



# Downtown Development Districts (DDD) Rebate Program

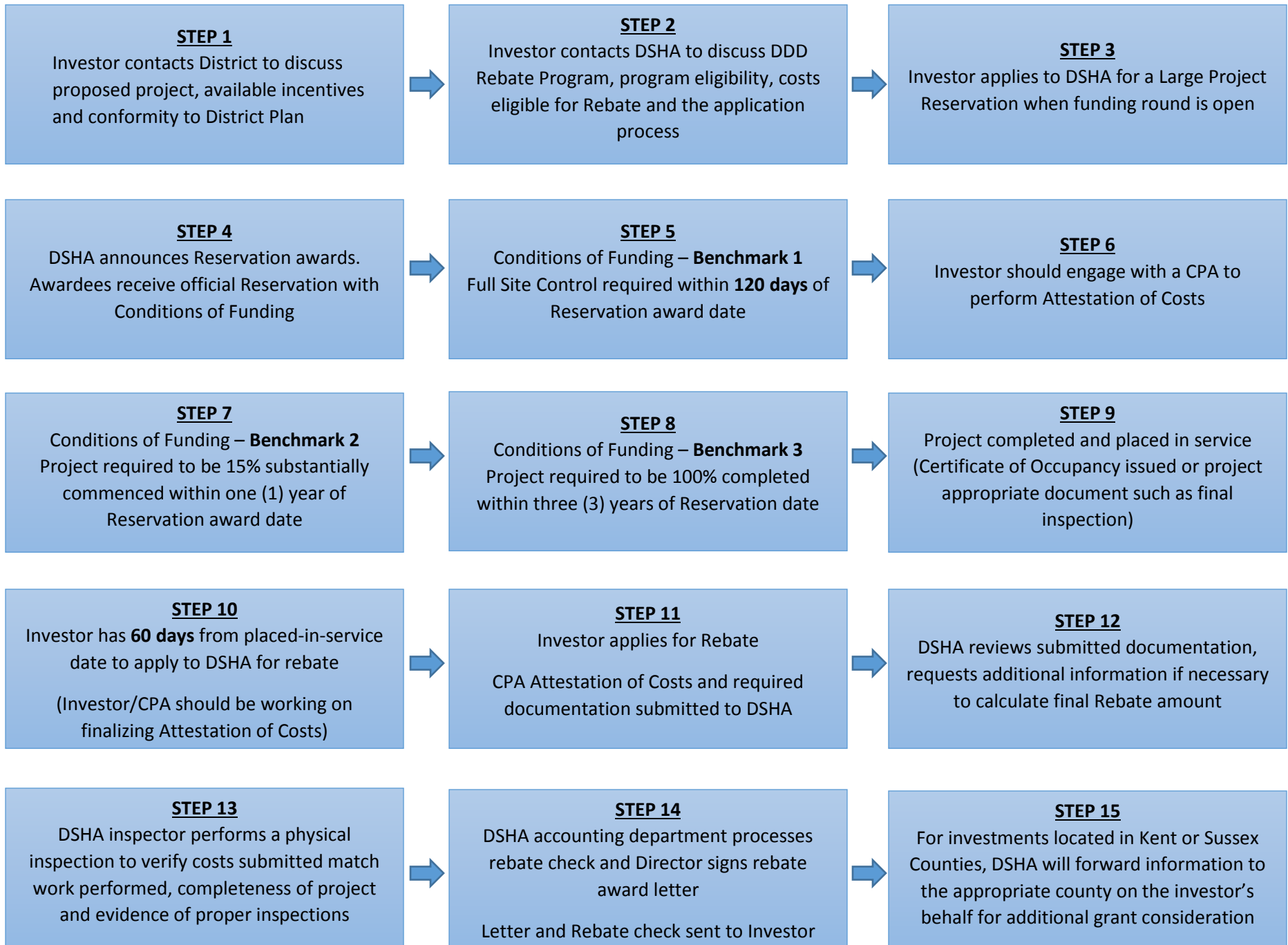
## At A Glance: DDD Large Project Rebate

This document provides a quick overview of the program and is not intended to replace the more in-depth program guidelines. Please visit DSHA’s website at [http://destatehousing.com/Developers/dv\\_ddd.php](http://destatehousing.com/Developers/dv_ddd.php) to access program guidelines, applications, forms, DSHA’s interactive DDD map and links to other DDD related information.

<p><b>DDD ACT OF 2014</b></p>	<p>Created to leverage state resources in a limited number of designated areas in Delaware’s cities and towns to: spur private capital investment, stimulate job growth and improve the commercial vitality of our cities and towns, and to help build a stable community of long-term residents in our downtowns and neighborhoods. Under this Act, funding was allocated through the General Assembly to DSHA to establish and administer the DDD Rebate Program.</p>
<p><b>DISTRICTS</b></p>	<ul style="list-style-type: none"> <li>• Designated January 11, 2015: Dover, Seaford and Wilmington</li> <li>• Designated August 10, 2016: Georgetown, Harrington, Laurel, Milford and Smyrna</li> </ul>
<p><b>FUNDING SET ASIDES</b></p>	<ul style="list-style-type: none"> <li>• To ensure a variety of projects have ample access to funding DSHA has established both a Large Project and a Small Project funding set-aside</li> <li>• Large Project set aside funding is divided into a General Pool and a District Pool (50/50)</li> <li>• District Pool funding is allocated between the Districts based on population</li> </ul>
<p><b>DDD REBATE</b></p>	<ul style="list-style-type: none"> <li>• Large Project investments that meet program requirements are eligible to receive a rebate of <b>up to 20%</b> of eligible costs upon completion of the investment</li> <li>• Maximum rebate is \$1.5 million and requires an eligible investment greater than \$41 million</li> </ul>
<p><b>QUALIFIED INVESTMENT</b></p>	<ul style="list-style-type: none"> <li>• Minimum Qualified Investment Threshold (MQIT) is <b>\$25,000</b></li> <li>• MQIT is treated similarly to a deductible and is <b>not</b> eligible for rebate</li> <li>• Qualified Real Property Investment (QRPI) must be <b>greater than \$250,000</b>, excluding the MQIT</li> </ul>
<p><b>DDD INVESTORS</b></p>	<ul style="list-style-type: none"> <li>• <b>Eligible</b> Investors: Property owners (occupant or non-occupant), tenants of eligible property owners, for-profit developers, nonprofit organizations, businesses and homeowners</li> <li>• <b>In-eligible</b> Investors: Federal, state or local government, in any form.</li> </ul>
<p><b>RESERVATION APPLICATION</b></p>	<ul style="list-style-type: none"> <li>• Annual fall application round</li> <li>• Additional spring application round, <i>subject to funding availability.</i></li> <li>• Competitive application process based on priority considerations established by DSHA</li> <li>• Reservation award <b>required</b> to participate in rebate program</li> <li>• Reservation guarantees <b>funding availability only</b></li> <li>• Investors must apply for a Rebate within <b>60 days</b> of completing investment</li> <li>• Requires a CPA Attestation of Costs (associated cost not eligible for rebate)</li> </ul>
<p><b>MINIMUM THRESHOLD CRITERIA</b></p>	<ul style="list-style-type: none"> <li>• QRPI must be made within the boundary of a designated District</li> <li>• QRPI must be made <b>after</b> the date the real property is incorporated into the District boundary</li> <li>• QRPI must be in conformance and support the goals of the approved District plan</li> </ul>
<p><b>ADDITIONAL CRITERIA FOR LARGE PROJECTS</b></p>	<ul style="list-style-type: none"> <li>• Investment projects where <b>more than 35%</b> of the estimated QRPI is completed <b>prior</b> to the date the property is incorporated within the District boundary are <b>ineligible</b></li> <li>• Investments that will place in service within <b>60 days</b> of application deadline are <b>ineligible</b></li> <li>• Readiness to initiate and complete project within <b>3 years</b> from date of Reservation</li> <li>• Ability to be 15% substantially commenced within <b>1 year</b> from date of Reservation</li> <li>• Ability to obtain <b>full-site control</b> within <b>120 days</b> from the date of Reservation</li> </ul>

<p><b>ELIGIBLE ACTIVITIES AND EXPENSES</b></p>	<ul style="list-style-type: none"> <li>• Eligible capital investments necessary for the rehabilitation, expansion, or new construction of commercial, industrial, single or multi-family residential, or mixed-use building/facility</li> <li>• Expenses generally referred to as “hard costs” that are associated with the building structure</li> <li>• Structural, mechanical, electrical and accessibility improvements to the <u>building/facility</u></li> </ul>
<p><b>INELIGIBLE ACTIVITIES AND EXPENSES</b></p>	<ul style="list-style-type: none"> <li>• “Adult Entertainment Establishments” as defined in 24 Del. C. 16, check cashing facilities, gambling facilities, liquor stores, pawn or gun shops, tanning salons, tattoo parlors, vape shops, tobacco-only retailers or recreation-only marijuana retailers</li> <li>• Investments made to businesses owned or operated by federal, state or local government, in any form (e.g. libraries, post offices, public safety services such as police stations)</li> <li>• Institutional related activities: Hospitals, public and private schools, universities and colleges</li> <li>• Costs generally referred to as “soft costs” (e.g. acquisition, architectural and engineering fees)</li> <li>• Costs chargeable to furniture, fixtures and equipment</li> <li>• General maintenance type repairs, minor repairs and service calls</li> <li>• Site utility work (e.g. gas, electric, sewer and water, utility hookups)</li> </ul>
<p><b>ADA REGULATIONS</b></p>	<ul style="list-style-type: none"> <li>• Investors are required to contact their state and local municipality’s inspection and planning department for accessibility requirements</li> </ul>
<p><b>CASH EXPENDITURES</b></p>	<ul style="list-style-type: none"> <li>• Cash transactions are <b>highly discouraged</b> and require confirmation from both parties</li> <li>• Inclusion of cash transactions for rebate consideration will be solely determined by DSHA</li> </ul>
<p><b>USE OF CONTRACTORS</b></p>	<ul style="list-style-type: none"> <li>• Work must be performed by <b>Delaware-licensed</b> contractor to be eligible for rebate</li> <li>• Investors that serve as their own GC <u>cannot</u> include overhead and profit</li> </ul>
<p><b>PLACED-IN-SERVICE DATE</b></p>	<ul style="list-style-type: none"> <li>• Investors must comply with all state and local municipality permit and inspection processes</li> <li>• Final placed-in-service documentation is determined by the jurisdiction (e.g. Certificate of Occupancy, Final Building Inspection)</li> <li>• Investors have <b>60 days</b> from the placed-in-service date to apply for a Rebate</li> </ul>
<p><b>RESERVATION AWARD</b></p>	<ul style="list-style-type: none"> <li>• Investment must be completed within <b>3 years</b> of Reservation date</li> <li>• Investment must substantially commence within <b>1 year</b> of Reservation date</li> <li>• Full-site control required <b>within a 120 days</b> from Reservation date</li> <li>• DSHA will determine final Reservation award and Conditions of Funding</li> <li>• Investors may request extensions on time-related funding conditions</li> <li>• Reservation awards may be rescinded by DSHA if Conditions of Funding are not met</li> </ul>
<p><b>REBATE APPROVAL</b></p>	<ul style="list-style-type: none"> <li>• Investor must apply for a rebate within <b>60 days</b> from the <u>final placed-in-service date</u> and submit all required documentation including the CPA Attestation of Costs to DSHA</li> <li>• Requires pictures demonstrating condition of property before and after investment</li> <li>• Investor must agree to a physical inspection of the property by a DSHA inspector for the purpose of verifying work performed</li> <li>• DSHA will determine final Rebate amount</li> <li>• Most Investors can expect to receive their Rebate within <b>60 days</b> of final submission</li> <li>• DSHA will issue an IRS Misc-1099 form for the year in which the Rebate is issued</li> </ul>
<p><b>PROGRAM CONTACTS</b></p>	<ul style="list-style-type: none"> <li>• <b>Penny Pierson</b>, DDD Program Manager <a href="mailto:Penny@destatehousing.com">Penny@destatehousing.com</a> or 302-739-0246</li> <li>• <b>Tunisha Royal-Scott</b>, Management Analyst I <a href="mailto:Tunisha@destatehousing.com">Tunisha@destatehousing.com</a> or 302-739-0221</li> </ul>

## DDD LARGE PROJECT RESERVATION/REBATE PROCESS



## Web Links to Additional Information for DDD Investors

- **DSHA Website** – Use this link to access DDD program guidelines, applications and forms.  
[http://www.destatehousing.com/Developers/dv\\_ddd.php](http://www.destatehousing.com/Developers/dv_ddd.php)
- **DDD Interactive Map** – Use this link to determine if a property is located within a designated District.  
<http://delaware.maps.arcgis.com/apps/OnePane/basicviewer/index.html?appid=c39125308a174d38980947d6ee3a30df>
- **Office of State Planning** – Use this link to access District Plans.  
<https://stateplanning.delaware.gov/about/ddd.shtml>
- **Office of State Planning** – Use this link to access additional DDD Incentives, including DSHA’s SOFA Grant for LEED Silver Certification  
<https://stateplanning.delaware.gov/ddd/incentives/index.shtml>
- **Division of Small Business** – Use this link to access information related to Delaware’s Opportunity Zones and other programs available to small businesses. <https://business.delaware.gov/>
- **Department of Revenue, Delaware Business Search** – Use this link to verify that a contractor is licensed in Delaware.  
<https://dorweb.revenue.delaware.gov/scripts/bussrch/bussrch.dll>