



Downtown Development Districts (DDD) Rebate Program

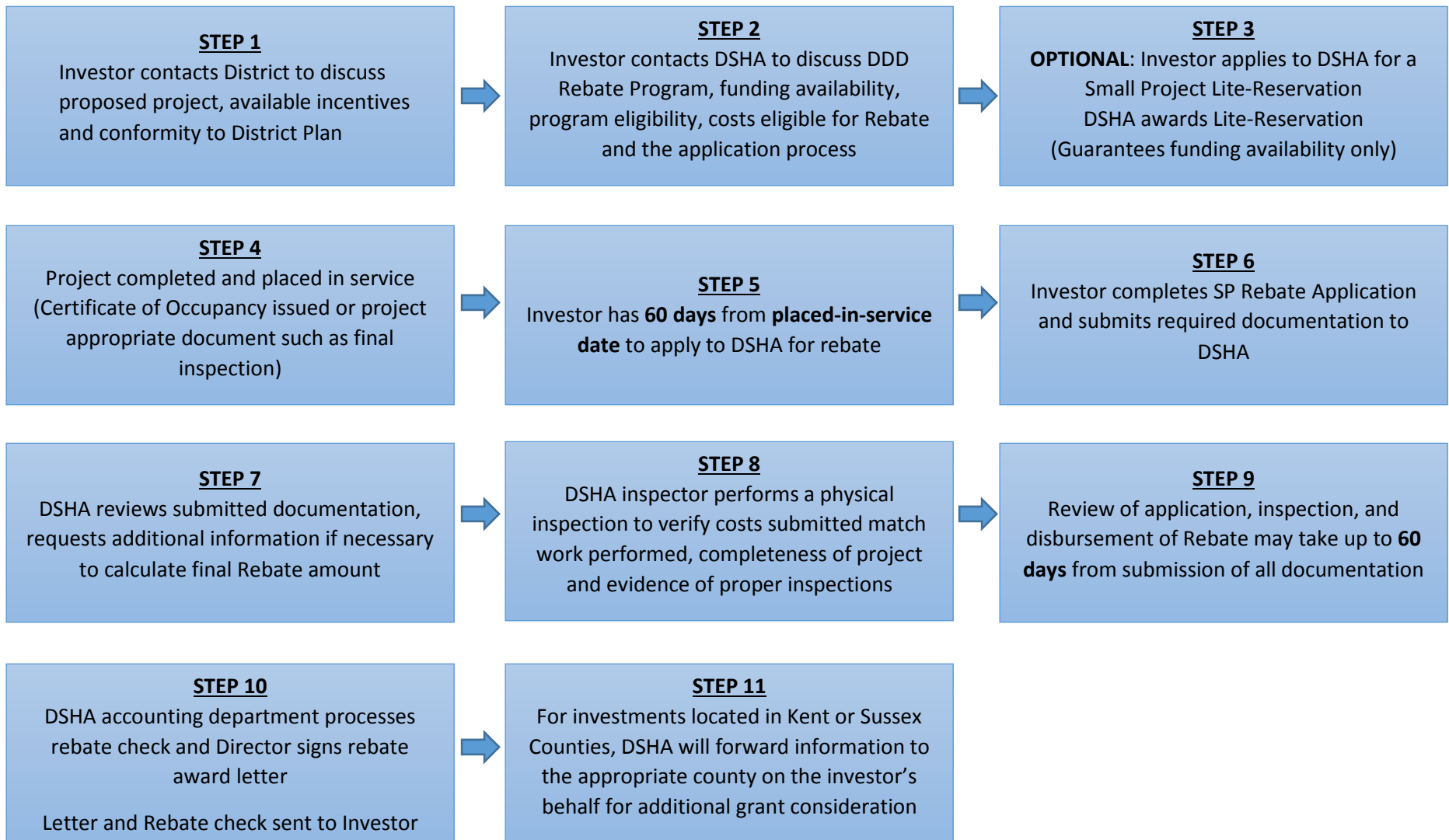
At A Glance: DDD Small Project Rebate

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 to access program guidelines, applications, forms, DSHA’s interactive DDD map and links to other DDD related information.

<p>DDD ACT OF 2014</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>DISTRICTS</p>	<ul style="list-style-type: none"> • Designated January 11, 2015: Dover, Seaford and Wilmington • Designated August 10, 2016: Georgetown, Harrington, Laurel, Milford and Smyrna
<p>FUNDING SET ASIDES</p>	<ul style="list-style-type: none"> • 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
<p>DDD REBATE</p>	<ul style="list-style-type: none"> • Investments that meet program requirements are eligible to receive a rebate of 20% of eligible costs upon completion of the investment • Maximum rebate is \$50,000 and requires an eligible investment of \$250,000
<p>QUALIFIED INVESTMENT</p>	<ul style="list-style-type: none"> • Qualified Real Property Investment (QRPI) between \$25,000 and \$250,000 • Minimum Qualified Investment Threshold (MQIT) is \$25,000 • MQIT is eligible for rebate
<p>DDD INVESTORS</p>	<ul style="list-style-type: none"> • Eligible Investors: Property owners (occupant or non-occupant), tenants of eligible property owners, for-profit developers, nonprofit organizations, businesses and homeowners • In-eligible Investors: Federal, state or local government, in any form.
<p>REBATE APPLICATION</p>	<ul style="list-style-type: none"> • Rolling application process • First come, first served based on funding availability • Investor must apply for a rebate within 60 days from the <u>final placed-in-service date</u> and submit all required documentation • Requires itemized invoices, receipts and proofs of payment • Requires Conformity form completed and signed by District • Requires pictures demonstrating condition of property before and after investment
<p>LITE-RESERVATION APPLICATION</p>	<ul style="list-style-type: none"> • Optional Lite-Reservation guarantees funding availability for 9 months • Full-site control, estimate of costs, and approved building permit required • DSHA will determine final Reservation award and Conditions of Funding • Investors may request extensions on time-related funding conditions for consideration • Reservation awards may be rescinded by DSHA if Conditions of Funding are not met
<p>MINIMUM THRESHOLD CRITERIA</p>	<ul style="list-style-type: none"> • QRPI must be made within the boundary of a designated District • QRPI must be made after the date the real property is incorporated into the District boundary • QRPI must be in conformance and support the goals of the approved District plan

<p>ELIGIBLE ACTIVITIES AND EXPENSES</p> <p>(Refer to Appendix B in the guidelines for details)</p>	<ul style="list-style-type: none"> • Eligible capital investments necessary for the rehabilitation, expansion, or new construction of commercial, industrial, single or multi-family residential, or mixed-use building/facility • Expenses generally referred to as “hard costs” that are associated with the building structure • Structural, mechanical, electrical and accessibility improvements to the <u>building/facility</u>
<p>INELIGIBLE ACTIVITIES AND EXPENSES</p> <p>(Refer to Appendix B in the guidelines for details)</p>	<ul style="list-style-type: none"> • ‘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 • 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) • Institutional related activities: Hospitals, public and private schools, universities and colleges • Costs generally referred to as “soft costs” (e.g. acquisition, architectural and engineering fees) • Costs chargeable to furniture, fixtures and equipment • General maintenance type repairs, minor repairs and service calls • Site utility work (e.g. gas, electric, sewer and water, utility hookups)
<p>ADA REGULATIONS</p>	<ul style="list-style-type: none"> • Investors are required to contact their state and local municipality’s inspection and planning department for accessibility requirements
<p>CASH EXPENDITURES</p>	<ul style="list-style-type: none"> • Cash transactions are highly discouraged and require confirmation from both parties • Inclusion of cash transactions for rebate consideration will be solely determined by DSHA
<p>USE OF CONTRACTORS</p>	<ul style="list-style-type: none"> • Work must be performed by Delaware-licensed contractor to be eligible for rebate • Investors that serve as their own GC cannot include overhead and profit
<p>PLACED-IN-SERVICE DATE</p>	<ul style="list-style-type: none"> • Investors must comply with all state and local municipality permit and inspection processes • Final placed-in-service documentation is determined by the jurisdiction (e.g. Certificate of Occupancy, Final Building Inspection) • Investors have 60 days from the placed-in-service date to apply for a Rebate
<p>REBATE APPROVAL</p>	<ul style="list-style-type: none"> • DSHA will review submitted documentation and determine final Rebate • Investor must agree to a physical inspection of the property by a DSHA inspector for the purpose of verifying work performed • Most Investors can expect to receive their Rebate within <u>60 days of final submission</u> • DSHA will issue an IRS 1099-MISC form for the year in which the Rebate is issued
<p>PROGRAM CONTACTS</p>	<ul style="list-style-type: none"> • Penny Pierson, DDD Program Manager Penny@destatehousing.com or 302-739-0246 • Tunisha Royal-Scott, Management Analyst I Tunisha@destatehousing.com or 302-739-0221

DDD SMALL PROJECT REBATE PROCESS*



**Small Project Rebates are subject to funding availability at time of application.*

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
- **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>