

To: The City of Lewes Council
From: David Freed, 95 Henlopen Gardens
Re: Dutchman's Harvest Site Plan & Workforce Housing
Date: October 8, 2019

Introduction

- My name is David Freed. I live at 95 Henlopen Gardens and moved into my home this past July. My career of more than 30 years has been the development and finance of affordable ownership housing for low and moderate income workers. Most of my work has been in multi-family home ownership: condominiums and cooperatives. I have planned and managed large-scale site redevelopment under the Federal Hope VI Program which included tax credit rentals and affordable single-family homes for first time buyers. In addition to my career work, I have owned and lived in homes in two condo communities. I will address two topics from my review of the Dutchman's Harvest Site Plan and Workforce Housing Program: Safety and the Feasibility of the Workforce Housing Program.

• **Safety Above All Else**

- Dutchman's Harvest is **unsafe in design** based on the site plan before the City Council. **Dutchman's Harvest will be unacceptably dangerous based on how the Community will actually operate. The Site Plan is contrary to the Comprehensive Plan.**
- The Comprehensive Plan considers **safety, interconnectivity and "redevelopment potential."** The recommendations in the plan are 'based on what the Community Wants' and are to **"Promote Health, Safety . . .and General Public Welfare"**:
- "Lewes is interested in **context-sensitive transportation solutions** that respect the historic and **small town** character of the city. **Lewes prefers** that **road improvements** are **focused on safety** and evacuation **rather than on** roadway **capacity** improvements.
- " . . . Proposed **context-sensitive development and transportation improvements** will **support** Lewes's **community character.**"
- " . . .**good multi-modal interconnectivity** **benefits everyone.** Multiple modes of **transportation can alleviate parking and traffic congestion** because people can more easily walk or bicycle to their destinations."
- **The Transportation Plan recommends** that the Mayor and Council consider
 - "**Continuing** City efforts to **support bicycling** as a transportation option".
 - "Encouraging **internal interconnectivity** of Lewes streets **to ease traffic flow.**"

- **"Adding curbs and sidewalks . . .where appropriate and/or necessary." This recommendation is stated twice in the Plan.**
- **Total Traffic - The volume of cars and heavy trucks in Dutchman's Harvest is excessive and not safe for a residential community.**
 - Dutchman's Harvest will generate 1,033 vehicle trips (ADTs) each day. Based on the Directional Split 803 cars and heavy trucks (trucks with 6 or more wheels) will enter and exit Savannah Road; 650 ADTs (which includes 420 cars and heavy truck ADTs already approved by Council in the Assisted Living Project) will enter and exit Kings Highway. Of the ADTs generated by Dutchman's Harvest .10.17%/102 are heavy truck trips. Every car and truck trip in the Dutchman's Harvest Plan will travel through the internal roads of this residential community.
 - Assisted Living/Continuing Care Facility. All Assisted Living ADTs come from vehicles entering and exiting Kings Highway; we know this because no connectivity to Savannah Road was requested by the Developer, required by DelDot or the City of Lewes nor provided for in the approved site plan for the Assisted Living development. Since all traffic (2 trips per vehicle) enters and exits Kings Highway, no more than an estimated 210 cars and heavy trucks will travel in and out of the Assisted Living Development each day.
- **Entrance to Dutchman's Harvest and Location of Georgetown Lewes Trail**
 - The entrance to Dutchman's is approximately 600 feet from the Savannah Road access to the Georgetown-Lewes Trail. No traffic lights or stop signs are required on Savannah Road in the recommendations of the Planning Commission and DelDot. This trail access is already unsafe (as a runner I have direct experience of the dangerous conditions). Putting another 803 cars and heavy trucks adjacent to the trail each day, without proper traffic control, is an unacceptable risk to bicyclists, walkers and joggers. The City and DelDot must act to control traffic on Savannah Road to make sure that the entrance to Dutchman's Harvest doesn't make the Georgetown-Lewes Trail less safe.
- **Roads in Dutchman's Harvest**
 - Based on the design of the Site Plan, it must be repeated, every car and truck generated by Dutchman's Harvest will travel along the internal roads of this residential community in front of homes and on-site parking spaces.
 - Employees going to and from work at the Assisted Living Facility and heavy trucks heading to and from the loading docks at the rear of the Assisted Living Facility will travel past the homes and onsite parking of Dutchman's Harvest. Employee traffic will occur three times daily for one hour each shift change.
 - Almost all of the Heavy Trucks traveling past the homes and parking at Dutchman's Harvest are not serving Dutchman's Harvest. Based on the experience of Henlopen Gardens, except for FedEx or UPS, the Heavy Trucks traveling through Dutchman's Harvest will be Construction Vehicles and other trucks taking advantage of the connectivity between Savannah and Kings as a cut-

through to access these gateway corridor roads.

- **Parking and Sidewalks**

- **There are no sidewalks** along the roads of Dutchman's Harvest. A walking path was just added to the Dutchman's Harvest Site Plan. In the best case, this path will provide only 49 parking spaces with access to homes. **For the other 85 on-site parking spaces, residents will have to cross one or more internal roads of Dutchman's Harvest to reach their front door.**
 - **No parking is provided for visitors to Dutchman's Harvest** requiring them to compete with homeowners for on-site parking spaces.
 - The new walking path connects the Assisted Living Facility and Dutchman's Harvest. **This connection now gives employees access to and enables the use of the 25 Dutchman Harvest parking spaces adjacent to the two sites.**
 - As a practical matter, however, **all of the on-site parking spaces must be assigned to specific units** and homeowners. This will address the potential employee use of Dutchman Harvest parking. Assigned parking is necessary to assure that residents and visitors won't be circulating throughout the community in search of parking spaces close to their homes.
 - **Once on-site parking spaces are assigned**, as a practical necessity, it will become clear that **on-site parking spaces are distant from homes.** This is more than an inconvenience; it is dangerous. The layout of on-site parking and absence of sidewalks will require homeowners to walk hundreds of yards along and across roads to get to their homes.
 - **When exiting from on-site parking spaces drivers will have to back into one or two lanes of traffic** depending on whether they are using the Savannah Road or Kings Highway entrance.
 - The same condition applies **when residents leave their garages: they will have to back into one or two lanes of traffic.**
 - The volume of cars and trucks projected at Dutchman's Harvest magnifies the danger of the parking scheme.
 - **The turning radius into on-site parking spaces is too tight and will require drivers to back up once or more into one or two lanes traffic in order to park.** Parking spaces are 9 foot rather than 10 feet wide. Sandwiching a car between two parked SUVs at Henlopen Gardens is no easy feat and I rarely succeed on the first pass.
 - **Counting on driveways as de-facto parking spaces entails additional dangers.** The turning radius problem would be extended to home owners trying to get into their garages when entrance to a garage space is framed by two parked cars in front. With cars on either side in the driveway, visibility of approaching traffic is impaired when homeowners back their cars out of their garages and into traffic.
- **Assisted Living Staff Use of the Internal Roads of Dutchman's Harvest**
 - Connectivity provided in the Dutchman's Harvest Site Plan enables access to its internal roads for up to 170 employees.
 - Up to 100 employees at each shift change will travel to and leave from the Assisted Living Facility for approximately one hour, 3 times each day, 7 days a

week. Employees will arrive at work about a 1/2 hour before and leave about a 1/2 hour after their shift. I assume shift changes occur around 7 am, 3 pm, and 11 pm. At shift changes during the week: in the morning, parents are taking their children to school and commuters are leaving for work. In the afternoon, children are returning from school. On weekends, cars traveling on residential streets after dark and late at night are dangerous for residents who return home after an evening out.

- **Connectivity between Savannah Road and Kings Highway**
 - While **connectivity** is advantageous, **connecting** major **gateway roads** through a residential neighborhood is not the connectivity envisioned by the Comprehensive Plan and it threatens the welfare and safety of the future homeowners at Dutchman's Harvest.
 - **The car and heavy truck volume and connectivity between Savannah and Kings through a residential community is unsafe.** This condition is known by the Council and the Traffic Safety Advisory Committee. This past summer unsafe connectivity conditions at Henlopen Gardens were considered and addressed by the Traffic Safety Advisory Committee and City Council.
 - **Connectivity isn't needed by the Assisted Living Facility.**
 - **No connectivity to Savannah Road was requested** by the Developer, **required** by DelDot or the City of Lewes **nor provided in the approved site plan for the Assisted Living development.**
 - If City now requires the Assisted Living Facility to have access to Savannah Road, this change in the approved plan is substantial and requires sending the Assisted Living site plan back to the Planning Commission for review. The neighbors of Henlopen Gardens object to connectivity that would now send hundreds of cars adjacent to our homes.
 - In all fairness to **the Developer:** Mr. Schell told the Lewes Planning Commission that he does not require connectivity between Savannah Road and Kings Highway in order to proceed with the Approved Site Plan for the Assisted Living/Continuing Care Facility.
- **Solutions to the Perils in the Dutchman's Harvest Site Plan**
 - Three story buildings certainly shouldn't be ruled out since **the City has approved a three story building** adjacent to the Henlopen Gardens Condo. I know my neighbors do not want 3 story buildings at Dutchman's Harvest. Three story buildings to the north and east of the site, away from Savannah Road and Henlopen Gardens is only one approach to safety. **A better approach is removing connectivity between two incompatible developments and requiring a through road between Savannah and Kings to the north of the site.** A new City Road at the site's northern boundary would provide safe and desired connectivity without moving 1,000 cars and trucks through the proposed residential development.
 - The Council can and should remove the connectivity between the Assisted Living Facility and Dutchman's Harvest projects. **Taking this action does not prevent connectivity between Savannah Road and Kings Highway. It only postpones**

when vehicles will be able to pass safely between Savannah Road and Kings Highway, access to Savannah Road is provided for the Assisted Living Facility for its staff and residents, and access to Kings Highway is provided to the homeowners of Dutchman's Harvest. **The Site Plan already anticipates and provides for connectivity with a future road once the Developer acquires adjoining parcels to the north of Dutchman's Harvest and the Assisted Living Developments**; Mr. Schell has begun the process of acquiring the parcels necessary for this new connector road.

- Redesigning the site with sidewalks should be a requirement of the City for Dutchman's Harvest before Council approval of the development. The safety and welfare of 140 homeowners and their families in Dutchman's Harvest is the responsibility of the City Council. How sidewalks and a safe site plan is prepared is the responsibility of the Developer.

• **Workforce Housing: Making Sure Dutchman's Harvest Provides Affordable Homes for our City's Workers**

- The Development Plan for Dutchman's Harvest is not the way to implement a workforce housing program. As proposed, the City Council can't determine whether Dutchman's Harvest will result in the workforce housing needed by the City of Lewes as envisioned by the City's Comprehensive Plan.
- The City of Lewes Comprehensive Plan defines **workforce housing** as housing that is **affordable to and occupied by households earning between 60 and 120% of the area median income** (AMI) as defined by the United States Department of Housing Development. The Comprehensive Plan **defines affordable** as housing **when the monthly cost** to rent or own a home **does not exceed 30% of a household's monthly income**. As detailed in the Comprehensive Plan, there are roughly three times as many jobs in Lewes as there are residents who live in our City and participate in the local workforce. "That means that the vast majority of the people who work in Lewes . . . are commuting into Lewes from somewhere else, increasing traffic on local roads and filling parking spaces." The Comprehensive Plan promotes workforce housing so there are more homes affordable to workers who want to live near where they work in the City. Workforce Housing is a needed strategy for Lewes to become a more diverse and inclusive community while increasing sustainable development that favors a walk-able City and takes cars off the road.
- The Council needs to take a close look at what the Developer proposes for Dutchman's Harvest and how this workforce housing meets the requirements of the Comprehensive Plan:
 - Mr. Schell proposes to build a 140 unit condominium development.
 - He has told us that **98 of the 140 are market rate** homes; they will be sold **without any affordability requirements or restrictions in the incomes of buyers of these homes**. Since **these homes are not guaranteed to be affordable to households earning 60-120% of AMI and the buyers of these homes are not**

required to work in the City of Lewes, these market rate homes are not workforce housing.

- The workforce housing component of Dutchman's Harvest is the **42 units that the Developer has offered to sell to his non-profit partner, the Diamond State Community Land Trust (DSCLT).**
- While Mr. Schell should be commended for his partnership with the DSCLT, should be commended, **he has not guaranteed that workforce housing will be built and occupied by workforce housing eligible families.**
 - He has committed **only to sell 42 homes** to DSCLT **at his cost**; his Development Plan shifts responsibility for workforce housing onto the DSCLT. The DSCLT is given sole responsibility for making workforce housing work at Dutchman's Harvest. DSCLT would be responsible for the financial feasibility of the project and obtaining needed subsidy support in order for families to afford the purchase and the on-going cost of ownership.
 - Turn keys for sale by the DSCLT makes sense. Selling home to DSCLT does not. Selling homes to the DSCLT will add an additional sale (first to the DSCLT and then to workforce homeowners). This unnecessary additional sale will add approximately 5% in settlement and interest carry costs to the DSCLT homes, increasing home prices and and requiring \$10,000 more subsidy per unit.
- **No municipality does "Workforce Housing" as has been proposed.**
 - **The City of Lewes gave the Developer ALL the benefits he has requested without a Developer guarantee** that workforce housing will be built for this City's workforce. This is not how government gives public funds are advanced in exchange for public benefits.
 - These benefits given by the City include
 - an increase in site density by **granting the Developer a 25% density bonus to build 28 more market rate homes;**
 - **City-ownership and responsibility for the cost of the entrance of Dutchman's Harvest at Savannah Road and a future connector road between Savannah Road and Kings Highway;**
 - **City responsibility, in perpetuity for, enforcing Dutchman's Harvest restrictive covenants with attendant legal and administrative costs. This responsibility extends beyond workforce housing and includes 98 market rate homes;**
 - A **site plan without sidewalks along its roads and which adds 803 cars** each day **to Savannah Road at the entrance to Dutchman's Harvest and adjacent to the Georgetown Lewes trail;**
 - A "workforce" housing plan that does not reserve housing exclusively for the benefit of workers in the City of Lewes.
 - Best practices for a government mandated workforce housing include:
 - No municipal approval without knowing the sales price and operating cost of workforce housing **up front**. These costs include **the sales price**

and the monthly condominium assessment for affordable housing units.

- Mr. Schell hasn't told the City and DSCLT what "his costs" are or provided an operating budget for the condominium. He hasn't committed to the City and DSCLT the sales price for the units he will offer for the workforce housing project. Without these numbers, the DSCLT cannot determine **whether workforce housing is financially feasible** at Dutchman's Harvest: what the sales price will be, how much subsidy it has to raise to assure affordability and the likelihood and timing of obtaining needed subsidy dollars.
- Lender or Subsidy providers, whether government, private sector, or charitable, require a prior demonstration of financial feasibility before committing to a project. Government regulatory entities don't approve a development plan without, in the least, **conditional commitments** for the sources of funds needed to complete the development, a schedule for completion, and development pro forma financials.
- A workforce housing plan requires an affordability analysis that demonstrates that the housing will be affordable to the intended workforce buyers in the City of Lewes.
- The restrictive covenants provided by the Developer do not require that the 42 units are reserved for workers in the City of Lewes. The units are available to any person employed in Sussex County. **Affordable housing for City workers** is the reason that workforce housing is required in the Comprehensive Plan.
- Workforce housing doesn't include restrictions on market rate buyers. **Why would any market rate purchaser buy a condo at Dutchman's Harvest if they can purchase a home without a restrictions on where they work and who they sell to.** For a comparable price, market rate buyers could own a townhouse, as opposed to a condo apartment, at Henlopen Gardens with two parking spaces in front of their home, shared open space behind their homes, sidewalks and ample visitor parking. Or they could buy at Five Points, Vineyards, Paynter's Mill or any number of comparable homes with more amenities and no restrictions within 15-30 minutes of Lewes.
- Dutchman's Harvest needs to make its mind up whether it's a rental or a home ownership community. The Developer has proposed three different classes of owners (market rate owners, subsidized workforce owners, and investor owners who are employers in Sussex County) and renters and owners in the same condominium community. There are no restrictions on the number of investor-owned units nor the number of rentals any one employer-investor can own. Conflicts between the different financial objectives and capacity of investors, market rate and assisted homeowners

are inevitable when annual budgets and condo assessments are set. The development program is unnecessarily confusing for buyers, the residents, the Condo Board, Real Estate Brokers and Lawyers and the City Council.

- Having Employers buy units for employees is not how employer-assistance and financial participation is done in workforce housing. Employers who want to assist their workers with housing close to their place of business provide deferred or low interest loans or grants to their employees. Employer do not want to become their employee's landlord.
- The DSCLT is an indispensable member of the public-private partnership required for successful workforce housing, but the City needs to be clear on what is the commitment of the DSCLT for completing 42 units of workforce housing. The DSCLT has not committed to buy 42 units from the Developer rather it commits to buy homes ONLY IF it secures the subsidy necessary to make homes affordable. If it doesn't raise the necessary subsidy the DSCLT won't buy units for workers in the City of Lewes and Mr. Schell would then be free to sell the homes at market rates not purchased by the DSCLT.
- An estimate of required subsidy will be determined by the DSCLT's affordability analysis. This analysis should be a precondition for City Council approval. Without a projection of the dollars of subsidy required for 42 units of affordable workforce housing; the dollars committed to date to the DSCLT; and the sources and timing for receipt of subsidy, the City cannot know whether 42 affordable homes are a realistic possibility.
 - The City has not seen information needed to make sure the workforce housing project at Dutchman's Harvest is financially feasible.
- The City Council is the "guarantor" of the Comprehensive Plan. While **it should trust** the Developer's representation but is its responsibility to **verify** before site plan approval that 42 workforce housing homes can and will be built at Dutchman's Harvest.