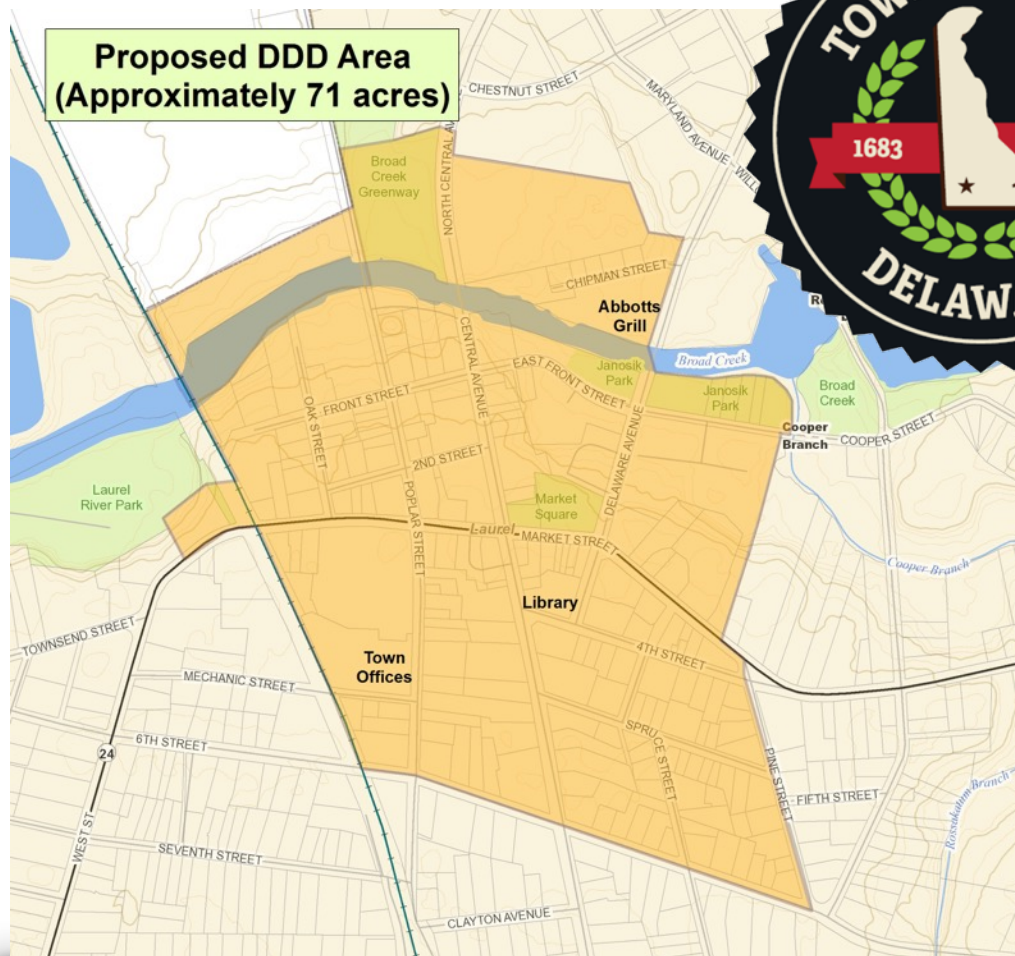


A Comprehensive Housing Rehabilitation and Home Ownership Program within Laurel's Proposed Downtown Development District



Introduction

Laurel is applying to be designated a Downtown Development District. The proposed district includes 71 acres (see map on cover page). The area includes the Broad Creek waterfront, the Ramble mixed-use redevelopment project, the Market Street commercial area, and approximately 81 housing structures.

The homes range from large owner-occupied Victorians to multi-unit rentals. About 50 percent of the structures are rentals. There are approximately 10 vacant structures, including large residences abandoned by older residents who can no longer maintain them.

Laurel's building inspectors developed a 1-5 condition rating for the structures within the DDD. It is clear from the age and condition of many of these homes that any effort to redevelop Laurel's central core must include a rehabilitation initiative along with any commercial redevelopment efforts. One third of Laurel's housing stock was built before 1939, compared to 9.1 percent for Delaware.

Laurel has a low Median Household Income — at \$33,387, it is 55 percent of Delaware's MHI. According to the 2010-2014 American Community Survey, almost one fourth of the town's families are below the poverty level, vs. 8.2 percent for Delaware. Almost half of the town's residents are paying more than 30 percent of their incomes for housing-related costs.

The proposed district is built out, except for a few commercial parcels - including one where market-rate cottages are planned - and the Delaware State Housing Authority has indicated the Town has its "fair share" of subsidized housing. So Laurel is interested in rehabilitation of existing homes and promoting home ownership.

Laurel Housing Statistics		
Category	Laurel	Delaware
Built 1939 or earlier	33.3%	9.1%
Renter-occupied	43.9%	28.4%
Median home value	\$131,300	\$232,900
Paying more than 30% on housing costs	49.1%	33.4%

Source: 2010-2014 American Community Survey (US Census)

Laurel Income Statistics		
Category	Laurel	Delaware
Median Household Income	\$33,387	\$60,231
% of families/people below poverty level	24.7%	8.2%
% receiving food stamps	42.6%	12.7%
% unemployed	10.2%	8.5%

Source: 2010-2014 American Community Survey (US Census)

Priority focus areas:

1. **Priority One** would be the area south of the Ramble revitalization area and west of Central Avenue. This is a mixture of 21 smaller rental (16) and owner-occupied properties adjacent to properties that retain an industrial character, including a certified brownfield.

These homes are located in Laurel's "Town Center" zoning district. It is a mixed-use district "that is utilized for an intensive and traditional mixture of small-scale retail, cultural, conference and meeting, lodging, business, personal service, financial,



Priority #1 includes 21 residential structures, 16 of them rentals.



institutional, office, residential and governmental uses,” according to Laurel’s zoning code.

This priority area, like the others, is located within Laurel’s Historic District. Any adaptive reuse or replacement of these buildings should follow proposed guidelines for architectural design and landscaping.

This area is west of Central Avenue, which is a part of Laurel that has been targeted by Sussex County Habitat for Humanity.

2. **Priority Two** would be the larger homes, many of them Victorian, along the main routes of Central Avenue and Market Street. This area also includes Laurel’s commercial district. Most likely, many of these residents would require access to programs that are not based on income.
3. **Priority Three** would be the rest of the residential structures within the proposed DDD.

Potential program partners

To address housing concerns within the proposed Downtown Development District, the Town and the Laurel Redevelopment Corporation will offer a comprehensive rehabilitation/home ownership program. The Town and LRC have met with USDA Rural Development, Sussex County Habitat for Humanity, Delaware State Housing Authority and NCALL on April 19, 2016 to discuss such a program and the potential to leverage different sources of assistance, such as:

USDA

[Section 504 Home Repair Program](#)

[Section 502 Direct Loan Program](#)

[Single Family Housing Guaranteed Loan Program](#)

Sussex County Habitat for Humanity

[Home repairs](#)

Habitat currently has \$100,000 available for repairs west of Central Avenue in Laurel. There is an opportunity to leverage the Habitat program with the USDA Home Repair program. This has not been done in Delaware to date. The map shows a targeted area located just south of the Ramble waterfront development project that would be a strategic neighborhood to focus a rehab program.

USDA and Habitat represent the most immediately available assistance. Other sources are:

Delaware State Housing Authority

Housing Development Fund - partner with housing nonprofit such as Habitat

Strong Neighborhoods Fund - available fall 2016 - could address vacant properties within the DDD. According to the Town's Inspections Department, there are 10 vacant homes within the proposed DDD.

DSHA also offers [home-buying assistance](#) via a Second Mortgage Assistance Loan (SMAL) to provide closing costs and down payment assistance; a state First-Time Homebuyer Tax Credit; and below-market interest rates for home loans.

Department of State

[Historic Tax Credit](#) - available to residents who do not meet income requirements for other programs. All housing within the proposed DDD is also within Laurel's Historic District.

Energize Delaware

Persons living within a designated DDD are eligible for a free energy audit and rebates up to \$9,100 for energy efficiency improvements under the Sustainable Energy Utility's [DDD program](#).

Department of Education

Possible collaboration with [Delaware Talent Cooperative](#), which offers incentives for teaching at designated schools, including Laurel Intermediate Middle School. The program offers 50 basis points off mortgages for teachers locating in these areas, and there is a possibility of formalizing a Live Near Your Work program that includes other incentives (such as Historic Tax Credit and Sustainable Energy Utility.)

NCALL

Short-term lending to the Town and/or nonprofits for neighborhood revitalization, commercial and residential - can provide revolving [loan funds](#) and bridge loans, as well as funds for acquisition and construction.

DNREC

[Weatherization](#), if performed in combination with more significant home rehabilitation, would complement the DDD initiative.

Sussex County

Over the last 15 years, Sussex County's Community Development Block Grant (CDBG) program has spent \$969,144 to rehabilitate 78 properties within Laurel. According to the program, 25 homes in Laurel are on a waiting list, although the county does not know exactly how much it will receive this fiscal year for projects in Laurel. Coordination with other programs in priority areas would help leverage available dollars.

Design and implementation of program

The good news is there is no need to reinvent the wheel with respect to offering assistance to residents within the DDD. However, each program has different eligibilities — e.g., income, owner-occupied vs. rental, grant vs. loan, etc. Even homeowners with means who wish to restore their large homes are unaware of programs such as Delaware's Historic Tax Credit.

The intent is to design a no-wrong-door program specifically for Laurel's Downtown Development District that can be handed off to the town, Laurel Redevelopment Corporation and relevant nonprofit and faith-based organizations. The program would develop creative and effective mechanisms for marketing and accessing services.

The DDD area is small enough that information could be circulated door to door, including in Spanish, and one-on-one services could be provided, tailored to the income and status of residents.

It is estimated that such a program would cost \$12-13,000 to develop and would include a detailed survey of and data collection within the priority areas, devising easy access to the array of programs, and outreach via online and straightforward marketing materials.

Note: The Laurel Redevelopment Corporation has agreed to fund this position.

The program should have a succinct name.

Role of the program developer/coordinator

- Secure community agreement on a name for the program
- Further assess the condition of rental and owner-occupied housing, including vacant properties, within Laurel's Downtown Development District.
- Coordinate with all participating nonprofit programs to design a program that is easy for a variety of residents to access and participate in
- Apply for additional funding, such as NCALL and the Strong Neighborhoods Housing Fund (DSHA) to address related problems such as vacant and commercial properties
- Communicate in various ways, including door to door, with residents, homeowners and landlords within DDD
- Develop web portal for the program
- Develop informational and promotional materials, including in Spanish
- Work with the Town to identify a permanent "home" for the program and hand it off

Task	Who	Estimated time
Name program	Community effort	5 hours
Conduct more detailed assessment of housing conditions	Coordinator and participating programs	30 hours
Coordinate Laurel DDD effort with participating federal, state and nonprofit programs	Coordinator and participating programs	40 hours
Identify and apply for additional grant funding	Coordinator and town	20 hours
Develop web portal	Coordinator	35 hours
Develop marketing materials	Coordinator	25 hours
Launch program	All partners	10 hours
Initial communications with property owners	Coordinator, partners including town	25 hours
Follow up and troubleshooting	All partners	25 hours
TOTAL		215