**Table A14.1. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Employment**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	98	16.9	114.9
Mining	0	1.6	0.2	1.8
Construction	5,685.10	40.5	32.5	5,758.10
Manufacturing	0	246.3	51.4	297.7
TCPU	0	267	64.3	331.3
Trade	0	1,445.70	804	2,249.80
FIRE	0	207.4	150.3	357.7
Services	10.9	760.9	880.3	1,652.20
Government	0	13.7	17.3	31
Other	0	0	34.7	34.7
Institutions	0	0	0	0
Total	5,696.00	3,081.20	2,052.00	10,829.10

**Table A14.2. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Incomes**

INDUSTRY	DIRECT	INDIRECT	INDUCED	TOTAL
Agriculture	0	1,379,814	289,661	1,669,475
Mining	0	13,624	1,403	15,026
Construction	188,402,048	1,771,796	1,389,726	191,563,552
Manufacturing	0	9,530,900	2,763,725	12,294,625
TCPU	0	11,328,532	3,077,822	14,406,354
Trade	0	44,268,492	16,892,292	61,160,780
FIRE	0	4,702,738	4,398,535	9,101,273
Services	966,700	27,557,684	29,225,646	57,750,028
Government	0	751,856	857,166	1,609,022
Other	0	0	442,165	442,165
Institutions	0	0	0	0
Total	189,368,748	101,305,435	59,338,141	350,012,301

**Table A14.3. Detailed Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on the Total Value of Output**

<b>INDUSTRY</b>	<b>DIRECT</b>	<b>INDIRECT</b>	<b>INDUCED</b>	<b>TOTAL</b>
Agriculture	0	3,823,725	1,322,971	5,146,696
Mining	0	90,467	25,078	115,544
Construction	869,100,032	2,837,090	2,663,678	874,600,832
Manufacturing	0	47,977,492	15,148,388	63,125,880
TCPU	0	36,228,224	11,386,001	47,614,224
Trade	0	97,939,960	36,929,768	134,869,728
FIRE	0	20,645,920	36,175,384	56,821,304
Services	1,315,565	53,463,708	52,204,020	106,983,296
Government	0	1,928,984	3,002,131	4,931,115
Other	0	0	442,165	442,165
Institutions	96,712,872	0	0	96,712,872
<b>Total</b>	<b>967,128,469</b>	<b>264,935,569</b>	<b>159,299,584</b>	<b>1,391,363,656</b>

**Table A14.4. Impacts of Meeting Entire Housing Needs as Identified in Needs Assessment Report on Taxes**

<b>State &amp; Local Governments, Noneducation</b>		<b>Federal Government</b>	
		<b>Federal Total</b>	94,851,908
<b>State and Local Total</b>	35,574,526	<b>Total Federal plus State and Local</b>	130,426,434



## APPENDIX B: STATE HOUSING TRUST FUNDS AND THEIR REVENUE SOURCES

State	Revenue Source
Arizona	Unclaimed Property Funds
California	—
Connecticut	Interest on Broker Escrow Accounts
Delaware	Document Recording Fee; State General Funds
Florida	Documentary Stamp Tax
Georgia	State General Funds
Hawaii	Real Estate Conveyance Fee & G.O. Bonds
Idaho	In Progress
Illinois	Real Estate Transfer Tax
Indiana	Interest from Loan Base
Iowa	Real Estate Transfer Tax
Kansas	Bond and Fee Revenues
Kentucky	Bond Reserve Funds; Unclaimed Lottery Funds; General Fund
Maine	Real Estate Transfer Tax
Maryland	Interest on Title Escrow Accounts
Minnesota	Interest on Broker Escrow Accounts; Revenue Bond Application Fees
Missouri	Document Recording Fee
Montana	TANF and S8 Reserves
Nebraska	Documentary Stamp Tax & Securities Act Fund
Nevada	Real Estate Transfer Tax; Mobile Home Owner Assessments
New Hampshire	Bond Fees
New Jersey	Real Estate Transfer Tax
North Carolina	General Fund
Ohio	Document Recording Fees
Oklahoma	General Fund
Oregon	Interest from Corpus; Tenant Security Deposits; Eviction Court Fees
Rhode Island	In Progress
South Carolina	Real Estate Transfer Tax
Tennessee	Real Estate Transfer Tax, Mortgage Transfer Tax and Reserves
Texas	General Fund and Loan Repayments
Utah	General Fund
Vermont	Property Transfer Tax; Budget Surplus
Washington	Interest on Real Estate Escrow Accounts; Capital Budget; Penalties on Late Real Estate Excise Taxes
Wisconsin	Interest on Real Estate Escrow Accounts



APPENDIX C: FOSTERING A LIVABLE DELAWARE: A FIVE-YEAR STRATEGIC HOUSING PLAN

The Main Points

FUND THE HDF

❖ Fund the HDF through one-time and increased allocations at the level of \$60 million for five years.

❖ Identify and secure enhanced, dedicated revenue sources adequate to fully fund the HDF going forward.

❖ Keep the HDF at a minimum of \$10 million per year after Year Five.

USE THE HDF IN NEW WAYS

❖ MEASURE I:  
HOMES FOR FAMILIES  
Create a Capital Grant Program for New Very Low-Income Housing Production and Permanent Affordability.

❖ MEASURE II:  
LIVABLE TOWNS AND CITIES  
Provide Additional Funds for Housing and Neighborhood Renewal in Municipalities.

❖ MEASURE III PROMOTING HOMEOWNERSHIP  
Increase Down Payment, Settlement, and Homeownership Counseling Aid.

❖ MEASURE IV: AFFORDABLE RENTAL HOUSING PRODUCTION  
Continue to Fund the Low Income Housing Tax Credit Program and Housing Preservation.

❖ MEASURE V: INNOVATIVE HOUSING INITIATIVES  
Add Flexible Funds for Special Purposes.

## FOSTERING A LIVABLE DELAWARE A FIVE-YEAR STRATEGIC HOUSING PLAN



This is the outline of a proposal for a Five-Year Strategic Housing Plan. In a letter to Governor Minner in December 2003, this proposal was advanced by the Delaware Housing Coalition on behalf of a group of advocates, lenders, and developers.

Until the FY2005 one-time infusion of \$6 million, the Housing Development Fund (HDF) has been seriously underfunded, relative to the need, since 1986. For example, the HDF received \$3.4 million in General Fund appropriations in FY2004, the lowest amount in over ten years. Given the dramatic growth in the state's population and the projected continuation of this trend, the attached proposal speaks both to funding and to strategically addressing some of the affordable housing needs. While the proposal entails a significant request, it only begins to address the problem of affordable housing in Delaware as expressed in the needs assessment, which has an estimated cost of over \$900 million attached to it.

### THE PROPOSAL

Adequate housing is the key to a good quality of life for all of Delaware's citizens. The Governor has given attention to affordable housing in Delaware, especially in provisions of *Livable Delaware* and Executive Order Number Twenty-Eight. This proposal reflects the goals of *Livable Delaware* and will be an effective tool to help limit suburban sprawl while supporting the Live Near Your Work Program. The three elements of this proposal complement the *Livable Delaware* agenda. Unless they are implemented, DSHA and the Governor's Council on Housing can not be expected to fulfill their charge to address the five-year needs as set forward in the needs assessment.

### Fostering Livable Delaware: A Five Year Strategic Housing Plan

We propose that a five-year plan be put forward to address the affordable housing crisis in Delaware. The plan is necessary to insure that sufficient funds exist to allow housing providers to plan with confidence to meet needs that will not otherwise be met, especially the housing needs of working poor Delawareans. The plan can allow real progress to be made in meeting these needs.

#### 1. Increased Housing Funds from the Current Available Surplus

Make a special cash infusion into the HDF to be paid not from the regular recurring revenues of the state, but rather from the surplus one-time funds that have become available to the state this year. We propose the commitment of \$38 million which would be allocated over five years, \$6 million in FY2005 and \$8 million in FY2006.

#### 2. Enhanced and Dedicated Revenue Source for the HDF

A dedicated revenue source is required, adequate to increase the annual level of budget support to \$10 million annually after the fifth year.

#### 3. Strategic Use of Funds to Address Critical Needs

What follows is a summary of the programmatic measures of the proposal.

SUMMARY  
THE HOUSING NEEDS ASSESSMENT

Rental Needs:

Households at risk: 18,150 renter households earn less than \$20,000 annual income and pay more than 30% of their income toward housing expenses. These precarious socioeconomic conditions place households at risk of being one paycheck away from homelessness.

There is a need for additional rental units either to accommodate new household growth or to relieve the conditions of "at risk" renter households who are cost burdened and residing in overcrowded and/or substandard units. Over the next five years, 2,985 rental units are needed either through new construction or the substantial rehabilitation of vacant dilapidated buildings: an average of 600 units a year. The overwhelming majority of this demand is from Delawareans with very low incomes. This can be broken down by resident income levels as follows:

- o Extremely low income (0-30% of area median): 1,835 units
- o Very low income (31-50%): 575 units
- o Low income (51-60%): 310 units
- o Other low (61-80%): 265 units
- o TOTAL DEMAND: 2,985 units

Preservation of affordable multifamily housing: At least 5,693 rental units are in substandard condition and in need of substantial rehabilitation. This represents 6.9% of the State's total rental inventory. In addition, 1,963 affordable rental units could be lost due to conversion to market rate housing by 2007 as a result of expiration of affordability restrictions, non-renewal of Section 8 subsidies, or an owners election to prepay a mortgage.

Homeownership Needs:

At least 7,490 owner occupied homes are in need of substantial rehabilitation and are in substandard condition. This represents 3.5 percent of the State's total owner occupied inventory. Substandard condition is a structure found to need two or more structural repairs in order to make the unit structurally sound, safe and habitable. Such rehabilitation is quantified as at least \$30,000 per unit (\$20,000 for mobile homes). A significant portion of Delaware's population lives in homes that are at risk of major structural/livability issues.

First time homebuyers requiring DSHA assistance will total approximately 1,250 per year.

~ Delaware State-Wide Housing Needs Assessment: 2003 - 2007 (Mullin & Lonergan Associates, Inc., Pittsburgh, PA)

① VERY AFFORDABLE RENTAL HOUSING

Of total new affordable rental units needed just to keep up with new demand (2985), the preponderant need (81%) falls among households at or below 50% of median income. As Executive Order Twenty-Eight suggests, special attention needs to be paid to households below 30% of median income, the extremely poor, who constitute over half the new need (62%).

② LIVABLE TOWNS AND CITIES

Currently, the City of Wilmington, the City of Dover, and the Town of Georgetown are planning homeownership revitalization initiatives to improve the housing supply, balance owner-to-renter ratios, and make themselves a destination for future homebuyers. These efforts are greatly needed given the older housing stock and homeownership rates in these areas, that are at least 20% below the statewide rate. A financing incentive program such as Livable Towns and Cities will enable these efforts to be successful and will attract future private homeownership investment in these areas, in furtherance of the *Livable Delaware* agenda.

③ PROMOTING HOMEOWNERSHIP

Help with down payment and settlement costs makes the difference in enabling hundreds of Delaware households of moderate means each year to become homeowners through the SMAL Program and through a renovation of that program to assure that it serves emerging homeowners in the best way possible. Homeownership counseling is needed to improve the safety and soundness of loans and permit families to become and remain homeowners.

④ RENTAL HOUSING PRODUCTION

Over 18,000 families in Delaware earn less than \$20,000 annually and pay more than 30% of those earnings for rental housing. These families are at risk of becoming homeless if an unforeseen domestic crisis disrupts their precarious existence. By DSHA's own reckoning, \$8 million annually is required to service and leverage the existing volume of low income housing tax credits (LIHTC) coming to the state from the federal government. This is \$40 million over the next five years.

⑤ INNOVATIVE HOUSING INITIATIVES

Various nontraditional but critical packages of housing services will remain unmet without flexible funds to encourage them.



**① Capital Grants for New Very Low-Income Housing Production and Permanent Affordability**

Allocation:	\$8 million	Program:	Very Affordable Rental
Population:	50% of Area Median Income (AMI) and Below -- Families and Elderly		
Impact:	75 Debt-Free Rental Units (at a subsidy of \$106,000 per unit)		

Dedicate funds to be used over the next five years to provide capital grants primarily to nonprofit developers (with the possibility of its being used in for profit/nonprofit partnerships) to eliminate debt service on a proportion of units in new rental communities. This measure has the merit not only of making these units affordable for very poor families through a one-time grant, but also helps to eliminate some debt service on the entire project. Public funds go directly to base housing costs, rather than helping to pay interest.

**② Funds for Housing and Neighborhood Renewal in Municipalities**

Allocation:	\$8 million	Program:	Affordable Homeownership
Population:	50 - 80% of Area Median Income		
Impact:	160 units (at an investment of \$50,000 per unit)		

Establish a new statewide housing component to complement and enhance the Governor's *Livable Delaware* initiative, support the revitalization efforts of Delaware's mayors and municipal leaders, and create affordable homeownership options within Delaware's towns and cities that will encourage future business growth in these areas. The Livable Towns and Cities fund is for use by DSHA to help underwrite the cost of acquiring, renovating and reselling vacant land and seriously deteriorated single family homes within Delaware's municipalities.

**③ Down Payment, Settlement, and Homeownership Counseling Aid**

Allocation:	\$6 million	Program:	Affordable Homeownership
Population:	50 - 80% of Area Median Income		
Impact:	<input type="checkbox"/> 400 new owner-occupied homes (at an investment of \$7500 in downpayment and settlement help) <input type="checkbox"/> 3,333 households provided with comprehensive housing counseling (at an investment of \$900 each)		

Support the network of homeownership programs that allow these households to achieve and maintain the dream of homeownership. It gives even more Delaware families the financial support to become first-time homebuyers and fosters the knowledge and skills needed to keep and maintain this major life investment.

**④ LIHTC Program and Housing Preservation**

Allocation:	\$32 million	Program:	Affordable Rental
Population:	50 - 60% of Area Median Income		
Impact:	800 Affordable Rental Units (at an investment of \$40,000 per unit)		

The LIHTC is the only major source of funding to produce moderately affordable rental units. In addition, it has recently become the primary program through which affordability is preserved for existing affordable rental housing units for low- and moderate-income residents whose housing units are losing their federal subsidies. Funds to meet this need should be secured over the long term.

**⑤ Flexible Funds for Special Purposes**

Allocation:	\$6 million	Program:	Affordable Homeownership and Rental
Population:	60% of Area Median Income and Below		
Impact:	Model programs, new homeownership and rental opportunities, housing for special populations, and service-enriched housing		

Use these funds for the establishment of a single-room occupancy (SRO) facility for poultry workers in the Georgetown area, support for existing and new manufactured housing communities needing infrastructure improvements and financial help making the conversion to viable cooperatively run ventures, thus preserving affordability; investment in the new three-year housing production plan of the Delaware Rural Housing Consortium, start-up help with one or more community land trusts (CLTs) because of the lasting affordability of housing produced via this model, an emergency fund for use by DSHA intervention in unexpected critical housing situations, and gap financing for facilities for special populations such as group homes, emergency and transitional housing, and service-enriched permanent housing for veterans, people with AIDS, farmworkers, and the disabled, including mentally ill and mentally retarded/developmentally delayed.

## ENDORSEMENT FORM

We endorse the Five Year Strategic Housing Plan: Fostering a Livable Delaware

1. Increased Housing Funds from the Current Available Surplus
2. Enhanced and Dedicated Revenue Source for the HDF
3. Strategic Use of Funds to Address Critical Needs
  - I. HOMES FOR FAMILIES
  - II: LIVABLE TOWNS AND CITIES
  - III PROMOTING HOMEOWNERSHIP
  - IV: AFFORDABLE RENTAL HOUSING PRODUCTION
  - V: INNOVATIVE HOUSING INITIATIVES

**Organization**

**Address**

**Phone**

**Fax**

**Email**

**Contact Person**

**Signature**

**Date**

**Please return this endorsement to:**

**Delaware Housing Coalition**

P.O. Box 1633 • Dover, DE 19903-1633

(302) 678-2286 • FAX (302) 678-8645

[www.housingforall.org](http://www.housingforall.org)

<sup>i</sup> Robert Haveman, Barbara Wolf, and James Spaulding, "Childhood Events and Circumstances Influencing High School Completion" *Demography* 28:1 (1991): 133-57. U.S. General Accounting Office, Elementary School Children: May Change Schools Frequently, Harm Their Education (Washington, D.C.: GAO/HEHS-94-45, 1994).

<sup>ii</sup> Millennial Housing Commission, op. cit., p. 7, citing Gary W. Evans, Hoi-Yan Erica Chan, Nancy M. Wells, and Heidi Saltzman, "Housing Quality and Mental Health," *Journal of Consulting and Clinical Psychology* 68:3 (2000): 526-530.

<sup>iii</sup> Centers for Disease Control, "Blood Lead Level in Young Children 1996-1999," *Morbidity and Mortality Weekly* (December 22, 2000).

<sup>iv</sup> Doc4Kids Project of Boston Medical Center, Children's Hospital, *Not Safe at Home: How America's Housing Crisis Threatens the Health of Its Children* (February 1998).

<sup>v</sup> Fannie Mae, Women-Headed Household Initiative, [www.fanniemae.com/housingcommdev](http://www.fanniemae.com/housingcommdev), August 22, 2002.