

**Planning & Zoning Commission
Comprehensive Plan
Milton Library – 121 Union St
September 20, 2014 – 10:30 am**

**Transcriptionist: Helene Rodgville
[Minutes are not Verbatim]**

1. Call to order
2. Roll call of members

Don Mazzeo	Present <u>Absent</u>
Ted Kanakos	Present
Lynn Ekelund	Present
Barry Goodinson	Present
Linda Edelen	Absent
Mark Quigley	Absent <u>Present</u>

3. Additions/Corrections to agenda
Mark Quigley: Any additions/corrections to the agenda?

4. Approval of agenda
Mark Quigley: Hearing none.
Lynn Ekelund: Motion to approve the agenda.
Ted Kanakos: Second
Mark Quigley: All in favor say aye. Opposed. Motion carried.

5. Public Hearing:

- a. Review and update of the Town of Milton’s Comprehensive Plan. The main topic of this hearing will be a discussion of the Town’s Affordable Housing. Discussions on other Comprehensive Plan related elements will be held if time permits.
Mark Quigley: So today we have Hal and Jocelyn here to assist us and we do have a guest speaker today who is Kevin Gilmore. He's the Executive Director of Sussex County Habitat for Humanity, so he will give us some information and you said you had a couple of questions, or did we have a couple of questions or should we go right to Mr. Gilmore?
Lynn Ekelund: I had a couple of questions that I was going to direct to the public and I might direct them to Mr. Gilmore based on what he has to say.
Mark Quigley: Hal and Jocelyn, anything to add?
Hal Godwin: I brought some information that we can look at.
Mark Quigley: Okay, good enough.
Ted Kanakos: Mark, I'd like to read in something from our original Milton Plans, which has to do with the outline of today's meeting, “Affordable Housing and Community Development. Milton strives to be a welcoming and affordable home to resident's of all financial means. It

also has a desire and responsibility to attract businesses and development. This meeting will explore how the town can broaden it's tax base and encourage development while maintaining affordability for resident's of all means.” To be honest with you, this was the first time I read it and I wasn't aware, maybe Hal can fill me in, about broadening it's tax base. Is this part of the conversation for a Comprehensive Plan?

Hal Godwin: Yes, it very definitely is. There is a tax base section in the Comprehensive Plan that I have been through. All I've really done is I've tried to update it with information that Kristy has provided, as to the most current assessments, to show where the town stands in it's tax income, to make it current, but I'm not done with that, but the last time it was done was 2009, was the last assessment and while I've added in the assessments each year since then, which were provided by Kristy, but housing, very definitely plays a role in that, because as houses grow, the tax base grows, so it's an important part of the Comprehensive Plan. Yes.

Ted Kanakos: Well, it also says while maintaining affordability for resident's of all means; so that will play into what they pay in taxes, if they are on welfare, or retired, or working poor.

Hal Godwin: The assessment is what drives the tax income. Obviously, if you build 10 homes at \$100,000 each, that's less money than 10 homes at \$1 million each, so the more expensive the home, the higher the assessment and then the higher the tax base from Town, so there is a mixture needed in various...

Ted Kanakos: Does one million dollar house, pay the same as 10 \$100,000 houses, the total cumulative taxes that are gotten?

Hal Godwin: That depends on how the assessment is done. Assessments are usually done at some percentage of building costs and then land is usually assessed, based on zoning classifications, so when an assessor assesses the jurisdiction to set this up, he takes all of that into consideration and he gives you a total number at the end of his work, which is what we have. I have it somewhere, but we do have those numbers available, which will show us where our tax assessment stands currently for 2013 and we're going to want to include that in, because as we go through the Comprehensive Plan we're going to see where there are needs for capital and needs for expenditure, not as far as you would do in developing a budget, but we'll be able to reflect for budget studies some of those numbers.

Ted Kanakos: I'm nodding my head yes, but I don't understand all of it. This meeting will explore how the town can broaden it's tax base and I'm trying to tie that into Affordable Housing and how that works, or is this a two-part meeting?

Hal Godwin: Well Affordable Housing is one component, one piece of the housing discussion. Milton has Affordable Housing and I think Milton has a pretty rich mixture of all types of housing. That's why I asked Kristy to bring the map. As you go around town, the map, you can pick out in your mind, what homes look like in different sections of the town. The important thing is what did the assessor see when he assessed the properties. The assessment value of all the stock in the town is where the tax base comes from. You get a total number there of what the tax base should be.

Ted Kanakos: Do we have a definitive definition of Affordable Housing?

Hal Godwin: No, I don't think anybody does.

Ted Kanakos: It can be interpreted a number of different ways.

Hal Godwin: It's a rather nebulous term that a lot of planners and a lot of leaders in local municipalities use to mean various different things. In New Castle County they dropped the term from their Planning completely and a couple of years ago with a new term called

“Workforce Housing” and they got into some trouble in the Court's for that, so they had to take that name off, so Affordable Housing means different things to different people. In the past few decades, it has traditionally meant a home you could afford, without having the average income; but it might not mean that to Milton, or it might not... When they talk about Affordable Housing in Lewes, they talk about it sort of with gee, how do we create this, because there is no housing available in Lewes for moderate to low income folks and that's an issue for them.

Ted Kanakos: I had always associated Affordable Housing with subsidized housing.

Hal Godwin: And that's your interpretation and other people have different interpretations and the term can be used however it's desired. It can be used to identify subsidized housing...

Ted Kanakos: Not only subsidized by folks who are on, let's say, welfare or subsidies like that; but subsidized through lower tax rates by the County for certain folks. I mean, I'm a senior citizen, I am subsidized. My County tax is much lower than it was before I was 65. Is that sort of subsidized also?

Hal Godwin: Is your County tax really lower than it was before you turned 65?

Ted Kanakos: Much lower. Yes.

Hal Godwin: You're sure?

Ted Kanakos: Yes. Well when you turn 65, they take a certain portion off. I think the school portion is still there. Am I correct on that?

Mark Quigley: Actually, I think they do remove the school portion, but you still pay the County portion.

Ted Kanakos: The County, okay, one or the other. But I know it's lower.

Hal Godwin: The reason I was asking is, the County tax goes down if you're under a certain income level and it's pretty small.

Ted Kanakos: Yes, I saw that.

Hal Godwin: But anyway, the school tax is reduced.

Lynn Ekelund: For ours, they reduced a portion of the school tax, but they didn't reduce the tax in its entirety.

Ted Kanakos: And that's simply based on age. What did New Castle County that used Workforce Housing? What did they go back to?

Hal Godwin: Yes, they used the word... I'm not sure. I'm really not sure. They've had such turmoil over the last decade with zoning and zoning classifications, I haven't been able to keep up with all of it. It's mostly been driven through the Courts. Certain things have been put in place and someone had challenged it wound up in Court and the Judge would change it, so it's been quite a process.

Ted Kanakos: Thank you.

Estelda Parker-Selby, 114 Milton-Ellendale Highway: I just came here today, I'm on the Council, as everyone knows, but I also have been for many years involved in seeking Affordable Housing, if you will, because as an educator and one who served on the Beebe Healthcare Board for 15+ years, we have had a concern about our students coming back as degreed people, unable to find homes that they could afford. I've had many of my students here from Milton, say Ms. Selby even though my father owns a farm, I can't afford to live there, because they didn't have the salaries or what have you. I've been very vocal at the Today and Tomorrow Conference, which is coming up October 29th at DelTech and because of that, I've been asked to be involved with the HUD Meetings and several other meetings about housing

throughout the State. I have had a concern, because my own child could not afford a house once he graduated from college here. He had to rent and their goal, as they saw us get housing, was to get housing and stay here in the area, but they've all had to move away. I don't think we look at this as a Section 8, or low income; we're looking at our young people and our young nurses and our young teachers, not being able to find homes that they could afford and this, I think, needs to be cleared up a little bit, because as I said I'm a proponent for housing for people who come out of college and need a place to live and it's hard to find here in Sussex County, unless they go on the western side. Our children from Cape Henlopen; I speak for Cape and I always will; they need to be able to get a job. Our young nurses coming out of Beebe Nursing School they need to not get jobs, but they need housing that they can afford and I think we need to look at it like that. I, too, have a concern when they start many of the homes that would bring in elements of people, or what have you, that are not paying bills or what have you, but this is not the case as many of us have looked at the Affordable Housing. Thank you.

Ted Kanakos: I would comment on that, that I think traditionally, I know in my life, when I was out of college and got married, I think 99% of everyone rents, until they could save enough money for a down payment, which is the goal...

Estelda Parker-Selby: Well we don't even have a lot of rentals. We have renting out there, but those were supposed to be, as I recall, places that people purchased. They weren't supposed to be a heavy investment, but it turned into an investment community.

Ted Kanakos: Where is this?

Estelda Parker-Selby: Where I live out there on Mulberry... I mix Ship Carpenter's with Shipbuilder's, because I'm Lewes oriented too. That complex, we do have some young professionals out there and we have a lot of working people; we have State Police and so forth, out there, as well, but there still is not enough, because we have a lot of people coming in and wanting to know where... and I agree with you, rent. Rent.

Ted Kanakos: Rentals as a stepping stone to purchasing.

Estelda Parker-Selby: But the American dream is to eventually... our students who come from Milton, Lewes and Rehoboth, I can speak to that, because there are many, they want their own homes, because some of them are living in Greenwood right now, who grew up here in Milton and they are working people, making an honest living. I hear it all the time, because I've taught about 3,000 students from this entire area, so I can speak to try to help them and they've asked me and there are some teacher's who have children here, who have gone on and they too are concerned that we can't have homes for our children here in the Milton area, or Lewes, or what have you and I can speak to all the areas, because I live, own property and so forth, in those areas. Thank you.

Linda Edelen: Is there a dollar figure that Affordable Housing is focusing on? An income figure?

Hal Godwin: I have a study that I want to share with you that's actually a Delaware... it's just recently released from the Housing Authority and I'll pass it around. The Governor released this a few days ago and it's a housing needs assessment, 2015-2020 and as you read through this, you'll get a feel for how the State appraises our housing challenges in Delaware and I review it, it seemed kind of typical for Milton in much of what it reports and there are some differences and I think that the key thing, Linda, is that affordability relates to ones income, so jobs play a very major part in defining what's affordable and what's not. One of the problems that Sussex County has had for many years, is that our children are raised here, they enjoy the

life here, they get a college education and they can't find a job here that allows them to exercise their skills, so they move away and I've heard this discussion in all sorts of planning and demographic meetings and hearings and employment plays a very big role affordability. If you look at the demographic numbers that we get from the Population Consortium, we'll see that our birth and death rate; if you look at the birth rate in Sussex County and the death rate, we're dying; but the reason our population grows, is because of the in-migration of people over 50; so we're growing based upon retirees moving in, or almost retirees moving into the area, for the benefits that senior's find here, which are mostly low taxes and a nice lifestyle; so income for them is not an issue. They come with some sort of a retirement program and that's where the growth is coming from; so when you talk about Affordable Housing, it's a very convoluted mixture of what brings people in to buy homes and as we talk about Affordable Housing and what younger people, who are just starting out in life can afford, Ted's right, many times you have to rent something, but I will tell you that rental fees are increasing quickly, because there's a very strong demand for rentals, not just in Milton, but in the whole county. I think Milton is experiencing some market demand, at least what we hear from some of the realtors. There's a strong rental market in this area, very strong and just for the heck of it, I called a number of rental properties over the last year, just to see what that home would rent for, or a condo and some of them were individual homes, single family homes, three bedrooms and others were smaller condo units, with only one or two bedrooms and the standard number that I got was \$1,200 a month; almost everything was \$1,200 a month and I thought, wow, that's the bottom of the market? I don't say that disrespectfully, I mean the market is able to support that for almost any dwelling unit; so that's a pretty strong demand, a pretty strong marketplace. Now I'm hearing about people that are paying closer to \$1,500 a month, in rent, for an average dwelling, so that's a pretty strong marketplace.

Ted Kanakos: Hal, I think what has to be factored into that \$1,200 a month or \$1,500 a month; I've noticed multiple families only can afford that. You find a heavy concentration in housing, whether they're undocumented immigrants, or anybody; you have many families that are extended families living together. A third, if you follow the Stock Market and the thing that contributed to our economic crash, were the housing starts that were way down. One third of all the new housing start permits, are for rental buildings. A lot of kids today, a lot of people today, the dream is not to own a house. It doesn't even pay.

Hal Godwin: That's in here.

Ted Kanakos: Yeah, there's not a lot of equity, but years ago you bought your house, it doubled in value, you sold it, you did this, you did that. Rentals are becoming very expensive, but it is leading to multiple families, extended families. On my block alone, there are numbers of multiple families living in there, unrelated; sometimes it's almost a dormitory, but that's the way a landlord gets his rent. If you limit it to one family, the rents would come shooting down, because nobody would be able to afford it. First of all, the quality of the housing is not that great, so people that can afford the \$1,200 are not going to rent in his house.

Hal Godwin: Well the demographic that we're seeing nationwide, is that while we have a strong in-migration of retirees, many of those folks, who are our age, don't want the responsibility of moving the lawn and painting the fence and putting new washers in the sink every year. They don't want the maintenance chores, or time. If they have retired, many of these folks have a substantial, or at least a sufficient retirement income and they want to travel. They want to go visit their kids. They want to go spend a week or two in North Carolina. They

want to go to New York and see a show and spend the week, so they're much more mobile and they don't want the responsibilities of home ownership. We're seeing that grow and that's creating a condominium market, if you will, or some sort of a consortium market where folks want to have a comfortable place to live, they can afford to pay the \$1,500 or \$2,000 a month in rent; they want a nice home to live in, but they also want to have the flexibility to say at the end of this lease, Martha, we're going to move. We're going to go to South Carolina and live in Charleston for a year. The realtor's are telling us that there's a growing marketplace for that and that it's coming from the baby boomers, as they are retiring, which as we've known all through the last 60 years, that's been like a population knot going through the snake, if you will.

Whatever the baby boomers are doing, it has caused marketplace's to change. It's what caused McDonald's to go from window service to having seating. The baby boomer marketplace has driven this economy and I think that we're seeing that as a reality in housing demand.

Kevin Gilmore, Executive Director of Sussex County Habitat for Humanity: The question you led with was a question that I was hoping to share a few comments on, so I tried to pull a few statistics, not about Habitat for Humanity, per se, but about Affordable Housing in Sussex County and in this specific area. Often the question of what is Affordable Housing and Mr. Godwin's answer was right on with what I would have said; but you often hear people see, well affordable is less than what I paid and that's the relative nature of it, but statistically it's really housing costs burden plays into that and it's income driven, so we look at housing costs burden, paying more than 30% of your income on housing expenses and to put some numbers to that, when we talk about lower income households, HUD statistics had that in Sussex County, an area median income for a family of four is \$78,800. That's 100% area median income. In the Affordable Housing world, we often talk about 50% of that, so a family of four, living at or below \$39,400, would be a family living at half of the median income; that's household income, not individual income. That study that Mr. Godwin presented, the whole study is about 300 pages, so it's kind of hard to zero in on certain statistics, but it's the freshest information we have about housing needs in the State of Delaware. This was released about two weeks ago. I encourage you that on online they have a searchable format. This is the first time in history that the Housing Authority has provided a searchable format and some of the information that I just pulled before this meeting, was that here in the Milton area, they break it down by census track; that when we talk about rentals, 30-50% of renter's are paying more than 30% of their income on housing, so that's their housing costs burden. When we talk about homeowner's, in this census track, 20-30% of homeowner's are paying more than 30% of their income on housing. So I'd suggest that our perception of it just being a Section 8 issue, is only a part of the picture. It's also about people who own houses and I applaud this group for thinking about Affordable Housing and Community Development, because they do go hand in hand. Thinking about that as you put together your Comprehensive Plan and I encourage you to think not just about the creation of Affordable Housing, which obviously as a Habitat Rep, I'm an advocate for and we have a non-traditional method to get there through our ministry model of helping people get out of bad situations into home ownership; but also look at it, as how do you preserve what you have? There's another group around our area that are living in housing, that they own, but they can't afford to maintain and so what's this town doing and what's our County doing as a whole, to address those issues, whether it's through taking advantage of Community Development Block Grant funding through the State Housing Authority or working with non-profits like Habitat for Humanity or First Aid Community Action or other

non-profits that help lower income households maintain the properties that they have. Statistically in that needs assessment from the State, you'll also see that prices might be a strong word; but there's an issue in our State about subsidized housing and the conditions of subsidized housing are deteriorating fast. In addition to the housing needs assessment by the State Housing Authority, other data sources I go to in my world, about Affordable Housing, would be the Delaware Housing Coalition. In fact, in their report last year of who can afford to live in Delaware, in Sussex County, they say that for every 100 families who need an affordable rental, there is under 50% AMI, there are only 41 options. There's only 41 rentals for every 100 people who are looking for one. So it leads to the overcrowding issue that you're talking about. So there is a demand, not just in the market as you were talking about earlier, of the retirement market, I think there's a huge demand there, as well, but in the affordable market, there's a demand there.

Ted Kanakos: I have a quick question. Does Habitat only build new houses with the cooperation of the owner, or do they restore and renovate in existing houses; you're saying the deteriorating quality? Do they focus on that too?

Kevin Gilmore: We have just in the past couple of years started to do that on a very small scale; seeing a need in the community and saying how can we help people stay in the houses they have. This year we'll do five major home repairs, where we will actually help people bring their entire house up to Code and improve that condition. For a couple of years we've been doing minor repairs, which were mostly outdoors, ramps and railings and storm doors and things like that. But we're trying to adapt to some of the needs that we're seeing throughout the County, as well.

Ted Kanakos: Is there another group that specifically targets helping folks in that? Do we have something else in the State, or group, or county, or town?

Kevin Gilmore: There are several of us throughout Sussex County, so Habitat for Humanity is one, First State Community Action is another, MHDC out of Milford is another that does critical...

Ted Kanakos: You also have religious groups that are quite involved in their own areas.

Kevin Gilmore: Plus religious groups, yes. Yes. There are some opportunities. The need far exceeds all of our capabilities. To the point about rentals, what we see in the area of eastern Sussex are certainly rentals of over \$1,000; statistically in Sussex County the Housing Coalition says the average rental two-bedroom rental is \$834. That's county-wide, so you have to factor in the balance of western and eastern Sussex County.

Linda Edelen: Just a question on that figure. Does that include utilities, is it the total package cost, or just...

Kevin Gilmore: For the housing cost burden?

Linda Edelen: Yes.

Kevin Gilmore: That does not include utilities. There are two different ratios, the one they're talking about is housing costs burden, which would be any kind of taxes or well, if it's home ownership, taxes, insurance and your mortgage payment and then the Homeowner's Association fees, etc. So utilities would be an added burden on that. That's called a housing... There's housing cost burden and then there's just a housing burden, or something like that. So it's a big part of our income. The housing coalition states that for those earning 30% of area median income, they could afford \$485 for a two-bedroom apartment; which would be basically two minimum wage worker's, working full time. I just thought I would share some of

those added thoughts to it and I did my best to present the statistics as I found them, but I also wanted to share some resources for anyone who wants to go a little deeper. I know that Hal and Jocelyn know all their sources, better than I do, but I tend to focus on it on a day-to-day basis, so I thought I would share from my daily work a little bit of a broader picture, not just Habitat, but about Affordable Housing in general. Thank you.

Hal Godwin: I can point out that the handout that we just gave you, page 3, covers the cost burdens that he was explaining and I think there are some websites on here that you can go to. Anyway, page 3 has the analysis of cost burdens that he was explaining and it's true, we do see; I don't know the demographic here in town, to be able to speak to this, but I thought where you have more than one family in a home; but I can tell you that as I ran the numbers on population and building permits, Milton's average population per home, went down from 2.3 to 1.46 and I think the demographic that supports that, is that we have many homes that are lived in by just one person and that happens naturally. A couple moves in and one of the couple passes on and the survivor is left there in this nice home, to live out the rest of their lives, so you have a lot of single population and you have a lot of two people and that comes from... I think that's a nationwide statistic that's changing as the American family changes, which we're still experiencing a lot of change in that demographic; but the average occupation in Milton is 1.46 as of the last census.

Ted Kanakos: Even a retired couple, two people in a three-bedroom house, that knocks it down. I know on my block and some of my neighbor's is one person per house, three-bedrooms, a big house, one person, the Mayor, my new neighbor, Erin, Janet. A lot of this single... I wonder, there are so many extra bedrooms around down here, hundreds, literally hundreds...

Hal Godwin: Ted, that brings us to what we're about here with this Plan, because over the past 50 years, the most popular floor plan had three-bedrooms and we don't need three-bedrooms anymore, quite frankly; so you're going to see new construction being less about bedrooms and more about the living area and the entertainment area and you have your friends over and have fun, yada, yada, yada...

Ted Kanakos: And the bedroom on the first floor; that's the biggest one.

Hal Godwin: Absolutely, you've got to have the bedroom on the first floor, if there's a second floor, you're going to be able to live on the first floor and when the kids come back to visit, they go upstairs.

Ted Kanakos: There was a statistic down in Lewes and I forget exactly what it was... Even nationally, that although it's rare for a high end house to have less than three-bedrooms, they're all going from 2 to 3 car garages; it's amazing how many garages there are on houses. I wish I had one of them, but I don't, but these are the luxuries that go on with people retiring with a good income and taking advantage of IRA's and Keogh's and all of these things over the years and you sit it over east of Route 1. Lewes is an amazingly wealthy little community and they have one or two people owning these big houses. I know a lot of retirees.

Hal Godwin: Well the real estate market, the realtor's, are telling us that that's going to change the price of what they call McMansion. The McMansions that we built up through the last 20 years, that's what crashed mostly, in 2006 and 2008, was the extra large house. They're going to start losing value in proportion to the smaller home. There's not going to be as much disparity between the four-bedroom mega mansion and a two-bedroom condo, or smaller cottage style home. They're going to start coming together, because of the demand shift. A lot of these large

houses that were built by 30 and 40 year olds, 30 years ago, aren't going to have the same demand and the average family doesn't have four children anymore, so the realtor's are all telling us that there's a shift coming and they're already seeing it and developer's are picking up the scent and they're starting to plan and develop communities that offer more homes that look just as nice and they dressed out on the inside with as many options and amenities, but they just don't have as many bedrooms.

Ted Kanakos: Nor maintenance problems. Paynter's Mill charges \$300 a month for their maintenance fees, that's a lot of money.

Hal Godwin: But look at the community.

Ted Kanakos: Well, it's perfect. You go in there and every blade of grass is cut, but close to \$4,000 a year just to go into your little two-bedroom house.

Hal Godwin: Do you know what many of the mobile home parks charge for their lots?

Ted Kanakos: Well the ground rent.

Hal Godwin: More than that.

Ted Kanakos: Much more, yes.

Hal Godwin: So it doesn't really have anything to do with the stateliness of the community, it has to do with the lifestyle that the resident wants, I think. But Paynter's Mill is a beautiful community and I understand that there's a large fee, but you're getting a lot of benefit for it.

Ted Kanakos: Yes.

Ginny Weeks: I'm finding this conversation all very interesting on what the demographics are in the County and in the State. Does anybody have the demographics with them, of Milton? What our median income is? How many of our buildings are for subsidized or working force? We have an enormous amount. Because what we're here for is to look at how Milton wants to handle the needs of Milton. I'm not unsympathetic to the County, or anything like that, but we have a very large share of the Affordable Housing in this area. We have...

Ted Kanakos: I think it was 186 you had mentioned once, with Royal Arms...

Ginny Weeks: Is it 186? We have Luther Gardens, we have the other part, we have Park Royal, part of Shipbuilder's. I have a neighbor who runs large Affordable Housing and I think she's up to almost 100 units throughout the County and making a lot of money with subsidized housing and is now running a transport service for the needy. I think we have to look at how do we want to handle Affordable Housing in Milton. We're going to have to handle it somehow, but how? In the past few years, we've been approached 2-1/2 times for Affordable Housing. The Ingram Group wanted to build apartments up by Sam Lucas and I say half, because Martin Ingram, who was not part of the Ingram Group, came and wanted a motel on Route 16; but the strange thing was he wanted a communal kitchen. Remember?

Lynn Ekelund: I do.

Ted Kanakos: So it's a welfare motel, basically.

Ginny Weeks: Yes. The other thing is, behind me, in transparency, a gentleman, Tom Draper, has a bought 7-1/2 acres and has gone to the state, wants to put up 22 quadruplexes, with 88 rental apartments in them. Now, God bless Tom Draper, he's not going to be a rental agent. Who is going to sell those to? Are they going to go to some non-profit and get off the tax rolls? I mean, there's a lot to look at how you control Affordable Housing in town, to make it good for the people who live in it and good for the Town and I would ask you to think about the integration of Affordable Housing, enough Luther Towers and enough of the other places, and try to integrate into new housing developments where you give them something that they want

that's a little extra, in return for so many units being Affordable Housing and it is not our responsibility to house the working force of Lewes and Rehoboth. Lewes and Rehoboth have to come up there a little bit also. It is our job to take care of the people in our area, primarily and then afterwards. I don't want to see another Luther Towers plopped down in the middle of town. It changes the character and the nature of the town when you have large, large Affordable Housing units. You have a lot of parking. God forbid, have you seen what's going on at Casa? Have any of you been by there? We've got a wall.

Ted Kanakos: Well, it's a 6,000 square foot new building.

Ginny Weeks: Yes, but do you see how high it is off the sidewalk? I mean, that's not fitting in with the neighborhood.

Ted Kanakos: Let's see what it looks like when it's done, they landscape and they do other things.

Ginny Weeks: Absolutely, but that's a scary wall that's gone up there, the foundation; what is it, 5' above sidewalk? These are things that we need to look at. These things are going to change the nature of our town and we don't want them to change it; we want them to integrate into it and that, I think, I'm asking you to do. To find a way to integrate this stuff into our town. Thank you.

Ted Kanakos: I think Casa is a separate issue. What it offers, what it gives, what it needs, why it's there? It can be included in that conversation.

Ginny Weeks: I'm not... I'm not...

Ted Kanakos: I'm not addressing you specifically, what you said. In general, I'm just saying that I live on Broad Street. It's right on the corner and I know what it brings and I know what it doesn't bring.

Ginny Weeks: I'm not talking about what happens within the walls. I'm not talking about what happens within the walls. I'm talking about how the buildings and the settings fit within our town, so they're melded in and we don't have ghettos of people. We just have people who live in Milton.

Ted Kanakos: Well I think the town probably had... I don't know how much the town could have spoken to that issue. Five years ago when I was on another Planning and Zoning Board, they came to us and the first thing they said was they would sue us unless we agreed with them and they brought an attorney down from... In other words, if we didn't go along with what they wanted, they had an attorney there at the first meeting and they said if you don't agree with what we want, we're going to sue you.

Ginny Weeks: I understand what's being built is between the negotiation of the then Council, when Don Post was Mayor and the Diocese of Wilmington.

Ted Kanakos: That's over 6 or 7 years ago, so I don't know...

Ginny Weeks: It didn't go to Planning and Zoning and it didn't go to the Historic Preservation Commission.

Ted Kanakos: And I don't know how many times they renewed their permit. Over the years I didn't know how many times we were allowed to.

Ginny Weeks: That's in the past. It shows what we shouldn't be doing.

Ted Kanakos: Well we have to bring that up too, so that we can do better in the future.

Ginny Weeks: That's all I'm asking, that you integrate Affordable Housing into the community, in a way that it fits in. There are a lot of houses for sale in this town for under \$200,000, or just around \$200,000. I don't find that overly expensive, but for somebody who's earning \$39,000 a

year, it is. But we've all been house poor for God's sake.

Ted Kanakos: Well, the inhibiting factor is saving for a down payment. It's almost impossible to save for a down payment.

Ginny Weeks: I have children that are well educated, that have the same problem. It's the way the world is today.

Ted Kanakos: There's a house on Union Street that went into foreclosure, he paid \$346,000; it sold for \$119,000. Now if somebody told me I could buy a house at the prices of 10, 12, 15 years ago, like buying IBM stock from 1990, but whatever it is, they still can't afford the down payment.

Ginny Weeks: Right. So maybe...

Ted Kanakos: Between the down payment and the real estate transfer fees and the closing costs...

Ginny Weeks: Maybe the County and the State Government has to look at a way to help people come up with down payments.

Ted Kanakos: Well, you put more people into housing that way. I mean, ownership. But that's another whole thing.

Ginny Weeks: Rather than making corporations wealthy by coming in and building mega blocks of Affordable Housing. Thank you.

Marion Jones, 411 Behringer Avenue: A question. In reference to Livable Delaware, Mr. Godwin, Jocelyn, is that a State or a County Program? I know the first time I learned about it was through the Elizabethtown application, where the developer's were expounding upon how they were sure to include so many units to comply with Livable Delaware. Is that a regulation that applies only to new sub-divisions? That's my question.

Hal Godwin: It's a County function. Sussex County set up a program a few years ago, where a developer is allowed to have a density bonus, if he provides housing below the market value, interspersed like Ginny was explaining, interspersed among his new development; so the development might sell for, say the average price is \$350,000. He'll get an increase in density, which means he can build more homes. If he puts in 10% of those homes that would sell at \$190,000 and it can be a little smaller house, but it has to look like the other homes that fit into the community and be built in among the other homes. That's a County plan.

Marion Jones: So that isn't anything that is applicable outside of a full sub-division plan?

Hal Godwin: Correct. It comes in with a new application.

Marion Jones: Alright and my other question is a statistical data question if you have it in the census and if not, maybe Mr. Gilmore has it. Is there a large enough differentiation between what we've identified on the census as the renter's income vs. the homeowner's income?

Hal Godwin: That may be available, because we got quite a bit of material that I haven't completely digested, but the census bureau has a lot of information about those type of percentages that you're asking about. I don't have it put to memory, but it's probably available through the Census Bureau.

Marion Jones: And Mrs. Rogers, does the town have any data about how many vacant rental properties are available in Milton?

Kristy Rogers: I don't know, off hand.

Marion Jones: And usually, those would only be identified when they are rented and they come for the application. Alright, that's all I have. Thank you.

Kristy Rogers: Yes.

Ted Kanakos: One of the other things I would mention is in the newspaper yesterday they mentioned that Overbrook Center is back on the Sussex County with 1,500 full time and part time jobs, the way they describe it. You know, the unintended consequence is that's only seven miles down the road and these people will be looking for housing this side of Route 1. They're not going to Lewes. The first stop is here. Next stop will be Ellendale, Lincoln, in other words, whatever can absorb. The better payer's will stay here. Those that earn even less will go further out and then live with multiple families. It's going to be a small wave. It's going to happen and I know in Ellendale, where I happen to be a landlord, Ellendale tries very hard to make housing available. They cancel the real estate transfer tax if you're buying there, which is a big deal, \$1,000, \$2,000, \$2,500, so that's the most they can do. When I was there, we instituted a lot of... we called it the Core of Improvement. We used whatever town facilities we had, the town pick-up truck, to clean someone's property, bring it to the dump, they paid the dumping fee, but we had volunteers that would clean up their property. It worked, to a point until somebody said, you can't force me to clean up my property and then he opened the door and set his pit bull on you. Then it stops. There's just so much you can do with people who want to cooperate. Even when you're trying desperately, some people will not budge off center. You can't make me. And even if there's an ordinance, his cousin's not going to enforce it. It's a small world in some areas, but thank goodness we don't have that here. But we should be aware that these low paying jobs are murder, in these shopping centers. They just bring in a lot of people, but the burden on the resources and the social fabric is pretty high and we're going to see another 1,500 come in, plus everything else that's involved with 5,000 parking spaces on that highway.

Hal Godwin: Jocelyn has some numbers for you here, on the rentals.

Jocelyn Godwin: We have numbers that are based on overall Milton zip code vs. the town limits, as far as what is available from the census. Basically, based on different pieces of the conversation, for overall 19968, a one person household, 25% of those households have one person. So that's a perfect example. That's a pretty big number. Where we talked about average family size and housing units, if you actually go into individual Milton, the numbers that were provided by the census showed owner/occupied as being 60%, 40% are renter occupied and the average household for owner/occupied is 2.23. The average occupancy for a renter is 2.49. So that's actually taken from the census for in town Milton, within our census blocks. It does not equate any dollars for income in comparison between those two separations. Rental vacancy looks like of the total, they looked at a total of reporting 1,340 housing units; the total for rent were 45. So that was only a 3.4% considered for rent and then 7 were considered rented, not occupied. But there are several breakdowns here. Essentially it looks like the rental vacancy rate at the time was 9%.

Linda Edelen: Hal, how specific does the Comprehensive Plan have to be, with respect to Affordable Housing.

Hal Godwin: I was about to read that to you. The State Planning Office requires us to address Affordable Housing in the following fashion. I'll read it right from here. "The Affordable Housing Plan must include: policies, statements, goals and planning components which serve to define the community strategy for providing Affordable Housing for current and future residents." So it's broad, but they do want to hear, in our Plan, what Milton wants to do, based on that. That would then carry forward. If the Plan flows, like it should, that would carry forward into not just our demographic study and recordation of the numbers, but also it would set up policies for maybe zoning. We would carry that forward into zoning and sub-division

approvals and those kinds of things. It would cause the town to reanalyze their zoning laws, to see if there's some adjustments that might be made to accomplish whatever goals the town decides they want to meet.

Lynn Ekelund: So, for example, could we require a Traffic Impact Study before we rezone any property in town, to allow for multi-family dwellings?

Hal Godwin: You don't do that now?

Lynn Ekelund: Hahaha. How do you spell Milton? No we don't. What I'm saying is could we put something like that that's one of our plans?

Hal Godwin: Yes, I would certainly think that it would be good planning to make sure that all of the town is incorporated into an analysis for a new sub-division. Sure that would make sense to me.

Ted Kanakos: All the different departments of the town are impacted, whether it's police and Public Works when you put something like that up; fire, police, just lots of things and I don't know that we do a case by case scenario on how it would affect things.

Hal Godwin: Generally speaking, when a sub-division plan comes into a municipal planning department for review, the planning department will sort of have it looked at by all the departments, the Police Department, the Streets Department, all the folks that function in the town will take a look at the sub-division plan and offer comments back to the Planning Office. The the Planning Office will take that plan, with the comments to the Planning Commission. The Planning Commission will digest it, with the public, and then they'll make adjustments to it or vote it down, or do something. They'll digest it somehow and then pass it on to the Town Council for final approval. That's, generally, how those things work. I would think you have the opportunity to review a sub-division plan any way you see fit. And if a Traffic Impact Study is something you would want, then you should be able to require that and put it on the developer.

Ted Kanakos: That would be through Planning and Zoning.

Lynn Ekelund: That would be through Planning and Zoning.

Hal Godwin: Yes, make them bring the Traffic Impact Study back to you, along with the sub-division plan. Not a sub-division plan for five homes, but if it's a sub-division plan for 50 homes...

Lynn Ekelund: Or even eight.

Hal Godwin: Yes, I think you need to know how it's going to impact your traffic. I will also warn you that sometimes it's difficult, or it seems to be difficult for a municipality to offer judgment on a plan, based on just traffic impact, unless the traffic impact is pretty significant. So there's some judgment, gray area.

Lynn Ekelund: No. I'm just saying it would be nice to know, just what that impact would be, before you made any kind of a decision.

Hal Godwin: Absolutely.

Lynn Ekelund: Thanks.

Mark Quigley: I guess I have a thought also. I know one of our earlier meetings that we had and it was brought up how many empty lots we have, for the in-filling. It seems like somehow with I don't know Affordable Housing or a housing situation, how do we start propelling that forward?

Hal Godwin: The in-fill lots are already zoned, whatever that zoning is and the people that own those properties have rights under those zoning features, requirements. I would think that if

you're going to offer changes to their property rights, you're going to have to have the property owner's buy into that. I've seen towns at time of the Comprehensive Plan, they'll say well look, these properties need to be rezoned for one reason or another and that's great to offer and to consider that, but to actually get them rezoned, you've got to have Town Council and you've got to have the property owners agree that we're going to change the zoning on your property because it will give you these different yada, yada, yada... You have to get an agreement there with the property owner and the town, before you can change the zoning, usually. I'm concerned about the in-fill lots, because I think that we really need to think hard about what we do, how we relate to those properties in the future.

Mark Quigley: We have the streets, we have the infrastructure, we have the electric, we have the sewer, we have all the components we need and it just seems to be such a large number that we do have in town.

Ted Kanakos: There are 1,256, I think, was the number that we came up with.

Mark Quigley: Yes, that's a huge number.

Hal Godwin: That number comes from sub-divisions that haven't been built out.

Ginny Weeks: LPD's.

Hal Godwin: Yes, one of the numbers that I'm concerned about, and Kristy and I have talked about it, we think there's around 50 lots that are... like across the street from Marion there's an empty lot. There's an empty lot here, there's an empty lot there. I'm just talking about the empty lots that are in the old section.

Ted Kanakos: The corner of Reed and Tilney. If you stand on that corner, you have to count nine empty lots and I have one of them. Everybody on that block seemed to have an empty lot behind their house, but there are nine standing on that corner, that you can see. Go another block up and there's a lot more. These aren't just the developments. I walk through town all the time and the lots are three houses. It's like gap teeth, there's a tooth missing, there's a lot missing. There's a lot of them, not only in the developments and the question I ask is that, of course, when Mr. Draper became involved in Cannery Village, there was like 600 and something houses that were supposed to be built. When Dogfish came and bought I believe 56 houses, the lots...

Councilman Coté: It was 154.

Ted Kanakos: How much? 154, I guess those were taken off as empty lots, I would hope.

Councilman Coté: No, they're in the 1,256.

Ted Kanakos: They're still in the 1,256. And all the EDU's that went with the 144, because I remember one of the people coming to me to buy my lot, was saying what does it cost, the Impact Fee and this and that, but at the time of the Post Administration, after all of this... well the thing that predicated the selling of the sewer plant, was we only had 23 EDU's left, technically, on paper. 23! And hundreds of empty lots. So that's a problem that had to be addressed. I don't think we have that problem now, so many have been taken off that roster. I think even the economy has probably done something with people buying lots. Not many people are buying them for individual houses. Now there are a lot of spec builders, a lot of people are buying houses and renovating them and selling them and doing good work. But we still have a lot of empty lots.

Mark Quigley: Do we know which LPD's are left out there with all the empty lots?

Ted Kanakos: Well there's probably Wagamon's West Shores and Cannery Village and Heritage Creek and then they apply for more to expand another phase and there's 78 more all of a

sudden.

Mark Quigley: Does that also mean that there are others, possibly out there, that haven't been built? Are they included in that?

Ginny Weeks: Mark, if I may? You have Sam Lucas, you have Dr. White's property behind the Preserve...

Mark Quigley: That's part of that?

Ginny Weeks: That has an LPD on it. Right. You have Heritage Creek, you have Phase IV of Cannery Village and that's just off the top of my head, but that's almost probably 700 or 800 houses.

Ted Kanakos: Does in-fill mean just within the town? In other words, or not these developments? I always thought in-fill was individual lots placed around town.

Hal Godwin: I think that's correct.

Ginny Weeks: Individual... I believe the correct definition, Hal, isn't it, it's something that's bordered by housing already; small, for one house. That's an in-fill lot.

Hal Godwin: Right. Yes. That's how I would classify it. The numbers that I have and I haven't audited this completely yet, but Kristy and I have worked on it. We think there's somewhere around 1,300 lots available in sub-divisions currently. When I'm talking about in-fill, are lots that are not in defined sub-divisions, they're just an oddball lot here or there. I think there's around 50 of those. This does raise a lot of questions about the town's ability to serve those properties with utilities and that's why I spent half a day with Jerry Esposito and we've had a long discussion about water. It would be very difficult if all those lots came in for permits tomorrow morning. It would be very difficult to meet the demand. As we get into our utility section of this plan, we're going to have to try and mesh all of these gears together.

Ted Kanakos: You think there's only 50? If you walk up to the new development, between Atlantic and Bay, there must be at least 20 of these For Sale signs. I would think maybe we should do a survey and find out how many there are and how it's going to impact the utilities. I would think there's got to be more than 100.

Hal Godwin: Kristy and I have got those numbers. Robin was involved in those numbers. Didn't he think there were around 50, as well? I don't know that that's... We do need to audit that.

Lynn Ekelund: That's the number that I've always heard thrown around, was 50; whether it's an accurate number or not, but I've always heard 50.

Mark Quigley: It also seems like this conversation really needs to be tied together with possibly annexing other areas in. If we're going to be limited currently, from what we currently have, we really need to...

Ted Kanakos: Limited in what way?

Mark Quigley: Well with the utilities and he said if everybody came in and applied for a building permit tomorrow...

Ted Kanakos: I don't think that's reasonable, to think that's going to happen. Even Draper was limited to so many a year for so many years. You just can't put 600 houses down there and hope it will work. It's slow growth and water finds it's own level, but you can factor that in and there are lots of ways. You can probably save 10% of your water by good practices and things like this, which adds to 10 more houses here and there are a lot of ways of saying that.

Jim Welu, 30263 East Mill Run, Milton: I'd like to comment on a number of things that have been said. One with regard to the traffic situation of sub-divisions. A question was raised and I

raised at one of your earliest meetings, with the new shopping center proposed out of the end of Cave Neck Road, the traffic situation in Milton could become rather serious, just from that, of people traveling through the town to get there. I had asked the Representative from DelDOT that evening, if she would provide us with a traffic study that the State requested; there were 18 intersections. She said she would. Has Planning and Zoning received them? I don't think so. I think we need to get those and see what impact that traffic would have on the town.

Ted Kanakos: The County will have that, I think, the next time they go up...

Jim Welu: Well, they should provide them to the town. I asked them and she said she would. I don't think we have to go get them. They should bring them to us. Hal had mentioned that he had a conversation with Jerry Esposito and how much could our sewerage treatment plant handle, if just these 50 lots in town were developed, or any of the sub-divisions that are proposed. Well the paper, Friday, again said that the choice for sewerage treatment for this 850,000 square foot shopping center is the Milton treatment plant. I think that's great, because they're going to have to move, if they're going to handle that much sewerage, so I propose they move forward on that proposal and I think we ought to back them. I think with our sub-divisions that are pending, not before Planning and Zoning yet, but are out there, that may come to you, I think that we ought to take a serious look at what the County proposes where there are developments of 50 or more units and that some affordable units be necessitated as part of their plan and contrary... I grew up in Montgomery County, as an adult, and we had an MPDU Program ("Moderately Priced Dwelling Units"). Any developer got a bonus density for providing, I think it was 15% density bonus, that they could build, but they had to provide 10% at set price limits. Now what happened is, they would build \$400,000 or \$500,000 houses, this is back in the 1980's, in Potomac, Maryland and then they would build a row of townhouses for their Moderately Priced Dwelling Units. I don't think that's a good idea. I think to have them similar, but smaller, less amenities maybe, but scattered within the community, not set to one side, one corner of the development would be very important. I think we ought to look at that. If we have 10,000 square feet minimum, per lot, if we reduce that to 8,000 and give them a density bonus, let them get some Affordable Housing. Is affordable going to be for median income, 80% of median income? Those are issues that really have to be looked at, because as Ted said very early on, what is affordable? Affordable to whom? Now Barry isn't here today, but Barry always said throw out the most ridiculous, the strangest things that you want at these meetings, don't be afraid, so I'm going to take that step. If you've all been watching the Roosevelt series on PBS, you will remember from last evening the great production that took place in the United States in preparation for us to go into World War II and the number of Federal Agencies that were expanded during the Roosevelt Administration. That meant a great influx of people into Washington, DC to run all of these programs. What happened 75 years ago and Ginny may not agree with this as a proposal, but many homes in the Washington, DC area, large homes, five bedroom homes, were converted into two and three unit living quarters and they were integrated into the community. It wasn't every house. It was one on this block, two on that block and these large houses then became affordable rental for all of this influx of people coming to work in the Washington, DC area. I happened to own one of them. It's a beautiful brick, probably Sears Roebuck style Cape Cod and built probably in the early 1930's, late 1920's and it's now three units. On the first floor there's a one bedroom unit, there's a one bedroom unit at the back, there's a two bedroom unit, with two bedrooms and two baths, kitchen upstairs. It's very affordable rental housing and it looks just like every other house in

the neighborhood. It's something to think about. I don't think there was any government involvement in this happening, it happened because of the need, out of necessity. It would probably need in today's age a little bit more control over what happened, who did it, how it was reviewed by the government and how it was kept up to the standards of all the homeowner's occupied properties? But I think it's an idea that could be thought about. It may be radical.

Ted Kanakos: These were mainly single adults working in the war industry, were there families? Were there children? I was under the impression that when these people were renting rooms, single room occupancy as adults, working in the war industry. You're talking about bringing whole families into rentals, a different concept.

Jim Welu: Well, I don't know who lived in all of them back in 1940. I was a tiny tot and I was out in North Dakota, I wasn't in Washington. I would tell you that probably most of the units today, that still exist, it's probably single individuals, a couple. My one bedroom on the first floor has a couple. The one bedroom in the back is my sister-in-law. Two single women, working professional jobs live upstairs.

Ted Kanakos: Well cities also applied rent control to keep rents down, so people could afford them, but rent control contributed probably to the biggest degradation of property anywhere, because landlords could not afford to fix their buildings. Harvard did a study in Boston, which literally destroyed rental properties because landlords could not, or would not, or didn't have the money to keep their buildings up to snuff and rent control has been a political football, you had rent stabilization, rent control, free market values, everything done to more or less mend the tears in the social fabric and that led to a lot of artificial problems and a lot of bad properties. I think the term slumlord was invented.

Jim Welu: I'm not proposing rent control. I think the market would control, obviously, a one bedroom unit in Milton, is not going to rent for \$1,200 a month, or \$800 a month. Someday it might if the market increases, but I think the market should control rental prices.

Ted Kanakos: Do we have anything in town which allows a person that lives like myself, in my home, to rent a room? Is that allowable?

Ginny Weeks: The zoning ordinance allows three unrelated people to live in a dwelling. So you could rent to two individuals.

Mark Quigley: What about like accessory apartments?

Ted Kanakos: The grandmother apartments the were billed, or in-law apartments do that. I don't know. I think that was allowable also. I mean, you have to go to the Board of Adjustment and see if you can build it out. But that was a whole different thing. That's why you had that spot zoning that allows your mother-in-law to live with you in the back and things like that. I don't know if we address that, or even if we want it. There are a lot of add on rooms in the back of buildings could be a difficult situation, especially if they're straight rentals with a lot of people in them. It's just hard to police how many people are in a house. On my block, I've probably had 7 or 8 unrelated people living in one house. They become de facto group homes. There's one in there now and the landlord gets a lot of money, because he needs seven people to live in the house. There's no enforcement on that, as far as I can tell, nor the quality of the house. It's horrible.

Marion Jones: I'm going to look at Mrs. Rogers on this, because I would respectfully request that this panel look very seriously into the rental licensing, the ordinances that are in town right now. They are a little confusing, what qualifies for a rental home. The three people unrelated,

but then it may not be required that they need a license, because they are unrelated. It's very convoluted and a little difficult to not only determine the kind of rental that's taking place, but how to enforce it, since it's hard to identify on the front side, so I know that Mrs. Rogers has recommended we look at that for awhile, since we had some appeals last year and I think it would really behoove you, as a group, since you're going forward with a Comprehensive Plan to look at that ordinance, as well. Thank you.

Ted Kanakos: I have seen in Shipbuilder's Village where you have a real concentration of certain houses, 7 or 8 garbage cans on Monday morning. I mean enormous. I've even taken pictures. You see people when they move in and out of their houses, they leave a lot of stuff on that last weekend. This is every week and the house behind my house had 14 cars every night, before that situation was addressed. 14 cars for one address. Parked on the lawn, parked in their driveway, parked on the street and that slowly stopped and I don't know if they still have an illegal apartment. I'm not going to go there, but there were lots of people and that sort of has changed a little bit. But it does put a burden on somebody throwing away 72 bags of garbage. I throw away one.

Hal Godwin: Some jurisdictions limit the number of... They do that by requiring a landlord, or property, if you take in two boarders, you'll have to have an off-street parking space available for everyone who lives in the house. Some jurisdictions do it that way. That way you don't have 14 cars parking up and down the street, taking up all the public parking. If you're going to rent a room, you've got to be able to put Charlie's car in the backyard, like yours, I would think. So that's one way to get a grip on that. I wanted to share with you the comments that we got back in March from the PLUS Process. There are a couple of pages dealing with housing. I copied off to share with Planning and Zoning Commission. The first page is really addressing your concerns in the bottom sentence and the next two pages and this is what the State wanted to direct us, after they looked at our current Comprehensive Plan. On the first page, it starts with the very last sentence and then goes into the second and third pages, the comments that the PLUS review group had made to our current Comprehensive Plan. So you'll see, as you read through this page and a half, you'll hear what we've been talking about. You'll also see similarities to this Delaware Housing Assessment that was just released and much of what we've been discussing is also included here. It talks about market trends and things that we need to be cognizant of. I have enough that I can share 3 or 4 with public, if you like. It starts at the last sentence on the first page and then, as you read through the other pages you'll see. These are comments that were made by the Delaware State Housing Authority about our current plan and I don't find it to be critical of our current plan, I find it to just be somewhat inspirational in that they're talking about market trends. So that's something for you to read this weekend. I think as you heard, the term Affordable Housing as we first heard at the beginning of our meeting, takes on a different meaning with every person and their interpretation of what housing is all about. Housing is a very personal issue, because it's where you live. It's where you raise your children, where you wash your clothes, where you eat your meals. It's a very personal and many times a very emotional concept in human life, so you have to think hard about what you want your town to look like. Ginny made a very important point. We're talking about Milton. We could look at all the studies around the world, but this Planning and Zoning Commission needs to come to grips with what do you want Milton to be. That's what the Comprehensive Plan is about. What do we want to suggest and plan for in the future? As she mentioned, other towns have very limited opportunities for housing, be it ownership or rental,

from people that makes less than the average income. Is that okay with us? Do we feel we already have enough housing that addresses that population of folks who make less than the average income? We do have currently what looks like, from the numbers I've got, somewhere around 166 units of what the town has in the past, considered to be Affordable Housing and they are Luther Gardens 38 units, Luther Towers 48 units, Park Royal 32 units and Mill Landing 48 units.

Lynn Ekelund: On the Milton Landing, I had sent something to Kristy. In the 2003 Comprehensive Plan it mentioned that the Milton Landing site could be expanded to approximately twice it's size, which would provide an additional 48 units. Now that particular sentence wasn't in the 2010 Comprehensive Plan, so I didn't know if anything had changed with respect to Milton Landing and I know you said that you've been ill and swamped and I sent her a number of other questions on housing as well, so that would give us another 48 units and I agree with you and I agree with Ginny. I think that we have to limit this to Milton. I had my first question for Community Input was does Milton want or need to expand the number of affordable unit housings in town? I think we have to answer that question first, because if we have to do Policy Statement Goals and Planning Opportunities and we decided that our policy is we don't want and we don't need to expand the number of affordable units, well we've taken care of that.

Hal Godwin: Exactly.

Lynn Ekelund: So I think that's something that we have to decide first and foremost as a town. I also listened to what Estelda had to say and I differentiate in my mind, maybe, the courts don't, but I do, between affordable and workforce housing. So I think we also have to make a decision as to whether we want to expand the amount of workforce housing and workforce, I look at as Shipbuilder's, as the condos on Tobin. Something where young professionals just coming up. Now maybe they might have to rent. I know when I came out of college, well of course I lived in New York and nobody could afford to buy anything in New York City, just coming out of college; but I had to save for a down payment and when I saved enough money, that was the first thing I did, but I had to buy a two-bedroom condo, because that's what I could afford. So I mean I can see where we don't have to provide cheap housing, but we have to provide something for young professionals, because I believe we want to attract young professionals to town. I have made that decision, but what does the community want to do? Do we want... I think we do and then I think we have to say, well alright, how do we address the needs? If we want to provide more Affordable Housing I don't think we want to provide more projects, like the... although Milton Landing, Luther Gardens, Luther Towers, and Park Royal, they do a wonderful job. I have no complaints whatsoever, but that's not the direction that I would want to go as a member of the community in expanding. I like and I'm not saying that because you're here and because that's where you work, Mark, but I like the Habitat approach. The single family and put it in the community. I like the approach if we want to expand workforce housing or Affordable Housing to give a developer a density bonus, but intersperse it amongst the community so it is the same or similar, maybe smaller, maybe it doesn't have all the bells and whistles, but you don't look like the poor kid on the block, either. That's just a couple of things that I've come up with that I think we have to... we've talked about all of these things, in general. I think we have to focus in on what do we want to do and then do it.

Hal Godwin: I'll add something that might be controversial, but I think it's a feature of this. The American Dream of owning your own home, the most offensive thing, I believe, for a

community the size of Milton, is to have resident's who don't share the same pride in ownership that you do, with your home. You can have renter's who share that pride, but I think best if they're sprinkled around the neighborhood, rather than being in blocks like you have, like you have a... the whole ghetto concept tends to fester in itself and it might not be that there are bad people living there, it's just that they're sort of trapped in an environment that doesn't offer them the ability to take pride in their home. It doesn't give them the choice, because it's managed by someone else, but the pride in ownership is what I think brings the marigolds to the front porch and makes sure that the sidewalk is swept off and make sure that the grass gets mowed once a week, those kinds of things, which is what most of us seem to want in our community. We want the neighbor to take as much pride in his home, as we do in ours. I sincerely believe that today's tenant, rental tenant is much more like that, than not. So I don't think we should be afraid of seeing new properties built, to be primarily rental. That's what I'm saying. It depends on the marketplace. If you look at some properties that are all rental, you would say wow, I didn't know those folks were in there.

Ted Kanakos: I've been involved with rentals for a number of years down here in Ellendale and Lincoln and unless you put it in the lease, that they have to mow, they don't mow. It doesn't... Most of that stuff is voluntary. I have found some families will paint their own... they're always painting, they're always cleaning, that's the pride and others, man you practically have to burn the house down after they leave, no matter what they promised to do. So it's a social thing. One quick comment. Up in New York they gave a developer who built a large apartment house in New York City, a \$12 billion apartment house, some trade-offs and he had to have certain apartments in the back of this massive apartment house, lower income and he agreed to it. But then when it was built, the State found out and the powers that be, that they wouldn't let those people walk through the front lobby. They had to have a back door to that apartment house. It really hit the fan. So that has been stopped now, so it's like saying we can give you enough density, but you have to park on that side of the street and come in through the back. This was amazing. I think the word is insensitive and things like this, but yeah, you can live in the back of the rich part of the apartment house. They had a separate entrance. Like Delivery Only. It was horrible, but that's what a developer will do if he can get away with it, to protect the folks that live in the front of the apartment house. I was just shocked. That lasted about two days and they forced them to change it. Ha ha ha. That's cruel, but that's the way a lot of people function.

Kevin Gilmore: I just wanted to make a quick statement, because I'm not sure you folks are aware of this, from the non-profit side, if there is any inclination in the process of writing this plan to do any collaboration with non-profit entities, our largest funders, specifically ask if we are mentioned in the Comprehensive Plans and it really helps, not just us, but I would imagine any non-profit that you may have interests in partnering with, whether it's in repairs of existing infrastructure or homes, or whether creation of single family home ownership, like we do or other groups, if we're mentioned in there, it helps us leverage funds and bring hundreds of thousands of dollars of other funds into the community to improve, so just to bring that up, so that if the Council is inclined to go in that direction, it can really help bring other funding into these projects.

Mark Quigley: Hey, Kevin, I just have one thing for you. Can you explain to everybody just what Habitat's model is and I probably should have mentioned this earlier, I do work at Habitat with Kevin, for full disclosure; but even knowing about Habitat and we all have heard about it, I didn't know their model until I started working there. It's a pretty unique model.

Kevin Gilmore: Briefly, our home ownership program, which is I think is particularly what you're asking about, is it basically provides an opportunity for home ownership to an income group that wouldn't have an opportunity through any other means. We build a house, primarily with volunteer support in the construction process. We actually employ a lot of folks in the construction process, because we do bring in skilled trades with the electrical and plumbing, etc., build a house and then we sell the house to a home buyer, who participated in the construction process, there's a sweat-equity component that they help build the house that they're going to buy, and other people. We sell the house. We do not make a profit on the sale of the house. We keep our sale price down and we offer a not-for-profit mortgage, often a zero interest mortgage that we self-finance. So we take the affordability of buying a house, providing the same houses that are on the market, may have a mortgage payment of \$1,100 or \$1,200 and we're able to have a mortgage payment of about \$500. So someone earning significantly can still get into home ownership. That's the gist of how the program works.

Ted Kanakos: What is the success rate based on that model?

Kevin Gilmore: We've built 91 houses in Sussex County, we've had one default in 22 years.

Ted Kanakos: Good. Thank you.

Hal Godwin: Isn't there also some requirement as to length of residency? The resident that helps build the house, has to live in it for so long. He can't flip it and take a profit.

Kevin Gilmore: In some areas there are. The way we structure it in Sussex County... Habitat, around here, is by County, so there's another one in Kent County and New Castle County, Wicomico, etc. The way ours is structured and you can imagine that you sell a house well below market, that we don't want someone to flip it. So the way our loans are structured is that first of all, we have the first mortgage, which is paid back over 30 years and that's the affordable mortgage to the home buyer. We look at the market value and we take the difference between that first mortgage and the market value, and we put a silent second on it. So if they choose to sell that house, they have to pay back both, but if they just live in it for 30 years and pay every month, they only pay back the first. This does two things. One is it takes the incentive out of flipping. Over time you appreciate the equity, but really we're focused on a place to live, not the wealth creation. The other thing that it does is it maintains values in the neighborhood, so that the recorded sale price is market value, what's paid back is the first mortgage and the second one is only triggered if they choose to sell the house or they go into default.

Ted Kanakos: Are they taxed on the market value?

Kevin Gilmore: Yes.

Ted Kanakos: So everything is based on regular taxes.

Kevin Gilmore: Regular taxes increase the tax base.

Ted Kanakos: Can they borrow against that house?

Kevin Gilmore: They would have a little trouble in the beginning, because they owe the full market value on it. There's a lien that's recorded for that second mortgage. If the property appreciated, just like anybody else's property, then they could borrow on that equity, depending on how the bank looked at it.

Ted Kanakos: Okay.

Mark Quigley: Is there a down payment put on these homes?

Kevin Gilmore: There is not, so that's another point of entry value, that came up earlier. The sweat equity is their down payment. Each adult in the household has to do 250 hours of sweat-

equity. We do collect closing costs during the 12 month period that we're with them, they're going through a monthly educational program about home ownership, so they're doing the sweat-equity, plus the home ownership education and we do collect monthly payments to go towards closing costs and it's also a test period, too, to see how serious they are about buying a house. If they're not paying the \$50 a month to go towards closing costs, how are they going to pay the \$500 a month mortgage payment, so we try to build in as many support mechanisms to prepare them for home ownership. It's not a requirement, but most of our home buyer's have never owned a house before. Thank you.

Lynn Ekelund: Excuse me. I'm sorry, I had to leave the room, so I didn't get the very beginning. I am a Habitat fan. I think I've said that before, but what brought you to the microphone? Were we talking specifically about... Because I was wondering about in-fill lots.

Mark Quigley: I brought him to the microphone, for the reason of explaining what Habitat's model is.

Lynn Ekelund: Oh, okay. I didn't know if we were talking specifically Milton, but perhaps Habitat and one of the 50 or so in-fill lots that we have out there, that that might be something that we might want to talk about.

Kevin Gilmore: Absolutely. That's up to the Commission and the public.

Lynn Ekelund: I just didn't know if I'd missed that, that's why I'm bringing it up.

Kevin Gilmore: As long as you've brought it up, I'll just put it on record, if there is any interest of any of the owner's of any of those lots, in working together with Habitat for Humanity, we would certainly entertain that. It would be a joy to be able to provide home ownership to folks who live and work in this area.

Lynn Ekelund: That would be that an owner of one of the in-fill lots would contact Habitat?

Kevin Gilmore: Absolutely.

Lynn Ekelund: Okay.

Ted Kanakos: To donate the lot, or to sell the lot?

Kevin Gilmore: We always start with a donation.

Ted Kanakos: Let's move along.

Kevin Gilmore: Thank you.

Hal Godwin: The town's role could be, if the town were interested, first of all we could mention it in the Comprehensive Plan that we would be embracing the Habitat concept, with some limitations.

Lynn Ekelund: That's what I'm thinking.

Hal Godwin: Then you could also, if you wanted to and I don't mean to take you off the end of the pier, but you could offer some incentives, perhaps the Impact Fees.

Ted Kanakos: Or the real estate transfer tax, like Ellendale does. They cancel it.

Hal Godwin: You can give up half.

Ted Kanakos: Half.

Hal Godwin: The State's going to take the other half. You can give up half of the transfer tax. There are some small things that the town can do to assist Habitat, or to incentivize some of these in-fill lots. You could say, of these lots, X, Y and Z lots, they're zoned so and so and so and so, the town chooses to cooperate with the Habitat model and you can outline how you want to cooperate. You could put that in the Comprehensive Plan. But, don't forget it's going to have to pass the muster of the Town Council, because if you're taking money out of their coffers and they need to improve water, or wastewater, or something like that, you're taking Impact money

away, they're going to say whoa. How are we going to pay for the new wells, or how are we gonna pay for this or that? So you have to be careful. You can't just give away the farm, because you feel like doing it. You have to make sure that it works out something.

Lynn Ekelund: Oh no, I understand that we have to determine whether providing Affordable, or I look at this as workforce housing is going to be worth it in the long run. I'm not saying let's take off 50% and do something, but I think, as a town, we could definitely look into providing at least one.

Ted Kanakos: Does the town own any lots, in-fill lots? They do. Okay.

Marion Jones: This may come to Council, so I want to understand how the Comprehensive Plan can mention the Habitat component in the Comprehensive Plan? Not only impact that it may have to the loss of revenue for the town, but at the same time, if you include the Habitat theory, are you requiring some of the in-fill lot owner's to comply with that kind of thing?

Hal Godwin: They'd have to be agreeable, sure.

Marion Jones: Okay, that was my question, so that you cover all bases. It's just not the town's consideration, but the actual lot owner's. That's what I wanted to ask.

Hal Godwin: They would have to be.

Marion Jones: And I wasn't sure how you included that in the Comprehensive Plan.

Hal Godwin: It would have to be vague. If there were to be ordinances, they would be your responsibility, but the vague mention of the Town's desire to cooperate and then make a suggestion as to how that might happen, that can go in the Comprehensive Plan. But it doesn't get legs and actually walk down the hall until the Town Council endorses it, with some details.

Mark Quigley: I have another question. Do we know what the value is, that when somebody moves into town, how much revenue and income they bring to that town?

Hal Godwin: A good planning department would do that for you, wouldn't they? That's what she does in Georgetown, that sort of thing. Yeah, a fiscal model. There should be a... the planning department, the staff, which you don't have, would be obliged to provide those kinds of facts for the Planning and Zoning Commission, before Planning and Zoning considered a vote on anything new in the town. So if there was a 10-lot sub-division that came in, the Planning Department would report that to you, along with your application package. The Town says we're going to get this and this and this and this as revenue in the first year and then this will be our residual income over all of the years in the future and this will be the Town's cost. So there would be a complete financial model, if you had a planning department and in your case, your engineer's would do that for you, the folks at Pennoni. They would put all those numbers together for you, if you asked them for it.

Jocelyn Godwin: And they would look at property taxes, it would look at your utility bills coming in, it would look at all those aspects.

Hal Godwin: Right. Transfer tax. And it will be this big year one, because of the transfer tax and hook-ups and it will be this much year 2 to year 7. So it will change. Then you'll have a cost in the beginning and you'll have a residual cost, too, so it will show the balance and it will show what this growth brings the Town in tax base and in income for the future.

Mark Quigley: That's good. Good to know. Alright, well anybody else from the audience have anything to say? Like to hear?

Jim Welu: I would like to raise one issue that the Planning and Zoning Commission could take this action, but I think put this really to our consultant in his other position as working for the County. I used to run a mortgage program of Affordable Housing in Montgomery County,

Maryland and we worked out an agreement with HUD, very similar to what Habitat for Humanity has that home buyer's could actually do sweat-equity, as part of their down payment under the HUD requirements and we got the approval of the HUD DC area office, to approve that. I don't know how much FHA financing is done in Sussex County, but it's also possible that maybe the major lender's, who are doing loans on these homes, could also agree to give some credit to home equity and we found that a number of the buyers in Affordable Housing had skills. They worked for plumbing company's, they worked for electrical contractors, they had family that did installation of carpeting, so they could bring some of these family assistance to the down payment procedure and it might make Affordable Housing because a lot of people have the income they need, but they don't have the down payment, as Ted mentioned earlier and this would help make some of these families that could afford the house, but don't have down payments, be able to afford housing and it would take a pretty significant lobbying effort by the County, I think, to get this incorporated into at least FHA Housing and maybe local lenders would do the same. Thank you.

Mark Quigley: Alright, thank you for a real good meeting. Anything else from the Commission, or Hal, Jocelyn?

6. Business – Discussion and possible vote on the following items:

- a. Review and update of the Town of Milton's Comprehensive Plan. The main topic of this hearing will be a discussion of the Town's Affordable Housing. Discussions on other Comprehensive Plan related elements will be held if time permits.

7. Adjournment

Lynn Ekelund: I make a motion to adjourn.

Ted Kanakos: I second it.

Mark Quigley: All in favor say aye. Opposed. Motion carried. Meeting adjourned at 12:10 p.m.