

## **Gauging and Responding to the Need for Home Repair Assistance in Delaware**

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### **Abstract**

We review the extent of the need for home repair assistance for low-income homeowners in Delaware, and steps being taken to address this need. Delaware contains an estimated 25,000 homes owned by low-income households that need repair, of which an estimated 5,000 are in substandard condition. There is an estimated \$96 million total cost associated with this home repair need, with eighty percent of this cost (\$76 million) coming from the twenty percent (5,000) of these homes that are in substandard condition. In order to address this need for repair assistance, Delaware's three Habitat for Humanity organizations have designed the Statewide Healthy Homes Program, which centers on the intersection of health and housing. The vision of the Habitat for Humanity Statewide Healthy Homes Program is to increase capacity for home repair assistance across Delaware. Additionally, the program seeks to include partnerships with healthcare providers to ensure a holistic approach to home repairs, improving each resident's quality of life.

### **Introduction**

In December 2022, Delaware's three Habitat for Humanity (HFH) organizations commissioned a group of researchers from the University of Delaware (UD) to assess the need for home repair assistance among low-income homeowner households.<sup>1</sup> Homeownership becomes less common as household income drops, but low-income households that do own homes face heightened challenges with upkeep. Compared to their higher income counterparts, low-income homeowners typically face higher repair costs, and have less means to pay for these repairs.<sup>2</sup>

This creates conditions where, when needed repairs and maintenance are not made, physical and structural problems in the home accumulate to the point where the home is considered "substandard," in that it "poses a risk to the health, safety or physical well-being of occupants, neighbors, or visitors."<sup>3</sup> Substandard housing, insofar as it leads to and exacerbates health problems, can incur health costs in addition to home repair costs, thereby impairing employment and ultimately increasing risk for mortgage default, foreclosure and abandonment.<sup>4,5</sup>

The problem of unmet home repair needs among low-income homeowners goes beyond individual households. Deteriorating housing systematically impacts health, on a population level, to where housing is considered to be a key social determinant of health.<sup>6,7</sup> Deteriorating housing also negatively impacts the surrounding neighborhood, creating conditions associated with higher levels of crime and decreased levels of social connectivity.<sup>8</sup> Finally, when housing for low-income households deteriorates to the point where dwellings become uninhabitable, it decreases the stock of affordable housing, which is already at critically low levels in Delaware and nationwide.<sup>9</sup>

In the next section of this article, we draw upon key findings from this needs assessment<sup>1</sup> to provide an overview of home repair need among low-income homeowners in Delaware, and describe the subsequent efforts of Delaware's HFH organizations to build upon this study and increase the statewide capacity for providing such repair assistance. In the last section, we then provide a roadmap for preserving existing affordable housing stock in Delaware, underscoring how home repairs represent a key component in Delaware's efforts to address an affordable housing shortage that has taken on crisis proportions.<sup>9</sup>

## **Repair Need Among Homes Owned By Low-Income Households In Delaware**

According to the best, most current data available, there are 74,410 housing units that are owned and occupied by low-income households. This housing is distributed across Delaware's three counties in rough proportion to the distribution of owner-occupied housing more generally, and accounts for between 27 percent and 30 percent of each county's total owner-occupied housing. "Low income" here means that household income is at or under 80 percent of the HUD area median family income (HAMFI). This income amount is substantially higher than what is typically considered "poor," as 30% of HAMFI roughly corresponds to the federal poverty income guidelines. It does, however, include all poor homeowner households along with others who often earn too much to qualify for many assistance programs while they still have difficulty in paying their monthly expenses.<sup>10</sup> Eighty percent of HAMFI is also the income limit under which households are eligible for the home repairs programs in two of the three Delaware Habitat for Humanity organizations.

### **Extent and Costs of Repair Need**

Delaware contains an estimated 25,000 homes owned by low-income households that need repair. This number reflects 33.6 percent of the estimated 74,410 units of homes owned by low-income households in Delaware. The number of total homes comes from the US Department of Housing and Urban Affairs' Comprehensive Housing Affordability Strategy (CHAS) data and the estimate of homes in need of repair is derived from more general estimates and other data specific to Delaware.<sup>1,2,10</sup> The majority of the 25,000 homes in need of repairs would have repairs that would not render the housing substandard by most measures. Many of these needed repairs are non-urgent. There is much year-to-year turnover in the specific homes that comprise the repair need estimate, as homeowners manage to make repairs on many of these homes on their own. However, homes among these 25,000 represent the pool which would be eligible for home repair assistance programs.

An estimated 5,000 of these 25,000 homes owned by low-income households are in substandard condition, based again upon applying more general estimates to Delaware specific data. Substandard, here loosely defined, means housing in need of either major or multiple repairs, or repairs that would cost upwards of \$5,000. These repairs, if unaddressed, would present substantial health risks to the occupants, either imminently or over time. Such housing represents a relatively small proportion, 7 percent, of all low-income, owner-occupied homes in Delaware.

We estimate a \$96 million total cost associated with the 25,000 homes in need of repair. About eighty percent of this estimated cost (\$76 million) comes from the twenty percent (5,000) of these homes that are in substandard condition. In short, the repair needs of a minority of homes represent a disproportionate amount of the total repair costs. Targeting repairs for these "worst

cases” would be more likely to preserve homes that would otherwise become permanently uninhabitable and mitigate those homes that present the greatest health risks. However, the higher repair costs presented by such worst-case homes would limit the number of homes that are able to be assisted.

In the UD needs assessment, the average repair cost for one of these substandard homes was estimated at \$15,000, a value that is almost certainly conservative. Assigning a dollar value to the needed home repairs provides another means by which to demonstrate the magnitude of need for home repair assistance and to provide a comparison point for the funds actually allocated toward such assistance. There are no estimates for average repair costs for the 5,000 substandard units beyond that the minimum repair cost is \$5,000 and, at most, the repair cost would not exceed the cost of replacement construction. Key informants assess amounts spent on repair assistance from Delaware organizations to typically range between \$3,000 and \$20,000 per home, providing a maximum cap that is more reflective of resource constraints than repair need.

These estimates, while conservative, plausible and empirically based, are more indicative of the scope of the aggregate repair need in Delaware than a precise number of homes in need of repair and corresponding costs. These estimates, as key informants pointed out, go far beyond the collective capacity of organizations currently providing home repair assistance in Delaware. Precise numbers are difficult to come by, but currently a loose network of approximately eight organizations provide repair assistance to, as can be best assessed, less than 200 homes annually, compared to the thousands of homes in need of repair. Key informants confirmed this assessment, reporting a lack of resources to meet demand for assistance (if they provide repairs directly) or facing challenges in helping households find such assistance. Waitlists and turning eligible households away were also mentioned. As a result there are often urgent situations where homes require extensive repairs that are left unaddressed and likely to deteriorate further.

### **Socio-Geographic Factors Related to Repair Need**

No comprehensive inventory exists of where this repair need is located, but indications are that a variety of areas have concentrations of homes owned by low-income households and would benefit from home repair assistance. Each of Delaware’s three counties has different dynamics related to where its supply of low-income, owner-occupied housing is located. For example, while New Castle County has much larger numbers of older homes than Kent and Sussex counties, these two southern counties are more rural and have higher numbers of manufactured housing. The variation in these and other characteristics necessitate that different approaches toward addressing housing need be taken in each of the Counties.

The areas with the most acute need for home repair assistance are two inner-city Wilmington areas, each made up of four contiguous census tracts, that have the state’s highest concentrations of low-income, owner-occupied housing. These areas also showed high levels of older housing, poverty, and Black and Latino populations, all of which are factors correlated with the presence of substandard housing. These factors are interconnected. Age of a structure is one of the most direct indicators of its need for physical improvements and repairs.<sup>11</sup> As homes age, they become more prone to depreciation in value as they physically deteriorate or are in locations that become less desirable. This is reflected in a process called “filtering,” in which once-higher priced homes over time become more available to lower-income households.<sup>12</sup> In this way, the US housing market allows aging housing to be a primary means of creating low-income housing.<sup>13</sup>

However, while this filtering of older housing makes them affordable to an expanded number of homebuyers, these lower income households may have less means and ability to properly maintain this housing at the same time that aging housing requires more upkeep.<sup>13</sup> Low-income homeowners face housing problems at more than twice the rate of higher-income homeowners, while repairing their homes less often and spending less on repairs. While low-income homeowners can be resourceful in coming up with ways to make needed repairs, this also creates situations where housing problems are left unattended and housing conditions deteriorate.<sup>14-17</sup>

Wilmington also provides an example of how, in the wake of persistent and ongoing racial discrimination and segregation, “older, more crowded, and structurally inadequate” homes in economically depressed, inner-city areas tend to filter down disproportionately to Black and Latino households. This contributes to racially segregated neighborhoods that differ substantially on a variety of indicators from segregated, predominantly White neighborhoods. Segregated Black neighborhoods are characterized by less adequate municipal services and amenities, which limits these neighborhoods' ability to contact services that can deal with the problems of the built environment.<sup>18</sup> Latino homeowners also face discrimination, higher costs and more difficulty related to securing credit, gain less equity in their homes, and other “challenges to healthy, sustained homeownership” comparable to White (non-Latino) homeowners, although Latinos face disparities that are less pronounced than are present in Black-White homeowner comparisons.<sup>19</sup> Targeting home repair assistance to areas such as the two identified in Wilmington, with high numbers of low-income Black and Latino homeowners, provides an opportunity to assist not only individual households but also, if the repair assistance is provided to sufficient scale, can have a positive impact on community-level conditions.

There is a second type of area in Delaware, present in all three counties, that appears to have high levels of home repair need by virtue of a presence of high numbers of low-income, owner-occupied homes. These areas also have large, and growing, non-White populations, but in contrast to the Wilmington neighborhoods just mentioned, these areas show indicators of economic stability. More specific socio-economic dynamics related to these characteristics are unclear, and call for further research. However, targeting home repair assistance to these areas could bolster this ongoing economic stability and help maintain minority homeownership.

A third type of area, again present in all three Delaware counties, that showed particular need for home repair assistance were rural in nature, but, while they were sparsely populated, they had high levels of low-income, owner-occupied housing. Concentrated areas of poverty and substandard housing are often hidden can be hidden and easily overseen in these areas. Older manufactured housing is at particular risk for taking on substandard conditions, and manufactured home parks with high rates of low-income households in rural, unincorporated areas are examples of smaller, hidden concentrations of substandard housing. The disproportionate demand for home repairs made by owners of manufactured homes was often mentioned by key informants, especially where the manufactured housing was of older stock and there was a question of whether replacement was more feasible than repair.

A final feature salient to home repair need among low-income households is that repair burden often falls upon elderly households. Homeownership can be an important source of financial security and housing stability among older adults. While only 3% of older adults live in structurally inadequate housing, keeping up with maintaining a home becomes increasingly more challenging as people age and confront physical and financial limitations, the latter of which includes living on fixed, retirement incomes.<sup>20</sup> As maintenance efforts decline and homeowners

age, the needs for modifications to the home increase if these homeowners are to maintain a healthy living environment. This included modifications that help elderly homeowners “age in place” in their homes despite disabilities and infirmities. Key informants stated that, in Delaware, a majority of home repair assistance went to elderly households. In New Castle County, for instance, an estimated 87% of repair services went to seniors. Elderly homeowners seem to be more integrated into the general population than other targeted homeowner groups, as our data found no significant correlation between concentrations of elderly population and higher levels of low-income, owner-occupied housing.

### **Home Repair as Health Promotion**

Home repair assistance not only helps keep housing affordable, it also can transform a house from merely a shelter to a space that supports a state of complete physical, mental, and social health and well-being.<sup>21</sup> In recent years much attention has been paid to “healthy homes,” the idea that safe, decent, and sanitary housing is a means for preventing disease and injury, both on individual and population levels.<sup>22</sup> The clear and intuitive messages that improved housing quality also improves health, while substandard housing causes or contributes to negative health outcomes, have become focal points for efforts to expand the provision of home repair assistance in Delaware. This has led to healthcare systems engaging with repair organizations, with the object of improving the housing quality to which recovering patients can return and continue recovery, thereby reducing rehospitalizations and improving patients’ health and well-being. Tying together home repair assistance and health care links lets organizations bundle home repair assistance with other types of assistance, and care can increase the effectiveness of home repair assistance as it targets high priority populations such as elderly homeowner households.

### **Moving Ahead: Expanding Home Repair Assistance in Delaware**

Home repair is not an unknown or unfamiliar issue in the State of Delaware. Prior needs assessments have focused solely on housing condition with little thought to how housing relates to other aspects of life. In this manner, home repair assistance has focused on physical issues instead of the home’s condition in relation to quality of life as a whole. This way of thinking is changing. The Centers for Disease Control and Prevention now recognizes housing as a social determinant of health.<sup>23,24</sup> A home is no longer just a place where you rest your head at night, but the foundation to a healthy, prosperous and happy life.

Trying to bridge the gap between home and health, Habitat for Humanity of New Castle County, Central Delaware Habitat for Humanity, and Sussex County Habitat for Humanity commissioned the recent University of Delaware home repair needs study<sup>1</sup> to help design a statewide home repair program that centers on the intersection of health and housing. Originally armed with anecdotal information, the three Habitat affiliates began to conceptualize a Statewide Healthy Homes Program in 2020. Each affiliate has decades of experience in the community, and consistently sees the immense needs of low-income homeowners. The COVID-19 pandemic exacerbated these needs, increasing the number of inquiries for each affiliate’s home repair program, straining already insufficient resources. The first step in creating a healthy homes program was to better understand what was seen on the ground and put a number to the amount of assistance needed by low-income homeowners in Delaware, specifically by county.

The results of this study exceeded even what housing providers knew: the need for home repairs far outpaces the current capacity to complete repairs - specifically for low- and moderate income

households. Limited resources, including funding and providers, restricts repairs for low-income homeowners to less than 1,000 per year, nowhere near the approximately 25,000 total affected homes. The vision of the Habitat for Humanity Statewide Healthy Homes Program is to increase capacity to complete more home repairs across Delaware and supplement the repair programs already in place. Additionally, the program will include partnerships with healthcare providers to ensure a holistic approach to home repairs, improving each resident's quality of life. The statewide approach is also expected to bring additional funding for home repairs from local, state, federal, and national resources. The program, while statewide, will be administered in each county to ensure the different needs across the state are understood, and met.

Targeting health outcomes will inherently change the way home repairs are conducted – including assessments and scope of work creation. Initial assessments will focus on the safety, energy efficiency, and accessibility of each home, and how these conditions affect the health of the residents. Expected repairs include, but are not limited to, repairing or replacing doors, windows, roofs, flooring, sheetrock, electrical and plumbing systems, and more; installing accessibility improvements such as wheelchair ramps, tub cuts, and lighting improvements; and referrals to ensure mold remediation, lead abatement, and other important health issues are remedied appropriately.

Even with program expansion, this issue is much larger than one program alone. Many organizations are starting to realize the benefits of prioritizing health outcomes in home repair programs. Energize Delaware recently launched a pilot program, the Energy Resilient and Healthy Homes Grant, that is expected to launch in each county in Summer 2023. The innovative nature of this program includes a partnership between a healthcare institution and a housing provider to create the repair scope of work. The emerging Statewide Healthy Homes Program also aims to supplement existing statewide repair programs such as the Statewide Emergency Repair Program (SERP), Weatherization Program, Pre-Weatherization Program, Septic System Replacement Program, Water, Waste Water and Structural Repairs, and home repair programs administered by New Castle County, Kent County, and Sussex County, among many others. SERP, administered by Milford Housing Development Corporation, is an important service that addresses immediate needs such as heating and cooling and other important repairs that are emergent in nature. The Statewide Weatherization and Pre-Weatherization Programs are offered statewide, and help homeowners weatherize their homes to ensure a comfortable and stable indoor temperature. Stabilizing indoor temperatures may help alleviate cardiac conditions, asthma, and other respiratory disease as well as reduce the incidence of mold in homes with air and water infiltration.

Outside of nonprofit entities and local and county jurisdictions, there is limited attention to home repair needs. Ultimately, more must be done. All Delawareans should advocate for additional funding for healthy housing, including increases in state and federal dollars aimed at funding home repair programs. Hospital and healthcare organizations and home repair organizations should partner more frequently to ensure these programs functionally rely on health outcomes for every project completed. And finally, this study can act as a blueprint for future program development across the state. Understanding the need is the first step. Creating an action plan to address this need is now the next.

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