



Delaware State Housing Authority

District Grant for Developers and Investors

Delaware State Housing Authority
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www.DESateHousing.com



District Grant

Key incentive to support and *further encourage* investment within designated Districts.

- Administered by DSHA
- Encourages a variety of projects
- Ensures investors in all Districts throughout Delaware have reasonable access to funds
- Can be used with State/Federal Historic Tax Credits





District Grant Summary

Grant is available to investors undertaking rehabilitation, expansion, or new construction projects within a District.

- Building/facility must be commercial, industrial, residential, or mixed-use
- Minimum Qualified Investment Threshold - \$25,000
- Grant is up to 20% of Qualified Real Property Investments (QRPI) over Threshold
- Activity must conform to District Plan





Eligible Applicants

A Qualified District Investor is any entity or individual capitalizing on the costs associated with real property investment:

- Property Owner
 - Occupant or non-occupant
- One of multiple owners
 - Must coordinate grant request with all other owners of the property
- Tenant
 - Tenants with capital lease may apply with the owner's permission
- Developer





Qualified Real Property Investments

Eligible Expenses and Activities

- Expenditures chargeable to a capital account *necessary* for expansion, rehabilitation or new construction
- Hard construction costs
- Structurally part of the building or facility

EXAMPLE:

Exterior, interior, structural, mechanical or electrical activities





Two Set-Asides

Small Project Set-Aside – FY2015 \$1,000,000

- Available to investors whose total Qualified Real Property Investment does not exceed \$250,000 per building/facility.
- Application submitted after project is complete.

Large Project Set-Aside – FY2015 \$5,650,000

- Allocated through a Reservation process prior to beginning project.
- Assures investors their projects will be funded once successfully completed.





Small Project Set-Aside

Within 45 days of completion, Investor submits:

- Placed in Service documentation
- Confirmation of location/conformance with District Plan
- Type of District Investor
- Documentation of Qualified Real Property Investments incurred *after* District designation

DSHA confirms information provided is accurate and work compliant with Grant Program

DSHA distributes funds within 60 days





Placed in Service

- Date the final approved **Certificate of Occupancy (CO)** is issued for work done to the respective building or facility.

OR

- Date the final approved **building inspection** is issued for the work done to the building or facility.

OR

- When a project does not require permits, documentation by the local building official stating that the project is complete.

Important that Investor apply with the final placed in service document required by the locality!





Small Project Set-Aside

EXAMPLE:

Investor spends \$300,000 to expand an existing commercial building. \$230,000 of the investment is chargeable to a capital account.

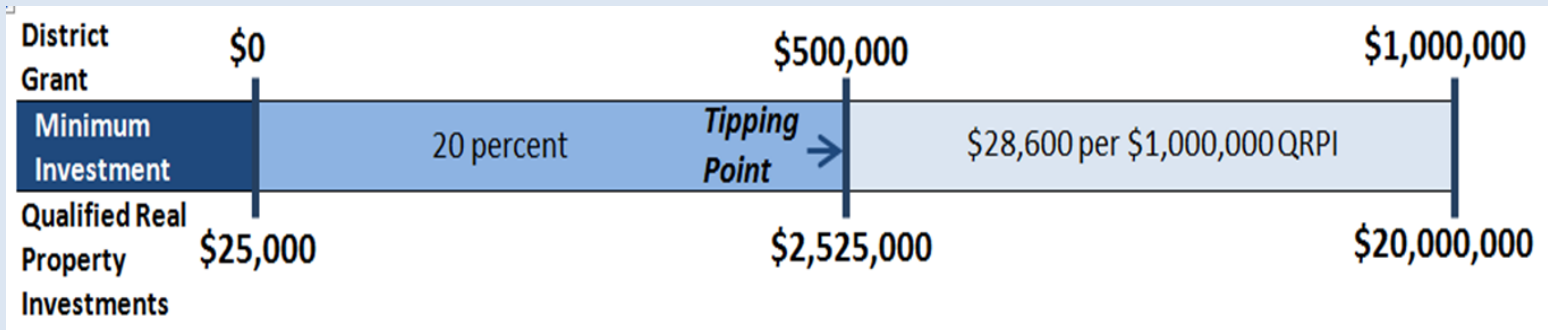
Qualified Real Property Investment	\$230,000
Minimum Qualified Investment Threshold	<u>- \$25,000</u>
Grant Eligible	\$205,000
	<u>X .20</u>
GRANT	\$41,000





Large Project Set-Aside

Grant Range



- *Grant is calculated at 20% of the Qualified Real Property Investments for grants up to \$500,000*
Reflects a \$2,525,000 investment
- *District Grants over \$500,000 calculated at lower rate*
- *Grant limit \$1,000,000*
- *Capped per building/facility over a 5-consecutive year term*



Large Project Set-Aside

Applications for a Reservation are accepted once a year.

All projects must meet **threshold criteria** for consideration

- Confirmation of location within District
- Demonstration that project conforms with District Plan
- Applicant readiness to begin and finish project in three years





Large Project Set-Aside

When Reservation applications exceed the funding allocated, then applications that address one or more of the following priorities will receive special consideration.

- *Identified as a Key Priority Project in District Plan*
- *Creates permanent jobs*
- *Provides mixed-use development*
- *Expands housing opportunities*
- *Protects historic resources*
- *Adaptively reuses existing structures*
- *Promotes sustainable practices*





District Set-Aside

Created to ensure each designated District reasonable access to District Grant funds.

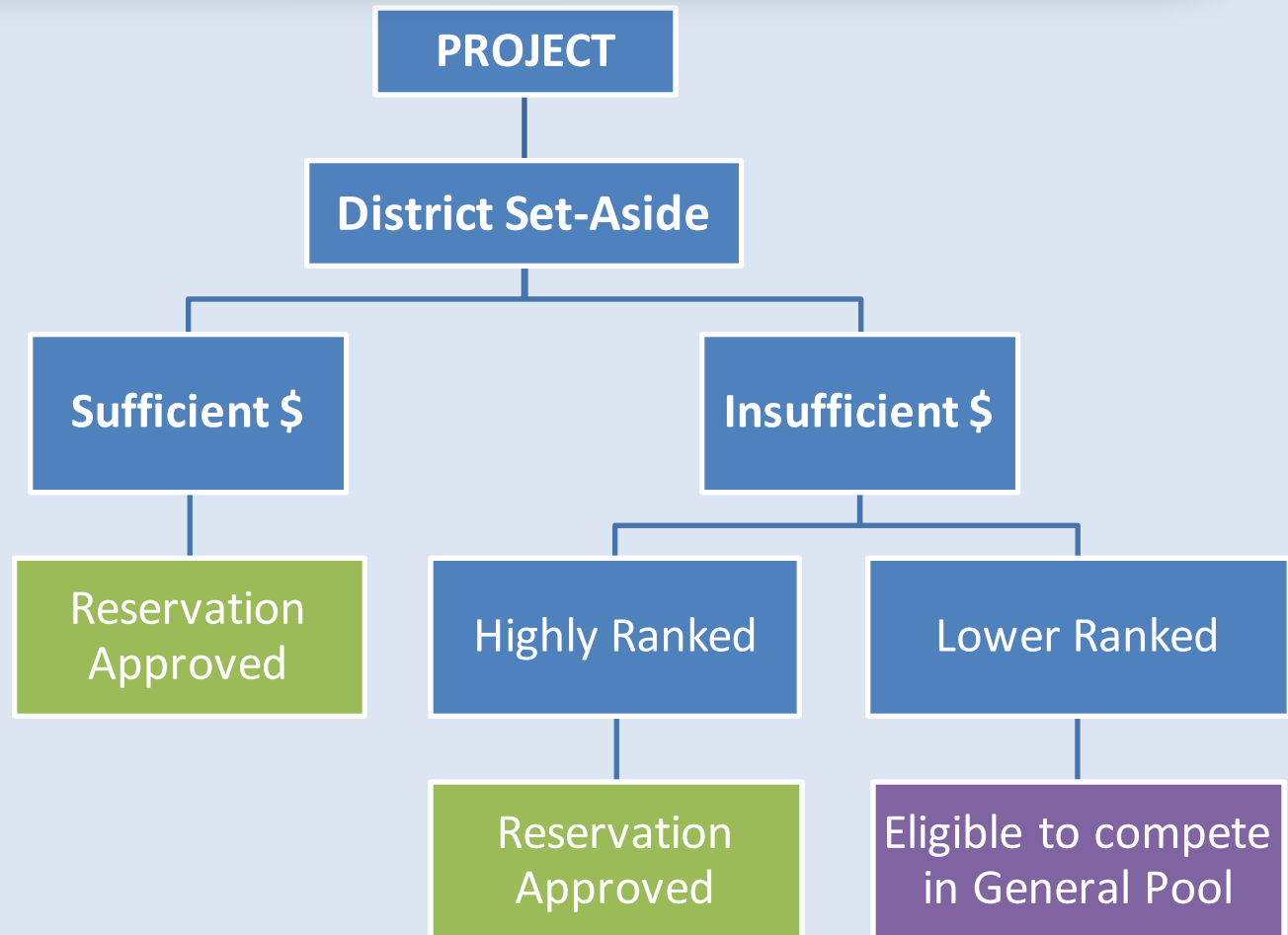
- Funds evenly divided between District Set-Aside and General Pool.
- Projects located in same District are ranked for that District's Set-Aside.
- Highest ranked projects receive funds from that District's Set-Aside.
- Once District Set-Aside funds are allocated, lower ranked projects are ranked with other projects in General Pool.





Large Project Set-Aside

Projects where *Qualified Real Property Investments* meet threshold criteria compete in District Set-Aside.





Large Project Set-Aside

Grant Fund Disbursement

- Requests are due within 45 days of final project being placed in service
- Includes an independent CPA Attestation of investments
- DSHA will conduct compliance review of the final project – including site visit - to ensure final project conforms to project scope outlined in Reservation Agreement
- Grant funds are disbursed within 60 days

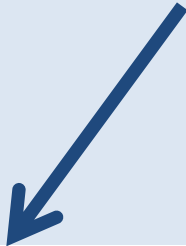




Large Project Examples

EXAMPLES:

	<u>Rehab</u>	<u>New Construction</u>
Investment	\$600,000	\$10,000,000
Threshold	<u>- \$25,000</u>	<u>- \$25,000</u>
Grant Eligible	\$575,000	\$9,975,000
	<u>X .20</u>	<i>reference Investment Range</i>
GRANT	\$115,000	\$700,000



Investment Range	Grant Amount
\$9,500,001 - \$10,500,000	\$700,000





Grant Timeline

FY 15 (first year)

(Approximate Dates Based on District Designation)

March 15

- Reservation Application Deadline

May 15

- Reservations Announced

FY 16 (and future years)

Sept 1

- Reservation Application Deadline

Nov 1

- Reservations Announced



Upcoming Public Meetings

New Castle County

- 10:30 A.M., Friday, October 10, 2014.
Carvel State Building, 2nd Floor Auditorium, 820 N. French Street, Wilmington, DE 19801.

Kent County

- 2:00 P.M., Monday, October 13, 2014.
Kent County Administration Building, Room 220, 555 South Bay Road, Dover, DE 19901.

Sussex County

- 1:30 P.M., Wednesday, October 15, 2014.
CHEER Community Center, 20520 Sand Hill Road, Georgetown, DE 19947.





For More Information...

visit

<http://www.destatehousing.com/FormsAndInformation/ddd.php>

or contact

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