

# LEGISLATIVE PRIORITIES

Our housing experts look forward to working with elected officials at all levels of government to drive forward policies that address our top 5 issues related to housing production and affordability.



**BUILD**

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## DENSITY

- Saves land
- Reduces cost
- Reduces future maintenance burdens



### EXPEDITED REVIEW

Create an administrative expedited process for land already zoned high density housing.



### HOUSING FUNDING

Create additional housing funds targeting workforce housing, moderately priced dwelling units, tax credits, etc.



### REDEVELOPMENT

Incentivize turning commercial properties into high density housing.



### TRANSPORTATION IMPROVEMENT DISTRICTS

Support, promote, or fund creating new TIDs.



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### DENSITY

*Increasing housing density – building more units within a given area – can address rising housing costs while also providing environmental benefits.*

#### **Key benefits of higher density:**

1. Increased supply
  - Higher density increases available housing units, stabilizing or lowering prices per unit.
2. Efficient land use
  - Densification optimizes land use, reducing urban sprawl and infrastructure costs.
3. Enhanced public transportation
  - Higher density supports efficient transit system, lowering living costs and emissions.
4. Economic diversification
  - Dense areas attract businesses and job opportunities, enhancing economic vibrancy.
5. Environmental solutions
  - Increased density reduces sprawl, preserves green spaces, and supports energy efficiency and sustainable transportation.

#### **Policy Proposal:**

- Recommend the state establish minimum density criteria.
- HBADE proposes state legislation that incentivizes landowners to preserve vital natural resources such as matured forests, wetlands, and habitats of endangered species by offering density bonuses in exchange for placing perpetual conservation easements on these areas. Under this program, landowners who voluntarily map and legally protect these critical resources will be granted the right to develop other portions of their property at higher densities than currently permitted by local zoning regulations. This approach ensures the dual benefits of preserving essential ecosystems and addressing housing shortages through smart growth strategies. The legislation should include a model ordinance for local land use agencies to adopt, promoting uniformity and encouraging wide spread participation.
- By linking environmental conservation with development incentives, landowners gain from increased development potential, while communities benefit from preserved natural landscapes and biodiversity. This program also supports sustainable growth, reducing sprawl, and protecting green spaces for future generations.

### EXPEDITED REVIEW PROCESS

*Delaware's permitting process can take 18-24 months to complete, even for land already zoned. Implementing an expedited review and permit process for land already zoned for multi-family or high density housing offers significant benefits in creating more affordable housing. By reducing the time required for approvals, developers can better manage costs and enhance predictability in their projects.*

#### **Key benefits of expedited review process:**

- **Reduced time lowers carrying costs.** Time is a crucial factor in development costs and reduced time directly translates to lower carrying costs. For example, in cities like San Francisco, the permitting process can take years, during which interest carrying charges accumulate, especially in a high-interest rate environment. By expediting the process, developers can avoid these additional costs, making projects more financially viable. A streamlined approval process helps developers manage their finances more efficiently, leading to a more robust and affordable housing market.
- **Reduced time increases predictability.** Reduced time in the approval process significantly increases predictability for developers. When timelines are predictable and swift, developers can plan and budget more effectively, reducing the financial risks associated with prolonged and uncertain approval periods. For instance, in New York City, unpredictable delays can add millions to a project's cost, making affordable housing developments less attractive. An expedited process, as seen in places like Austin, Texas, ensures that projects move forward with greater certainty, attracting a wider range of developers, including smaller firms that may not have the resources to endure lengthy approvals.

By implementing an expedited review and permit process, we can significantly lower the financial barriers and risks for developers, encouraging the creation of more housing units. This approach not only increases the housing supply but also helps meet the demand for affordable options, ultimately fostering more vibrant and sustainable communities.

#### **Policy proposal:**

- HBADE supports establishing reduced review periods during which permit applications need to be answered or are automatically approved with no response from issuing authority.
- Recommend expanding use of third party consultants to complete reviews at all levels.

### ADDITIONAL HOUSING FUNDING

*Increasing funding for affordable housing programs is crucial to address the growing housing crisis that affects Delawareans. As housing costs continue to rise, more families and individuals are being priced out of safe and stable housing, exacerbating issues of homelessness and housing insecurity.*

- Delaware is currently facing a shortage of more than 20,000 affordable housing units for the lowest income levels. There is also a lack of “starter” or “middle” homes driving this crisis.
- According to the most recent Cost of Housing quarterly report released by the National Association of Home Builders, in the Philadelphia-Camden-Wilmington region, a typical family spends 28% of income on a mortgage payment. For low income households, that percentage jumps to 55%.
- In 2023, 288,787 Delaware families could not afford to buy a new home costing more than the median price of \$470,721 (NAHB).
- High mortgage interest rates exacerbate this problem.
- Homeowners are deferring maintenance projects because they cannot afford to make improvements to their existing homes.

#### **Enhanced funding for housing would:**

- Enable the construction and maintenance of affordable housing units.
- Provide rental assistance to low-income households.
- Support community development initiatives that foster inclusive and sustainable neighborhoods.

By committing more resources to these programs, we can ensure that everyone has access to housing, thereby strengthening the fabric of our communities.

#### **Policy Proposal:**

- Tax credits for developers who build high density multi-family housing with unit prices that do not exceed 40% of area median income.

### REDEVELOPMENT

*The redevelopment of vacant commercial properties into high density multi-family development represents a forward-thinking approach to urban planning and housing policy. This strategy, successfully implemented by Connecticut Senate Bill 6, offers numerous benefits that warrant legislative prioritization.*

#### **Key benefits of redevelopment:**

- Converting underutilized spaces into high-density townhomes and apartments **eliminates the need to develop new land.** This approach helps preserve green spaces and agricultural areas, maintaining the natural landscape and reducing urban sprawl. By repurposing existing structures, we can make efficient use of already developed areas, creating vibrant communities without expanding our footprint.
- The transformation of vacant commercial properties **addresses the issue of blighted and unattractive nuisance properties.** These neglected spaces often become hotspots for criminal activities and contribute to urban decay. By redeveloping these areas, we can revitalize neighborhoods, enhance public safety, and improve the overall aesthetic of our communities. Transforming these eyesores can lead to a renewed sense of pride among residents and attract further investments in our communities.
- This redevelopment is **inherently environmentally beneficial.** Repurposing existing structures significantly reduces the carbon footprint associated with new construction. It minimizes the waste generated from demolition and decreases the need for new building materials. Additionally, the increased density of housing supports public transportation and reduces reliance on automobiles, leading to lower greenhouse gas emissions and promoting a more sustainable urban lifestyle.
- Another compelling advantage is the **utilization of existing infrastructure.** Vacant commercial properties are typically situated in areas with established utilities, roadways, and public services. By leveraging this infrastructure, redevelopment projects can be more cost-effective and efficient, avoiding the substantial expenses and logistical challenges associated with developing new land. This could lead to quicker project completions and more immediate availability of new housing units.

#### **Policy proposal:**

- Grants or low-cost financing options, streamlined permitting and tax credits for developers to redevelop commercial property into high-density housing.

### TRANSPORTATION IMPROVEMENT DISTRICTS

*Based on a 2019 study by KPMG, Delaware's permitting process is significantly longer and more challenging than surrounding states in our region. In Delaware, the process can take up to 24 months, placing the state at a distinct disadvantage for attracting and growing businesses compared to states like Maryland and Pennsylvania, who boast significantly faster permit approvals.*

#### **Key benefits of transportation improvement districts:**

- Streamlining the permitting process will improve accountability, eliminate redundancies and effectively reduce the time and costs to get a permit. Ultimately, this will benefit Delaware's economy by driving more jobs and growth opportunities to our communities.
- Projects in current approved TIDs still proceed under existing agreement.
- Certainty of cost and timing correlates with project scale and location.
- Provides additional funding to DelDOT so it can use its authority to improve substandard roads, prioritize investments, and coordinate improvements to allow for cohesive and consistent improvements.
- Does not impact local land use requirements.

#### **Policy proposal:**

- Support or pass HB 103
- Projects in targeted growth areas with under 3,000 trips per day can pay a fee based on traffic generation.
- No traffic improvement study required as impact fee covers cost of off-site improvements (unless jurisdictions require a TIS then only a TIS is required; not both).
- Developers still responsible for entrance construction.