RURAL HOUSING CONTEXT AND POTENTIAL
THROUGH THE LENS OF THE MISSISSIPPI DELTA

RESOURCES FOR BUILDERS, DEVELOPERS,
MUNICIPALITIES, DESIGNERS AND CURRENT AND
PROSPECTIVE HOMEOWNERS

CONDENSED
This document is the condensed version of the full length text *Rural Housing Context and Potential Through the Lens of the Mississippi Delta*, and the resource guides extracted from that text (*Resources for Designers and Builders, Resources for Homeowners, Resources for Small Municipalities and Resources for Community Development Professionals*).
ABOUT ENTERPRISE
Enterprise Community Partner’s mission is to create opportunity for low- and moderate-income people through affordable housing in diverse, thriving communities. We bring together nationwide expertise, partners, policy leadership, and investment to multiply the impact of local affordable housing development.

ABOUT HOPE ENTERPRISE CORPORATION
Hope Enterprise Corporation and Hope Credit Union are focused on strengthening communities, building assets, and improving lives across five states: Alabama, Arkansas, Louisiana, Mississippi, and Tennessee. HOPE is providing access to high-quality financial services, leveraging private and public resources, and shaping policies that have benefited more than 1-million residents in one of the nation’s most persistently poor regions.

ABOUT THE DELTA DESIGN BUILD WORKSHOP
The Delta Design Build Workshop positions itself at the intersection of market forces and public interest. The organization values process as much as product, believes that waste is a social construct, and prioritizes sensitive translation between unique local challenges and design in all projects. Through affordable housing, public spaces, and workforce training, Delta DB builds equity through the built environment in the Mississippi Delta region.
“IN THE ELDER DAYS OF ART,
BUILDERS WROUGHT WITH GREATEST CARE
EACH MINUTE AND UNSEEN PART;
FOR THE GODS SEE EVERYWHERE.

LET US DO OUR WORK AS WELL,
BOTH THE UNSEEN AND THE SEEN;
MAKE THE HOUSE WHERE GODS MAY DWELL
BEAUTIFUL, ENTIRE, AND CLEAN.”

- HENRY WADSWORTH LONGFELLOW¹
INTRODUCTION

Millions of Americans are currently destabilized as a result of the gap between the cost of housing and household income. This fact (and the resulting financial, social and physical and mental health ramifications) is made clear through countless research efforts and media reports that span the political spectrum. *Rural Housing Context and Potential Through the Lens of the Mississippi Delta* is not an attempt to prove the need for housing that is affordable, though examples of the negative cycles that result when access to healthy housing opportunities are absent are presented throughout the document. Instead, this research effort analyzes national scale rules and regulations, the rural setting and local context to develop a framework for multivalent housing-related responses that balance optimism and pragmatism. The innovations and resources within this document will be pertinent to a diverse audience, including small municipalities, financial institutions, designers, developers, residential builders, and homeowners.

Though specific research was conducted for this document, much of the information presented is the result of years of community and economic development work with a focus on affordable housing led by the Delta Design Build Workshop (Delta DB) beginning in 2013. Delta DB is a social impact design-build firm. Combining the expertise of architecture, construction and community development, the team builds equity through both the processes and the products of the built environment. We believe that waste is a social construct, and we prioritize investing in and being led by our local partners. In practice, these values have resulted in three job training programs, dozens of homes rehabilitated, new housing opportunities for extremely low-income households (by HUD AMI standards) and new or improved public amenities in five Mississippi Delta towns. Within the rural context, these values and goals also mean wearing the hats of social worker, case manager, grant writer, researcher, creative placemaking specialist, energy auditor, and more. Throughout this document, the roles that Delta DB plays as a capacity builder to small towns, designer and builder with non-profit partners, and ally to low wealth households illustrate both the challenges and the opportunities we have experienced working within this sector and within the rich culture of the Mississippi Delta.

Beginning with challenges specific to communities with shrinking populations and a surfeit of blighted and abandoned buildings, Chapter 1 introduces the town of Drew, Mississippi. Drew is central to *Rural Housing Context and Potential*. Delta DB conducts engagement and market research activities and in Drew, and the town is symbolic of the granular nature of rural community development work. Lessons learned in Drew are sometimes applicable in nearby communities, but the variety of challenges and opportunities between adjacent rural places should not be underestimated. The unseen and untapped market for new housing within the Mississippi Delta emerges in Chapter 1 and remains a theme throughout the text. At the regional scale, unstable housing conditions are presented as one of the drivers of out-migration.

The second chapter is both nationally relevant and acutely local. It begins with a proposal to replace the “30% rule” that has governed the amount of household income that can be allocated toward housing expenses and ends with a worksheet encouraging readers to test the updated assumptions and equations within their own locales and projects. Tables present the maximum mortgage amounts that low income households in Sunflower County, MS (where Drew is located) could be expected to pay utilizing the revised percent
allocations. These mortgage amounts are paired with demographic data to create a non-traditional market study of Drew, again indicating that a housing market exists, albeit one that is not immediately apparent or easily understood. The need to drive down soft costs as a primary opportunity to increase the affordability of housing, a trend within the national affordable housing dialogue, is also questioned in this chapter based on its largely urban urban genesis.

The lack of soft costs in rural areas is reinforced in the third chapter through descriptions of minimal building regulations and oversight in the Mississippi Delta. When this lack of code enforcement, permitting processes and similar regulations is paired with the residential construction industry (and its lack of standardization), the result is acute vulnerability on the part of homeowners in need of home repair or seeking to build a new home. Once again, housing conditions are viewed as one impetus for households to relocate, reinforcing the negative cycles that have resulted in shrinking populations and dwindling services for those who remain. In response to these challenges, this chapter ends with resources for small municipalities and three toolkits for home builders and homeowners to increase their capacity as they encounter the realities of the conditions described in this document.

Throughout _Rural Housing Context and Potential_, the need for collaboration among all actors in the affordable housing sector is emphasized. In contrast, Chapter 3A is a supplementary section targeted at opportunities specific to architects. This chapter responds to the architectural profession’s slow progression in recent decades toward a more socially conscious culture. In addition to best practices and examples of designers contributing to this movement, Delta DB’s floor plans for a three-bedroom home designed and built in 2019 are presented.

Chapter 4 looks broadly at the cost of new construction. Though the potential to rehabilitate existing housing stock is briefly considered, this document focuses on new housing, particularly new infill housing, as one avenue through which to respond to the vast need for stable and affordable housing in the Mississippi Delta. While economic efficiency is a priority in order to expand the quantity of housing opportunities available, Chapter 4 emphasizes the need to consider both initial and long-term costs in order to protect the investment of the homeowner, funder and developer. In a worst-case scenario, a home achieves none of the goals of providing stability for a household and serving as a source of intergenerational wealth, but instead deteriorates, fails to accumulate value and negatively impacts the health of the occupants. Throughout the chapter, projections of the long-term impacts of upfront construction cost savings measures are applied to a home constructed by Delta DB in Moorhead, MS (approximately 25 miles from Drew). This is the same home shared in Chapter 3A. Chapter 4 ends with a resource for home occupants. The limited tips on maintaining a home is a small step toward the resources and training needed for homeowners of all income levels regarding the relatively complex systems and environment that make up a home.

Beyond the quality of the physical environment and the property lines of a residential lot, are many aspects of what contributes to “home”. In Chapter 5, issues of community vitality and infrastructure are described through the lens of the Mississippi Delta. The challenges of advocating for rural policy needs and the need for those providing social services to play generalist roles, for better and worse, are articulated. The need for each of these aspects of community development to advance together is elevated. Housing innovations cannot reinvigorate a community without improved educational opportunities. Attracting new jobs and
new residents will require housing innovations. Within this cycle, examples of community led change in Drew are shared.

Finally, in Chapter 6, the result of the analysis and data aggregation throughout the document are consolidated into a proposal that safe, healthy, affordable housing can be realized in the Mississippi Delta without subsidy for specific income levels and home sizes. While this conclusion shows both one and two bedroom homes could be built for households earning within the low-income (80% AMI and below) and very low-income (50% AMI and below) brackets, even the smallest home is not within reach for those in the extremely low-income (30% AMI and below) population.

As a caveat to this proposal is the assertion that the players involved in producing housing at these affordability levels need not be non-profit organizations but must approach the effort with more than the financial bottom line in mind. Introducing non-monetary values into the decision-making metrics of each field is increasingly necessary as the global population expands and environmental resources are depleted. The positive impacts of this love-and-kindness approach to business are abundant and cyclical. Delta DB is managed based on these principles. Evolving over the last seven years, Delta DB currently includes eight full-time staff. Since 2016 the organization has worked entirely on community led and racial equity building projects. Though each new project is vetted to ensure that it fits financially within the needs of the company, it first is reviewed in terms of how well it aligns the firm’s social, cultural and environmental values. Looking beyond financial impacts allows Delta DB to invest in longer arcs of change, supporting staff seeking GEDs or upgrading windows to conserve natural resources and save a homeowner thousands of dollars over the life of a mortgage. The history of inequity and persistent poverty are still present and visible today, particularly in the lives of Black residents of the Mississippi Delta. This narrative is slowly evolving, but real change will require healthy and racially equitable homeownership opportunities, and realization of this goal will require social impact bankers, social impact code enforcement officers, social impact builders and more.

Figure 1
DONTAVIUS MCLEMORE AND BENJAMIN KINDS,
TWO DELTA DB TEAM MEMBERS
An understanding of the demand for housing within Drew was developed through site visits, community engagement, and accessing and assessing data. Though many aspects of rural housing are daunting, historically, rural home ownership rates have been high. “In 2013, more than 70% of housing units in rural American were owner occupied,” according to the Joint Economic Committee Democrats report *Investing in Rural America*.2 For Mississippi as a whole, ownership rates are within a few percentage points of national trends. In Drew the homeownership rate is 42.7%. This represents a decline of 10.2% since 2010, further indication that the shrinking housing stock is significantly impacting owners (both former and prospective). The median value of owner-occupied housing units in Drew in 2017 is $58,000. This median value is less than 54% of the state median of $109,300. In Drew, more than 85% of the current housing stock has a value of $100,000 or less with approximately 43% valuing less than $50,000.3

The City of Drew, population 1,992, is made up of 719 occupied housing units. Renter households average 2.7 people each and homeowner households average 3.1 people each. On par with national trends, Drew has a large proportion of single-person households.4 The percentage of Drew residents earning at various income levels annually is represented in Figure 2. Notably, though the two largest categories are the $15,000-$24,999 and $35,000-$49,999 groups (23.8% and 19.6% respectively), the third most populous group (18.6% of the community) earns less than $10,000 annually. Comparatively, 2.5% of people in Madison, MS, an economically prosperous suburb of Jackson, MS, earn less than $10,000 annually. In Bogue Chitto, a community within the Choctaw Reservation within Mississippi, 3% of the population earns less than $10,000 annually. As a result of the cost of housing and income levels, 24.4% percent of owner households and 42.5% percent of rental households in Drew are considered cost burdened by the standard 30% rule.

Data that includes both household size and income level is not available for Drew specifically, but for Sunflower County (where Drew is located), the largest percentage of owner-occupied households is those earning between $15,000 and $19,999 annually, followed by those earning between $20,000 and $24,999.5 Within these categories, households with 1-2 persons make up the largest groups (305 in the lower income bracket and 330 in the higher bracket of the two). In addition to this data drawn primarily from the American Community Survey, the statistics on income levels and the prevalence of smaller households are generally confirmed by anecdotal and survey evidence collected by Delta DB from attendees at an annual festival in Drew, phone calls, and interviews with those involved in housing in the area.

Updating common affordable housing assumptions, and interpreting data from Sunflower County through

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FIGURE 3
OWNER-OCCUPIED HOUSING TYPE IN DREW

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this lens, results in a clearer understanding of the “math problem” of housing supply and demand referenced at the beginning of this chapter. Though incomes are limited and households earning in the lowest AMI category cannot be housed without subsidy in some form, over 1,100 households earning between $15,000 and $35,000 could potentially afford, without burden, a mortgage between $19,400 and $92,900. Chapter 4 and Chapter 6 will pair this market demand information with construction supply and home size constraints to indicate the household income levels that could potentially be housed without subsidies.

SUPPLEMENTARY INFORMATION & DATA ABOUT DREW, MS

Drew is a predominantly African American community, as it – and Sunflower County – has been since its founding. At the mid-century point, the Black proportion of Sunflower County began to decline, as many migrated north for better opportunities in industrial cities, but by 1990, this trend had reversed. In 1980, 62.0% of Sunflower County residents were Black Americans; the percentage had jumped a few percentage points by 1990, and the most current estimates show Sunflower County as 74.0% Black and 24.9% White, with very limited numbers of people in other minority groups. (The largest non-Black minority group in Drew ever
recorded by the Census was Chinese Americans, 133 of whom showed up on the 1960 Census.) The increased proportion of African Americans may reflect the pattern of Black “homeplace migration” from Northern cities to the rural South. More Black Americans reside in the South in the mid-2010s than at any time since 1960. Recent research also demonstrates that African Americans, as compared to Whites, are increasingly less likely to move away from the South. Further research on the reasons for differences in out-migration among racial and ethnic groups is needed.

“The black population of Sunflower County dropped by 7,758 between 1960 and 1970, and another 1,670 left the county between 1970 and 1980. As mechanization eliminated farm employment and as Delta whites remained entrenched in positions of power, more and more blacks left the state. Surely, however, an even greater number would have left had the civil rights movement not given them hope that Mississippi was on the road to democracy.”

Compared to state and national proportions, Drew has a considerably smaller percentage of younger adults in the 25-44 age group. This may be an indication of limited opportunities and resources driving out-migration. However, due to the slightly higher than average percentages of residents under 24, Drew is a relatively young community. The median age is 32.5, in comparison to the county of 34.5 and the state median of 36.7. The dependency ratio is 60.1%, meaning that there are 60.1 dependents for every 100 working age individuals. This is higher than the national average of 50.1% and indicates that Drew’s economy faces higher than average pressure in supporting its “non-productive” population.

Educational attainment is low in Drew. Of the population 25 years of age or older, 28.8% do not have a high school diploma or equivalent. The Drew School District, the Indianola School District, and the Sunflower County School District were consolidated into Sunflower County Consolidated School District.
in 2012. The former districts struggled historically. In the early 2000s, the Sunflower County School District faced several budget deficits and violated accreditation standards. In 2010, the Mississippi Department of Education took control of the school district due to allegations of sexual misconduct and misuse of federal funds. As of 2017, the district had 4,200 students and 120 teachers, a ratio of 35:1. For the 2016-2017 school year, the Mississippi Department of Education gave Ruleville High School, which Drew students attend, an Accountability Grade of D. The graduation rate was 75%. Drew Hunter Middle School received an F, and Drew’s A W James Elementary School received a B.\(^9\)

The Sunflower County Consolidated School District is one of the top employers in the area. Of employed individuals who live in Sunflower County, 20.8% work from home and 48% work outside the county. The data on occupation differentiated by gender reveals significant gender segregation by industry. For example, it is estimated that 100% of healthcare practitioners, technologists/technicians, and healthcare support workers in Drew are women, and that all workers in the natural resources, construction, and maintenance industries are men.

According to the American Community Survey, approximately 766 Drew residents have at least one disability. This comprises about 37.5% of the population. As accessibility is a major design concern, the housing designs presented in Chapter 3A take into account the needs of residents with ambulatory, self-care, and independent living difficulties. One in three individuals in Drew with disabilities are elderly (33.4%). There is one apartment complex in Drew specifically for low-income elderly people.

Sunflower County falls behind most Mississippi counties on most health measures, as quantified by the County Health Rankings & Roadmaps program.\(^{10}\) Among the state’s 81 counties, Sunflower ranks 71st in health outcomes. Health outcomes in Sunflower County versus Mississippi as a whole, include

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access to exercise opportunities (28% in the county versus 55% in MS), the flu vaccination rate (18% in the county versus 39% in MS), teen births per 1,000 females (50 in the county versus 39 in MS), as well as social and economic factors and factors in the physical environment. Well over a quarter of Sunflower County residents report being in poor or fair health. One of the most significant health findings is that 42% of Sunflower County residents reported getting insufficient sleep, which can be linked to housing factors such as overcrowding and poor indoor air quality.

FIGURE 12
OCCUPATIONS BY INDUSTRY IN DREW
For the past eight years, the number of new households and the number of new homes constructed have been close to equal. With an estimated 300,000 houses demolished annually\textsuperscript{11}, and a large portion of the new homes targeting luxury markets, estimates report that the gap in affordable units compared to the number of low and moderate income (LMI) households to be over 7 million homes nationwide.\textsuperscript{12}
As older homes fall into disrepair and are no longer habitable, new construction is not keeping pace with demand, nationally, nor at the scale of small towns such as Drew, Mississippi. Access to healthy, energy-efficient, and affordable housing depends on numerous components to be in place, but is particularly at risk when the existing conditions are misunderstood. Within the Mississippi Delta the following characteristics are not immediately apparent and contribute significantly to the challenges to affordable housing availability in the region.

There is a misconception that there is a large available housing stock in shrinking towns and cities. Though this is partially accurate, the complexity and risks of home rehabilitation work precludes most builders or prospective buyers from addressing those properties that have not declined beyond the point of repair. The population in the Mississippi Delta continues to shrink, but new housing is needed. In some cases, as described in this chapter, the lack of affordable housing has been documented as a contributing factor in resident’s decisions to relocate. The misconception that those who remain in the area do so only because they are unable to leave discounts the importance of social cohesion, attachment to place, and the role these feelings play in contributing to the concept of home.

While individual and neighboring property owners suffer the most immediate outcomes of housing in disrepair, municipalities also incur costs, either directly or indirectly. Cities that operate blighted property programs typically do so at significant financial costs that are rarely recuperated. Cities and towns that cannot or do not enforce removal of blighted properties suffer from the visible evidence of declining property values and the resulting disinvestment. Community-wide quality of life and health issues are also a concern as households continue to occupy properties that may not be safe or sanitary.
In June of 2019, Jonathan Reckford, CEO of Habitat for Humanity, stated, “Supply is a math problem... if you are a developer without some kind of subsidy either in the land or the financing, the math won’t work for a low or moderate income family to buy a home....”

The assumptions and the result of Reckford’s equation, when applied to Drew, MS, are questioned and ultimately upended in this and subsequent chapters.
Misaligned data combined with historic, institutionalized disenfranchisement of the African American population results in a setting in which non-Delta based developers, investors or policy makers are unlikely to provide pathways to relevant solutions. In order to identify and describe real market conditions that exist in Drew, Mississippi today, the project team reviewed systems and data representations, and engaged with area residents to confirm or refute trends indicated by aggregated data.

Expanding the market study to address broadly accepted standards in affordable housing development, the 30% rule, used to determine whether a household is “housing burdened” or “housing insecure”, is revamped in this chapter. The result is a new scale that ties the percent available for housing to annual income and other household characteristics. Similarly, the national scale dialogue around driving down soft costs and land costs as a key to housing affordability is called into question within the context of this land-rich and regulation-poor market.

As a result, tables throughout the chapter present the expenditures that real households in Drew and surrounding areas could sustain as mortgage payments without putting their ability to buy food or medicine in jeopardy. Below is a excerpt of a table showing the new housing allocation percentage that a 2-person household could be expected to pay for housing without burden (far right). These housing cost percentage rates are paired with minimum income levels, maximum monthly payments and home costs to clarify how the market can and cannot serve these households.

<table>
<thead>
<tr>
<th>HOME COST</th>
<th>PRINCIPAL + INTEREST</th>
<th>HOME INSURANCE</th>
<th>FLOOD INSURANCE</th>
<th>TAXES</th>
<th>MONTHLY TOTAL</th>
<th>MINIMUM INCOME REQ’D</th>
<th>AFFORDABLE %</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 YEARS AT 5%</td>
<td>ANNUAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20,000.00</td>
<td>$77.84</td>
<td>$22.50</td>
<td>$26.67</td>
<td>$17.07</td>
<td>$144.07</td>
<td>$15,033.74</td>
<td>11.5%</td>
</tr>
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<td>$40,000.00</td>
<td>$185.20</td>
<td>$45.00</td>
<td>$26.67</td>
<td>$34.13</td>
<td>$291.00</td>
<td>$18,378.95</td>
<td>19.0%</td>
</tr>
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<td>$60,000.00</td>
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<td>$26.67</td>
<td>$51.20</td>
<td>$435.25</td>
<td>$23,008.63</td>
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<tr>
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<td>$386.51</td>
<td>$90.00</td>
<td>$31.17</td>
<td>$68.27</td>
<td>$575.94</td>
<td>$26,179.24</td>
<td>26.4%</td>
</tr>
<tr>
<td>$100,000.00</td>
<td>$483.14</td>
<td>$112.50</td>
<td>$34.08</td>
<td>$85.33</td>
<td>$715.06</td>
<td>$29,385.89</td>
<td>29.2%</td>
</tr>
</tbody>
</table>

FIGURE 14
2-PERSON HOUSEHOLD MINIMUM INCOME REQUIREMENTS AS A FUNCTION OF THE PERCENT OF HOUSEHOLD BUDGET AVAILABLE FOR HOUSING AND THE CORRESPONDING HOME COST
THE OPACITY OF CONSTRUCTION PROCESSES AND MINIMAL CODE AND PERMITTING REGULATIONS PRESENT THROUGHOUT THE RURAL MISSISSIPPI DELTA EXPOSE HOMEOWNERS TO A HIGH LEVEL OF RISK. BUYERS OR THOSE IN NEED OF HOME REPAIR MUST RELY ON BUILDERS TO SELF-POLICE.
3_CONSTRUCTION INDUSTRY CHALLENGES AND LIMITED LOCAL ENFORCEMENT

Despite a near continual push for innovation within the field, construction technology, in many areas, remains little changed in the last 200 years. In rural settings, this can result in two-fold vulnerability for low-wealth households. In many parts of the country, driving down “construction costs” incurred solely due to regulations and approval processes is a major opportunity to reduce the cost of housing; in the Mississippi Delta, the challenge is inverse. Regulations and oversight are nearly absent, resulting in low upfront soft costs but driving up the long-term costs of maintenance, replacement and health outcomes.

Further, the construction industry as it functions today, and has for many years, is inherently unpredictable. Site conditions, unknowns within existing homes, weather and imperfect materials contribute to a larger system that continues to elude efforts at standardization and systemization. Within this context, the most vulnerable populations are further at risk if they do not have experience negotiating or enforcing contracts or do not have family or friends within the construction industry to rely on for advice.

582,380 Single family general contractors and non-contractor firms offering services in the United States

0.8 Average number of code officers / inspectors per municipality in nine Delta towns and cities surveyed

90% of homes assessed by Delta DB exhibit dangerous conditions or code violations

FIGURE 15
ELECTRICAL HAZARDS IN THREE HOMES VISITED BY DELTA DB
“WHAT DOES IT MEAN TO BE AN ETHICALLY CREDIBLE MORAL AGENT VERSUS A MORALLY AMBIGUOUS INTELLIGENT PROFESSIONAL?”
- JONATHAN L. WALTON

IN RECENT DECADES, THERE HAS BEEN A MOVEMENT WITHIN THE PROFESSION OF ARCHITECTURE QUESTIONING THE IMPLICATIONS OF TRADITIONAL, MAINSTREAM PROJECT DELIVERY METHODS THAT RARELY LOOK BEYOND THE BOUNDARIES OF A SITE. INSTEAD, MANY DESIGNERS ARE CHOOSING TO PURSUE A MORE ROBUST APPLICATION OF THEIR SKILL SETS TO POSITIVELY IMPACT PEOPLE, POLICIES AND THE PLACES THEY CALL HOME.
For too long, the services of architects have been considered a luxury, only accessible to the wealthiest clients. Today, this narrative is shifting as the value proposition of design is expanded to include outcomes that are both tangible and intangible, short- and long-term, and extend beyond property lines. Examples spanning from publicly owned housing in South Carolina to high school student-led straw bale construction in South Dakota represent the range of work architects are doing to utilize design as a tool for building equity.

- According to the ACSA’s Community Design Directory, “over 200 organizations [are] using their design expertise to advance the public good” in numerous countries.18

- Increasingly, architects are using their expertise to advocate for climate action and equitable policies. One example is 2018 AIA President Carl Elefante’s testimony before the U.S. House Energy & Commerce Committee’s Subcommittee on Energy in September of 2019 where he “outlined critical steps the United States must prioritize in order to reduce greenhouse gases in the built environment.”19

- Architects are increasingly acknowledging and responding to the ways in which design has historically manifested inequity and unequal access. The Design Justice Platform, hosted by Colloqate Design, is a leading example with dozens of references and resources for “a design revolution.”20
“DOES IT COST MORE TO BUILD WELL OR TO BUILD POORLY? IN THE LONG TERM IT WILL COST THE CLIENT A LOT MORE AND COULD COST THE DESIGNER AND BUILDER A LOT MORE TOO.”
- MATT RISINGER

HOMEOWNERSHIP DOES NOT IMMEDIATELY EQUATE TO HOUSEHOLD WEALTH AND BREAKING CYCLES OF INTERGENERATIONAL POVERTY. IN ORDER FOR A HOME TO ACHIEVE THESE GOALS, IT MUST BE A GOOD INVESTMENT, TAKING INTO ACCOUNT FACTORS AS DIVERSE AS THE MARKET AND THE SIDING INSTALLATION.
Driving down the cost of construction would allow the limited dollars available for affordable housing to stretch further and make stable housing a reality for more households, but this question alone overlooks long-term impacts of cost-cutting decisions on the owner’s ability to build equity, maintain the home, and pay for utility bills. In a worst case scenario, physical and mental health can be compromised as a result of decisions made during planning and construction.

At the scale of the small town or rural region, minimizing construction costs can also minimize the positive impact on the local economy, result in a lack of local material purchasing and jobs that do not pay fair wages, or in some cases do not pay minimum wage. A balance must be struck between initial expenses and life-cycle value. Without this, homeownership does not necessarily generate household wealth and break cycles of intergenerational poverty.
“HOUSING IS THE CENTERPIECE FOR WELL-BEING, ESPECIALLY IN RURAL AREAS. ...HOUSING IS... TIED TO LABOR MARKET PERFORMANCE, AS IMPROVED RATES OF HOUSING AND HOUSING PRICES APPEARS TO PLAY A CRITICAL ROLE IN DETERMINING THE OVERALL HEALTH AND VIABILITY OF THE LABOR MARKET.”22
Community investment and housing development are a chicken-and-egg dilemma. Without increased property values and tax revenue, a community cannot make improvements to infrastructure, roads, or schools, but without improved infrastructure and schools, individuals and developers typically will not make an investment in a new home in the community. Investment, of both time and money, at an individual-scale and a community-scale have to be made to advance progress in addressing the housing crisis throughout the Delta.

Major factors beyond the property lines are just as critical in determining the long-term success of what defines ‘home’ as costs, energy use and materials. Community resources, community stability, and supportive services are major factors when evaluating where to live. In rural communities in the Delta, population decline is attributed to several factors, some tied directly to what makes up a the health of a community. Community vitality can be measured in a multitude of ways but is continuously re-centered in the current and future prosperity of the people who make it up.

While 97% of the nation’s land area is considered “rural” by the U.S. Census Bureau, less than 20% of the U.S. population lives there. There are definite similarities among the communities that make up that percent, but there are also differences and amassing them is a poor approach to decision making. Within this context of multiple types of needs, housing presents an opportunity to begin a positive cycle of community change that cannot stand alone, but can be a leading driver of change.
“OUR WORK IS PREDICATED ON THE CONVICTION THAT YOUR WELL-BEING AND MINE ARE INTERTWINED.”
- NATHAN POEL\textsuperscript{23}
Rural Housing Context and Potential proposes a pathway to developing new affordable housing in the Mississippi Delta that acknowledges challenges while utilizing nuanced place-based knowledge to elevate opportunities. From this perspective, the table below proposes the size and costs of housing that could meet the needs of low- and moderate-income households utilizing $10,000 in down-payment assistance as the only subsidy. Small houses fit within the limited available budgets, and while very-low income (≤50% AMI) and low-income (≤80% AMI) households are matched with one bedroom or two bedroom homes, extremely-low income households (≤30% AMI) and households with more than 4 people are not represented in the table, indicating housing for these populations will require greater subsidy or other approaches.

Application of this table in the pursuit of healthy, equity-building housing will not be a matter of math alone. In order to attain the goals laid out in this document, commitment to community and individuals and multi-layered and coordinated responses are necessary.

<table>
<thead>
<tr>
<th>HOUSE SIZE</th>
<th>1 BEDROOM HOUSE</th>
<th>2 BEDROOM HOUSE</th>
<th>3 BEDROOM HOUSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PERSONS IN HOUSEHOLD</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Minimum AMI</td>
<td>45%</td>
<td>52%</td>
<td>80%</td>
</tr>
<tr>
<td>Min. Annual Income</td>
<td>$15,609</td>
<td>$20,605</td>
<td>$31,700</td>
</tr>
<tr>
<td>Housing Allocation %</td>
<td>26.1%</td>
<td>19.3%</td>
<td>27.0%</td>
</tr>
<tr>
<td>Housing Allocation Monthly</td>
<td>$339.27</td>
<td>$331.27</td>
<td>$714.18</td>
</tr>
<tr>
<td>Total Housing Cost (over 30 years)</td>
<td>$122,138.61</td>
<td>$119,257.95</td>
<td>$257,105.40</td>
</tr>
<tr>
<td>Max. Mortgage without down payment assistance</td>
<td>$36,000.00</td>
<td>$35,700.00</td>
<td>$84,700.00</td>
</tr>
<tr>
<td>Max. Mortgage with $10,000 down payment assistance</td>
<td>$46,000.00</td>
<td>$45,700.00</td>
<td>$94,700.00</td>
</tr>
<tr>
<td>Max. House Square Footage with down payment assistance</td>
<td>410</td>
<td>852</td>
<td>1069</td>
</tr>
</tbody>
</table>

FIGURE 19
AFFORDABLE HOME COSTS AND SIZES BASED ON MINIMUM AMI PERCENTAGE
CONCLUSIONS: BEYOND RESEARCH

Given the limited resources and low household incomes, in rural areas saddled with persistent poverty, it may be assumed that enormous subsidies are needed to provide adequate housing for all. While market conditions alone cannot answer the problems of building new and preserving affordable housing, *Rural Housing Context and Potential* proposes that innovative, socially driven enterprises can serve a substantial portion of lower-income markets.

Developers, investors, and policy makers must look beyond the face value of available data to assess a rural community’s needs and assets. In doing so, the foundation is laid for bold housing solutions. Through this document the need and demand for housing in markets like Drew, MS is made plain. This presents the opportunity for actors in the affordable housing field to develop (with and without subsidies) a body of work with the potential to enhance the local economy, provide stability to individuals and stem the tide of population loss.

**SUMMARY OF CONCLUSIONS**

- Deteriorating housing may indicate new housing is needed rather than a lack of housing demand.
- Slowing or stopping negative property value cycles will require partners willing to initiate new construction and financing in an atypical market.
- Housing can be a contributor to population loss or a force for maintaining and attracting residents.
- The “30% rule” is broad to a fault; likely providing a false sense of justice to policy makers, a false view of the market to developers and positioning some households to remain housing burdened in reality if not by definition.
- Affordable housing professionals must navigate nuance and interpret data to ensure projects match community needs and aspirations.
- The construction industry is ripe for change, namely digitization and standardization.
- Though reduced soft costs increase the quantity of homes that housing funding can support, a lack of regulation is a challenge rather than a benefit of working in a rural environment.
- Involving an architect as early as possible in the planning and development process adds efficiencies and perspective to the process, and may result in overall cost savings.
- The hard costs of construction have risen in recent years due to policy driven material cost increases and labor shortages as a legacy of the Great Recession.
- Driving down the cost of construction is not a simple exercise in identifying savings opportunities but must instead weigh each expenditure choice against long-term impacts on the value of the home, the building’s energy efficiency, occupant health and more.
- Potential gaps between construction costs and appraised values present significant hurdles to financing and should be understood before undertaking a project.
- Housing cannot stand alone but can be a driver of change because of the immediate impact a stable and dignified dwelling has on its occupants.
- Trainings are needed for various professionals and laypeople. Contractors, in particular, could contribute to solutions through expanding their scopes of service to include formal and informal job training, and by adopting updated building codes and practices.
- People are attached to place, and despite historic and on-going struggles, the Delta is no exception.

**LIMITATIONS AND SUGGESTIONS FOR FURTHER RESEARCH**

More in-depth small area data analysis, as described in the Center for Community Progress report “Neighborhoods by Numbers: An Introduction to Finding and Using Small Area Data”, is needed to more finely assess the housing market in the Delta.  

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Certain methods of small area data collection and analysis, such as surveys with larger sample sizes, were not possible within the time and cost constraints of this project. Further, publicly accessible real estate data on Sunflower County is extremely limited, and advanced statistical analyses are outside the realm of Delta DB’s skill set.

Limited references and resources are included in this document regarding culturally appropriate engagement, design and development. Trainings, such as the Racial Equity Institute’s workshops\textsuperscript{25}, can provide in depth knowledge, while articles and other online resources from groups like the Mary Reynolds Babcock Foundation can provide an introduction to the subject.\textsuperscript{26}

In the interest of limiting the breadth of this document, this report did not delve into issues specific to rural renters.

**RECOMMENDED ADDITIONAL READING**


**SINGLE FAMILY HOME COSTS**

<table>
<thead>
<tr>
<th>I. Sale Price Breakdown</th>
<th>DDB 3-BR Site Built***</th>
<th>DDB 3-BR Share of Price</th>
<th>3-BR Alternate Share of Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Finished Lot Cost (including financing cost)</td>
<td>$3,500.00</td>
<td>2.7%</td>
<td>$3,500.00</td>
</tr>
<tr>
<td>B. Total Construction Cost</td>
<td>$119,700.00</td>
<td>93.9%</td>
<td>$116,171.00</td>
</tr>
<tr>
<td>C. Financing Cost</td>
<td>$0.00</td>
<td>0.0%</td>
<td>$2,400.00</td>
</tr>
<tr>
<td>D. Overhead and General Expenses</td>
<td>$4,300.00</td>
<td>3.4%</td>
<td>$6,800.00</td>
</tr>
<tr>
<td>E. Marketing Cost</td>
<td>$0.00</td>
<td>0.0%</td>
<td>$500.00</td>
</tr>
<tr>
<td>F. Sales Commission</td>
<td>$0.00</td>
<td>0.0%</td>
<td>$0.00</td>
</tr>
<tr>
<td>G. Profit</td>
<td>$0.00</td>
<td>0.0%</td>
<td>$3,000.00</td>
</tr>
<tr>
<td><strong>Total Sales Price</strong></td>
<td><strong>$127,500.00</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$132,371.00</strong></td>
</tr>
</tbody>
</table>

**NOTE:** THE INFORMATION PRESENTED IN FIGURE 6.1 UTILIZES UPDATED CONSTRUCTION COSTS COMPARED TO THE 3-BEDROOM EASTMOOR REPLACEMENT HOME. HARD COSTS WERE REDUCED OVERALL BY APPROXIMATELY $3,500 TO REFLECT SAVINGS ON TRUSSES AND PLUMBING AND INCREASED EXPENDITURES ON ENERGY STAR LIGHT FIXTURES AND LANDSCAPING TO PROVIDE SHADE. SOFT COSTS INCREASED BY $8,400 (SHOWN IN RED HERE) TO REFLECT REALISTIC MARKET EXPENSES SUCH AS FINANCING, MARKETING AND PROFIT. AS A RESULT, THE COST PER SQUARE FOOT UTILIZED IN FIGURE 6.1 IS $111.42, AN INCREASE OF $4.10 COMPARED TO THE EXAMPLE HOME REFERENCED THROUGHOUT THIS DOCUMENT.
INTRODUCTION


DREW MARKET STUDY


3 Ibid.


10 2019 County Health Rankings Key Findings Report, County Health Rankings and Roadmaps. https://www.countyhealthrankings.org/

CHAPTER 1


CHAPTER 2


CHAPTER 3


16 Data drawn from Delta DB’s assessment records from 2016 through 2019.

CHAPTER 3A


CHAPTER 4


CHAPTER 5


CHAPTER 6


FIGURE CITATIONS AND CREDITS

Figure 1  Connolly, Harry. Photograph of Delta DB construction specialists Dontavius McLemore and Benjamin Kinds. June 2018.


Figure 3  Data source: Selected Housing Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 4  Data source: Occupancy Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 5  Data source: U.S. Department of Housing and Urban Development. Special Tabulations of Households (Sunflower County, Mississippi). Washington, DC: U.S. Department of Housing and Urban Development, 2017. huduser.gov/ast/index.html

Figure 6  Data source: Occupancy Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 7  Data sources: Profile of General Population and Housing Characteristics, Decennial Census (2000 & 2010); Demographic and Housing Estimates, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 8  Data source: Educational Attainment, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 9  Data source: Disability Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 10  Data source: Selected Economic Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 11  Data source: Selected Economic Characteristics, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 12  Data source: Occupation by Sex for the Civilian Employed Population 16 Years and Over, 2013-2017 American Community Survey 5-Year Estimates, https://factfinder.census.gov/

Figure 13  Delta DB photographic records. Abandoned former residence in Drew, MS. November 2018.

Figure 14  Data source: Used usmortgagecalculator.org/ to calculate. Tax rates found at tax-rates.org/; flood insurance rates found at progressive.com.

Figure 15  Delta DB photographic records. Electrical Hazards in Three Homes Visited by Delta DB. September 2018 - March 2019.


Figure 17  Draper, Bob. Photograph of Delta DB team at work on Yazoo River Trail bridge in Greenwood, MS. June 2018.

Figure 18  Delta DB photographic records. Members of the Drew Community Work with Designers at a Workshop. June 2019.

Figure 19  Data source: Used usmortgagecalculator.org/ to calculate. Tax rates found at tax-rates.org/; flood insurance rates found at progressive.com.

Figure 20  Delta DB internal cost estimating records and comparisons. March - September 2019.