



HOUSING DEVELOPMENT FUND (HDF)

Notice of Funding Availability (NOFA)

Homeownership Production and Preservation Program Guidelines

OVERVIEW OF PROGRAM

Delaware State Housing Authority's (DSHA's) Housing Development Fund (HDF), which is Delaware's housing trust fund, was created in 1968 for the purpose of providing affordable, decent, safe and sanitary housing to very low-, low- and moderate-income households.

DSHA receives an annual appropriation of approximately \$4 million from the Delaware legislature to support its housing programs. For fiscal year 2019, DSHA has set-aside **\$1.5 million** of the HDF funding to support Homeownership Production and Preservation Grants for the new creation of affordable housing units and the preservation of owner-occupied housing units.

APPLICATION SUBMISSION DEADLINES AND IMPORTANT DATES

- Timeline and deadlines for the Annual HDF Funding Cycle are as follows:
 - **December 14th, 2018** HDF funding round for Homeownership Grants opens
 - **January 17th, 2019** Q&A Session for Stakeholders
 - **January/February 2019** DSHA staff is available for Technical Assistance meetings *
 - **April 5th, 2019** Applications due to DSHA by **4:00** p.m.
- * Applicants with **no** previous DSHA grant experience are **required** to schedule a meeting.
- DSHA will **only** review and consider applications received by the application close date and time deadline.

AVAILABLE FUNDING AND ELIGIBLE ACTIVITIES

- **Homeownership Production (New Creation) \$1,000,000**
Eligible Activities: New creation (new construction or acquisition/rehabilitation) of affordable housing units for low-income households.
- **Homeownership Preservation Funding Pool \$500,000**
Eligible Activities: Rehabilitation improvements to low-income **owner-occupied** housing units that allow units to meet local housing code standards, address program- eligible modifications that maintain affordability and/or modifications that allow owners to age in place.

ELIGIBLE APPLICANTS

- **Homeownership Production Grants (New Creation)**
 - 501(C)(3) nonprofit organizations
 - CDBG entitlements and State CDBG subgrantees
 - CDBG entitlements and State CDBG subgrantees must be performing as the active-primary developer of the project.
- **Homeownership Preservation Funding Pool**
 - 501(C)(3) nonprofit organizations, CDBG entitlements and State CDBG subgrantees working in **active** Strong Neighborhood Housing Fund (SNHF) grant award areas.

FUNDING PRIORITIES

Funds will be disbursed through a competitive process, with preference given to:

- Projects that target areas that have active community revitalization plans currently underway, and where the proposed project will impact a substantial portion of the identified need for the overall community plan. *If a previously existing neighborhood or community revitalization plan targets an area substantially contained within a homeownership priority area, as outlined below, the entire area targeted by the plan is eligible*

HOMEOWNERSHIP PRIORITY AREAS


Projects that target specific areas identified in DSHA's Interactive Homeownership Priority Areas (HPA) Map will be considered a DSHA funding priority for homeownership.

Interactive Homeownership Priority Areas (HPA) Map Link:


<http://delaware.maps.arcgis.com/apps/webappviewer/index.html?id=ee8f3c87cb8b4fc9b318d7ffec973b4b>

The HPA map identifies highly distressed neighborhoods suffering from blight and concentrated poverty where strategies should be focused on stabilizing neighborhoods through increased homeownership, investment in existing homes and commercial areas, and people-based intervention strategies, to provide increased mobility, supportive services and community wealth.


- **Downtown Development Districts (DDD)**

- Highly distressed areas targeted by local governments for redevelopment and designated by the Governor under the DDD Act of 2014.
- Dover, Georgetown, Harrington, Laurel, Milford, Seaford, Smyrna and Wilmington currently have DDD designations.
- Designated on map as 


- **Delaware MVA (2014) G and H Markets**

- Priority area for projects located in New Castle, Kent and Sussex counties **excluding** the City of Wilmington.
- As identified in the Delaware Market Valuation Analysis, developed by The Reinvestment Fund (TRF), and included in the *Delaware Housing Needs Assessment, 2015-2020*.
- Designated on map as 

- **Wilmington MVA (2015) F, G and H Markets**


- Priority area for projects located in the City of Wilmington only.
- As identified in the Wilmington Market Valuation Analysis, developed by The Reinvestment Fund (TRF) in 2015.
- Designated on map as 

- **'Racially/Ethnically Concentrated Areas of Poverty' (R/ECAP)**


- Priority area for projects located in the City of Wilmington only.
- As defined by U.S. Department of Housing and Urban Development, census tracts with:
 - A family poverty rate $\geq 40\%$ or
 - A family poverty rate $\geq 300\%$ of the metro tract average (whichever is lower)
 - AND a majority non-white population ($>50\%$)
 - Designated on map as 

* The map reflects HUD-defined R/ECAPS as of November, 2015.

- **Blueprint Communities**

- Priority area for projects located in Blueprint Communities. Currently all designated Blueprint Communities are located in Wilmington.
- This community revitalization initiative was developed and implemented by FHLBank Pittsburgh in 2005 in partnership with the University of Delaware. This initiative provides training and technical assistance to groups from select communities in Delaware to implement plans for the revitalization of older communities and neighborhoods.
- Designated on map as 

- **Rural Communities**

- Priority area for projects located in Kent and Sussex counties.
- Highly distressed predominantly minority communities located in Kent and Sussex Counties typically in isolated areas.
- Designated on map as 

FUNDING CONDITIONS AND RESTRICTIONS

Funding restrictions and conditions other than those listed below may apply if and when funding is awarded and will be outlined in the grant agreement.

- All project units must be located in **Level 1, Level 2, or Level 3 Investment Areas** as defined by [State Strategies for Policies and Spending](#) to be eligible to apply for funding.
- **A Phase I Environmental Site Assessment (ESA) (ASTM E1527-13)** must be conducted on all properties where HDF funding has been used to acquire the land or build on the land, unless otherwise approved by DSHA. The ESA should address both the underlying land as well as any physical improvements to the property. Applicant will notify DSHA of any findings and planned course of action to remediate such findings. *A Preliminary Environmental Assessment (PEA) also known as a Transaction Screening may be conducted first to determine if a Phase I ESA is necessary.*
- For-profit general contractors who have an identity of interest with a nonprofit applicant must be preapproved by DSHA, listed on DSHA's approved contractors list and must show evidence of bonding. Procedures and the approved list of contractors are available at this link: http://destatehousing.com/Developers/dv_hdf.php.
- Applicants must be in good standing with DSHA. Applicants are not eligible to apply for funding if the applicant has failed:
 - To fulfill any obligations committed to in previous applications; and/or
 - To correct, to DSHA's satisfaction, instances of noncompliance with any other HDF grant agreement.
- Per the Delaware Council on Housing Resolution 398, adopted on December 9, 2009, all HDF recipients are encouraged to partner with minority-, veteran- and women-owned businesses by coordinating with the State of Delaware's Office of Supplier Diversity to maximize the number of minority-, veteran- and women-owned businesses participating in projects or programs funded by the HDF, when applicable.
- Applicants agree to affirmatively further fair housing and comply with the provisions of all applicable federal, state and local law prohibiting discrimination including, but not limited to, Title VI of the Civil Rights Act of 1964 as amended.
- In accordance with Title 31, Chapter 40, Subchapter III, DSHA will notify the local government's Chief Executive Officer, State Senator and State Representative upon receipt of the application.

- New construction applications containing four or less units may be subject to House Bill No. 227, adopted on April 24, 2012, which amended Titles 9, 22 and 31 of the Delaware Code by defining Universal Design Standards. House Bill 227 requires application processes for public financing of affordable housing to include Universal Design Standards. DSHA has established a category to provide points for including, at a minimum, a no-step entry and accessible routes for the bathroom, bedroom, and kitchen areas, and points for additional Universal Design criteria.

HOMEOWNERSHIP PRODUCTION ACTIVITIES

Grant funding is available to eligible applicants for the ***new creation*** (construction and/or acquisition and rehabilitation) of affordable homeownership units. Completed units must be sold to low-income homebuyers, with a preference given to households with income between 50% and 80% AMI. Additionally, preference will be given to projects located in one or more DSHA HPA.

GENERAL

- No more than **two** applications may be submitted by any single applicant per funding cycle.
- HDF funding may be used to fund projects with **up to 4 units** per project per funding cycle. Applicants with large projects that include subsequent phases of development on the same or contiguous site(s) may apply for only **one** phase of development per HDF funding cycle.
- The maximum grant term is 24 months or 2 years.
- HDF funding is limited to \$35,000 per unit, unless all units are located in one of the DSHA defined priority areas, and then the limit is \$50,000 per unit.
- Summary Appraisal Reports for the purpose of applying for funding may **not** be more than six (6) months old.
- Acquisition and holding costs incurred **prior** to the due date of the application will **not** be eligible for reimbursement.
- HDF grants must target at least 75% of units towards 80% County Area Median Income (AMI) or below with a maximum of 115% of County AMI. **Only units within a project serving households at 80% AMI or below are eligible to receive HDF funding.**
- Project must be financially feasible.
- Projects with written commitments for financing from private or government (local, state or federal) sources. Commitments must identify project by name.
- Projects with written commitments from local, state or federal government to waive a significant portion of back or future taxes and/or fees. Commitments must identify project by name.
- HDF recipients must adhere to DSHA's financial reporting requirements.
- Applicants agree to list units including those developed by self-builders who have **not** identified the homebuyer prior to construction, on www.DelawareHousingSearch.org.

SALE OF PROPERTY TO HOMEBUYER

- Homebuyer 's household income may **not** be greater than 80% AMI. Household income includes income from all household members 18 years of age and older.
- Homebuyers must be income qualified within 120 days prior to settlement. The household income calculation must include income from all household members 18 years or older.
- Certified housing counseling is required for all homebuyers assisted through HDF funding. Self-builder homeownership readiness programs **not** certified by HUD or other federal agencies must be pre-approved by DSHA.
 - Nonprofits that provide self-build homeownership opportunities and require homeowner

readiness training are allowed to use up to \$1,200 per unit of the HDF funding as part of development costs.

- **Selling price** to the homebuyer may **not** exceed the appraised value at time of settlement.
- The **homebuyer's first mortgage** may **not** exceed the sales price, as previously described, minus the minimum required MAR, *if applicable*.
- Mortgage Affordability Reduction (MAR):
 - At minimum **50%** of the HDF per unit grant **must** be used as a MAR to the homebuyer. The purpose of the MAR is to make the low-income homebuyer's primary mortgage as affordable as possible.
 - Nonprofits that provide self-build homeownership opportunities **and** provide homebuyers with a 0% interest mortgage for a minimum of 25 years will **not** be required to provide a MAR to the homebuyer.
- Homebuyers assisted through HDF grant funding will have a restrictive lien agreement, known as a Grant Restriction Agreement (GRA). The amount of the GRA will be equivalent to the total amount of HDF funds awarded (on a per unit basis). This amount represents funds used for new construction, acquisition and/or rehabilitation and, if applicable, the MAR.
 - Grant funds will have a **10-year** restricted period for the **non-senior** homebuyers.
 - Grant funds will have a **5-year** restricted period for the **senior** (head or co-head of household age 62 or older) homebuyers.
 - A pro-rata payback of grant funds to DSHA by the homebuyer is required if the property is sold, transferred or refinanced **before** the end of the restriction period.
 - Homebuyers are required to sign DSHA's GRA FAQ form prior to the start of construction acknowledging that they understand the information provided regarding how the GRA operates, including when and how grant funds may have to be repaid to DSHA, and that they agree to sign the GRA at time of project completion.
 - DSHA's Requests for GRA form for settlement must be submitted to DSHA **at least 10 days prior to the planned settlement date** in order for DSHA to guarantee the GRA will be ready for the settlement closing.

DRAW REIMBURSEMENT AND REPORTING

- Eligible costs associated with the development of affordable homeownership units and/or a MAR for the homebuyer may be submitted to DSHA on a **reimbursement basis only**. Funds may be drawn on a **per unit basis after settlement and the recordation of the GRA**.
 - The draw form and a checklist of required support documentation will be provided by DSHA. Required documentation must accompany the submitted draw form in order for DSHA to approve the release of funds. DSHA reserves the right to request additional documentation as needed.
- The submission of DSHA's Quarterly Progress Report (QPR) form is required to be completed and submitted to DSHA quarterly. The progress report captures current construction, marketing and sales activities for the quarter.

HOMEOWNERSHIP PRODUCTION APPLICATION SUBMISSION, REVIEW AND RANKING

- Applications are due to DSHA on **April 5th, 2019 by no later than 4:00 p.m.** Applications submitted after this deadline or incomplete applications will **not** be considered for funding.
- Application materials including guidelines, grant application, exhibit checklist and requirements, required forms and score sheet may be accessed at http://destatehousing.com/Developers/dv_hdf.php.

- The HDF Homeownership Production Grant application process consists of two parts:
 1. Grant Application (Fillable-PDF format)
 2. Required Application Exhibits
 - The exhibit checklist includes documentation requirements for each exhibit and is located at the end of this document.
 - Please make sure all application exhibit materials are completed, clearly written, organized and relevant. **Incomplete applications will be considered ineligible for funding.**

Submission Format

Applicants must submit **one bound, indexed-paper copy and one electronic copy (CD or thumb drive).**

- The **paper copy** must be bound in a three-ring binder in an indexed format, with a table of contents and organized in the following manner:
 - Table of Contents;
 - Application (Signed copy);
 - Application Exhibits (Refer to Homeownership Production Application Checklist for details)
 - A copy of each exhibit with a labeled cover sheet. Exhibits must be indexed (tabbed dividers) and in numerical order. A fillable form for cover sheets may be found at http://destatehousing.com/Developers/dv_hdf.php.
- The **electronic copy** must be in the form of CD or thumb drive and should follow the same organizational format as the paper copy described above. The creation of a separate pdf file for each exhibit, labeled with the exhibit number and exhibit name is **required**.
- Applications must include a completed self-score sheet demonstrating a score of **55** points or more. The final score will be determined during DSHA's application review process. **If the final score is less than 55 points, the application will be considered ineligible for funding.**

Submission Locations

- Applications may be submitted in person to DSHA's Dover or Wilmington offices.

Dover Location

18 The Green
Dover, DE 19901

Wilmington Location

Carvel State Office Bldg.
820 N. French St., 10th Floor
Wilmington, DE 19801

Review and Ranking of Applications

- DSHA will review and evaluate all completed applications for conformity to DSHA's guidelines and underwriting procedures. Applications that **meet** threshold will be scored and reviewed by DSHA's Ranking Committee. Applications that do **not** meet minimum threshold requirements will **not** be scored and ranked.
- All scored applications will be presented to the Council on Housing (COH) Loan Review Committee for recommendation of consideration. The COH Loan Review Committee will then present their recommendations to the full COH for recommendation to approve or disapprove grant request.
- Assuming complete applications are received; applications are expected to be presented to the COH approximately 120 days from receipt of application. Applicants are encouraged to attend the COH meeting when their application is brought before the Council.
- DSHA's Director will take the COH's recommendation under advisement and approve or disapprove the grant request, at which time a Grant Agreement will be executed.

Application Notifications

- All applications will be subject to threshold requirements, scoring, and financial feasibility. Submission acceptance of the application by DSHA does **not** constitute approval for funding.
- All funding amounts and set-aside amounts are established at DSHA's sole discretion.
- DSHA reserves the right to increase or decrease set-aside amounts depending on the applications received in a given round. DSHA may reject any application should information become available that conflicts with information submitted with the application or if DSHA becomes aware of an organization's financial instability. Funding conditions will be established at DSHA's sole discretion.
- DSHA reserves the right to increase or decrease an applicant's funding request.
- DSHA may substitute Federal HOME funds for HDF funds at DSHA's discretion.
- Applicants with the highest scores will be awarded funding, subject to set-aside limits. In the event more than one application scores the same number of points, DSHA may reduce requested funding so that applicants with a tie score are assisted. If less than one-half of the lower ranked applicant's request is available in the set-aside, DSHA will determine, at its sole discretion, the most effective way to fund the lower ranked request.
- Applicants receiving DSHA funding will be subject to monitoring and/or site visits which will include an on-site audit at the end of the grant term to determine if HDF grant funds were used in accordance with the executed grant agreement.

HOMEOWNERSHIP PRESERVATION FUNDING POOL

Funding is available for eligible costs associated with improvements to **owner-occupied** housing units that allow units to meet local housing code standards, address program-eligible modifications that maintain affordability, and/or modifications that allow owners to age in place.

General

- DSHA has set-aside a total of \$500,000 in HDF funding. This funding will be treated as one large funding pool where eligible applicants will have access to the funding on a first-come, first-served basis.
- The intent of this funding pool is to preserve owner-occupied housing units that are in need of **substantial** rehabilitation located in **active** Strong Neighborhood Housing Fund (SNHF) grant award areas. **Project costs must be at least \$20,000 to be eligible for funding.**
- Funding may **not** be used for smaller projects (under \$20,000) or emergency type repairs.
- Applicants must meet all eligibility requirements and be the responsible party for determining the scope of work, the oversight of the work performed and payment of all related invoices.
- Applicants may apply for a funding reservation prior to the commencement of construction to ensure funding availability when the project is completed.
- Homeownership Preservation funding is limited to \$35,000 per unit. DSHA will add **20%** to the approved reimbursement as an **administrative fee**.

Eligible Activities

- Only costs related to the following improvements or modifications are eligible for reimbursement:
 - Window replacement
 - Roof replacement
 - Exterior siding replacement
 - Structural repairs that are life-threatening and considered unsafe

- HVAC and hot water heater replacement
- Bathroom modifications for accessibility with medical letter of necessity
- Other accessibility modifications (i.e. doorway widening, wheelchair ramps) with medical letter of necessity
- Electrical and plumbing improvements or replacement

Property/Homeowner Eligibility

- An owner-occupied unit qualifies for HDF funding, if the following requirements are met:
 - Housing unit is located in **active** SNHF grant award area.
 - Homeowner's household income is at **80% AMI or below**. The household income calculation must include income from all household members 18 years or older.
 - Housing unit is the homeowner's **primary** residence.
 - Homeowner must provide evidence of legal ownership and that they have lived in the housing unit for **at least one year**.
 - Homeowner must provide evidence of an active homeowner's insurance policy and proof that all property taxes are current or a repayment schedule is in place and payments are current.
- Homeowners assisted through HDF grant funding will have a restrictive lien agreement, known as a Grant Restriction Agreement (GRA). The amount of the GRA will be equivalent to the total amount of HDF funds awarded (on a per unit basis).
 - Grant funds will have a **10-year** restricted period for the **non-senior** homeowners.
 - Grant funds will have a **5-year** restricted period for the **senior** (head or co-head of household age 62 or older) homeowners.
 - A pro-rata payback of grant funds to DSHA by the homeowner is required if the property is sold, transferred or refinanced **before** the end of the restriction period.
 - Homebuyers are required to sign DSHA's GRA FAQ form prior to the start of construction acknowledging that they understand the information provided regarding how the GRA operates, including when and how grant funds may have to be repaid to DSHA, and that they agree to sign the GRA at time of project completion.
- DSHA's Requests for GRA form for close-out of project must be submitted to DSHA **at least 10 days prior to the planned project close date** in order for DSHA to guarantee the GRA will be ready in time.

Draw Reimbursement Requirements

- The applicant submitting the draw for reimbursement must meet all eligibility requirements and be the responsible party for determining the scope of work, the oversight of the work performed and payment of all related invoices.
- A draw request may be submitted when the project is a 100% completed and all required inspections are completed and satisfied. DSHA will provide a **draw form and a draw checklist** of all required draw support documentation. Required support documentation must accompany the submitted draw form in order for DSHA to approve the release of funds. DSHA reserves the right to request additional documentation as needed.
- Reimbursement of eligible costs will take place when the project is a 100% completed, all required inspections are completed and satisfied, and all required support documentation has been submitted to DSHA.

HOMEOWNERSHIP PRESERVATION FUNDING POOL *RESERVATION* APPLICATION PROCESS

- Eligible applicants interested in participating in the Homeownership Preservation Funding Pool for reimbursement of eligible costs associated with owner-occupied rehabilitation projects may apply to DSHA for a funding reservation.
- A separate reservation application must be submitted for approval by DSHA for each owner-occupied housing unit. The Reservation Application Checklist outlines all required documentation that must be included with the reservation application.
- Applicants applying for a reservation that do **not** have current DSHA grant award funding for construction based projects will be required to submit additional information about their organization.

Submission Format

The HDF Homeownership Preservation Funding Pool Reservation application consists of two parts:

1. Reservation Application (Fillable-PDF format)
2. Required support documentation
 - Application includes a checklist of all required support documentation.

Submission Format

- **NEW! All reservation applications must be submitted electronically.**
- The following information must be submitted to DSHA via email at Appdocs@destatehousing.com:
 - Completed and signed fillable Reservation application. The application may be submitted in its existing format or as a PDF. Label file "Application-Program Name";
 - Required support documentation. Provide a separate PDF for each checklist item and label appropriately. For example, "Scope of Work".

TECHNICAL ASSISTANCE

- DSHA staff is available for technical assistance. Applicants in need of assistance may schedule a teleconference or in-person meeting to discuss their project in detail with DSHA and to ask questions pertaining to the HDF program and application process.
- A Technical Assistance (TA) meeting is **required** for applicants who have not received HDF grant funding in the last two (2) years in order to be eligible for funding consideration. Applicants may attend an in-person TA Meeting or attend by teleconference.

CONTACTS FOR PROGRAM QUESTIONS AND APPLICATION ASSISTANCE

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HOUSING DEVELOPMENT FUND (HDF) Homeownership Production - New Creation Grant Application - Exhibit Checklist

As part of the application process, applicants are required to provide support documentation in the form of **exhibits**. Exhibits must be submitted with the application by the application close deadline. For your convenience cover sheets for the exhibits can be obtained from the DSHA website at http://www.destatehousing.com/Developers/dv_hdf.php.

Please submit completed checklist with application.

EXHIBIT #	EXHIBIT NAME AND REQUIREMENTS	CHECK BOX
1	<p><u>Nonprofit Status</u> Documentation of Section 501(c)(3) or (4) status, which states exempt purposes including the fostering of low-income housing, charitable purpose.</p>	<p>Nonprofits Only</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic <input type="checkbox"/> N/A</p>
2	<p><u>Organizational Status</u></p> <p>a. Organizational documents of applicant – Articles of Incorporation, By-Laws, Partnership Agreement, etc.</p> <p>b. Board of Directors Resolution, general partners or local governmental body, as applicable, authorizing the application and signatories (Corporations only).</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
3	<p><u>Applicant Experience</u></p> <p>a. Describe previous experience in the successful development and sale of homeownership units to families of low- or very low-income or similar type projects.</p> <p>b. Provide project development, sales and homebuyer statistics based on historical data.</p> <p>c. If no affordable housing experience, please provide a brief summary demonstrating related experience developing and selling market rate housing.</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
4	<p><u>DSHA Grant Performance</u></p> <p>a. Current HDF Grantees: Provide a status report on all active HDF grants. For each active grant, include DSHA identification number, list of properties funded or to be funded with grant, amount drawn to-date and anticipated completion.</p> <p>b. Non-DSHA Grantees: Provide a list of projects currently under construction, current status of construction, and anticipated completion.</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
5	<p><u>Sources and Uses/Committed Leveraging</u></p> <p>a. Attach letters of commitment for any funding sources currently committed to the project. All documentation must be issued to the name of the applicant, be project specific and dated within the last 9 months. <i>If documentation is over 9 months, applicant must contact funding source for an updated commitment. (Updates received via email are acceptable.)</i></p> <p>b. In-kind donations and volunteer hours may be included and documented; however, they may NOT be included in the leveraging calculation.</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>

EXHIBIT #	EXHIBIT NAME AND REQUIREMENTS	CHECK BOX
6	<p><u>Project Description</u></p> <p>Please complete DSHA's Project Information form and include as part of Exhibit 6. Form can be accessed from DSHA's website at http://destatehousing.com/Developers/dv_hdf.php.</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
7	<p><u>Homebuyer Affordability</u></p> <ul style="list-style-type: none"> • Please complete DSHA's Homebuyer Affordability Analysis Form and submit as an exhibit to the application. This information demonstrates to DSHA the estimated sales price and the homebuyer's potential first mortgage. • This form will assist the applicant in determining point scoring for Homebuyer Affordability. (Form can be found at http://destatehousing.com/Developers/dv_hdf.php). 	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
8	<p><u>Homebuyer Empowerment</u></p> <p>Please provide support documentation (i.e. 2016 Memorandum of Understanding (MOU), course curriculum, etc.)</p> <ul style="list-style-type: none"> • <u>Mandatory</u> HUD approved pre-homeownership counseling (includes financial literacy/credit counseling/budgeting/predatory lending) • <u>Mandatory</u> home maintenance, repairs, and improvements training for homebuyers (post-homeownership) • <u>Mandatory</u> sweat equity program <p>Note: Documentation that does not include language that clearly states the program is mandatory for the homebuyer will not score points.</p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
9	<p><u>Appraisal</u></p> <p>A Summary Appraisal Report is required for all new creation applicants. The "as is" value of the existing real estate AND the after rehabilitation or new construction value (as built) must be included in the report.</p> <p>Note: The Summary Appraisal Report and the Property Appraisal should not be more than six (6) months old. <i>Report must be for the actual project property not for a similar project property, unless otherwise approved by DSHA prior to application deadline.</i></p>	<p>Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>

EXHIBIT #	EXHIBIT NAME AND REQUIREMENTS	CHECK BOX
10	<p><u>Capacity /Collaboration</u></p> <p>Capacity: Demonstrate organizational and financial capacity.</p> <ul style="list-style-type: none"> • Does the organization have the capacity to provide financial assistance to the project/program for unforeseen occurrences? • Does the organization’s staff have the expertise to assist in the successful planning, marketing, and managing of the project? • Describe support (volunteers, funding, local government, etc.) of the organization for the development and administration of the project. • Does the organization have clear operational policies and plans in place? <p>Collaboration: <i>In an effort to forward DSHA’s strategic plan to more efficiently use the limited sources and services available to affordable housing projects/programs throughout the state of Delaware, DSHA is encouraging applicants to increase collaboration by forming partnerships for project services and funding.</i></p> <ul style="list-style-type: none"> • Documentation of collaboration of services with agencies or government entities (i.e. contracts, letters of commitments). The documentation should describe the stakeholder’s role, collaboration, partnership, and services provided for the proposed project. The collaboration should be an integral part of the project. Reduction in duplication or streamlining of services for the benefit of the homebuyer is encouraged. • Demonstrate in a narrative how the coordination of funding sources from other agencies benefit the homebuyer. For example, a portion of the project’s funding sources will be used to reduce the selling price of the home, which will result in a more affordable mortgage for the homebuyer. 	<p style="text-align: center;">Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
11	<p><u>Cost Control Measures</u></p> <ul style="list-style-type: none"> • Describe what policies, procedures, measures and metrics have been established to control overall costs of the project/organization. Examples: Bidding process, material discounts, in-kind materials and labor, established procedures to follow budget, structural design of unit, use of value engineering, etc. 	<p style="text-align: center;">Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
12	<p><u>Project Features</u></p> <ul style="list-style-type: none"> • Vacant land or buildings/adaptive re-use/Brownfield - Supportive documentation is required. Must have certification from DNREC to receive points for Brownfield. • 50% of project property is donated or acquired for 50% or less of Fair Market Value – Property appraisal and/or donation letter required. • Energy efficiency – Please provide documentation for products or practices that exceed DSHA’s Minimum Construction Energy Standards. Explanatory narrative required. • Project amenities and/or site beautification/convenient access to community and public services – Please describe. <p>Note: If the project amenities are adequately described in the project description section of the application, please refer DSHA to Exhibit #6.</p>	<p style="text-align: center;">Required</p> <p><input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>

EXHIBIT #	EXHIBIT NAME AND REQUIREMENTS	CHECK BOX
13	<p><u>Accessibility Features</u> Provide documentation of accessible units (both current and proposed) listing unit configurations and accessibility features. For applications of four units or less, in order to receive points, the Universal Design Score Sheet must be completed and included as part of the exhibit. Universal Score Sheet at http://destatehousing.com/Developers/dv_hdf.php.</p>	<p>If applicable <input type="checkbox"/> Paper and <input type="checkbox"/> Electronic <input type="checkbox"/> N/A</p>
14	<p><u>Readiness to Proceed</u> Provide a narrative along with supportive documentation.</p> <p><u>Qualified Homebuyers</u></p> <ul style="list-style-type: none"> • Attach signed purchase agreements. • Attach list of prospective homebuyers <u>and</u> documentation that supports the current status of their readiness to purchase a property. <p><u>Site Control</u></p> <ul style="list-style-type: none"> • Deed, executed purchase contract or lease (right to use land for the life of the structure), or a Resolution from a local government or organization that is committing to transfer the property describing the terms of the commitment, the transfer price and the location of the property. • Proper zoning, site utility permits and approvals, and environmental assessments. • Building permit or evidence of permit has been applied for. • Approved Plans and Specs. <p><u>Construction Team</u></p> <ul style="list-style-type: none"> • General Contractor chosen and/or contract signed. Include contract. <i>Identity of interest, for-profit general contractors must be on DSHA's approved contractors list and have evidence of bonding.</i> • Volunteers and/or staff work force readiness. • Status of project construction materials and supplies. <p><u>Marketing Strategy</u></p> <ul style="list-style-type: none"> • Please complete DSHA's Marketing Strategy Questionnaire and include as part of Exhibit 14. Form can be accessed from DSHA's website at http://destatehousing.com/Developers/dv_hdf.php. 	<p>Required <input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
15	<p><u>Audited Financial Statements (for the last 3 years)</u> Please indicate if these documents are included in the application or are being sent electronically.</p>	<p>Required <input type="checkbox"/> Electronic ONLY</p>
16	<p><u>Government Jurisdiction</u> Please complete DSHA's Government Jurisdiction form by providing names and addresses of the following individuals in whose district/jurisdiction the development is to be located: State Senator, State Representative and Chief Executive Officer of local jurisdiction. Form can be accessed from DSHA's website at http://destatehousing.com/Developers/dv_hdf.php.</p>	<p>Required <input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>
17	<p><u>Self-Score of Application</u> Applicants must self-score their application using the HDF Score Sheet and a score a minimum of 55 points in order to meet threshold. Score sheet can be accessed from DSHA's website at http://destatehousing.com/Developers/dv_hdf.php.</p>	<p>Required <input type="checkbox"/> Paper and <input type="checkbox"/> Electronic</p>