



# DOWNTOWN DEVELOPMENT DISTRICTS **REBATE PROGRAM GUIDELINES**

*Administered by*

**Delaware State Housing Authority**



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Program guidelines, application materials and forms may be accessed by clicking on this link:

[DSHA Website](#)

If you need language assistance to understand this document and/or any other DSHA housing assistance program, please call 302-739-4263 ext. 215.

*Si usted necesita asistencia en español para entender este documento, o algún otro programa de asistencia de vivienda de DSHA, por favor llame al 302-739-4263 ext. 215.*



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## FALL 2022 FUNDING ROUND INFORMATION

### IMPORTANT DATES

- December 5, 2022 DDD **Large Project** Reservation round officially opens
- March 6, 2023 **Large Project** Reservation Applications due **no later than 4:00 pm**
- May 8, 2023 DSHA to announce **Large Project** Reservation Awards

DDD **Small Project Applications** are accepted on a **rolling basis** and **subject to funding availability**.  
For questions regarding available funding, contact DSHA.

### AVAILABLE FUNDING

- DSHA has established two funding set-asides, the **Large Project** and the **Small Project**, to ensure a variety of investors have reasonable access to funding.

FUNDING SET-ASIDE	AVAILABLE	MQIT <sup>(1)</sup>	MAXIMUM REBATE
<b>SMALL Project</b>	\$2,000,000	\$25,000	\$70,000 per building or facility
<b>LARGE Project</b>	\$6,000,000	\$350,000	\$2,000,000 per building or facility <sup>(2)</sup>

(1) Minimum Qualified Investment Threshold (MQIT) is defined as the **minimum** amount of Qualified Real Property Investment (QRPI) an investor must make to be eligible to apply. The QRPI represents the total investment made for **eligible** improvements to rehabilitate, expand, or construct depreciable real property (building or facility) in a designated District.

(2) DDD rebates are limited to **\$2,000,000 per building** or facility within a **five-consecutive year period, starting with the year in which a rebate is issued by DSHA**. A \$2,000,000 rebate requires a QRPI greater than \$27,500,000. If a building or facility reaches the \$2,000,000 maximum, depending on funding availability, a building may qualify for additional rebate. Click [\*\*here\*\*](#) for additional information.

- The **Large Project set-aside** is further divided equally into a **General Pool** and a **District Pool** to ensure Districts have reasonable access to funding. Each District is then allocated a portion of the funding based on its population.

LARGE PROJECT POOLS	AVAILABLE
<b>General Pool</b>	\$3,000,000
<b>District Pool *</b>	\$3,000,000
<b>Total Funding</b>	<b>\$6,000,000</b>

*DISTRICT BREAKDOWN	AVAILABLE
<b>Clayton</b>	\$85,803
<b>Delaware City</b>	\$121,668
<b>Dover</b>	\$285,894
<b>Georgetown</b>	\$174,694
<b>Harrington</b>	\$102,105
<b>Laurel</b>	\$85,803

*DISTRICT BREAKDOWN	AVAILABLE
<b>Middletown</b>	\$180,872
<b>Milford</b>	\$256,721
<b>New Castle (City)</b>	\$181,900
<b>Seaford</b>	\$85,803
<b>Smyrna</b>	\$230,122
<b>Wilmington</b>	\$1,208,615

## **DOWNTOWN DEVELOPMENT DISTRICTS**

### **DOWNTOWN DEVELOPMENT DISTRICTS ACT**

The Downtown Development Districts Act (Act) of 2014 was created to leverage state resources in a limited number of designated areas throughout Delaware to:

- spur private capital investment;
- stimulate job growth and improve the commercial vitality of Delaware cities and towns; and build stable communities of long-term residents in our downtowns and surrounding neighborhoods.

### **DSHA'S ROLE**

Under this Act, funding is allocated through the General Assembly to DSHA to administer the DDD Rebate program.

- DSHA is authorized to establish additional qualifying criteria with respect to uses (e.g. residential, commercial, industrial, and mixed-use) or types of projects (e.g. rehabilitation, new construction).
- DSHA is authorized to amend the required **Minimum Qualified Investment Threshold** (MQIT) established initially by the Act.
- DSHA is authorized to prioritize particular types of uses or projects in one or more Districts.
- DSHA is authorized to establish such other limitations in one or more Districts as DSHA shall determine from time to time, but no more often than once a year.

### **DESIGNATED DISTRICTS**

Delaware's Office of State Planning Coordination (OSPC) administers the District Designation application process and oversees District compliance after designation. Applications are evaluated by members of the Cabinet Committee on State Planning Issues for recommendations to the Governor for final designation.

#### **District designations:**

- **January 11, 2015**                      Dover, Seaford, and Wilmington
- **August 10, 2016**                     Georgetown, Harrington, Laurel, Milford, and Smyrna
- **August 19, 2019**                     Clayton, Delaware City, Middletown, and the City of New Castle

District information including corresponding District Plans and maps for each District can be accessed by clicking on this link: [\*\*District Plans and Maps\*\*](#).

Additionally, OSPC has created an **interactive map** to help investors determine if a property is located in one of the designated Districts. This map can be accessed by clicking on this link:

[\*\*DDD Interactive Map\*\*](#).

## DDD INVESTOR INCENTIVES

The **DDD Rebate** is just one incentive available to investors who invest in real property within a District. Other available incentives include Historic Preservation Tax Credits, State and County grants, bridge loans and municipal incentives.

Investors are encouraged to contact their DDD District Administrator to discuss their proposed or planned project and to learn more about incentives available to investors. Refer to [Appendix D](#) of these guidelines for District contact information.

Additionally, a centralized list of DDD incentives can be accessed from OSPC's Centralized Incentives webpage by clicking on this link: [DDD Incentives](#).

## THE DDD REBATE PROGRAM

**\*This section applies equally to Small and Large Projects unless otherwise noted.**

### INTRODUCTION

- The DDD Rebate program provides cash rebates to **Qualified District Investors** that make a **Qualified Real Property Investment (QRPI)** within the boundaries of a District.
- Rebates are **performance-based**; therefore, investments are **required** to be completed, paid in full and placed-in-service **prior** to rebate application.

Investors are eligible for rebates of **up to 20%** of the QRPI.

The **QRPI** is the amount that is chargeable to a capital account for **eligible** improvement costs to rehabilitate, expand, or construct a building or facility within the boundaries of a District.

### COMPLIANCE

- Rebate applications for projects that are funded in whole or in part with DSHA-controlled financing and/or have an Identity of Interest (IOI) ownership (as defined by DSHA) to projects funded in whole or in part with DSHA-controlled financing will be subject to additional review for compliance with all DSHA funding requirements and DSHA loan documents.
- If non-compliance with any DSHA funding is determined, the applicant must correct any non-compliance before the rebate will be issued. If the non-compliance is not corrected, DSHA reserves the right to capture the portion of the rebate necessary to bring the non-compliant project into compliance or cancel the rebate reservation.

### QUALIFIED DISTRICT INVESTORS

A Qualified District Investor is an entity or individual making a capitalized Qualified Real Property Investment (QRPI) for the **rehabilitation, expansion, or new construction** of a **commercial, residential, mixed-use, or industrial** building or facility located within the boundaries of a District.

- Owners of real property (occupant and non-occupant)
- Tenants making capitalized leasehold improvements may apply with owner's permission
- Investors can be for-profit developers, nonprofit organizations, businesses, and homeowners

**Federal, state, and local government agencies and quasi-governmental organizations** are **ineligible** to participate in the rebate program in any form including as the owner, developer, and/or tenant of real property.

## **QUALIFIED DISTRICT PROJECTS**

A qualified District project is for the new construction, expansion, or rehabilitation of building or facility located within the boundaries of a designated District that **substantially impacts** the overall transformation of a District and forwards the goals of the District's DDD Plan.

Projects should have a planned start and finish date with no breaks in construction greater than 60-consecutive days during the duration of the project. Construction activities considered **repair or maintenance** in nature are **ineligible** for rebate.

Examples of Qualified District Projects:

- New construction of a building on a vacant lot
- Demolition of a blighted building that is replaced with a new building
- Historic preservation of a building
- Gut or substantial renovation of a building that includes both interior and exterior improvements
- Commercial tenant fit-outs
- Private multi-level parking garage buildings (refer to additional information under "Program Ineligible Activities")
- Projects that improve the overall appearance of a building or facility located in a District
- Projects that create employment opportunities for Delawareans
- Projects that provide healthy and safe housing opportunities for Delawareans

## **GENERAL MINIMUM THRESHOLD REQUIREMENTS**

Investors and investments must meet the following **minimum threshold requirements** to be eligible to participate in DSHA's DDD Rebate program:

- At time of application, the real property must be located within the boundaries of a District.
- The QRPI must be made **after** the date the real property is **officially** incorporated within the boundaries of a District.
- The QRPI must conform to and support the approved District Plan.
- The QRPI must be in **excess** of the required Minimum Qualified Investment Threshold (MQIT).
- Investors must meet site control requirements (e.g. legal title, sales agreement\*, or owner's consent).

\* Large Projects: Must be a valid sales agreement signed by all parties. If awarded a Reservation the Investor is required to purchase the property within **120 days** of the Reservation.

Investors planning to utilize Low-Income Housing Tax Credits must have a preliminary allocation prior to applying.

## **PROGRAM INELIGIBLE ACTIVITIES**

Investments related to the following activities are **ineligible** for participation in the rebate program:

- Business activities commonly referred to by the Internal Revenue Code (I.R.C.) as **sin businesses**, or activities prohibited by state or local zoning, safety and building ordinances, or Delaware Code.



- I.R.C. § 144(c)(6)(B): Any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off the premises.
- Adult Entertainment Establishments as defined in 24 Del.C.16.
- Check cashing facilities, tobacco-only retailers, vape shops, and recreational-only marijuana retailers and manufacturers.
- **Federal, state, or local government agencies, quasi-governmental organizations and public service-related activities** such as, or similar to, libraries, post offices, fire and police stations.
- Institutional related activities defined as, or similar to, hospitals, public and private schools, colleges and universities.
- Parking garage buildings owned, operated or partnered in any form with **federal, state, or local government agencies or quasi-governmental organizations**.

### **QUALIFIED REAL PROPERTY INVESTMENT (QRPI)**

The QRPI is the amount that is chargeable to a capital account for **program-eligible** costs to rehabilitate, expand, or construct a commercial, residential, or mixed-use building or facility located within the boundaries of a District.

- When determining the final QRPI, DSHA may also consider the following factors:
  - Does the investment improve the commercial vitality of the District?
  - Does the investment create employment opportunities new to Delaware?
  - Does the investment substantially impact the transformation of the District?

### **Eligible Costs**

- Costs typically referred to as “hard costs or brick-and-mortar costs” directly related to the physical construction or rehabilitation of a building’s structure (building envelope and interior).
- Limited costs associated with non-residential appliances/equipment.
- Limited costs associated with site improvements.
- Demolition of a primary building when replaced with a new building.

Refer to “**Cost Eligibility by Line Item**” for detailed information on the following pages.

### **Ineligible Costs**

The following **ineligible** costs are for example purposes only and may not include all ineligible costs.

- Costs typically referred to as “soft costs” indirectly related to the physical construction of a **building**, such as, but not limited to:
  - Appraisal, architectural, engineering, environmental, interior design service fees and similar fees
  - Permit, zoning, impact, inspection, licensing, audit fees and similar fees
  - Pest and termite control, services or fees
  - Legal, accounting, realtor, sales, marketing, consultant and similar professional fees
  - Loan fees and capitalized interest
  - Bonding, closing costs and insurance payments
  - Temporary facilities

- Rent loss
- Other **ineligible** costs:
  - Costs generally chargeable to furniture, fixtures and equipment (FF&E), unless otherwise defined as eligible
  - Costs paid or to be paid by an insurance claim up to the amount of the claim (contact DSHA for additional assistance)
  - General maintenance, repairs and service calls
  - Purchase of tools and construction equipment and rental of small tools
  - Computer network installation and related equipment, excludes permanent wiring installed within walls or ceiling structures
  - Point of sale equipment
  - Outbuildings, ancillary to the function of the main building. (e.g. garages, sheds, gazebos)
  - Exterior and interior signage, unless otherwise defined as eligible
  - Playgrounds and equipment, swimming pools, boat docks and ramps, walking trails, and fencing
  - Site utility fees, connection and impact fees, and similar fees
  - Utility hookups, water, electric and gas meters, utility disconnection and access fees
  - Site work and site improvements, unless otherwise defined as eligible
  - Site infrastructure, private and public roads, and curbing
  - Perimeter and public sidewalks
  - Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios

### Cost Eligibility by Line Item

- Costs described below are for example purposes only and may not represent all eligible and ineligible costs. Questions regarding eligibility of specific costs should be directed to DSHA.
- Costs defined as eligible “***in conjunction with substantial rehabilitation or new construction of a building***” require the MQIT be met ***prior*** to inclusion of these costs. For example, to include the repaving of a parking area in a large-project investment, the investor must expend at least \$350,000 in eligible-costs directly related to the building structure ***prior*** to inclusion of the parking area.
- DSHA will determine ***final*** eligibility of all costs.

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<p><b>Appliances/ Equipment</b></p> <p><i>Limited Eligibility</i></p> <p><i>50% of Eligible Costs</i></p>	<p>In conjunction with the new construction or substantial rehabilitation of a building <b>50%</b> of costs associated with the purchase and installation of <b>new</b> appliances and equipment for <b>commercial-business</b> activities that are considered part of the <b>permanent building structure</b> and <b>essential</b> to the business operation.</p> <p>To be eligible the <b>individual purchase price of each appliance or equipment must in excess of \$5,000 excluding installation cost</b>. Installation of the appliance or equipment <b>must</b> be completed by a <b>DE-licensed professional</b>.</p> <p>Investors are <u>required</u> to complete <b>DSHA’s Appliance and Equipment Worksheet</b> to estimate eligible costs. <i>DSHA will review and determine final eligibility of appliance and equipment costs.</i></p> <p style="text-align: center;"><b>EXAMPLES OF PREVIOUSLY APPROVED COSTS</b></p> <p><b>Restaurant</b> Purchase and installation of <u>new</u> commercial grade appliances such as: walk-in cooler and freezer, gas range with ventilation system.</p> <p><b>Brewery</b> Purchase and installation of <u>new</u> brewing tanks and connective plumbing. Brewery <b>must</b> be physically connected to and part of a restaurant where food is served.</p> <p><b>Coffee Shops</b> Purchase and installation of a <u>new</u> commercial coffee-brewing system.</p> <p><b>Commercial Laundromat</b> Purchase and installation of <u>new</u> washers and dryers.</p>	<p>Costs associated with the purchase and installation of appliances and equipment for <b>single or multi-family residential</b> building investments. <i>This includes the residential portions of a mixed-use building.</i></p> <p>Appliances and equipment <b>not</b> essential to the commercial-business operation.</p> <p>Repairs, maintenance or service of appliances or equipment.</p> <p>Examples of other ineligible costs:</p> <ul style="list-style-type: none"> <li>• Portable appliances and equipment</li> <li>• Office equipment such as copiers</li> <li>• Appliances and equipment installed in an office lounge, breakroom or lunchroom used by employees and guests</li> <li>• Point of sale equipment</li> <li>• Audio and video systems, computers, monitors or televisions</li> <li>• Computer and network installation, service calls and associated fees.</li> </ul>
<p><b>Building Environmental Remediation</b></p>	<p>Costs associated with the removal of asbestos, lead-based paint or other environmentally hazardous issues associated with the <b>building structure</b>.</p>	<p>Testing, environmental studies and audit fees. Site remediation.</p>
<p><b>Carpeting</b></p>	<p>New installation or full replacement of carpeting, padding, and carpet tiles.</p>	<p>Area or throw rugs, carpet cleaning or repairs to existing carpeting.</p>
<p><b>Concrete</b></p>	<p>Concrete foundation, slab work, and gypcrete work associated with the <b>building structure</b>.</p>	<p>Patios, public or perimeter sidewalks, retaining walls or curb cuts and work. <b>Refer to Site Improvements for sidewalk eligibility.</b></p>
<p><b>Demolition</b></p>	<p>Demolition of existing walls, floors, ceilings, roof systems, etc. Disposal fees directly related to the demolition. Demolition of a building, <b>only if replaced with a new building</b>.</p>	<p>Wrecking, destroying or tearing down of <b>non-essential</b> buildings (e.g. sheds, detached garages or outbuildings).</p> <p>Demolition of a building with no replacement.</p>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<b>Doors and Frames</b>	Interior and exterior doors, metal or wood frames, hardware, lock systems, hinges and doorstops for <b>new</b> doors.	Repair of an existing door or replacement of hardware on an existing door.
<b>Driveways/ Paving</b>	Driveways installed with the <b>new</b> construction of a single-family <b>residential</b> building. In conjunction with a substantial rehabilitation of a building, costs to repave an existing driveway.	Repair of an existing driveway. Gravel or stone driveways.
<b>Drywall</b>	Costs associated with gypsum board, sheetrock, spackling, tape and finishing work for new construction.	Minor drywall repair work.
<b>Electrical</b>	<b>Interior</b> wiring of a building including, but not limited to, electrical boxes, switches, paddle fans, light fixtures, outlets, cable, phone lines. and permanently installed whole-building generators.	Electric hookups, installation or removal of electric meters, meter panels, electric utility disconnection or access fees.
<b>Elevators</b>	Installation of a new elevator.	Maintenance or repairs to an existing elevator. <i>DSHA will consider substantial repairs on a case-by-case basis.</i>
<b>Exterior Siding</b>	Installation of new exterior siding, including, but not limited to, vinyl, concrete plank, stucco, moisture and thermal protection (Tyvek), all associated trim, fyons, and architectural millwork.	Repairs to existing siding.
<b>Finished Carpentry</b>	Installation of kitchen and bathroom cabinetry, installation of doors and windows, trim, windowsills, baseboards, and casework.	Maintenance or repairs.
<b>Fire Alarm/ Security System Equipment</b>	In conjunction with the new construction or substantial rehabilitation of a building costs to permanently install close-circuit security cameras, fire alarm, annunciation panels, electronic entry systems.	Maintenance or repairs to existing systems. Non-hard wired security systems installed in <b>single-family residential</b> properties.
<b>Flooring</b>	Installation of new vinyl, VCP plank, engineered flooring, hardwood flooring, underlayment, sheet goods, ceramic tiles, stained concrete, or VCT flooring.	Repairs to existing floors.
<b>General Conditions</b>	<b>Program eligible General Conditions</b> will be <b>capped at 10%</b> of the eligible construction hard costs <b>excluding overhead and profit</b> and must be documented by invoices, canceled checks, time sheets, logs, etc. Additionally, activities eligible under General Conditions are <b>limited to the following</b> : <ul style="list-style-type: none"> <li>• Cleanup and dumpsters for construction debris</li> <li>• Project Construction Site Manager and Project Superintendent salaries only (onsite services)</li> <li>• General labor for material movement on site</li> <li>• Watchmen’s or other security wages</li> <li>• Rental fees for portable toilets</li> <li>• Utility usage bills (during construction)</li> <li>• Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates).</li> </ul>	<i>Project Management</i> costs and salaries. <b>Costs not defined as eligible.</b>

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<b>HVAC</b>	In conjunction with the new construction or substantial rehabilitation of a building costs to install new heating and air conditioning systems (must be code compliant).	Maintenance, repairs, and service to existing HVAC systems.
<b>Insulation</b>	Installation of new Insulation located at slabs/footers, walls, floors or attic areas, including batt, blown-in, spray-on, fire stopping and rigid types.	
<b>Joint Sealant</b>	Interior and exterior caulking of the building. Includes bathroom and kitchen areas, trim, baseboards, fire-stopping and all exterior areas.	Maintenance and repairs.
<b>Kitchen and Bathroom Cabinets</b>	New kitchen and bathroom cabinets, including all base and wall cabinets, countertops, side and wall splash guards.	Repairs to existing cabinetry and countertops.
<b>Masonry</b>	Block, brick, or stonework, including foundation footings, paving, restoration re-pointing, acid washing and power washing associated with the <b>building structure</b> .	Maintenance and minor repairs. Power washing <b>not</b> in conjunction with the rehabilitation or new construction of a building. Retaining walls.
<b>Metals/Gutters/Downspouts</b>	Miscellaneous metals and drip edge, fascia, headers, columns, and interior and exterior metal railings. Steel stairs, beams and other structural metals.	Exterior railings <b>not</b> permanently <u>attached to the building</u> . Maintenance or repairs. <i>DSHA will consider <u>substantial repairs on a case-by-case basis</u>.</i>
<b>Painting</b>	Interior and exterior painting of a building.	Touch-ups to existing painted surfaces.
<b>Plumbing</b>	Rough and finished plumbing, included but limited to, hot and cold-water supplies, sanitary connections, venting, purchase and setting of new fixtures (toilets, tubs, sinks, showers, garbage disposals, and water heaters).	Repair, maintenance and plumbing service calls.
<b>Roofing</b>	<b>Replacement</b> of roof, including but not limited to, shingles, vents, metal flashing, underlayment, ice shields and rubber roofs.	Maintenance and repairs. <i>DSHA will consider <u>substantial repairs on a case-by-case basis</u>.</i>
<b>Rough Carpentry</b>	All framing, additions, setting trusses and roof, wall or floor sheathing.	
<b>Site Grading</b>	Costs include stripping topsoil, stock piling and grading, rough and finish grading, and imported fill material when in conjunction with the new construction or rehabilitation of a building.	Costs associated with clearing site, removal of trees, etc.

<p><b>Site Improvements</b></p> <p><b>Limited Eligibility</b></p>	<p>Costs related to site improvements are <b>limited to the following</b> and must be in conjunction with the <b>substantial</b> rehabilitation or new construction of a building:</p> <ul style="list-style-type: none"> <li>• Material and labor costs for a new parking area or the resurfacing and seal coating of an existing parking area located on the same property as the building under construction.</li> <li>• Material and labor costs for <b>new private</b> sidewalks that physically connect to the building. <i>Example: a sidewalk that connects from the building's front door to a parking lot or driveway <u>located on the same parcel</u>.</i></li> <li>• <b>30%</b> of material and labor costs for <b>new</b> underground utilities that <u>connect to the building</u> (cable, water, gas, sewer and electric lines).</li> <li>• <b>30%</b> of material and labor costs for <b>new</b> storm management systems if located on the same parcel as the improved building(s).</li> </ul> <p>All site improvements <b>must be located on the same parcel as the improved building</b> to be considered eligible.</p>	<ul style="list-style-type: none"> <li>• Costs <b>not</b> in conjunction with the <b>substantial</b> rehabilitation or new construction of a building. <i>For example, the construction of a parking lot on its own is <b>not</b> eligible for rebate.</i></li> <li>• Sidewalks <b>not</b> physically connected to the building. Perimeter and public sidewalks. Repairs to <u>existing</u> sidewalks.</li> <li>• Impact fees, site utility connection or service fees. Fees related to storm water management systems.</li> <li>• Costs paid directly to state or local government or agency.</li> <li>• Repairs to existing underground utilities connecting to the building. Repairs to existing storm water management systems.</li> <li>• Playground, play equipment, boating docks and ramps, swimming pools, fencing and costs similar in nature.</li> <li>• Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios.</li> <li>• <b>All costs</b> related to private and public roads and curbing.</li> </ul>
<p><b>Specialties/ ADA/Signage</b></p>	<p><b>ADA accessibility improvements to a building</b>, unit and building identification numbers, fire extinguishers, necessary permanent shelving. <b>Exterior</b> signage affixed to the building in a permanent fashion when in conjunction with the <b>substantial</b> rehabilitation or new construction of a building.</p>	<p>Removable or decorative shelving. Retail shelving for commercial activities.</p> <p>Easily removable signage, window decals, hanging signs and free-standing signs.</p>
<p><b>Sprinklers</b></p>	<p>Code compliant fire protection sprinkler systems and all associated pertinent equipment <b>located in a building</b> when in conjunction with the <b>substantial</b> rehabilitation or new construction of a building.</p>	<p>Repair, maintenance or service calls.</p>
<p><b>Toilet Accessories</b></p>	<p>Shower rods, grab bars, towel bars, toilet paper holders, mirrors, and medicine cabinets.</p>	<p>Repair or maintenance.</p> <p>Shower curtains, bathroom linens, etc.</p>
<p><b>Windows</b></p>	<p>Purchase and installation of new windows, and patio doors, including screens.</p>	<p>Window coverings (e.g. blinds). Repair or maintenance of windows.</p>

## CASH PAYMENT RESTRICTIONS

Cash payments are **strongly** discouraged and may require further documentation such as notarized statements from all related parties and evidence of a cash withdrawal from a qualified account. **DSHA has the right to exclude any and all costs paid for in cash from the final QRPI calculation.**

## MULTIPLE INVESTMENTS FOR A BUILDING OR FACILITY

### Requirements for Multiple Investments

Investors planning to make multiple or phased investments to a single building or facility are **strongly** encouraged to contact DSHA to discuss their planned investment. For rebate eligibility purposes, DSHA must be able to clearly identify each investment as a separate project. To be considered a separate project, work must be performed at different periods of time and to different portions of the building.

Examples of multiple or phased investments for a building or facility:

#### **A. Mixed-Use Building**

**Investment 1:** Improvements to the exterior and interior of a building, and vanilla shell for new tenant

**Investment 2:** Tenant fit out

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**Investment 1:** Improvements to floor 2 to create new office units

**Investment 2:** Improvements to floors 3 and 4 to create new residential units

#### **B. Residential Multi-Family Facility**

**Investment 1:** Improvements to building 1

**Investment 2:** Improvements to building 2

#### **C. Single-Family Residence**

**Investment 1:** Improvements to building exterior (paint, new roof, new windows, new doors)

**Investment 2:** Improvements to building interior (new floors, paint, bathroom and new mechanicals)

### Five-Consecutive Year Rebate Limit

DDD rebates are limited to **\$2,000,000 per building or facility** within a **five-consecutive year period** starting with the year in which a rebate is **issued** by DSHA. A \$2,000,000 rebate requires a QRPI greater than \$27,500,000.

### Special Consideration for Large-Project Tenant Fit-outs

**Large-project tenants** making fit-out improvements to leased spaces within a building or facility that has **reached** the **five-consecutive year rebate limit** of \$2,000,000 may participate in the large-project reservation process.

When a building or facility has **reached** the five-year maximum limit, DSHA will allow up to \$1,500,000 in additional rebate per building or facility for **large-project tenants only**. Eligible tenants may apply for **up to \$500,000**. A QRPI of at least \$2,500,000 is required for a \$500,000 reservation/rebate.

Eligibility Requirements:

- Investor must be a **new** tenant of a building or facility
- Tenant must **own and operate** the business activity operating in the leased space

- **Tenant pays** for improvements included in the QRPI
- Tenant meets all other large-project eligibility and program requirements

#### Scoring and Ranking:

- Large Project reservation requests for buildings or facilities that have **not** reached the five-consecutive year limit will be reviewed and **awarded first**.
- If sufficient funding remains, tenant applications for buildings or facilities that have **reached** the **five-consecutive year limit** will be considered for funding. DSHA reserves the right to use all or a portion of the remaining funding for future funding rounds and/or tenant applications.
- When deemed necessary, DSHA will score and rank tenant applications based on the following **priority** considerations:
  - Identified as a priority project in the District Plan
  - Readiness to proceed
  - Creates permanent jobs
  - Creates or sustains mixed-use development
  - Demonstrates relationship with subcontractors registered with Delaware’s Office of Supplier Diversity
  - Expands housing opportunities
  - Protects historic resources
  - Adaptively reuses existing structures
  - Promotes sustainable practices by participating in a DE Sustainable Energy Utility (DSEU) program

## **CONTRACTOR REQUIREMENTS**

For program purposes, an **eligible** contractor is **licensed in the State of Delaware** and **actively seeks and performs work for the general public**. Individuals or entities that obtain a business license for the sole purpose of performing their own work are **not** consider eligible contractors for this program.

### **Licensing Requirements for All Contractors**

- Contractors are required to be registered with and hold a business license from Delaware’s Division of Revenue and be properly insured and bonded. Additionally, **the license must be in effect during the time the work was performed**.
- Licensing requirement inquiries should be addressed to **Delaware’s Division of Revenue**. Information may be accessed by clicking on this link: **DE One Stop**.
- Investors are required to submit copies of DE business licenses for all hired contractors to DSHA at time of rebate application. This includes the general contractor and all subcontractors.

### **Permit and Inspection Requirements**

Investors must follow all permit and inspection requirements to be eligible for rebate. Investors should contact the municipality’s inspection department or **District Contacts** for assistance.



## General Contractors

- The General Contractor (GC) is defined as the entity that contracts for and assumes responsibility for completing a construction project, and hires, supervises and pays all subcontractors. The GC will submit draws to the investor for reimbursement.
- A valid written contract or agreement must be in place between the investor and the GC and made available to DSHA at application or upon request.

## Identity of Interest Contractors

- Investors that have a relationship as defined below with the general contractor, contractor, third-party contractor or material supplier may **not** include costs related to **overhead and profit** as part of the QRPI.
  - DSHA defines identity of interest as it relates to the QRPI as an affiliate and/or related party that: (i) has a spousal or family relationship, parent-subsidary relationship, or where owners, officers, directors, partners, stockholders or members of one business entity have a five percent (5%) or more interest in the other business entity; or (ii) where a substantial relationship exists between the parties directly or indirectly through (a) common family, (b) common general partners or members, (c) common control of the entities, or (d) the person or entity is otherwise controlled in whole, or in part, by the other person or entity.
- **It is the investor's responsibility** to ensure that the identity of interest party understands that all **overhead and profit must appear on the invoice as a separate line item**.
  - **Overhead** is defined as the costs of operating a business. Includes costs such as insurance, bonds, office supplies, payroll, vehicle expenses, utilities, accounting expenses, etc.
  - **Profit** is defined as the amount left over after paying for the job costs and overhead.
- DSHA **strongly** encourages investors that use identity of interest contractors to contact DSHA prior to project commencement to discuss invoice requirements. Invoice requirements for identity of interest contractors may have additional requirements that will be determined by DSHA on a case-by-case basis.
- If applicant/investor is also the General Contractor, material cost and subcontractor billing are eligible. Overhead costs are ineligible.
- If applicant/investor owns the General Contracting company, labor, material cost and subcontractor billing are eligible. Proof investor/applicant paid the General Contractor for completed work is required.

## Contractor General Conditions (Limited Eligibility)

- **Program-eligible** General Conditions will be **capped at 10%** of the eligible QRPI excluding overhead and profit for rebate purposes and must be documented by invoices, canceled checks, time sheets, logs, etc. Activities eligible under General Conditions are **limited to the following**:
  - Cleanup and dumpsters for construction debris
  - Project Construction Site Manager and Project Superintendent salaries **only**
  - General labor for material movement on site
  - Watchmen's or other security wages
  - Rental fees for portable toilets
  - Utility usage bills (during construction)
  - Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates)

- Additionally, costs associated with the above activities must be incurred for labor or materials supplied at the job site and properly documented. All charges for material or labor must be at cost, with no mark-up and no indirect costs, and properly documented. DSHA retains the right to determine if such labor charges are reasonable given local market conditions.
- Costs associated with general trade items (i.e. carpentry, drywall, etc.) performed by employees of the GC are not eligible under General Conditions. Such costs should be included under the appropriate construction cost line item and properly documented.

### **Work Performed by Unlicensed Contractors or Individuals**

- Labor and materials for work performed by unlicensed contractors or individuals including homeowners are **ineligible** for rebate. **In limited situations**, DSHA may approve materials only. DSHA will review requests on a case-by-case basis.

### **FEDERAL AND STATE AMERICANS WITH DISABILITIES ACT (ADA) STANDARDS**

Investors are required to comply with ADA Standards. Investment projects that do **not** adhere to these standards may be deemed **ineligible** for rebate. Please contact your state and/or local municipality's Inspection and Planning department to determine if any accessibility improvements are required.

### **IMPORTANCE OF THE FINAL PLACED-IN-SERVICE (PIS) DATE**

To be eligible for a DDD rebate, investors must comply with all state and local municipality permit and inspection processes. A copy of the final PIS document required by the municipality must be provided to DSHA as part of the rebate application process.

- Investors have **up to 60 days** from the **final PIS date** to apply for a DDD rebate. Applications received **after** the 60-day deadline will be considered **ineligible** for rebate, unless otherwise approved by DSHA.
- The PIS date is defined as the date the **final** Certificate of Occupancy (CO) or **final** Building Inspection is issued by the municipality certifying a building/facility complies with building codes and laws.
- The final PIS document must be dated within **30-days of construction completion**, unless otherwise approved by DSHA.
- If the nature of work performed does **not** require the municipality to issue a final CO or Building Inspection, the investor is required to obtain a letter from the municipality. DSHA will then determine the PIS date based on invoice documentation.
- It is important for investors to contact the municipality **prior** to construction commencement to discuss PIS requirements.

Investors must wait until the **final** CO is issued to apply for a rebate. Temporary CO's will **not** be accepted.

## INTERNAL REVENUE SERVICES (IRS) REPORTING

### IRS Form W-9

- Investors are required to complete, sign and submit an IRS Form W-9, Request for Taxpayer Identification Number and Certification, to DSHA when applying for a reservation/rebate. The W-9 “Name” must match the investor/applicant.

### IRS Form 1099-MISC

DSHA is required to report payments of \$600 or more during a tax year made to investors to the IRS using the information return Form 1099-MISC.

**Investors should contact a licensed tax professional for guidance** related to the completion of IRS forms and questions regarding the taxability of rebates.

## THE DELAWARE FREEDOM OF INFORMATION ACT

By submitting a Small or Large Project Application, the applicant acknowledges and agrees that the Application shall be deemed a “public record” for the purposes of the Delaware Freedom of Information Act (“FOIA”), codified at **29 Del. C. §§ 10001 - 10005**.

If information included in an application is exempt from disclosure, such as trade secrets, commercial, or financial information of a privileged or confidential nature, DSHA will protect such information from disclosure to the extent permitted by § 10002(g)(2) of the FOIA. DSHA shall determine in its discretion whether application material is exempt from disclosure. Applicant acknowledges and agrees that any portion of the application which is determined by DSHA to **not** constitute confidential financial or trade secret information exempt from disclosure under FOIA shall be subject to public examination and copying.

It is the policy of DSHA not to release to any third party any application materials until after the ranking of projects, and allocation of Reservations funds have been announced or a rebate has been disbursed. DSHA expressly reserves its authority to withhold all such information from third party requests pending the completion of the review and ranking process, to the extent permitted by the FOIA. DSHA will endeavor to respond to FOIA requests for application materials as promptly as possible, and absent unusual circumstances, will release to any requesting party public documents related to application materials within 15 days of a written request.

## **DDD LARGE PROJECT SET-ASIDE**

The **Large Project set-aside** is divided equally into a **General Pool** and a **District Pool** to ensure all Districts have reasonable access to DDD funding. District Pool funding is allocated to Districts based on the population of each District.

## ADDITIONAL MINIMUM THRESHOLD AND ELIGIBILITY REQUIREMENTS

Large Project investors and/or investments **must** meet the following **additional minimum threshold requirements** to be eligible to participate in DDD Large Project set-aside:

- QRPI must be in excess of \$350,000.
- Investor must demonstrate ability to complete investment within three (3) years from the date of Reservation.

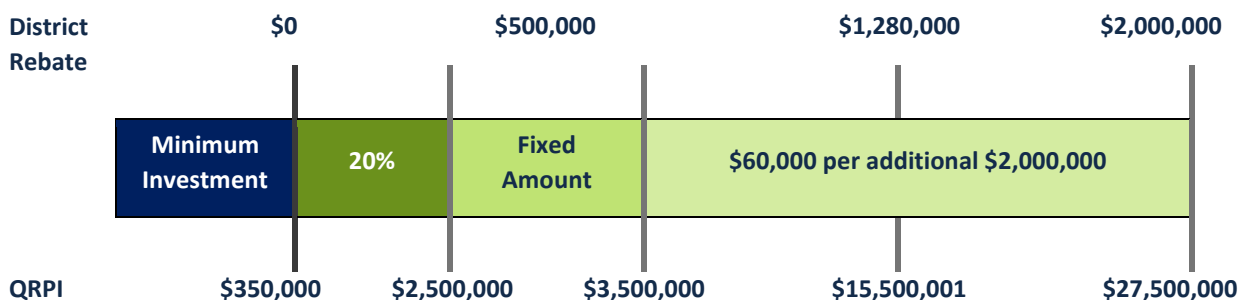
- Investor must demonstrate ability for investment to substantially commence within one (1) year from the date of Reservation.
- Investments **cannot** be more than **50% complete** at time of Reservation application. DSHA will verify percentage of completion through documentation and physical inspection of the investment property.
- Investments with **more than 35%** of the estimated QRPI completed **prior** to the date the real property location is **officially** incorporated within the boundary of the designated District are **ineligible** for rebate consideration.
  - DSHA will verify percentage of completion through documentation and physical inspection of the property.
- Costs associated with work performed or materials purchased **prior** to a District’s designation are **ineligible** for rebate consideration.
- Investor must be able to meet **site control** requirements.
  - Legal title - Deed
  - Valid Purchase and Sale Agreement – Must be signed by **all** parties. If a Large Project Reservation is awarded the investor has **120 days** from the **Reservation date** to provide legal title to DSHA.
  - If the investor is a tenant, the property owner must provide consent for the tenant to apply:
    - DSHA’s **Tenant-Owner Consent Form** must be completed, signed, notarized and submitted at time of application.

### CALCULATION OF LARGE PROJECT RESERVATION/REBATE

- QRPIs between \$350,000 and \$2,500,000 are calculated at a rate of twenty percent (20%).

CALCULATION	EXAMPLE 1	EXAMPLE 2
Eligible QRPI	\$700,000	\$2,500,000
Multiplier	.20	.20
DDD Rebate	<b>\$140,000</b>	<b>\$500,000</b>

- QRPIs between \$2,500,001 and \$3,500,000 are eligible for a fixed rebate amount of \$500,000.
- QRPIs greater than \$3,500,000 are calculated at lower rate of \$60,000 per each additional \$2,000,000 in QRPI.



CALCULATION EXAMPLE	
Eligible QRPI	\$6,800,000
Multiplier	Refer to Chart
DDD Rebate	<b>\$740,000</b>

INVESTMENT RANGE			RESERVATION	INVESTMENT RANGE			RESERVATION
\$2,500,001	-	\$3,500,000	\$500,000	\$15,500,001	-	\$16,500,000	\$1,280,000
\$3,500,001	-	\$4,500,000	\$560,000	\$16,500,001	-	\$17,500,000	\$1,340,000
\$4,500,001	-	\$5,500,000	\$620,000	\$17,500,001	-	\$18,500,000	\$1,400,000
\$5,500,001	-	\$6,500,000	\$680,000	\$18,500,001	-	\$19,500,000	\$1,460,000
<b>\$6,500,001</b>	<b>-</b>	<b>\$7,500,000</b>	<b>\$740,000</b>	\$19,500,001	-	\$20,500,000	\$1,520,000
\$7,500,001	-	\$8,500,000	\$800,000	\$20,500,001	-	\$21,500,000	\$1,580,000
\$8,500,001	-	\$9,500,000	\$860,000	\$21,500,001	-	\$22,500,000	\$1,640,000
\$9,500,001	-	\$10,500,000	\$920,000	\$22,500,001	-	\$23,500,000	\$1,700,000
\$10,500,001	-	\$11,500,000	\$980,000	\$23,500,001	-	\$24,500,000	\$1,760,000
\$11,500,001	-	\$12,500,000	\$1,040,000	\$24,500,001	-	\$25,500,000	\$1,820,000
\$12,500,001	-	\$13,500,000	\$1,100,000	\$25,500,001	-	\$26,500,000	\$1,880,000
\$13,500,001	-	\$14,500,000	\$1,160,000	\$26,500,001	-	\$27,499,000	\$1,940,000
\$14,500,001	-	\$15,500,000	\$1,220,000	\$27,500,000		<i>and over</i>	\$2,000,000

### DDD LARGE PROJECT APPLICATION PROCESS

Large Project investors **must** apply for and **receive** a Reservation to be eligible for a rebate. It is important to understand that a reservation **guarantees funding availability only** and does **not** guarantee the amount of the final rebate. However, investors that follow program requirements, meet all program deadlines, and submit proper documentation upon completion of the investment should receive a rebate **up to the amount of the Reservation**, but **not** greater.

#### STEP 1: APPLYING FOR A LARGE PROJECT RESERVATION

The Large Project Reservation is designed to provide assurance to investors that funding will be available upon completion of an investment. Qualified investors with investments that meet all program and minimum threshold requirements are eligible to apply for a Reservation.

#### Large Project Reservation Application Checklist

- The Large Project Reservation Application consists of a group of documented exhibits that provide DSHA with the necessary information to determine program eligibility, financial feasibility and estimate of qualified costs (QRPI).
- The **Large Project Reservation Application Checklist** outlines the requirements for each of the required exhibits and provides instructions on how to package and submit the application to DSHA. The checklist can be accessed by clicking on this link: [DSHA Website](#).

**For security purposes**, DSHA **cannot** accept files delivered through Google, Dropbox or any similar file sharing system. Additionally, only Word files with the **.docx** extension are accepted. Word files with the **.doc** extension will be **automatically deleted by DSHA's spam filter**.

## Review and Ranking of Reservation Applications

DSHA conducts an initial review of all applications to determine if minimum threshold and eligibility requirements have been met, and if the submitted application successfully satisfies all application documentation requirements. DSHA reserves the right to return any application in its entirety, if the investor or investment is **not** in compliance with program requirements or the application is incomplete.

In the event the total amount of the Reservation requests **exceed** available funding, applications with Reservation requests that **pass the initial review** will be scored and ranked. Application scoring is based on the following **priority** considerations:

- Identified as a priority project in the District Plan
- Readiness to proceed
- Creates permanent jobs
- Creates or sustains mixed-use development
- Demonstrates relationship with subcontractors registered with Office of Supplier Diversity
- Expands housing opportunities
- Protects historic resources
- Adaptively reuses existing structures
- Promotes sustainable practices by participating in a Delaware Sustainable Energy Utility (DSEU) program

Refer to [Appendix B](#) for scoring information and [Appendix C](#) for documentation requirements.

## Large Project Reservation Awards

- Upon completion of the review and ranking of applications, Reservation Awards will be posted to DSHA's website and applicants will be notified of the final determinations. Awards are typically announced within **60 days** of the application deadline.
- Awardees will receive the official Reservation and Conditions of Reservation Funding within **30 days** of the initial award announcement. Investors will have at least **15 days** to review, sign and return the Reservation to DSHA. Reservations **not** accepted within the established time period may be forfeited.

## Cancellation of Reservation Award

DSHA may **rescind** a Reservation if any of the following conditions occur:

- Investment is **not** able to be "substantially commenced" within **12 months** from the date of Reservation.
- Investor **cannot** provide "proof of full-site control" within **120 days** from the date of Reservation.
- The nature or characteristics of the Investment **changes** from what is presented in the original application at any time after receiving a Reservation.
- The ownership of the Investment **changes** from what is presented in the original application.
- During the Reservation period, DSHA determines the investment **cannot** be completed within **3 years** from the date of Reservation.
- DSHA determines the investor **cannot** meet any of the requirements outlined in the Conditions of Reservation Funding.

## Conditions of Reservation Funding - Established Deadlines

### Proof of Full-Site Control

- Investors, who at time of Reservation application, submitted a Purchase and Sale Agreement as evidence of site control must provide **proof of property ownership** within **120 days** from Reservation date to avoid **cancellation** of the Reservation.
- Investors are responsible for submitting proof of full-site control documentation to DSHA **by the deadline established at Reservation**. DSHA will review the submitted documentation and provide written notification to the investor as to its acceptance.

### “Substantially Commenced” Requirement

- Large Project investments are required to be “substantially commenced” within **12 months** from the Reservation date. For an investment to be considered “substantially commenced” a minimum of **15%** of the Reservation QRPI related to **real construction activities** must be expended, meaning **physical** construction or rehabilitation of the **building or facility** must be underway.
- Investors with investments **not** able to be “substantially commenced” within the time period established at Reservation may apply for a **one-time, 6-month** extension. Investors requesting an extension **must** be able to demonstrate:
  - Full-site control
  - Ability to be “substantially commenced” within the 6-month extension period
  - Financial feasibility (evidence of committed funding)
  - Delay was due to circumstances beyond investor’s control
- Investors are **required** to complete and submit a **Large Project Progress Report** and required support documentation to DSHA by the “substantially commenced” deadline established at Reservation. The fillable report can be accessed by clicking on this link: [DSHA Website](#).
  - DSHA will review the progress report to determine if investment is substantially commenced, and if not, determine if investment qualifies for a **one-time, 6-month extension**.
  - If the investment **passes** the “substantially commenced” test, DSHA will notify the investor by e-mail that the investment passed and is considered substantially commenced.
  - If the investment does **not** pass the “substantially-commenced” test, DSHA will then determine if the investment is eligible for an extension. If the investment qualifies for an extension, DSHA will approve the extension, amend the Reservation and notify the investor by e-mail.
    - If the investment does **not** qualify for an extension, the Reservation will be **forfeited** and returned to DSHA to use in future funding rounds. DSHA will notify the investor by e-mail that the Reservation has been forfeited.

### Reservation Expiration

The Reservation **automatically** expires **3 years** from the date of Reservation, unless otherwise approved by DSHA in writing **prior** to expiration.

### Voluntary Return of Reservation

Investors that determine an investment is no longer feasible or that the investment timeline has significant changes that no longer allow the investment to meet the established deadlines should notify DSHA immediately to determine if a voluntarily return of the Reservation is necessary.

### Resubmission of a Forfeited or Returned Reservation

Investors that previously received a Reservation that was forfeited or voluntarily returned may reapply during future Large Project funding rounds as long as the investor and investment meet all program and minimum threshold requirements at time of reapplication.

The Large Project Reservation Application process is a competitive process; therefore, DSHA **cannot** guarantee a new Reservation will be awarded.

### Attestation of Costs by an Independent CPA

Large Project investors are **required** to engage the services of an **Independent** Certified Public Accountant (ICPA) to perform an Attestation of Actual Costs. ICPAs **must** meet the selection criteria defined in **DSHA's Agreed-Upon Procedures for Attestation of Actual Costs** guidelines. Investors and ICPAs may obtain the guidelines and required forms by contacting DSHA.

The completed Attestation of Actual Costs must be submitted as part of the application within **60 days** of project being placed in service. To meet this deadline, **DSHA recommends investors engage with an ICPA in the beginning stages of the investment project**. Costs associated with the preparation of the attestation are **ineligible** for a rebate. DSHA reserves the right to revise the ICPA's QRPI calculation, as deemed necessary.

### Assignment Agreements

Investors are **not** restricted from monetizing a Reservation through an Assignment Agreement; however, DSHA will not be a party to the Agreement nor sign any such Agreement. Additionally, the final rebate can only be issued to the investor name listed on the Reservation award.

## STEP 2: APPLYING FOR A LARGE PROJECT REBATE

Large Project investors **must** apply for and **receive** a Reservation to be eligible to apply for a rebate. Additionally, at time of rebate application, the Reservation must be considered by DSHA to be active and in good standing.

### Large Project Rebate Application Checklist

- The Large Project Rebate Application consists of a group of required exhibits that provide DSHA with the necessary information to determine program compliance and the final QRPI and rebate.
- The **Large Project Rebate Application Checklist** outlines the requirements for each of the required exhibits and provides instructions on how to package and submit the application to DSHA. The checklist can be accessed by clicking on this link: [DSHA Website](#).

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### Compliance Review and Calculation of Final QRPI

DSHA reviews applications to determine program compliance and verify the submitted application successfully satisfies all documentation requirements. DSHA reserves the right to return any application in its entirety if the investor or investment is **not** in compliance with the program's requirements.



During the review process, DSHA will contact investors and/or the ICPA if any clarifications or additional information is needed to determine the **final** QRPI and rebate.

### **Physical Inspection**

As part of the compliance review, a DSHA inspector will perform a physical inspection of the investment property to determine:

- Parcel location
- Conformity with scope of work submitted at Reservation
- Completion of all municipal, county or governmental agency inspections
- Project completeness
- Verification performed work supports documentation of submitted QRPI
- Building or facility use(s) and square footage
- Evidence that business activity is taking place or about to begin, if applicable
- Confirm priority considerations granted at Reservation application were successfully satisfied

### **Rebate Disbursement**

- Investors can expect to receive a rebate check within **60 days** from the date DSHA receives the Rebate application and **all** required documentation.

DSHA reviews applications on a **first-come, first-served basis** and has **up to 60 days**, after all documentation is received, to process rebates. During the review process DSHA will contact investors if any clarifications or additional documentation is needed.

Please recognize DSHA staff administers a variety of programs and is working to process all applications as quickly as possible.

## **DDD SMALL PROJECT SET-ASIDE**

Requirements for larger, more complex projects may be cost prohibitive for smaller investments; therefore, DSHA has established the **Small Project set-aside** to ensure that investors with smaller investment projects have ample access to DDD rebate funding.

### **ADDITIONAL MINIMUM THRESHOLD AND ELIGIBILITY REQUIREMENTS**

Small Project investors and/or investments must meet the following additional minimum threshold requirements to be eligible to participate in the DDD Small Project set-aside:

- QRPI between \$25,000 and \$350,000;
- Investment must be **completed** within **12 months** from the issue date of the initial building permit or construction commencement date; and
- Work performed must be **continuous** in nature with **no gaps** in construction activity for greater than **60 days**.

### **CALCULATION OF SMALL PROJECT REBATE**

- QRPIs between \$25,000 and \$350,000 are calculated at a rebate rate of **20%** with a **maximum rebate of \$70,000 (\$350,000 QRPI)**.

CALCULATION	EXAMPLE 1	EXAMPLE 2
Eligible QRPI	\$250,000	\$400,000
QRPI Cap	\$350,000	\$350,000
Final QRPI	\$250,000	\$350,000
Multiplier	.20	.20
DDD Rebate	\$50,000	\$70,000

## DDD SMALL PROJECT REBATE PROCESS

### APPLYING FOR A SMALL PROJECT REBATE

Small Project applications are accepted on a **first-come, first-served rolling basis** subject to funding availability. For current funding availability, Investors should contact DSHA.

#### Small Project Rebate Application Checklist

- The Small Project Rebate Application consists of a group of documented exhibits that provide DSHA with the necessary information to determine program compliance, and the **final QRPI** and rebate.
- The **Small Project Rebate Application Checklist** outlines the requirements for each of the exhibits and provides instructions on how to package and submit the application to DSHA. The checklist can be accessed by clicking on this link: [DSHA Website](#).

**For security purposes**, DSHA **cannot** accept files delivered through Google, Dropbox or any similar file sharing system. Additionally, only Word files with the **.docx** extension are accepted. Word files with the **.doc** extension will be **automatically deleted by DSHA's spam filter**.

#### Application Review and Calculation of Final QRPI

DSHA reviews applications to determine program compliance and verify the submitted application successfully satisfies all documentation requirements. DSHA reserves the right to return any application in its entirety if the investor or investment is **not** in compliance with program requirements or the application is incomplete.

#### Physical Inspection

As part of the compliance review, a DSHA inspector will perform a physical inspection of the investment property to determine:

- Parcel location
- Conformity with scope of work submitted at Rebate application
- Completion of all municipal, county or governmental agency inspections
- Project completeness
- Verification performed work supports documentation of submitted QRPI
- Building or facility use(s) and square footage
- Evidence that business activity is taking place or about to begin, if applicable

## Rebate Disbursement

- Investors can expect to receive a rebate check within **60 days** from the date DSHA receives the Rebate application and **all** required documentation.

DSHA reviews applications on a **first-come, first-served basis** and has **up to 60 days**, after all documentation is received, to process rebates. During the review process DSHA will contact investors if any clarifications or additional documentation is needed.

Please recognize DSHA staff administers a variety of programs and is working to process all applications as quickly as possible.

## Appendix A: DDD Rebate Program Related Definitions

- **Building:** defined as any construction meeting the ordinarily accepted meaning of the term, usually a roofed and walled structure built for permanent use where: (1) areas separated by interior floors or other horizontal assemblies and (2) areas separated by fire walls or other vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.
- **Downtown Development District or “District”:** defined as an area within a municipality or unincorporated area designated as a Downtown Development District by the Governor in accordance with Chapter 19 of Title 22.
- **District Plan:** defined as the strategic plan or other detailed description of the overall strategy for the development of a proposed District submitted by the municipality or unincorporated area as part of its application for District designation.
- **Facility:** defined as a complex of buildings, co-located at a single physical location within a District, all of which are necessary to facilitate the conduct of the same residential, trade, or business use. This definition applies to new construction as well as to the rehabilitation and expansion of existing structures. Multi-family rental developments described as “scattered site” will be considered a single facility for DDD program purposes. An exception is made only for scattered site single-family homeownership units developed by a non-profit.
- **Mixed-Use:** defined as a building or facility that blends a combination of residential, commercial, or industrial uses.
- **Permanent Full-Time Position:** defined as a job of indefinite duration at a business firm located in a designated District, requiring the employee to report to work within the District; and requiring (i) a minimum of 35 hours of an employee’s time per week for the entire normal year of a business firm’s operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee’s time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the State to a business firm located within a District, (iii) any position that previously existed in the State, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the State.
- **Street Level Pedestrian Friendly Use:** A use provided at street level that generates significant foot traffic. Street level grocery, retail, restaurant, and entertainment uses are considered pedestrian friendly. Other uses qualify if they generate street level pedestrian activity for at least 13 hours per day or provide street-level uses that generate at least 400 users a day.

## Appendix B: Priority Considerations (Scoring)

PRIORITY CONSIDERATIONS	SCORE
<b>IDENTIFIED AS PRIORITY PROJECT</b>	
<ul style="list-style-type: none"> <li>Identified in District Plan as Priority Project</li> </ul>	3
<b>READINESS TO PROCEED</b>	
<ul style="list-style-type: none"> <li>Building permits secured prior to Reservation application</li> </ul>	3
<b>CREATES PERMANENT JOBS</b>	
<ul style="list-style-type: none"> <li>Creates <u>5</u> or more permanent full-time positions *</li> </ul>	1
<ul style="list-style-type: none"> <li>Creates <u>20</u> or more permanent full-time positions *</li> </ul>	3
<b>CREATES OR SUSTAINS MIXED-USE DEVELOPMENT **</b>	
<ul style="list-style-type: none"> <li>Includes residential above 1<sup>st</sup> floor</li> </ul>	1
<ul style="list-style-type: none"> <li>Includes at least <u>2</u> uses vertically mixed</li> </ul>	0.5
<ul style="list-style-type: none"> <li><u>And</u> street level pedestrian friendly uses*</li> </ul>	0.5
<b>CONTRACTUAL RELATIONSHIP WITH DIVERSE SUPPLIER(S)</b>	
<ul style="list-style-type: none"> <li>Description of work to be performed includes legal agreements from diverse supplier(s) certified by the Delaware Office of Supplier Diversity (<a href="https://business.delaware.gov/osd/">https://business.delaware.gov/osd/</a>)</li> </ul>	2
<ul style="list-style-type: none"> <li>Description of work to be performed includes proposals from diverse supplier(s) certified by the Delaware Office of Supplier Diversity</li> </ul>	1
<ul style="list-style-type: none"> <li>Description of outreach efforts to neighborhood licensed contractors or workplace training programs</li> </ul>	.5
<b>EXPANDS HOUSING OPPORTUNITIES</b>	
<ul style="list-style-type: none"> <li>Provides a mixture of housing types or tenure</li> </ul>	1
<ul style="list-style-type: none"> <li>Creates homeownership or converts rental to homeownership via non-profit entity</li> </ul>	1
<b>PROTECTS HISTORIC RESOURCES</b>	
<ul style="list-style-type: none"> <li>Preserves or reuses buildings of historical significance</li> </ul>	1
<b>ADAPTIVELY REUSES EXISTING STRUCTURES</b>	
<ul style="list-style-type: none"> <li>Adapts old structures for new purposes while retaining architectural uniqueness</li> </ul>	1
<b>PROMOTES SUSTAINABLE PRACTICES</b>	
<ul style="list-style-type: none"> <li>Participates in a Delaware Sustainable Energy Utility (DSEU) Program. Residential Programs: <a href="https://www.energizedelaware.org/residential/">https://www.energizedelaware.org/residential/</a> Non-Residential Programs: <a href="https://www.energizedelaware.org/nonresidential/">https://www.energizedelaware.org/nonresidential/</a></li> </ul>	1

\*Refer to [Appendix A](#) for definitions.

\*\* Creates a mix of uses within a new building/facility OR sustains mixed use within an existing building/facility that, without this assistance, mixed-use is not possible.

## Appendix C: Priority Considerations (Required Documentation)

PRIORITY	DOCUMENTATION
<b>PROJECT IDENTIFIED AS PRIORITY PROJECT</b>	
<ul style="list-style-type: none"> <li>Identified in District Plan as Priority Project</li> </ul>	Reference page in DDD plan
<b>READINESS TO PROCEED</b>	
<ul style="list-style-type: none"> <li>Building permits secured prior to Reservation application</li> </ul>	Copy of obtained building permit, dated appropriately to allow activity to commence within a time frame that allows for completion in accordance with District rebate
<b>CREATES PERMANENT JOBS</b>	
<ul style="list-style-type: none"> <li>Creates 5 or more permanent full-time positions *</li> <li>Creates 20 or more permanent full-time positions *</li> </ul>	Documentation of employer commitment along with number of permanent full-time employees *
<b>CREATES OR SUSTAINS MIXED-USE DEVELOPMENT</b>	
<ul style="list-style-type: none"> <li>Includes residential above 1<sup>st</sup> floor</li> </ul>	Verified from proposal and site plan
<ul style="list-style-type: none"> <li>Includes at least 2 uses vertically mixed</li> </ul>	Verified from proposal and site plan
<ul style="list-style-type: none"> <li><u>And</u> street level pedestrian friendly uses *</li> </ul>	Verified from proposal and site plan
<b>CONTRACTUAL RELATIONSHIP WITH DIVERSE SUPPLIER(S)</b>	
<ul style="list-style-type: none"> <li>Description of work to be performed by diverse supplier(s)</li> </ul>	Verified from proposal Documentation from Delaware Office of Supplier Diversity on certification of diverse supplier(s) to be employed.
<ul style="list-style-type: none"> <li>Documentation of existing contractual relationship</li> </ul>	Verified by offer letter or other agreement documenting proposed relationship
<ul style="list-style-type: none"> <li>Description of any planned outreach to diverse supplier(s) OR any planned work training activities</li> </ul>	Verified from proposal; may include memoranda of understanding with community organizations.
<b>EXPANDS HOUSING OPPORTUNITIES</b>	
<ul style="list-style-type: none"> <li>Provides a mixture of housing types or tenure</li> </ul>	Verified from proposal and site plan to provide two or more housing types (i.e., single family, attached, multi-family) and/or both homeownership and rental
<ul style="list-style-type: none"> <li>Creates homeownership or converts rental to homeownership via non-profit entity</li> </ul>	A non-profit applicant with stated proposal (mission and proof of 501(c)3)
<b>PROTECTS HISTORIC RESOURCES</b>	
<ul style="list-style-type: none"> <li>Preserves or reuses buildings of historical significance</li> </ul>	Copy of SHPO determination of 'Part 1 – Certification of Historic Property', SHP Tax Credit Application
<b>ADAPTIVELY REUSES EXISTING STRUCTURES</b>	
<ul style="list-style-type: none"> <li>Adapts old structures for new purposes while retaining architectural uniqueness</li> </ul>	Verified from proposal, site plan, pictures and proposal for reuse

PROMOTES SUSTAINABLE PRACTICES	
<ul style="list-style-type: none"> <li>Participates in a Delaware Sustainable Energy Utility (DSEU) Program</li> </ul> <p><b>Residential Programs:</b>  <a href="https://www.energizedelaware.org/residential/">https://www.energizedelaware.org/residential/</a></p> <p><b>Non-Residential Programs:</b>  <a href="https://www.energizedelaware.org/nonresidential/">https://www.energizedelaware.org/nonresidential/</a></p>	<p><b>Submitted with Reservation application</b>            - Signed DSEU letter certifying participation</p> <p><b>Submitted with Final application</b>            - Signed DSEU letter certifying completion</p>

\* Refer to [Appendix A](#) for definitions.

## Appendix D: Contact Information for District Administrators

Designated Districts are required to appoint a **District Administrator** to manage and market the DDD program, assist investors and administer District incentives. Investors should contact the District they are investing in to ensure compliance with the District Plan and to learn about incentives that may be available to their investment project.

DISTRICT	DISTRICT ADMINISTRATOR	DISTRICT STAFF
Clayton	<p><b>Mary Ellen DeBenedictis</b>            DDD Administrator  <a href="mailto:Mdebenedictis1@verizon.net">Mdebenedictis1@verizon.net</a>            OFFICE: 302-653-9128            Website: <a href="http://clayton.delaware.gov/">http://clayton.delaware.gov/</a></p>	<p><b>Susan Muncey</b>            Office Manager  <a href="mailto:smuncey@clayton-delaware.com">smuncey@clayton-delaware.com</a>            OFFICE: 302-653-5637</p>
Delaware City	<p><b>David Baylor</b>            City Manager  <a href="mailto:dbaylor@ci.delaware-city.de.us">dbaylor@ci.delaware-city.de.us</a>            OFFICE: 302-834-4573            Website: <a href="http://delawarecity.delaware.gov/">http://delawarecity.delaware.gov/</a></p>	<p><b>Britney Loveland</b>            Administrative Assistant  <a href="mailto:bloveland@ci.delaware-city.de.us">bloveland@ci.delaware-city.de.us</a>            OFFICE: 302-834-4573</p>
Dover	<p><b>Dave Hugg</b>            Director Planning and Inspections  <a href="mailto:dhugg@dover.de.us">dhugg@dover.de.us</a>            OFFICE: 302-736-7196            Website: <a href="https://www.cityofdover.com/">https://www.cityofdover.com/</a></p>	<p><b>Julian Swierczek</b>            Planner I  <a href="mailto:jswierczek@dover.de.us">jswierczek@dover.de.us</a>            OFFICE: 302-736-7196</p>
Georgetown	<p><b>Gene Dvornick</b>            Town Manager  <a href="mailto:gdvornick@georgetowndel.com">gdvornick@georgetowndel.com</a>            OFFICE: 302-856-7391            Website: <a href="http://www.georgetowndel.com/">http://www.georgetowndel.com/</a></p>	<p><b>Jocelyn Goodwin</b>            Planning Administrator  <a href="mailto:jgodwin@georgetowndel.com">jgodwin@georgetowndel.com</a>            OFFICE: 302-856-7391</p>

DISTRICT	DISTRICT ADMINISTRATOR	DISTRICT STAFF
Harrington	<p><b>Norman Barlow</b> City Manager <a href="mailto:nbarlow@cityofharrington.com">nbarlow@cityofharrington.com</a> OFFICE: 302-398-3530 Website: <a href="https://harrington.delaware.gov/">https://harrington.delaware.gov/</a></p>	<p><b>Amanda Marlow</b> Assistant City Manager <a href="mailto:amarlow@cityofharrington.com">amarlow@cityofharrington.com</a> OFFICE: 302-398-3530</p>
Laurel	<p><b>Jamie Smith</b> Town Manager <a href="mailto:laurelsm@comcast.net">laurelsm@comcast.net</a> OFFICE: 302-875-2277 Website: <a href="https://www.townoflaurel.net/">https://www.townoflaurel.net/</a></p>	
Middletown	<p><b>Morris Deputy</b> Town Manager <a href="mailto:mdeputy@middletown.delaware.gov">mdeputy@middletown.delaware.gov</a> OFFICE: 302-378-9120 Website: <a href="http://www.middletownde.org/">http://www.middletownde.org/</a></p>	<p><b>Kristen Krenzer</b> Public Relations Officer <a href="mailto:kkrenzer@middletown.delaware.gov">kkrenzer@middletown.delaware.gov</a> OFFICE: 302-378-2711</p>
Milford	<p><b>Rob Pierce</b> Planning &amp; Economic Development Director <a href="mailto:rpierce@milford-de.gov">rpierce@milford-de.gov</a> OFFICE: 302-424-8396 x1311 Website: <a href="http://cityofmilford.com/">http://cityofmilford.com/</a></p>	
City of New Castle	<p><b>William J. Barthel</b> City Administrator <a href="mailto:wbarthel@newcastlecity.org">wbarthel@newcastlecity.org</a> OFFICE: 302-322-9801 Website: <a href="https://newcastlecity.delaware.gov/">https://newcastlecity.delaware.gov/</a></p>	
Seaford	<p><b>Trisha Newcomer</b> Director of Economic Development &amp; Community Relations <a href="mailto:tnewcomer@seafordde.com">tnewcomer@seafordde.com</a> OFFICE: 302-629-9173 Website: <a href="http://www.seafordde.com/index.cfm?ref=82500">http://www.seafordde.com/index.cfm?ref=82500</a></p>	
Smyrna	<p><b>Jeremy Rothwell</b> Smyrna Senior Planner <a href="mailto:jrothwell@smyrna.delaware.gov">jrothwell@smyrna.delaware.gov</a> OFFICE: 302-389-2332 Website: <a href="https://smyrna.delaware.gov/">https://smyrna.delaware.gov/</a></p>	



<b>Wilmington</b>	<b>Timothy Lucas</b> Director of Planning & Development <a href="mailto:tclucas@wilmingtonde.gov">tclucas@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-2620 <b>Website:</b> <a href="https://www.wilmingtonde.gov/">https://www.wilmingtonde.gov/</a>	<b>John Kurth</b> Planner II <a href="mailto:jkurth@wilmingtonde.gov">jkurth@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-3118 <b>Sean Park</b> Office of Economic Development <a href="mailto:sjpark@wilmingtonde.gov">sjpark@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-2131
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