

Jamie Whitehouse

From: Preston Schell <preston@oacompanies.com>
Sent: Tuesday, May 10, 2022 2:32 PM
To: Jamie Whitehouse
Cc: robert.wheatley@sussexcountyde.gov
Subject: Affordably Priced Rental Units - revised ordinances
Attachments: Restricted Unit Rents - Sussex County - 50% AMI.xlsx; Restricted Unit Rents - Sussex County - 80% AMI.xlsx

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SUSSEX COUNTY
PLANNING & ZONING

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Jamie,

Please submit the below comments into the record for the Planning and Zoning Commission hearing held on April 28, 2022 on proposed amendments to the Sussex County Rental Program.

In general, the changes are excellent and the program is far more viable and more likely to be utilized by developers to expand upon the amount of affordable workforce housing in eastern Sussex County.

I have the following comments to the proposed updated SCRP code provisions:

§72-24 A.(1) – I thought this was going to be updated to 25% of 80% of AMI? This still says 50% of AMI? If that doesn't get changed, the program won't work. I couldn't get this ordinance to work when it only mandated 12.5% of the rental units be priced at 25% of 50% of AMI. If I now have to do 30% of the units priced at 25% of 50% of AMI, it doesn't work times 2.5x now. Also, now you are mixing low income housing (30%-60% of AMI) with market rate housing. It will work better if you are mixing workforce housing (80%-120% of AMI) with market rate housing. This is probably an oversight but, if not, this will kill the program and no developer will be able to afford to use it. See the last two attachments. At 80%, the discount to market rents in the 113 corridor area is about 20-25%. At 50% of AMI, the discount is over 50% - this is low income housing at this point, not workforce housing. If this doesn't change, all the County's other efforts on this front are mute – the program is dead on arrival.

§115-20 A.(17)(b) – At this time, this makes it so the program cannot be used south of the Rehoboth Bay (along the Rt 26, Rt 54, Rt 20 and Rt 17). DART has no service in this area at this time. I suggest this section be modified to read that should a project be located south of the Rehoboth/Indian River bays and east of Rt 113, the location qualifies if it is located within 2,640 of a proposed DART route scheduled to be in operation within the next five years. You can't cut out half the coastal area that also needs workforce housing because DART has opted to not provide bus transportation there yet.

§115-20 A.(17)(e) – I would change the last sentence of this clause to read "may include walking and biking trails." We often put our walking trails around a central pond. Mandating the walking trails be in the setback buffer, adjacent to adjoining properties (likely already developed), will anger the neighbors more so than had those trails been internal to the site. I don't think you should say they can't be in those buffers... just may be. Right now, even if I have a great location for my trail system internal to the site, the way it is worded I "shall" (ie. have to) locate it within this setback buffer.

§115-20 A.(17)(g) – I suggest this be reworded to "there shall be connected sidewalks in front of all buildings, with interconnectivity to walking trails and adjacent walkway systems." You don't want a situation like we had at Ashton Oaks where the sidewalk is on the far side of a street or parking aisle where there is no building. It creates impervious area for no reason. No one will use it. Also, the unnecessary expense detracts from the affordability of the remaining 70% of the units.

§115-20 A.(17)(h) and §115-29 K.(8) – I want to make sure this change does not mandate that a SCRP site be located next to a property zoned C-1, CR-1, C-2, C-3, C-5, C-5, B-1, B-2 or B-3 but simply mandates that should a SCRP project be adjacent to this zoning that interconnectivity be provided. If that is the case, this is fine.

§115-20 A.(17)(i) and §115-29 K.(17)(9) – not sure all units should have to have a primary view directed to open space and recreational amenities. That's what I do with my buildings in all my projects, but there are some good building designs with internal hallways (mine are external and open to the elements) in which it is impossible for all units to have views of open space (because there are units on both the parking and non-parking side of the building). I'm not sure you should exclude those buildings from consideration.

I saw some comments in the newspaper recently stating that these projects should be permitted outside of growth zones and on properties without available public sewer. I disagree with that. There is plenty of land that meets the criteria outlined and it should be kept in place. These high density apartment projects should absolutely not be in level 4 areas without nearby available services, amenities and public transportation. Also, keep the 100' setback ... it will make these applications more acceptable to the adjacent property owners. The 50% open space may be a tad aggressive and make it difficult to hit the targeted 12 units-per-acre density. I might reduce that to 40%.

Thanks for working on this and good luck with it. So long as that first change I mention above is made, this is a great ordinance and will go a long way to addressing our workforce housing shortage in the eastern part of Sussex County.

Thanks,

Preston

Preston Schell
Ocean Atlantic Companies
18949 Coastal Hwy, Suite 301
Rehoboth Beach, DE 19971
ph: 302-227-6115
preston@oacompanies.com

Project Name

Project Location

Proposed Workforce Housing Units - Monthly Rent Calc

Inputs/Choosers:

Percent of Units restricted **30.0%**
 % of Gross Household Inc. Used toward Housing Cost **25.0%**
 % of Area Median Income (AMI) Used **50.0%**

Unit Size	Efficiency	1 BR	1 BR + Den	2 BR	2 BR + Den	3 BR
HH Size	1	1.5	2	3	3.5	4.5+
Fixed Rental Rate = 25% of Gross Household Income of 50% AMI Adjusted for Household Size & # of Bedrooms	\$550	\$585	\$630	\$705	\$745	\$815

Market Rents	\$1,195	\$1,450	\$1,695
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Discount to Market Rents	\$610	\$745	\$880
% Discount to Market Rent	51.0%	51.4%	51.9%

Sussex County 2021 AMI - affordable rents by number of people within apartment

%AMI	1 person	1.5 people	2 people	3 people	3.5 people	4 people	5 people	6 people	7 people	8 people
30%	\$15,800	\$22,330	\$18,050	\$21,960	\$24,230	\$26,500	\$28,770	\$31,040	\$35,580	\$40,120
50%	\$26,300	\$27,910	\$30,050	\$33,800	\$35,670	\$37,550	\$39,070	\$40,600	\$43,600	\$46,600
60%	\$31,570	\$34,170	\$36,070	\$40,570	\$42,820	\$45,060	\$46,890	\$48,700	\$52,450	\$55,900
70%	\$36,830	\$39,870	\$42,080	\$47,330	\$49,950	\$52,570	\$54,700	\$56,820	\$61,200	\$65,220
80%	\$42,100	\$45,570	\$48,100	\$54,100	\$57,100	\$60,100	\$62,525	\$64,950	\$69,950	\$74,550
100%	\$52,620	\$56,960	\$60,120	\$67,620	\$71,370	\$75,100	\$78,150	\$81,180	\$87,430	\$93,180

AMI numbers as of 4/01/21 from http://www.destatehousing.com/Renters/rentersmedia/hud_incomelimits.pdf

Project Name

Project Location

Proposed Workforce Housing Units - Monthly Rent Calc

Inputs/Choosers:

Percent of Units restricted **30.0%**
 % of Gross Household Inc. Used toward Housing Cost **25.0%**
 % of Area Median Income (AMI) Used **80.0%**

Unit Size	Efficiency	1 BR	1 BR + Den	2 BR	2 BR + Den	3 BR
HH Size	1	1.5	2	3	3.5	4.5+
Fixed Rental Rate = 25% of Gross Household Income of 80% AMI Adjusted for Household Size & # of Bedrooms	\$880	\$950	\$1,005	\$1,130	\$1,190	\$1,305

Market Rents	\$1,195	\$1,450	\$1,695
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Discount to Market Rents	\$245	\$320	\$390
% Discount to Market Rent	20.5%	22.1%	23.0%

Sussex County 2021 AMI - affordable rents by number of people within apartment

%AMI	1 person	1.5 people	2 people	3 people	3.5 people	4 people	5 people	6 people	7 people	8 people
30%	\$15,800	\$22,330	\$18,050	\$21,960	\$24,230	\$26,500	\$28,770	\$31,040	\$35,580	\$40,120
50%	\$26,300	\$27,910	\$30,050	\$33,800	\$35,670	\$37,550	\$39,070	\$40,600	\$43,600	\$46,600
60%	\$31,570	\$34,170	\$36,070	\$40,570	\$42,820	\$45,060	\$46,890	\$48,700	\$52,450	\$55,900
70%	\$36,830	\$39,870	\$42,080	\$47,330	\$49,950	\$52,570	\$54,700	\$56,820	\$61,200	\$65,220
80%	\$42,100	\$45,570	\$48,100	\$54,100	\$57,100	\$60,100	\$62,525	\$64,950	\$69,950	\$74,550
100%	\$52,620	\$56,960	\$60,120	\$67,620	\$71,370	\$75,100	\$78,150	\$81,180	\$87,430	\$93,180

AMI numbers as of 4/01/21 from http://www.destatehousing.com/Renters/rentersmedia/hud_incomelimits.pdf



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VIA ELECTRONIC MAIL & REGULAR MAIL

May 9, 2022

Mr. Jamie Whitehouse
Sussex County Department of Planning
2 The Circle
P.O. Box 417
Georgetown, DE 19947

SUPPORT EXHIBIT

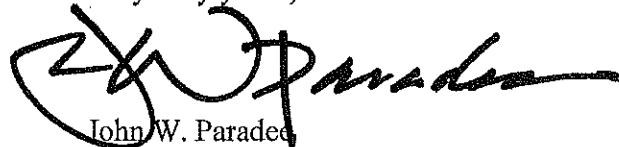
RE: Affordably Priced Rental Units

Dear Mr. Whitehouse:

I write to express my strong support for the draft Ordinance regarding "Affordably Priced Rental Units" which Sussex County is presently considering for enactment. I wanted to make sure that both the Planning & Zoning Commission and the County Council are aware that there is very serious interest on the part of the real estate development community in the passage of a "workforce housing" Ordinance – indeed, I have a number of clients who would pursue projects for affordably priced housing units if such an Ordinance were to be adopted. For this reason, I wholeheartedly encourage the Planning & Zoning Commission and the County Council to proceed promptly with enactment of the proposed Ordinance regarding "Affordably Priced Rental Units".

Thank you for your time and consideration.

Very truly yours,



John W. Paradee

JWP/lwr

cc: Mackenzie Peet, Esquire
J. Michael Riemann, P.E.
Louis J. Capano, III
Christian Hudson

6 South State Street | Dover, DE 19901 | 302-677-0061 | 302-677-0065 (Fax)

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Lauren DeVore

From: webmaster@sussexcountyde.gov on behalf of Sussex County DE
<webmaster@sussexcountyde.gov>
Sent: Thursday, April 28, 2022 3:39 PM
To: Planning and Zoning
Subject: Submission from: Planning & Zoning Commission contact form

RECIPIENTS: Jamie Whitehouse

Submitted on Thursday, April 28, 2022 - 3:38pm

SUPPORT EXHIBIT

Name: Mindy Lyle

Email address: mindylyle@comcast.net

Phone number: 571-212-4735

Subject: Affordable Housing Ordinance

Message: I am writing in support of the Affordable Housing Ordinance. This Ordinance is essential to make the county more attractive to those seeking full-time employment and to businesses who have a consistent need for staff. I would also encourage you to consider including workforce ownership opportunities as you move forward.



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7447 University Ave., Ste. 210

Middleton, WI 53562

www.commonwealthco.net

SUPPORT EXHIBIT

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May 4, 2022

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Sussex County Planning and Zoning Commission
2 The Circle
Georgetown, DE 19947

SUSSEX COUNTY
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RE: Comments on Ordinance to Amend the Code of Sussex County Regarding Affordably Priced Rental Units and the Sussex County Rental Unit (SCRIP) Program

Dear Sussex County Commissioners,

My name is Matt Padron and I represent Commonwealth Development Corporation, a national developer of high-quality rental housing designed to be affordable to working families and seniors. I am writing to express our very strong support for the proposed affordable housing Ordinance and to respectfully urge its rapid passage and enactment. Commonwealth is new to Delaware, but I myself have worked on affordable housing projects in the state for years with another organization and upon joining Commonwealth, was excited to explore the potential to bring our company's resources to develop new affordable housing to support the local workforce in Sussex County.

I regret that I was unable to attend the Planning and Zoning Commission Meeting on April 28 due to an unavoidable scheduling conflict, but I have reviewed the proposed Ordinance and listened to the full discussion of that meeting and I can confirm now as a developer that should this Ordinance pass, my organization will absolutely jump on it and make immediate use of the provisions of the Ordinance to pursue the new affordable housing development opportunities that would be made possible through its passage. Indeed, we have an exciting new affordable housing project in pre-development and under consideration for funding now just outside of Lewes and Rehoboth for which passage of this Ordinance would help clear the way for rapid development.

We have long been aware of the tremendous need for new affordable homes in the County, but a combination of high costs, limited availability, and restrictive zoning of suitable land has been an obstacle that has been difficult to overcome until now. The proposed Ordinance allowing affordable multifamily housing development by right on a large number of parcels is a potential game changer that will do much to remove these obstacles and make significant new affordable housing creation possible. One of the most challenging parts of real estate development—and in particular, affordable housing development—is the unpredictable and lengthy nature of the entitlements process and the financial, legal, and political ramifications that can arise from any need for zoning relief. This Ordinance eliminates much of this unpredictability, allowing for a



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straightforward and clear path to obtaining necessary approvals on a wide variety of potential sites in the County. In addition to reducing development costs and helping to ensure financial feasibility of projects, this Ordinance will make it easier to enter into agreements with sellers of applicable parcels, as many of the uncertainties of timing around entitlements and potential zoning relief would be eliminated. Furthermore, the development of affordable housing frequently relies upon a complex set of financing sources with funding agencies, lenders, and investors giving considerable weight to having permissive zoning in place. This Ordinance would enact that for many potential sites, streamlining the overall funding process and making these sites more attractive when applying for competitive funding sources.

Commonwealth Development sincerely appreciates the Commission's and County's desire for developer input into this Ordinance and is grateful for your concern that the Ordinance be truly beneficial to new affordable housing development. We would certainly value reducing the setback requirements and open space requirements as suggested during the April 28 meeting, but even exactly as written in its current form, this Ordinance is truly a significant advancement to efforts to promptly create new affordable housing in Sussex County and our greatest concern would be any undue delay in its passage and enactment. Should the ordinance be passed in the near future, it will be of instant benefit in expediting our proposed development near Lewes and will allow us to immediately begin working to confidently secure additional sites for new affordable housing development in Sussex County. This Ordinance tackles a challenging problem head on and as a developer of affordable housing, Commonwealth Development Corporation wholeheartedly supports and respectfully urges its rapid passage.

Thank you, again, for the opportunity to participate in this discussion and please do not hesitate to reach out at any time if you have any questions.

Sincerely,

Matthew F. Padron
Vice President of Development
1400 Harrisburg Pike #7806
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m.padron@commonwealthco.net



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MAY 02 2022

SUSSEX COUNTY
PLANNING & ZONING

The Honorable Mike Vincent
President, Sussex County Council
2 The Circle
PO Box 589
Georgetown, DE 19947

Mr. Robert Wheatly
Chairman, Sussex County Planning
And Zoning Commission

Dear Council President Vincent and P&Z Chairman Wheatly:

The Sussex Economic Development Action Committee is pleased to unanimously endorse the recently introduced ordinance to amend the Code of Sussex County dealing with Affordable Rental Units and the Sussex County Rental Unit Program (SCRIP). The Council is to be commended for taking this giant step forward to address the housing problem in Sussex County that is reaching catastrophic levels.

The proposal does make giant strides in beginning the process of making rental units more available and affordable and, through these changes it makes in our present code and program, will make it easier for the private sector to develop more of these projects while making them far more affordable to large numbers of Sussex Countians facing housing shortages and housing costs out of their reach. Moreover, the changes proposed will go a long way in assisting the residents of our County to live where they work.

We support this legislation as proposed but we do have some suggestions that may improve what you are trying to accomplish. These suggestions are from our membership:

- 1) Employed for one year and live here a year. Bridgeville adopted an Affordable Housing Ordinance modeled after the County's Ordinance. They addressed the residency issue by allowing only current residents of Bridgeville to apply to rent or buy the first three months that a unit is available. After three months, any resident of Sussex County could rent or buy it. Every time a unit became available the unit was only available to a current Bridgeville resident for that three-month period and then to the open market.
- 2) One hundred (100) feet set back from neighboring properties. The one hundred feet seems a little too much unless it is tied to the height of the rental unit.
- 3) 50% of the land must be in open space. With the price of land that either has sewer and water already available or available nearby, this could affect the number of units built thus opening the development of adjacent land to similar development, a sprawl-type effect, if you will.
- 4) All units must have a primary view of open space or recreational amenities. We understand the reason for this requirement and make no comment; and

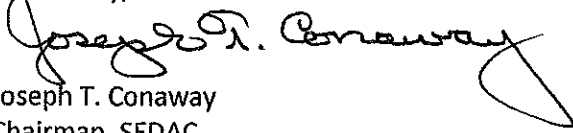
- 5) Eligibility of an individual is left to the landlord with the County having oversight. This is a good requirement and should speed up the rental of these units. With the County having final say, we are confident that problems will be at a minimum. You may want to look at some third-party appeal process if the County rejects an applicant.

As we have said, this is a giant first step and honors a commitment made by the Council but now it's time to begin to discuss how we make projects that can be purchased available as affordable housing.

We urge the Planning and Zoning Commission to recommend this Ordinance to the County Council for approval and we further urge the Sussex County Council to approve it.

Thank you. And, as always, SEDAC stands ready to assist you in your efforts to bring housing and jobs to Sussex County.

Yours truly,


Joseph T. Conaway
Chairman, SEDAC

CC: Sussex County Council
Sussex County Planning and Zoning Commission
Todd Lawson, Sussex County Administrator
Jamie Whitehouse, Director Sussex County P&Z