

2016 QAP ATTACHMENTS

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Attachment 1 - DSHA UNDERWRITING GUIDELINES

NOTE: ALL APPLICANTS MUST UTILIZE DSHA'S LIHTC PART II APPLICATION - PRO FORMA. NO ADDITION OF TABS, CHANGES TO FORMULAS, OR MANIPULATIONS OF ANY KIND ARE ALLOWED. ANY DEVIATIONS FROM DSHA'S VERSION POSTED ON ITS WEBSITE WILL BE DEEMED A VIOLATION AND THE COMPLETE APPLICATION WILL BE CONSIDERED INELIGIBLE.

Construction Guidelines

A. General Contractor's Overhead and Profit

1. Maximum 10% of construction costs including site work, buildings and general requirements.
2. For General Contractors that are part of the Development Team **at** application the following applies:
 - a. Maximum 7% of construction costs including site work, buildings and general requirements.
2. After application, no increase in the percentage of overhead and profit will be allowed (including for Change Orders). For example, if the percentage is established at 7%, the percentage may not exceed 7% for the duration of the project including overhead and profit added to approved change orders.

B. General Requirements

1. Maximum 7% of construction hard costs for new construction and rehabilitation projects.
2. The General Requirements definition under DSHA's Mortgagor Requisition and Cost Certification Guide will still apply and will be verified by the auditor at cost certification.
3. All costs that are eligible under General Requirements cannot be charged against any other trade line items, unless specifically allowed under DSHA's Cost Certification Guide.
4. General Requirements will be drawn based on percentage of construction completion and will no longer require back-up documentation.
5. After application, no increase in the percentage of general requirements will be allowed (including for Change Orders). For example, if the percentage is established at 7%, the percentage may not exceed 7% for the duration of the project including general requirements added to approved change orders.

Additional general requirements may be allowed for contractors recycling building materials. Refer to DSHA Cost Cert Guide for further information.

C. Contingency

1. A maximum of 5% for new construction and 10% for rehabilitation (rehabilitation developments include preservation, adaptive re-use and conversion) based on the cost of buildings, site work, general requirements and contractor's overhead and profit. DSHA may allow lower contingency rates at application subject to written a confirmation of approval from the lenders and syndicators. Approval of lower contingency rates is also contingent upon receipt of all bids.
2. Only one contingency is allowed and can be used for both hard and soft costs. No contingency may be shown on the contractor's side of the funding.
3. Balance of contingency line item must be exhausted prior to approval of funds to pay for construction interest or any other construction expense from the development's operations account.

D. Land and Acquisition Value

Price must be supported by approved summary appraisal. Appraisers must contact DSHA for comparable land cost analysis. DSHA reserves the right to request a second appraisal. Rolled debt must be included in the acquisition cost and supported by the appraised value.

For a related party transaction where the property was acquired less than two years before the application date, the maximum acquisition price may not exceed the lesser of the 'as is' appraised value of the property, or the original acquisition price plus carrying costs acceptable to DSHA. For a related party transaction where the property was acquired two or more years before the application date, the maximum acquisition price may not exceed the "as is" appraised value of the property. Prior to allocation, a property appraisal and, if applicable, a copy of the settlement sheet will be required.

Appraisers are required to contact DSHA for a list of comparable LIHTC properties, which are to be included as comparables within the property appraisal report.

NOTE: The Summary Appraisal Report and the Property Appraisal should not be more than six months old.

E. Construction Interest

Interest is allowable in the amount paid on all construction mortgage loans, from the date of initial closing until permanent loan closing. Balance of line item must be exhausted prior to approval of funds to pay for construction interest or any other construction expense from the development's operations account.

Development Guidelines

A. Developer Fee

1. 12% of Total Development Cost excluding developer fee, transferred reserves, bond prepayment penalty, relocation operations deficit reserve, site environmental remediation costs, assumed DSHA debt, and land cost.
2. For identity of interest acquisitions of either land or existing rental properties, the fee is 9% of the Total Development Cost excluding acquisition, developer fee, transferred reserves, bond prepayment penalty, relocation operations deficit reserve site environmental remediation costs, assumed DSHA debt, and land cost.

In all cases of 9% allocations, the developer fee may not exceed \$1,000,000.

3. For tax-exempt bond projects, the fee cannot exceed \$1,500,000; however, a minimum of \$500,000 of the fee must be deferred and paid only from cash flow as defined by DSHA with a maximum allowed deferred developer fee of \$750,000. The fee will appear as a deferred developer fee on the cash flow pro forma and must show ability to repay in accordance IRS requirements.
4. Applications from contiguous properties in the same LIHTC funding round using a combination of 9% and 4% credits will be subject to a reduction in the developer fee, unless each application is for a development of 60 units or more.

5. The Developer's Fee shall be payable as follows:
 - a. Fifty percent (50%) of the non-deferred Developer's Fee shall be paid from the construction loan proceeds funded by DSHA and any other lenders and shall be disbursed (i) twenty-five percent (25%) at fifty percent (50%) completion of the construction of the Development and (ii) twenty-five percent (25%) at permanent loan closing.
 - b. The remaining fifty percent (50%) of the total non-deferred Developer's Fee shall be paid from the Total Equity Contribution as provided in the Partnership/Operating Agreement.
6. DSHA reserves the right to hold back any portion of the Developer's Fee funded from its construction loan(s) in the event monies are needed which are not otherwise available (i) to complete the Development or (ii) to complete the closing on the Conversion Date. Regardless of the source, in no case shall the Developer be allowed to receive greater than fifty percent (50%) of the non-deferred Developer's Fee prior to the Conversion Date.

Note: If applying for HDF funding, please review the HDF Supplement for further definition.

B. Working Capital Escrow

1. 2.5% of the combined construction mortgages (excluding rolled debt). Amount will be released at permanent closing assuming there are no outstanding financial or construction or issues.
2. The cash or Letter of Credit (LOC) is to be provided by the developer, sponsor, general partner and/or other entity approved by DSHA. This amount cannot be financed by any lending, equity, or grant sources involved in the Development nor may any portion of the Development be used as security for the working capital LOC or any other LOC issued in connection with the Development. LOC fees may be paid from construction financing sources, but not from Development operational funds.

C. Operating Reserve Escrow

1. Four months of operating expenses (for federally-subsidized projects), including debt service and replacement reserves. Must be funded at construction closing for acquisition/rehabilitation developments and by permanent closing for new construction developments. Operating reserve escrow amounts less than DSHA's requirement must be approved by DSHA prior to application submission.
2. Six months of operating expenses, (for non-subsidized projects) including debt service and replacement reserves. Must be funded at construction closing for acquisition/rehabilitation developments and by permanent closing for new construction developments. Operating reserve escrow amounts less than DSHA's requirement must be approved by DSHA prior to application submission.
3. The operating reserve, other reserves or operating income cannot be used to guarantee any obligations of other lenders or syndicators.
4. All reserves must be funded by permanent closing.

D. Transition/Subsidy Reserves

1. A reserve that is usually required by the Syndicator for anticipated non-renewal of the subsidy contract. This reserve is not an eligible basis cost and cannot be paid from DSHA funds. Typically it is funded from equity. The term of the reserve is in accordance with the investor's partnership or lender requirements. At the end of the transition term, funds are returned to the development.
2. If an agreement combines transitional and operating reserves, the escrow accounts must still be separated.
3. All reserves must be funded by permanent closing.

E. Equity Factor and Equity Raised

1. DSHA requires that a minimum of .93 cents on the dollar of net equity be raised and contributed to the development. However, DSHA reserves the right to amend this amount due to changing market conditions. The net equity is defined as all equity raised for the development less syndication fees imposed by syndicator and allowances by DSHA (i.e., syndicator legal/accounting fees, 1% allocation/carryover fees and monitoring fee amounts). Excess may be used to fund investor/DSHA-required operating reserves and transition/subsidy reserves upon consent of DSHA. DSHA will underwrite and allocate all credits based on the applicable rate issued by the Treasury Department one (1) month prior to application submission. For identity of interest syndicators, DSHA reserves the right to request additional letters of interest from other syndicators when market conditions warrant competitive equity pricing.
2. 15% minimum of the net equity raised must be brought in as a source at construction closing exclusive of equity used to pay the developer's fee or other fees. If more than 15% of net equity is being shown as a source during construction, documentation from the syndicator/investor with the additional amount of equity and proposed pay-ins must be included in Exhibit #50. Equity Letters of Interest must be fully executed and clearly demonstrate that equity construction funds are available and the balance of required equity will come in at permanent loan closing (except for any portion of the developer's fee withheld by the investor).
3. The applicable rate may be locked in to the current monthly applicable rate at the time of carryover allocation by election under Code Section 42(b)(2)(A)(ii). If Congress authorizes the applicable rate permanent at 9% at a later date, DSHA will underwrite new construction and rehabilitative competitive rates at 9%.
4. Historic Equity/Credits
 - a. Letters need to be detailed with commitments of funding within 4 months of a carryover allocation award and have a clear timetable of how the equity funding will flow.
 - b. The Developer fee for properties receiving historic credits is maxed at \$1,500,000 and amounts exceeding the normal DSHA limit can only be paid from cash flow. The pro forma must demonstrate that the additional fee can be paid in accordance with IRS regulations.
 - c. Historic Consultant: For developments utilizing historic rehabilitation tax credits, DSHA will allow a reasonable historic consultant fee (also must meet consultant definition) in both Total Development Cost and eligible basis. The historic consultant fee may not exceed \$30,000. A contract to provide historic consultant services must be submitted with the Application and the historic consultant must be a certified expert.

F. Relocation

1. All state and federally financed, federally and state subsidized, or conversion properties must follow all Federal Uniform Relocation Act regulations as applicable and DSHA's Relocation Policy. Relocation assistance must be included as part of construction costs. DSHA must approve all relocation plans and correspondence to residents.
2. At the time of application, the applicant may assume the risk for over-income residents and apply for the full amount of credits needed. However, at the carry-over allocation, verifications/certifications of current residents' income must be analyzed for eligibility. If the applicable fraction from application to construction closing/carryover allocation changes due to over-income residents that result in a loss of credits, the difference in any equity reduction will be the responsibility of the owner not DSHA.
3. Relocation expenses include resident moving expenses, utility deposits, off-site rents, on-site management administration beyond normal management duties (as documented by detailed timesheets and invoices), unaffiliated outside personnel hired specifically to perform relocation work only and other relocation expenses allowed under the URA.
4. DSHA will allow up to \$3,000 per unit.
5. Relocation costs cannot be included in eligible basis.

G. Relocation Operating Deficit Reserve

1. DSHA allows up to \$1,500 per unit for a relocation operating deficit reserve for operating deficits caused by off-site relocation. This line item cannot be included in eligible basis. Any funds remaining will be applied to DSHA's loans, if applicable and cannot be applied to other line items. Funding of an approved reserve from interim income will not be considered to have caused a deficit in operations due to off-site relocation. Additionally, interim income may not be used as collateral for any loan (other than a standard assignment of rents and leases), operating deficit guarantee or letter of credit.

H. Legal Fees

1. All requests for payment of fees to developer's counsel shall be for work completed by counsel and accompanied by an invoice on the letterhead of the firm.
2. The total amount of legal fees for any single Development shall not exceed \$150,000 or \$175,000 for public housing or subsidized developments. This limit is the maximum allowable and includes all fees, travel, expenses, incidentals and other costs (i.e. searches, courier, binder preparation, copy costs, etc.) incurred by the firm or the counsel in connection with the Development work. Charges for travel, expenses, incidentals, and other costs must be appropriately itemized and/or documented. This limit includes both construction and permanent closing.
3. The fee cap includes all lenders' counsel and the Applicant/Developer and/or related entities counsel.
4. Syndication legal expenses, bond issuance fees, bond legal fees charged by the financial institutions providing equity and/or bond financing to the development, title and recording fees are not included in this limit. Syndication fees are not generally included in DSHA financing and must be paid from the developer fee or equity.

No legal fees and costs incurred in preparation and review of the tax credit application will be paid or reimbursed for prior applications.

I. Cost Certification/Accounting

1. Accounting costs for completing audits or cost certifications required by DSHA or other entities providing funds to the development are permitted charges.
2. Cost certification/accounting fees cannot exceed \$28,000.

J. Furniture Fixtures and Equipment

1. Furnishings for management office, and/or community room, office equipment and computer software/hardware. FFI fees cannot exceed \$600 per unit unless approved by DSHA prior to application submission.

K. Marketing Rent-Up Fees

1. Costs include advertising, office supplies and other marketing costs such as brochures, business cards, temporary signs, and flyers.
2. For new construction or unoccupied rehabilitation developments, rent-up costs incurred should be limited to pre-operational expenses incurred during the 120 day period prior to initial occupancy and shall not exceed \$500 per unit. Rent-up expenses should not be necessary for buildings with a history of sustained occupancy, unless permanent displacement is anticipated, and may not be recognized as a development cost. If including rent-up cost in the pro forma, an itemized, detailed breakdown must be included in the application. If a rent-up fee is taken, the operating account of the project cannot be used to pay for these types of expenses and detailed invoices must be submitted during construction (no automatic per unit fee).

L. Bond Prepayment, Broker Fees and Tax Credit Fees

1. Bond prepayment and broker fees shall be included as part of the seller's costs and included in the acquisition price provided such payment is supported by an appraisal.
2. Tax credit and HDF application fees are eligible expenses if a successful award is made by DSHA. HOME application fees are not eligible and should not be counted in basis.

M. Appraisals

1. Appraisals for projects with DSHA financing may be ordered by DSHA when the preliminary rankings for projects are released for the top-ranked Applicants. DSHA reserves the right to order appraisals for non-DSHA-financed projects at DSHA's discretion. (Please see HDF Supplement for more information.)
2. A Summary Appraisal Report, from a qualified professional appraiser, of the unimproved land value is required for all Applicants at application. For all projects, the acquisition price must meet the following standards: For an arm's length transaction, the maximum acquisition price must be the lesser of the contract price or the "as is" appraised value of the property. For a related party transaction where the property was acquired less than two years before the application date, the maximum acquisition price may not exceed the lesser of the 'as is' appraised value of the property, or the original acquisition price plus carrying costs acceptable to DSHA. For a related party transaction where the property was acquired two or more years before the application date, the maximum acquisition price may not exceed the "as is" appraised value of the property. Prior to allocation, a property appraisal and, if applicable, a copy of the settlement sheet will be required.
3. Appraisers are required to contact DSHA for a list of comparable LIHTC properties, which are to be included as comparables within the property appraisal report.
4. A Summary Appraisal/Opinion of Project Value will still be required at application.

NOTE: The Internal Revenue Service recently updated IRC §42, Low-Income Housing Credit Audit Technique Guide in August 2015. The revised guide includes, among other changes, an expanded explanation of documents to request from the taxpayer during pre-contact analysis; a more developed definition of “residential rental property;” a new section on emergency housing relief, and clarifications on eligible basis determination. It is recommended that the applicant’s tax accountant and attorney review this document, as well as all other IRS Rulings, Regulations and Guidance for determining eligible basis.

Operating Proforma Underwriting Guidelines

A. Operating Income

1. Must include rents and laundry income and income from solar energy, as long as it benefits the property and/or residents. Other income must be supported with written documentation.
2. Rents should be affordable for the market area. Please contact DSHA for comparable tax credit rents in the area of the proposed development.
3. For federally financed or subsidized properties, the contract rents approved by HUD/USDA Contract Administrator must be used for the contract period. Tax Credit rents must be used after any subsidy period expires.
4. Interim income can only be used for HUD/USDA/DSHA approved operating expenses of the property and not for construction expenses except by written consent by HUD and/or DSHA as the case may be. For subsidized developments, existing escrows and interim income may be used to fund required reserves (contact DSHA for Guidance). Funding of an approved reserve from interim income will not be considered to have caused a deficit in operations due to off-site relocation. Additionally, interim income may not be used as collateral for any loan (other than a standard assignment of rents and leases), operating deficit guarantee or letter of credit.

B. Operating Expenses

1. Range must be between \$5,000 and \$5,800 per unit (for non-subsidized properties).
2. Range must be between \$5,900 and \$6,900 per unit (for federally-subsidized properties).

(Refer to DSHA for guidance).

C. Debt Coverage Ratio

1. 1.15:1 Loan to Value ratio of 50% or less. (Value = Rent Restricted Value)
2. 1.20:1 Loan to Value ratio of 51%-80%.
3. For projects with fully amortizing DSHA permanent debt, the Loan to Value ratio must cover all amortizing debt (with exception to USDA projects).
4. For projects financed under the FHA Risk Sharing Insurance program, DSHA will follow the risk sharing regulation of 1.176:1.
5. For projects with USDA debt, where 90-100% of the units are subsidized with rental assistance, DSHA will allow 1.15:1 Loan to Value ratio of 51%-80%.
6. No negative cash flow within first 20 years of loan will be accepted. All first mortgages must have a term of 20 years or more amortized over 30 or 35 years unless otherwise approved by DSHA.

D. Annual Replacement Reserves

1. New Construction and Rehabilitation: \$500 per unit.

Note: Deviations from the above guidelines must be submitted in writing and approved by DSHA.

E. Replacement Reserves

1. Existing federally financed or subsidized properties that have replacement reserve funds currently in escrow must use these funds for capital improvements (rehabilitation expenses).

Note: Reserve funds cannot be counted towards eligible basis.

2. All projects must establish a replacement reserve by permanent closing of \$1,500 per unit. Interim Income and/or equity can be used to establish the reserve. When the \$1,500 per unit balance has been met (must be by permanent closing), the annual replacement reserve per unit cost will reduce to \$500 per unit. The source of funding for the reserve must be specified in the pro forma.
3. All reserves must be funded by permanent closing.

Note: Deviations from the above guidelines must be submitted in writing and approved by DSHA.

F. Trending (20-year proforma)

1. Income 3%
2. Expenses 4%

Section 8 Properties: Trending must be approved by Contract Administrator prior to application submission.

G. Vacancy Rate

1. 5-7% (contact DSHA for guidance)
2. Loans financed using the FHA Risk Sharing Program generally will be underwritten using a 7% vacancy rate.

H. Management Fee

1. 8% of gross income (exceptions made for subsidized developments)

I. Operating Pro forma

1. Must be approved by Development's management entity and for federally subsidized properties, the contract administrator must also approve the pro-forma.
2. If photovoltaic system (solar) is being utilized at the development, any costs associated with the third party aggregator (typically 8 or 10% of the fees generated) should be added as an expense to the budget. In addition, all sources derived from the photovoltaic system should be noted as a source.
3. For subsidy layering and pro forma purposes, the amount of annual equity distribution should be calculated at 1.5% of initial investment. However, if DSHA does not provide financing to the development, the 1.5% will not apply during the term of the credit or extended use period and standard partnership waterfall distribution of income will apply. DSHA may reduce the amount of annual credit to a development where the annual equity distribution appears excessive. Please see HDF Supplement for additional HDF requirements.
4. For projects with approved debt service coverage lower than 1.20:1, or longer amortization periods, the annual equity distribution will be calculated at 1% of initial investment; this will also include all tax-exempt/HDF projects.

J. Utility Allowance

1. The Internal Revenue Service (IRS) and the Department of Housing and Urban Development (HUD) have published final regulations regarding utility allowances for low-income housing tax credit (LIHTC) properties and projects that receive federal funds. Listed below is the utility allowance method that should be used in LIHTC projects depending on the type of program that is part of the LIHTC project.

LIHTC Unit Type – Program Type	Utility Allowance Method to Use	Review Requirement
Rural Development (RD) Section 515/RA	RD Utility Method/Schedule	<i>As required by RD</i>
RD Section 515/with Section 8	HUD Actual Consumption Method	<i>Every 3 years</i>
Section 8, project-based projects/units	HUD Actual Consumption Method	<i>Every 3 years</i>
Section 202 projects – PRAC or SPRAC	HUD Actual Consumption Method	<i>Every 3 years</i>
HOME projects or units	HUD Actual Consumption Method	<i>Every 3 years</i>
Section 811	HUD Actual Consumption Method	<i>Every 3 years</i>
Section 8, Housing Choice Voucher units or HOPWA vouchers	PHA utility allowance schedule	<i>Annually</i>
State Rental Assistance Vouchers (SRAP)	PHA utility allowance schedule	<i>Annually</i>
Straight LIHTC (no subsidies)	May choose from Utility Options	<i>Annually, with exception to the HUD Actual Consumption Method</i>

2. Utility Allowance Method Options:

- a. **PHA Allowance** - The utility allowance method is established by the applicable Public Housing Authority. If the applicable PHA allowances list flat fees for any utility, those flat fees must be included in the calculation of the utility allowance if the resident is responsible for that utility. Must be the most recent PHA allowance.

- b. **HUD Actual Consumption Method** – This method is required by all LIHTC projects that receive HUD federal funding (see chart above). The HUD Actual Consumption method is based on actual consumption of the residents in existing projects. The calculations and submittal for DSHA approval must be completed in accordance with HUD Notice H-2015-04, Methodology for Completing a Multifamily Housing Utility Analysis, effective June 22, 2015. This utility calculation is the only method that is updated every 3 years.
- c. **Energy Consumption Model** (Estimate from an Engineering Firm) – This method uses engineering calculations and technical data (including actual data) to estimate a utility allowance. All Engineering firms must be properly licensed and approved by DSHA. The engineering firm must not be a related party of the building owner/Applicant. This method should be used for projections (pro forma) if the project will receive any type of HUD funding or for new creation projects and, then upon conversion will switch to the HUD Actual Consumption Method after consumption records are available.

This method calculates utility estimates using an energy and water and sewage consumption and analysis model. The energy consumption model must, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the qualified engineer may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located. For rehab projects, the model must use current/actual data when calculating the utility estimate, therefore, the model must use data no older than 60 days of the end of the twelve month period or no earlier than 60 days prior to the beginning of the 90 day notification period. The following data should be included in the engineering firm’s estimate:

1. The actual use of similarly constructed and sized units in the building using actual utility data and rates.
 2. Provide a minimum sample size of usage data for at least 5 continuously occupied units of each Unit Type or 20% Unit Type whichever is greater.
 3. A copy of the request to the utility provider or billing entity to provide usage data. If utility data is used directly from residents, a release from the resident is required.
 4. An Excel spreadsheet listing every unit on the property, number of bedrooms, bathrooms and square footages for each unit, and the billing history by month for each unit for which data was obtained (the sample).
 5. The rent roll of the property showing occupancy as of the end of the month for the month in which the data was requested from the utility provider.
- d. **Estimate from Utility Provider** - A written estimate from a local utility provider is an acceptable method. The utility provider’s estimate must be in writing and any costs incurred to receive this estimate are borne by the owner/Applicant. The building owner/Applicant must retain the original utility provider estimate and must furnish a copy to DSHA and must make copies available to all tenants. This utility analysis or survey must also be pre-approved by DSHA.

- e. **HUD Utility Schedule Model** – Building owners/Applicants may use the HUD Utility Schedule Model that can be found on the HUD data set page at <http://www.huduser.gov/portal/resources/utilallowance.html>. The HUD Utility Schedule Model is based on data from the Residential Energy Consumption Surveys (RECS) conducted by the Department of Energy. This data provides energy consumption by structure for heating, air conditioning, cooking, and water heating and other electric (lighting and refrigeration). The Model incorporates building location and climate.

3. **Notice**

A building owner/Applicant using a Utility Company estimate, the HUD Utility Schedule Model, or an Energy Consumption Model must submit copies of the utility estimates to DSHA and **make the estimates available to all tenants** in the building at the beginning of the 90- day period before the utility allowances can be used in determining the gross rent of rent-restricted units.

If using the HUD Actual Consumption Utility Method, notice requirements are in accordance with HUD Notice H-2015-04, Methodology for Completing a Multifamily Housing Utility Analysis.

4. **Utility rates**

For the Energy Consumption Model, rates must be no older than the rates in place 60 days prior to the beginning of the 90-day period. In the case of newly constructed or renovated buildings with less than 12 months of consumption data, the qualified professional may use consumption data for the 12-month period of units of similar size and construction in the geographic area in which the building containing the units is located.

5. **Utility Allowance Estimate Costs**

The Building Owner/Applicant must pay for all costs incurred in obtaining the estimates and providing the estimates to DSHA and the residents. The Energy Consumption method is an eligible project cost.

6. **Record retention**

The building owner must retain any utility consumption estimates and supporting data as part of the taxpayer's records for the compliance period.

7. **Changes in Utility Allowances**

An owner may choose to change the utility allowance calculation after the credits have been placed in service. If, at any time during the building's compliance and extended use period, the applicable utility allowance for units changes, the new utility allowance must be used to compute gross rents of the units due 90 days after the change (the 90-day period).

K. DSHA HDF

1. Please see the **HDF Supplement for additional underwriting criteria, if utilizing the HDF or State HOME funds.**

Note: Deviations from the above guidelines must be requested in writing prior to application and approved by DSHA.

Attachment 2 - 2016 DIFFICULT DEVELOPMENT AREAS FOR DELAWARE

Statutorily Mandated Designation of Difficult Development Areas and Qualified Census Tracts for Section 42 of the Internal Revenue Code of 1986:

The United States Department of Housing and Urban Development makes new Difficult Development Area designations annually and makes Qualified Census Tract designations due to changes in Section 42 of the Code. In determining a Difficult Development Area, HUD compared incomes with housing costs based on 2000 Census Data.

The following Zip Code areas and County have been identified as a Difficult Development Area (DDA) for the State of Delaware:

Sussex County

19904

19943

19946

19954

19707

19730

19734

19803

Maps demonstrating the expanded DDA's for the State of Delaware are available at the following link:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be>

Under Section 42 of the Code, developments located in Difficult Development Areas are allowed to increase their eligible basis up to 130% with DSHA approval only.

DSHA reserves the right to release new QCT data upon release from HUD.

Attachment 3 - QUALIFIED CENSUS TRACTS

New legislation signed into law in December 2000 expanded the definition of Qualified Census Tracts to include those census tracts in which there exists a poverty rate of 25% or greater.

The following are Qualified Census Tracts:

Wilmington	Tracts	4.00
		6.01
		6.02
		9
		15
		16
		19.02
		21
		22
		23
		26
		29
		30.02
Naaman's Road		101.01
South of Wilmington		154
Newark	Tracts	144.02
		145.01
		145.02
Kent County		413
		414
Sussex County		504.06

Maps demonstrating the expanded Qualified Census Tracts for the State of Delaware are available at the following link:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be>

DSHA reserves the right to release new QCT data upon release from HUD.

Attachment 4 - PROMOTING FAIR HOUSING CHOICE OPPORTUNITIES

DSHA maps that include all defined areas are available under Fair Housing Maps at the following link:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be>

Attachment 5 - PROMOTING ACCESS TO TRANSIT

DSHA maps that include all defined areas are available under Transit Maps at the following link:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be>

Attachment 6 – STATE STRATEGIES FOR POLICIES AND SPENDING

Delaware State Strategies for Policies

<http://stateplanning.delaware.gov/strategies/maps.shtml>

NOTE: The Delaware Strategy Maps are not property specific for properties that appear to border more than one type of growth area. If property location is not clear, DSHA will make the final determination.

Attachment 7 - ELIGIBLE BASIS LIMITS

	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Sussex County	\$140,107	\$160,615	\$195,305	\$252,662	\$277,344
Kent County Dover	\$140,107	\$160,615	\$195,305	\$252,662	\$277,344
New Castle County City of Wilmington	\$140,107	\$160,615	\$195,305	\$252,662	\$277,344

These limits are 240% of the basic HUD 234 limits for elevator units under the HOME Program effective as of 1/1/16.

Attachment 8 – APPLICATION CHECKLIST

DELAWARE STATE HOUSING AUTHORITY LOW INCOME HOUSING TAX CREDIT PROGRAM

2016 Application Checklist

After completion and finalization of the web-based Application, please print a copy of the Application along with a copy of the electronic confirmation that confirms the Application was accepted.

The following exhibits must accompany the Low Income Housing Tax Credit Application. Those exhibits marked with an asterisk (*) may be omitted at the time of application and the application will still be considered a complete package for competitive purposes only. Please note, however, that DSHA requires submission of applicable exhibits listed below before making a Tax Credit allocation. Please be sure each exhibit is labeled with the appropriate number.

Development Team

- Exhibit 1* **Articles of Incorporation, Limited Liability Company Agreement, By-laws, Partnership Agreements, and Tax Status**
- Exhibit 2 **Non-Profit Status**
Documentation of Section 501 (c)(3) or (4) status, which states exempt purposes including the fostering of low-income housing, charitable purpose.
- Exhibit 3 **Verification of General Partner Ownership (For non-profits only)**
Through written agreement.
- Exhibit 4 **Joint Venture Agreement or Consultant Agreement (If applicable)**
Applicant(s) must submit an agreement to DSHA, outlining the current and long-term roles, terms, fees, and other conditions of the partners to the agreement. An **unqualified** legal opinion must be submitted with the application that states the joint venture meets the requirements of Section 42 and DSHA as it relates to being considered eligible to compete in the Non-Profit Pool.
- Exhibit 5 **Background and Experience of Board Officers and Staff**
Resumes and/or lists of officers are required.
- Exhibit 6 **Resolution (For non-profits only)**
Documentation of Applicant's governing body approving tax credit application and/or loan request must be submitted.
- Exhibit 7 **Developer Experience**
Complete the Real Estate Owned/Developed Schedule by listing all previous multi-family housing development experience and that of any principals of the organization. For each development, include the name, number of units, type of financing and whether subsidized (type of subsidy) or unsubsidized. Please use the attached DSHA Real Estate Development Schedule attachment in the Application.
- Exhibit 8 **Audited Financial Statements**
Current Audited Financial Statement for the Developer(s) and/or General Partner (Managing Member) - If the ownership entity is an existing organization, the most recent and prior year's audited financial statements must be included. The audited financial statements must clearly indicate all owners of any entity(s) and their respective financial investment in the entity(s) as applicable.

Note: for Tax-Exempt applicants not seeking HDF or HOME funds, the most recent and prior year's financial statement must be included.

Exhibit 9 **Resumes of Surveyor, Architect, Marketing Agents, General Contractor and Other Members of the Development Team**

Include the General Contractor if they are chosen at application. If the General Contractor is a Joint Venture General Contractor, an agreement must be submitted to DSHA outlining the current and long-term roles, terms, fees, and other conditions of the partners to the agreement.

Exhibit 10 **Management Agent Qualification Application**

Include all required attachments (i.e., management plan, the most recent and prior year's financial statements, copy of marketing plan explaining in detail the procedures to be utilized in renting up the units).

NOTE: All management agents must meet DSHA's management agent's requirements.

All management staff should attend Fair Housing training every two years at minimum. Documentation of the nature and frequency of fair housing training for management staff must be included in the Management Agent Qualification Application as part of the additional attachments.

Exhibit 11 **Affirmative Fair Housing Marketing Plan**

Attachment 15 – Fair Housing Certification should be included with this exhibit.

Exhibit 12 **IRS Form 8821, Tax Information Authorization**

Other Minimum Threshold Information

Exhibit 13 **Utility Availability**

Please include the following with this exhibit:

1. Verification of adequate sewer and water capacity, gas, electric, and storm water.
2. Proof from utility company that the building has not been occupied for at least three years, if applicable.
3. Written verification of utility allowance method for all tenant paid utility costs from Public Housing Authority, RD, local utility company estimates, or Energy Consumption Engineer.

Exhibit 14 **Zoning**

Please include the following with this exhibit:

1. Verification of zoning classification, re-zoning, or variance application request.
2. Census Tract Verification.
3. State Strategies for State Policies and Spending verification.

Exhibit 15 **Minimum Square Footage and Bedroom Mix**

Preliminary plans of adequate detail to verify that units satisfy minimum square footage requirements, bedroom size, and mix.

For City of Wilmington applications, per 2015 International Building Code, City of Wilmington definition of Single Room Occupancy (SRO) / Efficiency is as follows:

1208.4 Efficiency dwelling units. *An efficiency unit shall conform to the requirements of the code except as modified herein:*

1. *The unit shall have a living room of not less than 220 square feet (20.4 m) of floor area. An additional 100 square feet (9.3 m) of floor area shall be provided for each occupant of such unit in excess of two.*
2. *The unit shall be provided with a separate closet.*
3. *The unit shall be provided with a kitchen sink, cooking appliance and refrigeration facilities, each having a clear working space of not less than 30 inches (762 mm) in front. Light and ventilation conforming to this code shall be provided.*

Exhibit 16 **Independent Market Study**

Document of sufficient scope to determine if Low Income Tax Credit Housing is in demand and is feasible for the proposed location. Market Study must include, but not necessarily be limited to, the information noted in the attached Market Study Requirements Outline. Additionally, the market study shall clearly indicate distances to services, which include but are not limited to, retail/commercial facilities, employment, daycare and public transportation. List and describe separately how each of these services that the development has access to improves the quality of life for the residents.

DSHA must pre-approve the preparer of every market study. Minimum requirements for the preparer are also noted on this outline.

Exhibit 17 **Site Control**

Site control can be demonstrated by recorded deed, recorded long term lease, municipal or county disposition and development agreement, an option to purchase or lease, or a purchase contract. The sales agreement or lease agreement and all pertinent terms therein must be submitted at the time of application. DSHA reserves the right to determine a development is ineligible to compete for tax credits if site control documentation is amended after application submission.

Exhibit 18 **Phase I Environmental Audit and Phase I Environmental Site Assessment**

All developments require a Phase I Environmental Site Assessment (ASTM E1527-05).

The report shall be accompanied by a certification from the applicant stating that any issues raised in the environmental site assessment have been reviewed and budgeted accordingly in the development budget.

Developments with existing structures on the property require both a Phase I Environmental Site Assessment **and** a Phase I Environmental Audit that addresses all structures on site and the existing materials/conditions of the structures (must include tests results for lead in water, lead-based paint, asbestos, radon, and PCBs etc.).

Only the executive summary of the Phase I Environmental Audit report shall be submitted in the hard copy application, however, the full report shall be submitted with the electronic application. Cost estimates for any remediation work shall be provided and included in the executive summary and in the development budget.

Note: Where there are any environmental remediation costs identified in the Environmental Site Assessment, Environmental Audit, CNA or other application document, and such costs were not included in the projected environmental cost line items, any additional costs to remediate the environmental items shall be paid from the Developer Fee and will not be allowed from contingency.

Applicant must also complete the ‘Environmental Review Checklist’ provided in the LIHTC QAP Attachments, Attachment 12.

- Exhibit 19 **Letter of Support from Local Public Housing Authority**
A letter of support from the local public housing authority that indicates that local public housing waiting lists and/or Section 8 existing waiting lists will be used when marketing the property.

Ranking and Additional Information

- Exhibit 20 **Increase in Compliance Period**
Documentation and statement from the proposed owner of compliance and extended use periods that will be chosen by the owner for the property and agreement that owner waives their rights to re-syndicate, transfer or sell for the period chosen.

- Exhibit 21 **Conversion to Homeownership**
A detailed marketing plan must be submitted which includes a statement from the applicant that the Declaration of Restrictive Covenants shall reflect a right of first refusal is granted by the owner to the residents. Units must be offered at their fair market value at the time of the original residents initial occupancy of the unit, that the applicant will agree to total costs per unit subject to the limits of Section 221 (d)(3)(ii).

A detailed marketing plan, projections on maintenance, tenant reserve funds, homeownership training, continued affordability, sales price calculation, lease/purchase agreements including rules and regulations, etc must also be included with the application. The plan will be evaluated for feasibility and compliance with all regulations (Section 42, Fair Housing, and all other funding sources requirements). All syndication documents must reflect the conversion.

- Exhibit 22 **Balanced Income Weighted Targeting**
Documentation of the Weighted Income Tab on the Part II LIHTC Application – Pro forma. In addition, the Income Tab of the Pro forma should clearly note the percentage of units at various income levels, including the minimum 5% of all units or 3 units, whichever is greater, for special populations.

- Exhibit 23 **Per Unit Cost Reduction** – Documentation of calculation of total cost per unit.
Please attach any Supplier Diversity Plan to this Exhibit that is used by any member of the Development Team (Applicant, General Contractor, Developer, Management Company, etc.), if applicable. The plan can include, but is not limited to, any marketing, outreach, or other effort utilized that supports the plan.

Exhibit 24 **Integrated Housing for Special Populations**

QAP Attachment 20 – Targeting Owner/Management Certification and Integrated Special Needs Targeting Plan should be completed and included in this exhibit. If points are requested for additional target units to 10%, documentation on the additional number of units should be included in this exhibit. Information on additional target units should also be provided in detail in the Targeting Plan.

Certification for Intention to Participate in the Section 811 Program must be included in this Exhibit.

Exhibit 25 **Fair Housing and ADA Units**

Documentation by the architect through preliminary plans and/or specification of new amenities and ADA units claimed for points. Details covering costs of upgrades must also be included.

Accessible units should be marketed and rented to households that need the accessible features. When accessible units are not occupied by households that need the accessible features, a lease addendum for the non-disabled household will be required for the non-disabled household to transfer to the next available non-accessible unit (of comparable or smaller size) when a household that needs the accessible features applies and is accepted to the development.

Documentation of lease addendum should be included in this exhibit.

Exhibit 26 **Verification of Local Government Contribution** (If applicable)

Documentation of approved written financial support by commitment letter or other documentation (i.e. executed grant agreement, award letter, etc.) from the municipality or local government (including CDBG or HOME funds) detailing the dollar amount of the waiver or contribution that financially reduces the development and/or operating cost of the developments over a five-year period (i.e., tax abatement, waiver of fees, donation of land, etc.).

Exhibit 27 **Details of Leveraging**

Please describe, in detail, the calculations on how DSHA controlled funds, including tax credits, HOME funds and Housing Development Funds, are used to leverage other permanent funding sources

Exhibit 28 **Promoting Balanced Housing Opportunities**

Documentation of address of property and 2010 census tract number. DSHA will make final determination if property is located in a non-impacted area.

Exhibit 29 **Historic Preservation**

Documentation that individual property, (including all buildings in the development) is listed on National Historic Register.

Exhibit 30 **Preservation/Rehabilitation**

Tax Credits (A): Any tax credit housing development, which has completed its compliance period that is

in need of substantial rehabilitation ***or***
at risk of losing its affordability

Subsidized (B): Any currently occupied subsidized housing development or demolition/new construction of public housing subsidized units that are

in need of substantial rehabilitation ***or***
at risk of losing its affordability

To receive points in the preservation category for the above definitions (A or B), the applicant must meet the definition of substantial rehabilitation or submit written confirmation from the Tax Credit agency or subsidy contract administrator that the development's affordability expiration is imminent. To compete in the preservation/rehabilitation pool, the applicant must provide documentation that the development meets one of the above definitions.

To further prioritize preservation developments, points will be awarded for each of the following factors up to a maximum of ten (10) points. Each factor listed below must be supported and documented as an attachment in the application.

1. Require hard cost/rehabilitation expenses that exceed \$50,000/unit. (4 points)
 - a. All hard/rehabilitation costs will be for the building housing the units and units only.
 - b. Must be documented by the Capital Needs Assessment and proposed rehabilitation work must be past its 50% life cycle per DSHA's Construction Standards.
 - c. Must complete the LIHTC Web-Based Application, Tab-Cost Summary. The Applicant **will not be eligible for points** in the Preservation/Rehabilitation Pool if Attachment A is not completed.
 - d. Costs **not to be** included in the \$50,000/unit include, but are not limited to, all offices, community rooms/buildings, storage areas, maintenance areas, and laundry facilities, all exterior work not an integral part of the building or units, all site costs, bonds, and all work not of a standard nature such as installation of awnings or solar panels.
2. Have committed federal rental assistance contracts. (3 points)
3. Property was placed in service on or before December 31, 1995. (2 points)
4. Property is non-elderly/disabled. (1 point)

Exhibit 31 **Verification of New Rental Assistance or Federal Subsidy**

Proof of commitment or contract for new rental assistance or subsidy contract from Rural Development, HUD or local municipality.

Exhibit 32 **Verification of Development Team –**

Documentation of the number of Low Income Housing Tax Credit Properties developed by the general partner and/or developer. Note: “General Partner/ Developer” is defined as a corporate entity, partner or owner of a multi-family development company that has been a signatory/guarantor on a Tax Credit construction loan. “Developed” is defined as having gone to permanent closing on a development with an acceptable cost certification.

Management Agent Performance -

Documentation listing the Management Agent’s Delaware development portfolio and a separate listing of the Management Agent’s overall affordable development portfolio. Each list should include the name of property, location, type of property (senior vs. family), the number of 8823’s filed in the last calendar year, the REAC score, if applicable, and the vacancy loss percentage (per the Profit and Loss Statement) for the last calendar year. For any management agent’s that are part of the Development Team and currently do not manage any developments in Delaware, a listing of the same information will be required for their overall portfolio. DSHA reserves the right to verify the information from other state housing finance

Exhibit 33 **Social Services Verification**

The provision of social and support services is an integral part of any attempt to improve the quality of life of the residents of the development.

1. Services must be affordable, appropriate, available, and accessible and the service must be provided to the development’ residents in every calendar quarter for a total of 8 hours per year. In order to receive the maximum number of points (3), at least three qualifying services must be provided, representing a total of 24 hours of qualified services provided to the development’s residents.
2. The services must be distinct to qualify for the points – for example a series of financial literacy classes, even on different topics such as budgeting/spending or understanding your credit/credit counseling would count as one financial literacy class.
3. Services should be actively linked to the residents and not simply provided to the community at large and can be provided on-site or and can be provided off-site.
4. If services are provided off-site, a memorandum of understanding (MOU) with the off-site service provider (i.e., senior center, service center, etc) must be submitted with the application.

The MOU must stipulate a transportation plan for regularly scheduled trips to the facility and classes, a schedule of classes, attendance proof and record keeping, as well as the narrative described below and any other terms, fees, and conditions of the service provider and applicant.

5. Please include the following with this exhibit:
 - a. Applicants must submit a narrative describing the services to be provided, a curriculum for any classes, description of why the services are appropriate for the population, how the services will be publicized and marketed, and expected outcomes and benefits, qualifications of the social service organizations that will be utilized at the property, including their history, capacity and experience, contracts or commitment letters detailing costs of services from each social service provider.
 - b. Details concerning the source of funds used for social services must be included.

NOTE: Fees may be charged to residents for social services (and not be included in the gross rent) as long as the services are OPTIONAL.

Exhibit 34 **Energy Conservation Measure**

A signed Certification (Attachment #13) should be included in this Exhibit. In addition, include any architectural documents that will confirm the existence of the proposed energy conservation measures.

DSHA Certification for Base Level Energy Standards and DSHA Certification for Green should be included in this exhibit (Attachment #14 and #15).

Exhibit 35 **Access to Transit**

A draft Memorandum of Agreement between the owner/sponsor and Delaware Transit Corporation (DTC) that includes all improvements, amenities, accommodations to be made, cost of improvements and responsibilities agreed upon by DTC. All information and documentation required under the QAP for Existing Transit and Transit Ready must also be included in this Exhibit. Note application to DTC must be made by 2/26/2016.

Existing Transit documentation can include mapping information from DSHA's website at the following link:

<http://delaware.maps.arcgis.com/apps/Viewer/index.html?appid=8bab9ecd370a413191573fe26491c2be>

Exhibit 36 **Community Compatibility and Connectivity**

A narrative of the proposed development that details the design which can include, but is not limited to, how the development is compatible with surrounding community and enhancement of the visual character of surrounding area as well as foster creativity. That includes, but is not limited to the following:

- How the development design is consistent with the architecture/character of the local area, or the project's visual character respects and makes a positive contribution to the surrounding community.
- The aesthetic amenities, such as trim, materials, and color that enhances the exterior quality and interest of the project.
- Detail to design and planning, including full height brick, stone, articulations in the facades, bay windows, detail at the eaves and cornices.
- New and existing setbacks are consistent with surrounding development. Building heights and bulk, as seen from the street, should be respected.
- Developments should have a variety of bedroom sizes that include one, two and/or three bedrooms. A mix of bedroom size promotes opportunities for various household sizes in a community.
- The building should not look strange or out of place in the community where it is located.

For conversion projects, a narrative that details how the design maintains the existing character of the surrounding neighborhood. In addition, innovative upgrades that considerably enhance the visual appeal of the existing building and site are expected to qualify in this category. Examples of upgrades to the project's design include, but are not limited to, the following:

- Landscaping in excess of community requirements;

- Roof pitches where they can complement surrounding flat roofs;
- Color schemes that highlight architectural details such as rosettes, dentils, and trim in contrasting colors for historic buildings;
- Sidewalk coverings, such as: canopies over entries; freestanding awnings; and building-supported awnings that can be applied in a manner to enhance the visual appeal of the building;
- Minimize the impact of parking spaces by placing them to the rear of the building where possible or incorporating decorative elements or landscaping elements to soften the visual impact; and
- To the extent possible, developments with a variety of bedroom sizes that include one, two and/or three bedrooms. A mix of bedroom size promotes opportunities for various household sizes in communities.

Documentation through sitemap, that sidewalks and other all-weather pathways are independent of the street or highway edge and connect to adjoining neighborhoods or other trail systems. Unimproved dirt pathways and pathways covered with organic materials such as bark or mulch do not qualify as “all-weather” pathway. Documentation from Del DOT that confirms connectivity will also be accepted. Notice to Del DOT must be made by the applicant before 3/15/2015.

- Exhibit 37 **Development and Unit Amenities**
Documentation by the architect through preliminary plans and/or specification of new amenities claimed for points. Details covering costs of upgrades must also be included.
- Exhibit 38 **Certification for Community Revitalization** (Refer to QAP Attachment 17)
- Exhibit 39 **Certification for Downtown Development Area** (Refer to QAP Attachment 18)

Acquisition/Rehabilitation/Construction Property Information

- Exhibit 40 **Current Operating Budget** (If applicable)
- Exhibit 41 **Improvements**
Documentation of all rehabilitation/improvements done to the property in the previous ten (10) years, if applicable.

Please include with this Exhibit, the Rehabilitation Checklist (Attachment #11) and the Environmental Review Checklist (Attachment #12) from the Qualified Allocation Plan attachments.
- Exhibit 42 **Relocation**
Description of relocation plans and cost, if applicable. In addition, documentation of preliminary income certifications for residents residing in occupied units demonstrating that they are tax credit income eligible or a certified letter from said residents indicating their willingness to be relocated is required for units that will be counted as tax credit eligible. Verifications/certifications of current resident’s income must be included with the application.
- Exhibit 43 **Capital Needs Assessment (CNA)**
Must be completed by a licensed architect and include an energy audit completed by a certified energy rater. The Capital Needs Assessment should also include the DSHA Rehabilitation Checklist. Note: For USDA projects, all applicants must utilize the USDA, Rural Development CNA Tool and CNA process. DSHA will accept the Rural Development CNA.

- Exhibit 44 **Detailed Preliminary Plot Plan**
- Exhibit 45 **Architect/Artist's Rendering of Site and Proposed Development**
- Exhibit 46 **Location Map**
- Exhibit 47 **Photograph of Property**
- Exhibit 48 **Verification of Flood Plain and Wetlands Status and Other Unusual Site Features or Notice of Non-Applicability**

Leveraging and Financing Information

- Exhibit 49 **DSHA's Proposed Cash Flow Pro forma – printed version from web-based application.**

- Exhibit 50 **Details of Debt Financing**

At time of Tax Credit application, proof must be provided that construction and permanent financing requests have been made. Sponsors must provide letters from the lending/funding entities, which include items, such as: date of request, amount of financing, interest rate, term and a statement that the development is eligible for financing under the lender's requirements.

Financing commitment letters from all funding entities are due by **10/21/16**. The sponsor must submit documentation with the commitments, which outlines the position of each funding source. Developments, which have funding commitments at the time of application, need only submit the commitment letters and documentation outlining the position of each funding source.

For public and private financing subsidies, written letters of interest, letters of intent, or proof of application must be provided (i.e. including, but not limited to, USDA Rural Development, HOME, HOPE VI, Section 202, Federal Home Loan Bank funding, local municipalities, foundations, etc.). The documentation provided will be used to determine financial feasibility.

- Exhibit 51 **Summary Appraised Land Value/Opinion of Project Value**

A Summary Appraisal Report, from a qualified professional appraiser, of the unimproved land value. For all projects, the acquisition price must meet the following standards: For an arm's length transaction, the maximum acquisition price must be the lesser of the contract price or the "as is" appraised value of the property.

For a related party transaction where the property was acquired less than two years before the application date, the maximum acquisition price may not exceed the lesser of the 'as is' appraised value of the property, or the original acquisition price plus carrying costs acceptable to DSHA. For a related party transaction where the property was acquired two or more years before the application date, the maximum acquisition price may not exceed the "as is" appraised value of the property. Prior to allocation, a property appraisal and, if applicable, a copy of the settlement sheet will be required.

Appraisers are required to contact DSHA for a list of comparable LIHTC properties, which are to be included as comparables within the property appraisal report.

NOTE: The Summary Appraisal Report and the Property Appraisal should not be more than six months old.

- Exhibit 52 **Details of Equity Financing**
Including written description of syndication details (letter of interest) and copy of agreement, award letter of grant, etc.
- Exhibit 53 **Preservation Developments, including Section 8, RD Section 515 Multi-Family Program and RD's 514-516 Farm Labor Housing**
Proof that an application for rental assistance as well as capital assistance has been made and received by Rural Development or HUD.
- Exhibit 54 **Federally-Assisted Distressed Property**
Summary of how the property qualifies as a distressed federally assisted property, if applicable.
- Exhibit 55 **Ten-Year Rule**
A sworn statement from the applicant and/or a tax opinion that property has not transferred ownership within the last ten years and is eligible for acquisition credits, if applicable.
- Exhibit 56 **Developer Blank Points Work Sheet**
Developers should score themselves on the attached form. (Must also be completed by tax-exempt bond properties)

Other:

- Exhibit 57 **Government Jurisdiction**
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.

Post Tax Credit Award Documents

Once a tax credit allocation has been made the following documents must be submitted to DSHA:

- DSHA Plans/Specifications Checklist**
- Department of Natural Resources and Environmental Control**
Documentation regarding National Pollutant Discharge Elimination System, Notice of Intent
- National Emission Standard for Hazardous Air Pollutant**
- Erosion and Sedimentation Control Plan**
- DELDOT Entrance Permit (If applicable)**
- Model Energy Code, Building Compliance**
- Fire Marshal Conditional Approval**
- Architectural Accessibility Board Approval**
- Site Plan with Easements Notated (ALTA)**
- Building Permit**
Include sprinkler system requirements
- Realty Transfer Tax, Title 30 §5401 (8) c (Refer to DSHA for form)**

**Cost Certification**

Note: The final cost certification will be due ninety (90) development must include all sources and uses of funds including all syndication fees. The final cost certification will be due 90 days after DSHA provides the "Permission to Occupy" approval(s) on the last building and must include all sources and uses, including all syndicator fees. If the final cost certification is submitted after the deadline date, a \$5,000 penalty fee plus an additional \$500 penalty fee for each additional week that the cost certification remains outstanding will be assessed to the Applicant. The penalty fee cannot be paid from loan(s) or equity proceeds. The fee will be due prior, to the issuance of the IRS form 8609, Low Income Housing Credit Allocation Certification for any-building. The cost certification must be completed by Borrower and Contractor. (Refer to DSHA for forms).

Attachment 9 – MARKET STUDY REQUIREMENTS CHECKLIST

LOW INCOME HOUSING TAX CREDIT PROGRAM

Market Study Requirements Checklist

A market study of the population to be served by a Tax Credit assisted Development must include recent data about employment, demographic and housing trends for the defined market area.

While the below checklist outlines the study's requirements, a market study is not complete unless it also includes an analysis of the data. The data and analysis must clearly document sufficient demand in the market to support the proposed property without negatively impacting the concentration of existing tax credit developments and other affordable housing developments within the same market area. The study must identify any data sources, assumptions, estimates, projections, and models used in the analysis.

DSHA must pre-approve the preparer of every market study. The market study should be conducted within six months of the date of application submission.

Description of Proposed Property

Describe the proposed property and the expected target population, which should be defined by presenting a demographic profile in terms of age, income, household composition, and current living situation. This description should also identify all proposed rent and amenities to be offered within the proposed property. Describe how the characteristics of the proposed property including unit mix, rent levels, proximity to services, and amenities will meet the needs of the target market. Provide verification of location that property is in an incorporated area or unincorporated area.

Site Evaluation

Evaluate the proposed site with regard to: physical features of the site and adjacent parcels; accessibility to markets, services, employment, and educational institutions; and compatibility of surrounding neighborhoods and land uses.

The market study shall provide under a separate exhibit, a map indicating the name(s) and distances of the features listed below:

Map Features

- Supermarket (minimum square foot of 10,000 - with a broad supply of sufficient food to maintain daily food consumption)
- Public Schools (Family sites only)
- Library
- Licensed child care center (Family sites only)
- Usable park space
- Bank
- Walk-in medical facility or hospital
- Post Office
- Laundry/dry cleaner
- Pharmacy
- Community or civic center that is accessible to residents
- Retail facilities
- Bus Line(s)
- Town Centers
- Market rate rental housing
- Other low-income housing

- Community facilities (place of worship, police or fire station, community gardens, cultural arts facility)

The exhibit shall also include detail describing the proposed site and its proximity to major roads, the economic mix of the area, as defined by census data, and employment opportunities.

- Define Market Area**

Using geographic, demographic, and mobility factors, define the geographic area from which the majority (typically 60% to 90%) of potential residents of the proposed property are likely to move. The market study must provide a detailed analysis of the income levels of the potential residents for the proposed property.

- Market Area Characteristics**

- Demographic Trends**

Information to include: population by age cohorts, household formation rates by age of head of household; household income distributions by age of household; owner/renter ratios by age of head of household, and the likelihood of presence of children by age of household. This information is to determine household composition (age, income, and presence of children) and housing demand for ownership and rental units.

- Economic Trends**

Information to include: number of jobs by various occupational categories; major employers, number of jobs, salary ranges and location, median household incomes; and economic development activities.

- Housing Supply**

Information to include: number of owner and rental units by cost (value or rent) and quality; for sale housing and rental vacancy rates; estimate of owner and rental unit needs for current year and next three (3) years. The market study should demonstrate the overall vacancy rate in the area of the proposed project (for all projects – should not exceed 15%) and the vacancy rates for affordable housing properties in the area (should not exceed 10%).

- Market Area's Competitive/Comparable Housing Analysis**

The market study should identify and consider existing, as well as planned competition, that is within or proximate to the defined market area. Analysis should be based upon the specifics of the proposed property, such as target population, rent levels, bedroom mix, with any other type of housing the analyst deems competitive within the defined market area. This analysis should compare how existing sites meet the market demand and how these sites will be impacted by the proposed property. The analysis should include:

- Property name, address and age
- Number of units by unit types (efficiency, one, two bedroom, etc.)
- Monthly gross rent by unit type
- Units size
- Monthly rent per square foot
- Vacancy rates
- Five-year rent increase history
- Services and amenities included in rent
- Subsidized units or income-restricted units (federally or state-assisted)
- Occupancy levels, turnover and extent of waiting list
- Development amenities



Market Demand/Needs Analysis

Evaluate the need for the proposed property within the defined market area by determining the eligible population that would potentially be willing to move into the proposed site. Existing and proposed competition identified in the competitive analysis must also be deducted from the available net demand, to arrive at an un-accommodated demand pool, which the proposed site must penetrate.

- The study should clearly describe the methodology and assumptions utilized to demonstrate that the market is deep enough to support the proposed property. It is important that the assumptions, particularly those regarding target population, income levels, be consistent with the proposed property and the specific market being targeted.
- The study should provide a summary of market-related strengths and/or weaknesses that may influence the project's marketability. This would include projecting and explaining any future changes in the housing stock in the area, identifying any risks, for example competitive projects in the pipeline at the same time or declining populations.
- In addition, the study should include the following:
 - Demand from New Rental Households: Determine new units in the primary market area based on projected rental household growth. The projected population must be limited to the target group, age and income appropriate. Demand for each target group must be shown separately.
 - Demand from Existing Households: The sum of demand from rental household growth and demand from all components of existing households will constitute Total Demand.
 - Rent over-cost burdened households, if any, within the age group, income group and renters targeted for the proposed development. 'Cost Over-burdened' is defined by DSHA as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.
 - Households in substandard housing (i.e. overcrowded and/or lack of plumbing): Must be age and income group appropriate. Analysts must use their knowledge of the market area and the proposed development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.
 - Elderly homeowners likely to convert to rental housing: This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.
 - Existing qualifying tenants likely to remain after renovation: This component of demand applies only to existing developments undergoing rehabilitation.

The study should provide an opinion on the market feasibility including long-term performance of the property given housing and demographic trends and economic factors.

Net Demand Methodology

Demand, Supply, Net Demand and Total Absorption Period should be indicated in the following format:

INCOME RESTRICTIONS					
Up to 40% (min. income to max. income)	Up to 50% (min. income to max. income)	Up to 60% (min. income to max. income)	Market Rate (min. income to max. income)	Project Total (min. income to max. income)	
New Rental Households					
(+)					
Existing Households – Overburdened					
(+)					
Existing Households – Substandard Housing					
(+)					
Elderly Households – Likely to Convert to Rental Housing					
(+)					
Existing Qualifying Tenants – to Remain After Renovation					
TOTAL DEMAND					
(-)					
Supply (includes directly comparable vacant units completed or in pipeline in market area)					
Net Demand					
Proposed Units					
Capture Rate					
Absorption Rate					

Market Analysts are required to use net demand in calculating capture rates and the absorption period. Net demand should be determined by subtracting the supply of vacant comparable units in the market area, completed or pipeline, from total demand.

Absorption Analysis

The market study must provide a time schedule for absorption for the proposed property by analyzing and discussing the characteristics and depth of the target market which justify the estimated rate of absorption. Turnover potential of competitive existing sites must be included in this analysis. The market study must define and justify the absorption rate and absorption period for the proposed property, which should include a description of the methodology used for the calculation.

Capture Rate

The market study must provide a capture rate for the proposed project overall, as well as capture rates for each targeted income level and bedroom count. The rent burden (rent plus utility allowance, if any) may not exceed 30% of gross income; and the overall capture rate for a project must not exceed 10%.

Certification

The market analyst must include a signed statement by the preparer that:

1. He or she is an independent, third party professional with no financial interest in the development other than in the practice of his or her profession;
2. He or she has the requisite knowledge to proceed with the study;
3. He or she has personally inspected the subject property and the comparable properties analyzed in the report;
4. He or she has conducted the study in accordance with Standards 4 and 5 of the Uniform Standards of Professional Appraisal Practice (USPAP);
5. He or she certifies that the DSHA's Market Study was conducted in accordance with DSHA requirements; and
6. Attests to the ability of the market to support the proposed housing units based upon market conditions.

NOTE: ANY RELATIONSHIP BETWEEN THE PREPARER AND THE PROPERTY SPONSOR MUST BE DISCLOSED.

Attachment 10 – 2016 MINIMUM CONSTRUCTION/REHABILITATION STANDARDS

DELAWARE STATE HOUSING AUTHORITY LOW INCOME HOUSING TAX CREDIT PROGRAM

2016 Minimum Construction/Rehabilitation Standards

Delaware State Housing Authority ("DSHA") and DSHA staff have specifically relied on the representations contained in the documents provided by the Developer, Borrower and their respective professionals, including but not limited to, their architects, contractors, engineers, surveyors and attorneys (collectively "Developer"). The Developer is responsible for complying with DSHA's minimum construction and rehabilitation standards along with all rules, ordinances and laws of all legal entities and authorities having jurisdiction over the development, and the construction and/or alteration of the development, whether or not such requirements are specifically addressed in the plans and specifications or by DSHA's review.

The Architectural team shall review all State and Federal design requirements and/or building codes for their proposed development to determine which standard(s) shall apply to their project.

List of Definitions of Federal and State Standards

- A. The standards will provide the technical requirements and certain amendments to the technical requirements. Each county has adopted the following building code:

New Castle County has adopted and enforcing the following codes:

2015 International Building Code
2015 International Residential Code
2015 International Mechanical Code
2015 International Fuel Gas Code
2015 International Plumbing Code
2015 International Energy Conservation Code

Kent County has adopted the following codes:

2012 International Building Code
2012 International Residential Code

Sussex County has adopted the following codes:

2012 International Residential Code for single-family home construction
2012 International Building Code for multi-family and commercial construction projects.

ICC/ANSI A117.1-2009 as amended has been adopted and used by the three counties in Delaware. Its use within a governmental jurisdiction is intended to be accomplished through adoption by reference in accordance with proceedings establishing the jurisdiction's laws.

B. Americans with Disabilities Act of 1990/28 CFR 35 for Title II,

The Fair Housing Act/24 CFR Part 100

Refer to <http://www.ADA.gov>

Refer to <http://www.usdoj.gov/crt/housing/title8.htm>

The Americans with Disabilities Act: All projects are required by law to meet the handicap accessibility standards outlined in the Americans With Disabilities Act (ADA). The law provides that failure to design and construct certain public accommodations to include certain features of accessible design will be regarded as unlawful discrimination. ADA Legislation was passed in July 1990 and became effective on July 26, 1992. Title III deals with non-discrimination on the basis of disability by public accommodations and in commercial facilities. Public accommodations includes all new construction effective January 26, 1993 and impacts any rental office, model unit, public bathroom, building entrances, or any other public or common use area. Existing public accommodations must be retrofitted or altered beginning January 26, 1992, unless a financial or administrative burden exists. The ADA guidelines do not impact residential units, since these are covered under Fair Housing and Section 504 laws.

C. Architectural Accessibility Act (AAA)

Chapter 73, Title 29, Delaware Code; Purpose; construction, it is the purpose of this chapter to enable handicapped members of society to make use of public facilities with the maximum of safety and independence by providing for the implementation of standards or the elimination of architectural barriers.

D. Architectural Accessibility Board (AAB)

The Board shall have the following duties and responsibilities: Promulgate rules and regulations which shall contain standards for the design and construction of facilities covered by this chapter to assure that such facilities covered by this chapter are safely accessible to and usable by handicapped persons. Such standards shall be adopted by a majority vote of the Board following public hearings and shall take into account the requirements and standards recommended by the American National Standards Institute (ANSI) and the Building Code Officials and Code Administrators (BOCA) and any amendments thereto, and standards and requirements set out in applicable guidelines of the federal government; provided, that until such time as the regulations containing standards as required by this paragraph are formally adopted by the Board, the standards contained in subsections (1) through (n) of subchapter 6917 {repealed} of this title shall remain in force and effect and shall be applied by the Board.

E. Architectural Accessibility Standards

The purposed of the document is to implement Section 7306 (a) (1) Title 29, Chapter 73, Delaware Code, the Architectural Accessibility Act, which requires the Architectural Accessibility Board to promulgate rules and regulations which shall contain standards for the design and construction of facilities covered by the Act to Assure that such facilities are safely accessible to and usable by handicapped persons.

All projects are required by law to meet the handicap accessibility standards as outlined in the Delaware State Accessibility Standards. The design and construction guidelines are enforced by state and/or local building code officials. Compliance with these guidelines is mandatory in order to receive a Certificate of Occupancy for your proposed development.

F. Architectural Barriers Act (ABA) of 1968/24 CFR 40 Major Provisions

Accessibility Standards for Design, Construction and Alterations of Publicly Owned Residential Structures (24 CFR Subchapter 40.4) The Architectural Barriers Act (ABA) provides that residential structures that are (1) constructed or altered by or on behalf of the United States; (2) leased in whole or in part by the United States after August 12, 1968, if constructed or altered in accordance with plans or specifications of the United States; or (3) financed in whole or in part by a grant or loan made by United States after August 12, 1968; shall be constructed to ensure that persons with physical disabilities have access to and use of these structures. Buildings constructed with Federal funds are subject to the ABA. All residential structures designed, constructed or altered that covered by the ABA must comply with the accessibility requirements of the Uniform Federal Accessibility Standards (UFAS). Please note: Because UFAS does not fully address accessibility of units for person with impaired hearing, for the 2% units that are required to be accessible for person with hearing impairments, it is recommended that PHAs follow the 2003 edition of ICC/ANSI A117.1 Standard for Accessible and Usable Buildings and Facilities.

G. Fair Housing Amendments Act

All projects are required by law to meet the handicap-accessibility standards outlined in the Fair Housing Laws, including the Federal Fair Housing Amendments Act of 1988 (the "Act"). The law provides that failure to design and construct certain residential dwelling units to include certain features of accessible design will be regarded as unlawful discrimination.

H. Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990 (ADA), Section 504/24 CFR 8 Major Provisions

Refer to <http://www.hud.gov/offices/fheo/disabilities/504keys.cfm>

Section 504 of the Rehabilitation Act of 1973 states: No otherwise qualified individual with a disability in the United States shall solely by reason of her or his disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity receiving federal financial assistance or under any program or activity conducted by any Executive agency or by the United States Postal Service. (29 U.S.C. 794). This means that Section 504 prohibits discrimination on the basis of disability in any program or activity that receives financial assistance from any federal agency, including the U.S. Department of Housing and Urban Development (HUD) as well as in programs conducted by federal agencies including HUD.

I. Uniform Federal Accessibility Standards (UFAS)

Refer to <http://www.access-board/ufas/ufas-html.htm>

This document sets standards for facility accessibility by physically handicapped persons for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended.

The State of Delaware has not elected to adopt UFAS as the State's standard. It has elected to utilize the ICC/ANSI A117.1-2003 as adopted.

J. Universal Design

Refer to http://www.ncsu.edu/www/ncsu/design/sod5/cud/about_ud/udprinciples.htm

Universal Design is a design concept that encourages the construction or rehabilitation of housing and elements of the living environment in a manner that makes them usable by all people, regardless of ability, without the need for adaptation or specialized design. The intent of universal design is to simplify life for everyone by making products and the building environment more usable to as many people as possible at little or no extra cost. Universal design should strive for social integration and avoidance of discrimination, stigma and dependence. By designing housing that is accessible to all there will be an increase in the availability of affordable housing for all, regardless of age or ability.

NOTE: Universal Design concepts do not typically reach all of the requirements of accessibility laws like Section 504 and the Fair Housing Act and that care must be taken to ensure that the requirements of all applicable laws are met in projects promoting universal design.

K. Visitability Concept

Refer to www.huduser.org/publications/pubasst/strategies.html

Although not a requirement, it is recommended that all design construction and alterations incorporate, whenever practical and economical, the concept of Visitability in addition to the requirements under Section 504, the Architectural Barriers Act, Title II of the Americans with Disabilities Act and the Fair Housing Act. Visitability is a design concept, for very little or no additional cost, that enhances the ability of person with disabilities to interact with their neighbors, friends and associates in the community.

L. Statutory/Regulatory Requirements

Some statutory and regulatory provisions overlap others. Where there is a conflict, the most stringent provision applies including any state or local laws/regulation/codes which may be more stringent than Federal requirements.

General Requirements

All LIHTC developments must adhere to DSHA's minimum construction standards regardless of financing source(s), including tax-exempt bond financing and DSHA amortized permanent financing. In order to meet minimum threshold requirements, the Rehabilitation Standards Checklist must be fully completed for rehabilitation projects. All units in a Development must receive the same upgrades/modifications or rehab work and be brought up to the same standards. DSHA's agreement to proceed with closing on a loan or other transaction shall not constitute in any manner whatsoever a final approval of the construction/rehabilitation of a development. In cases of conflicts between any design and/or contract documents the more restrictive or expensive requirements will apply.

A. Minimum Square Footage for Bedroom Sizes

1. Minimum Gross Square Footage

DSHA has established a minimum gross square footage requirement for new construction and conversion developments, as well as, conversion of non-residential units to residential use that is based on bedroom size. The following gross square footage dimensions are the minimum required by bedroom:

- one bedroom- 700 square feet
- two bedrooms- 850 square feet
- three bedroom -1,050 square feet
- four bedroom -1,300 square feet
- efficiencies, which include lofts, -500 sq. ft. and *Single Room Occupancy (SRO)* - 100 sq. ft. ²

Square footage of units may not be averaged to meet minimum square footage requirements.

Bedroom – A bedroom must have adequate light, ventilation and egress to meet all applicable building codes and ordinances. There must be at least one window in each sleeping room, at least two electrical outlets in proper operating condition, and/or meet minimum required by applicable building code and one door which meets all egress requirements. Square footage for bedrooms shall be determined by all applicable building codes and ordinances.

For City of Wilmington applications, DSHA will follow the 2015 International Building Code, City of Wilmington definition of SRO / Efficiency. An efficiency living unit shall conform to the requirements as follows:

- 1. The unit shall have a living room of not less than 220 square feet (20.4 m) of floor area. An additional 100 square feet (9.3 m) of floor area shall be provided for each occupant of such unit in excess of two.*
- 2. The unit shall be provided with a separate closet.*

2 The minimum gross square footage is measured from the face of the exterior sheathing to the center line of the party wall (exclusive of storage and common areas). Storage and common areas are defined as areas contiguous to units but not part of the units' living area such as attached storage sheds, storage rooms, stairs and halls in common areas.

3. *The unit shall be provided with a kitchen sink, cooking appliance, and refrigeration facilities, each having a clear working space of not less than 30 inches (762 mm) in front. Light and ventilation conforming to this code shall be provided.*
4. *The unit shall be provided with a separate bathroom containing a water closet, lavatory and bathtub or shower.*

B. Energy

Builders/Contractors shall be Delaware Energy Star Partners and/or Builders. Notwithstanding any other energy requirements contained herein, to the greatest extent practicable, new construction and acquisition/rehabilitation projects shall install energy efficiency components, HVAC equipment and appliances that are Energy Star rated.

C. Environmental Site Assessment

If the Phase I Environmental Site Assessment indicates that the site has environmental issues, the property shall have all remediation work completed to clear site before construction closing. All costs associated with the clean-up shall be paid in full and a certified clearance will be available to all parties. In addition, where there are any environmental remediation costs identified in the Environmental Site Assessment, Environmental Audit, CNA or other application document, and such costs were not included in the projected environmental cost line items, any additional costs to remediate the environmental items shall be paid from the Developer Fee and will not be allowed from contingency.

D. Architect Certification

1. Standards/Requirements

- a. The Architect, Engineer(s), Surveyor and any other consultants to the Architect must be registered in Delaware. All consultants (no exceptions) must have a contractual relationship to the Architect through an AIA consultant agreement.
- b. All documents/specifications shall be prepared by or under the direction of an architect registered in the State of Delaware, stamped with the design of professional's registration seal and accompanied by a statement signed by the professional certifying compliance with DSHA's Minimum Construction/Rehabilitation Standards.
- c. Although most of the above standards are geared to new construction developments, rehabilitation of existing units must follow the same standards. **DSHA requires that a comprehensive capital needs assessment shall be submitted with the application if rehabilitation work is to be performed.** (Please verify actual lifespan of all components of existing structure. If not submitted/completed, the application will be considered incomplete and will not be scored.) DSHA will also complete a site inspection **45 days** prior to submission of an application to assure that its standards are being met and reserves the right to require additions and/or amendments to the capital needs assessment.
- d. All projects are to provide "AS-BUILTS" drawings and specifications at end of project. These "AS-BUILTS" are to be provided in both paper copy and available on CD's. This is also applicable to the "ALTA-Survey" for permanent closing. All CD's are to be in a .dwg format.
- e. The "Plans/Specifications Review Checklist" is to be used as a guide for various governmental submissions and/or approvals DSHA requires prior to loan approval.
- f. Designs that do not meet current code requirements **will not be considered cause for a change order.**

- g. Waiver requests from DSHA construction standards will require a \$500 waiver fee for each construction standard waiver request after tax credits are awarded or during the construction period.
- h. The first set of plans and specifications submitted should be at least 80% complete. A \$500 redesign fee (per review) will be assessed when DSHA must make multiple reviews upon, but not limited to, the following conditions:
 - 1. Substantial design change;
 - 2. Increase and/or decrease in the number of units;
 - 3. Change of architectural team and/or;
 - 4. Change in initial concept;

All fees assessed will be upon DSHA's discretion.

E. General Contractor Requirements

1 LIHTC Approved General Contractor List

- a. All General Contractors must be pre-approved by DSHA through the General Contractor's Certification and Questionnaire process. After DSHA has approved the General Contractor, they will be placed on the LIHTC Approved General Contractor List.

The General Contractor must be listed on the current approved list posted on the website for the 2016 LIHTC Approved General Contractor List round by **March 11, 2016**.

- b. The LIHTC Approved General Contractor List and General Contractor's Certification Process is located at the following link:

http://www.destatehousing.com/Developers/dv_lihtc.php

2. Other

- a. All members of the Development Team including the General Contractor must comply with DSHA's Mortgagor's Draw Requisition and Cost Certification Guide. The Guide is located at the following link:

http://www.destatehousing.com/services/servicesmedia/mortgagors_draw_and_cost_guide.pdf

F. Bidding Protocol/Requirements

Developers /Applicants of LIHTC and DSHA financed projects may choose between two bidding options for General Contractors in order to arrive at construction costs for the proposed development.

1. Option 1

The Developer/Owner of the development may determine the General Contractor at application and shall disclose the General Contractor as part of the Development Team.

- a. The General Contractor will agree to a maximum of 7% General Requirements of construction hard costs for new construction and rehabilitation projects and 7% Builders Overhead and Profit, including all change orders. DSHA will allow higher percentages for projects with 32 units or less with prior written DSHA approval. After application, no increase in the percentage of general requirements will be allowed (including for Change Orders). For example, if the percentage is established at 7%, the percentage may not exceed 7% for the duration of the project including general requirements added to approved change orders.
- b. DSHA shall review and approve plans and specifications for construction work prior to release for bidding.

- c. The General Contractor will obtain at least three sealed bids from all subcontractors when the General Contractor is self-performing work for trade payment line items. If the General Contractor is not performing work for the trade payment line items, two sealed bids are required from all subcontractors.
- d. The General Contractor will open all bids with their contracted architect, all project costs will be totaled (in a format specified by DSHA) and copies of all bids and the written results forwarded to DSHA and the Developer/Owner for approval. Subcontractor bids shall be awarded to the lowest bidder unless low bid is incomplete.
- e. If the General Contractor proposes to perform any work with his/her own employees, the General Contractor shall obtain three sealed bids for the work and may not charge any more than the lowest bid for the work.
- f. If the Developer, Development Team and/or Applicant, have related party and/or identity of interest sub-contractor firms, they may not bid on the construction work nor perform work on the development.
- g. The Developer/Owner may not pre-bid certain aspects of the work and require the General Contractor to use those subcontractors.

2. Option 2

Developers/Owners may also choose to add the General Contractor to the Development Team after awards of credits or approval of DSHA financing have been made by DSHA. The work must then be bid as follows:

- a. Developer/Owners shall invite **all** firms on DSHA's LIHTC Approved General Contractor List to bid and obtain a minimum of three bids from the approved list of General Contractors that will provide bid estimates for the proposed projects.
- h. The General Contractor will agree to a maximum 7% General Requirements of construction hard costs for new construction and rehabilitation projects and may not exceed 10% Builder's Overhead and Profit and either 10% (rehabilitation projects) or 8% (new construction projects). DSHA will allow higher percentages for projects with 32 units or less with prior written DSHA approval. After application, no increase in the percentage of general requirements will be allowed (including for Change Orders). For example, if the percentage is established at 7%, the percentage may not exceed 7% for the duration of the project including general requirements added to approved change orders.
- b. DSHA shall review and provide written approval of bid documents prior to release for bidding.
- c. The bids shall be sent to the architect of record in a sealed envelope, clearly marked with the project name and date stamped. Faxed or e-mailed bids shall not be accepted. The bids shall be privately opened, tallied and the results forwarded to DSHA and Developer.
- d. If the General Contractor proposes to perform any work with his/her own employees, the General Contractor shall obtain three sealed bids for the work and may not charge any more than the lowest bid of the work.
- e. If the Developer, Development Team and/or Applicant, have related party and/or identity of interest sub-contractor firms, they may not bid on the work nor perform work on the development.
- f. The Developer/Owner may not pre-bid certain aspects of the work and require the General Contractor to use those subcontractors. No additional bidder requirements may be added to these protocols without written approval from DSHA which may be withheld in their sole discretion (examples include, but are not limited to, additional payment and performance

bond requirements, letter of credit for contractors, unrealistic timing demands, construction schedule, liquidated damage requirements, etc.).

Note: For any funding sources that require bidding of the construction costs (i.e. USDA, HUD), then option 2 must be followed.

G. Site Work

1. General

- a. All new construction shall be designed to obtain 100% accessible routes to all units.
- b. New construction and rehabilitation/conversion developments (includes all common areas, rental offices, *playgrounds*, etc.) shall comply with State Architectural Accessibility Standards, Fair Housing, and ADA. Most stringent requirements will apply.
- c. All projects with below grade habitable space (units, common space, laundry rooms) will require an assessment to determine possible water infiltration/moisture problem, which could directly affect the overall total development budget.
- d. No portable storage buildings allowed. Incorporate into building design as a maintenance area.
- e. All developments consisting of eighteen (18) residential dwelling units or more must have a site office of at least 200 square feet (excluding of handicap toilet facility) and a maintenance room of at least 100 square feet.
- f. Any Multi-Family residential building, new construction or rehabilitation shall follow the Delaware State Fire Prevention Regulations to the fullest extent of the law. Please note Part VI, Chapter 3 for Apartment Buildings/Multi-Dwellings. No exception will be made for rehabilitation which will qualify for the 50% rule for grandfathering of any code. Entire Fire Prevention Regulations can be found at the following web page <http://www.delawarestatefiremarshal.com/>.
- g. Contractor shall verify all existing utility connections. New connections must be included in base bid in order to make all utilities functional (outside 5' of perimeter of building).
- h. Contractor shall make conservative effort to separate all recyclable construction debris, materials and waste.
- i. Project Identification (signage): Development shall provide a temporary project sign of exterior grade plywood and wood frame construction, painted, with exhibit lettering by professional sign painter to Architect/Engineer's design and colors. The sign should list the project name, DSHA, name of Owner, Architect/Engineer, Professional Sub Consultants, Contractor and major subcontractors. Other funding sources and/or partners may also be included. Erect on site at location established by the Architect/Engineer.
- j. A residential guide/manual shall be provided for residents which shall explain the intent, benefits, use and maintenance of their unit features and practices.

2. Landscaping

- a. Minimum landscaping budgets of \$500 per residential dwelling unit are required. This allowance is for **installation of mulch beds, plantings and new trees only**. It may **NOT** be used for fine grading, seeding and/or straw and sod. **Allowance is not be used for tree removal or trimming**. This is for curb appeal and beautification of the property.
- b. All landscaped areas shall have warranted weed barriers (fabric only) installed under mulch and maintain 12" buffer between vinyl siding and grass areas, unless siding is at least 8" above finished grade.

- c. If irrigation system is not provided, hose bibs shall be provided on each front and rear of building with lockable boxes. *Depending on building size, additional hose bibs may be required for ease of maintenance for landscape areas.*
- d. All condenser units shall be landscaped to avoid mowing and trimming around unit and provided with poured concrete pad.
- e. A grading and landscaping plan shall be provided for all projects, approved by the conservation district for the applicable municipalities or jurisdiction, prior to construction closing.
- f. Preservation of existing trees is required to the greatest extent feasible and in compliance with state and local requirements.
- g. Use of drought resistant, minimal water consumption landscaping **is required.**
- h. Concrete splash blocks shall be provided for all downspout locations.

3. Storm Water Management Ponds

- a. Storm water management ponds shall be designed to state standards. If storm water management pond is designed to be wet, it shall have a perimeter fence for safety of tenants. **Minimum fence material shall be post and rail with *quality* coated wire fence material on interior of rails. (Minimum height of 48" AFF) Make every effort to match new pond fencing with project fencing.**

4. Common Areas

- a. Tot lots and/or a designated recreation area shall be provided. Family developments must provide playground on site. Designated play areas and playgrounds are considered "common areas" and must be on an accessible route.
- b. Large parking lots shall include planting areas. At a minimum, all parking areas shall be seal coated and striped, if capital needs assessment and/or civil engineer shall determine overall condition of existing pavement, if any grading issues are present, and if any work shall be required in failing areas.
- c. If parking area does not have a curbed sidewalk area adjacent to parking, parking bumpers doweled into pavement shall be provided to maintain safe distance between parking area and tree lawns.
- d. All sites shall provide permanent enclosures for garbage dumpsters or trash receptacles consistent with the appearance of the dwelling units. Refuse collection areas must be on an accessible route. Install concrete filled bollards to protect walls of enclosure.

H. Wood and Plastic

1. Sheathing

- a. Thermoply exterior sheathing will not be allowed. All exterior wall sheathing shall be solid 7/16" or thicker. Roof sheathing shall be a minimum of 5/8" *plywood* in thickness.

2. Siding

- a. Vinyl siding must be solid, and shall be a minimum of 0.044 inch in thickness.
- b. Medium density overlay board is not allowed for any development.

3. Miscellaneous

- a. Exterior grade caulking shall be used.

- b. Existing base molding shall be removed and replaced with taller dimension profile composite trim.

I. Thermal and Moisture Protection

1. Insulation

- a. Insulation shall meet all applicable codes for new construction and rehabilitation. Exceeding code standards is permissible if costs are reasonable.

2. Roofing

- a. Roofing materials, which exceed 50% of the life expectancy shall be removed; at this time substrate shall be inspected. (No second layers allowed.)
- b. Asphalt shingles shall have a minimum warranty of 30 years, and meet *applicable wind building codes*.
- c. All roofs shall have 3" "T" edging, no smaller than two-foot section, *especially at corner intersections*.

3. Miscellaneous

- a. All exterior building surfaces shall be designed to be maintenance-free.
- b. All exterior surfaces shall have house wrap installed as per manufacturer's instructions.
- c. Vinyl siding shall have composite trim installed when within 6" of finished grade.

J. Doors and Windows

1. Doors

- a. Interior doors shall be six-panel Masonite or better. Tops and bottoms of all interior and exterior doors must be painted.
- b. No bi-fold or bi-pass closet doors; all closets to have a hinged door. If code requires metal bi-fold door application, doors to be installed in wood frame with wood trim.
- c. Hardware shall be brushed aluminum or better, no polished brass. Grade two (2) or better, including hinges and door bumpers. All exterior hinge hardware shall be of non-rusting, quality materials.
- d. Entry doors shall have a minimum "U" value of 0.33 or below. *Frame savers shall be used on all exterior applications*. Exceeding DSHA standards is permissible if costs are reasonable.
- e. Entry door shall have either a doorbell or knocker and peep hole (eye viewer), no polished brass.
- f. Peep/viewer to be provided for solid rear door. ADA compliant doors shall have two viewers at required heights.
- g. Patio and/or french doors shall have integral mini-blinds built in between glazing to provide privacy.

2. Windows

- a. Windows shall be thermal insulated with a minimum “U” value of 0.33 or below. Exceeding DSHA standard is permissible if costs are reasonable.
- b. **Slider windows will not be allowed.** Single hung should be considered, local codes shall dictate.

3. Signage

- a. Exterior signage shall not be polished brass.
- b. Unit numbering and building identification numbers shall be provided and **approved by the Fire Marshal and Post Office.**
- c. Unit numbers shall also be provided on all rear doors.
- d. All emergency exit signs shall be LED.

K. Finishes

1. Flooring

- a. Solid vinyl (plank or tile) flooring shall be used for entry areas, bathroom, dining areas, and kitchen and utility areas unless prior approval is given by DSHA. (A minimum of two color fields required for solid vinyl tiles). **Seal and wax, per manufacturer’s direction.**
- b. Carpets for the remaining areas of the unit are optional. DSHA encourages other environmentally friendly products as a substitution for carpet. If carpets are utilized, an additional \$150 per unit in replacement reserve funds are required. Carpets may not be installed in baths, kitchens, hallways, dining areas or in front of exterior doors.
- c. Hardwood flooring or other materials may be utilized as approved by DSHA.
- d. Gyp-crete shall be sealed per manufacturer’s specifications.
- e. Carpet to meet minimum weight and grade standard as follows:

Filament	100% smartstrand triexta BCF
Gauge	5/32
Pile Height	.520
Stitches per inch	7.50
Certified Pile Height	29.40 oz
Total Weight	64.47 oz
Density	2035
Primary Backing	Woven polypropylene
Indoor Air Quality	#GLP 1118
Flammability	Pill Test – 16CFR-1630.4 (FF-1-70): PASS

Carpet width shall be 15’ wide to minimize seams in high traffic areas. No Berber allowed. Padding is required and shall be a minimum of 6# density.

- f. Rehab: Contractor shall verify all substrates and/or flooring surfaces for suitability of new VCT and/or carpet installation. If homosote and/or gypcrete is present, expect to remove material prior to installation of new flooring material. All floor preparation for new flooring installation is the responsibility of the General Contractor.
- g. If common hallways are designed, no carpet. Solid vinyl flooring to be installed in common hallways with two colors required, if utilizing VCT.

2. Drywall/Paint

- a. Drywall shall be glued and screwed. Moisture resistant drywall shall be used in all locations where plumbing penetrates walls, this includes the entire bathroom, (i.e., ceiling and walls), or building code whichever is more stringent. Mold resistance drywall shall be used for all exterior applications and core wall applications. Grade 4 finishes shall be provided for all drywall finishes. **If ceramic tile is used, cementious board shall be provided as underlayment.**

- b. All interior paints and primers shall have low or no VOC levels.

- c. Preparation required to obtain level 4 finish.

For rehabilitation projects, if a level 4 cannot be achieved, overlay of existing wall with 3/8 inch drywall should be used. Rehabilitation properties shall have primer similar to “Kilz” enamel or oil based type sealer/primer for application on existing drywall or approved primer to adhere to existing drywall conditions.

- d. Paint shall be an Egg Shell or low luster semi-gloss. Kitchens and bathrooms shall be semi-gloss. **NO FLAT PAINT WILL BE ALLOWED ON WALLS. (Flat paint will be allowed for ceiling application only).** Other paints must be approved by DSHA. Minimum three (3) coats - one (1) primer and two (2) finish coats. Shall meet requirements of manufacturer.

3. Miscellaneous

- a. Kitchen counter top shall be provided with end splash for adjacent or end walls.
- b. No self-edge counter tops. Counter tops shall be Euro edge.
- c. Shelving shall be vinyl coated wire units. Provide all intermediate supports needed.
- d. Doorstops shall be rubber disk type or half moon type. All other types must be approved by DSHA. All stop finishes to match door hardware. The use of hinge-pin type doorstops is prohibited.

L. Specialties

1. Toilet, Bath, and Laundry Accessories

- a. Reduce water consumption by installing water-conserving fixtures in all units and all common space bathrooms as much as feasible.
- b. Concealed blocking is to be provided for all items such as tissue paper holders, grab bars, and medicine cabinets.
- c. One inch minimum diameter grab bars properly mounted to in-wall blocking shall be used in lieu of standard towel bar.
- d. Cultured marble tops for vanities with slide splashes when adjacent to wall--no laminated tops with drop in bowl type fixtures.
- e. One-piece bathtub unit may be selected. If space constraints will not allow, rigid fiberglass surrounds and/or ceramic tile will be used in conjunction with tub. No plastic surrounds will

be allowed. Select style based on adaptability. Base trim at edge of tub shall be composite, rot proof material. If gap is present quarter round **rot proof** moulding to be installed. Tub liners are acceptable with **full** height wall surrounds. Splash zone shall be protected with waterproof material. (4" adjacent to tub faucet).

- f. Exhaust fans for all bathrooms shall be low speed/low noise **continuous** exhaust fan (hard wired), similar to Panasonic Quiet Whisper model or single switch exhaust fan light combination that meets all applicable building codes and approved by DSHA and the architect. Sone rating < 1.0.
- g. Shower rod to be surface mounted, no tension rods allowed.
- h. 2.0 g.p.m. Showerheads.
- i. 0.5 g.p.m. Faucet aerators.

2. Exterior Sun Control Devices

- a. Mini blinds shall be of quality construction. Each window shall be provided with one blind, i.e., twin window shall have (2) two blinds. Install center support brackets provided with blind for all blinds wider than 36". Maximum blind size no wider than 42".

3. Fire Extinguishers

- a. Contractor shall supply rechargeable 2.5 #ABC fire extinguishers (minimum size) for each unit, or where code mandates, most stringent shall apply.

M. Equipment

1. Appliances

- a. All appliances will be Energy Star with pre-wired power source.
- b. Refrigerators shall be frost free (minimum of 15 cubic feet).
- c. Ovens shall be self-cleaning. (Utilize U.L. listed code compliant connectors for gas stoves.) **No** glass cooktops allowed.
- d. Exhaust fan, duct to exterior. Re-circulating charcoal filter type model may be used if approved by DSHA.
- e. Back splashguard shall be wall mounted behind range. If range located in corner, install additional splashguard on adjacent wall.
- f. Washer and dryer hook-ups or laundry facilities (either in the community building or other building(s)) are required for the development. Must meet all accessibility requirements. Washer and dryer hook-ups, if chosen, shall be designed for side-by-side set up with a minimum depth of 30" (**vented to exterior per code**).
- g. Garbage disposals are not recommended due to high maintenance. If used, disposal shall be 1/2 hp motor with a stainless steel shank. For ADA units, a lowered switch within reach range shall be provided.
- h. Dishwashers are to be provided. If venting on unit is located adjacent to counter top, underside of counter top edge must be laminated.

N. Furnishings

1. Kitchen and Bathroom

- a. Kitchen cabinets and vanities doors, fronts, and boxes shall be solid wood construction with concealed door hinges. No high-density laminates will be allowed. Provide, at a minimum, one drawer base for each kitchen layout. **Shelves shall be solid plywood at a minimum of ½” thickness.**
- b. Provide plastic laminate on wall between wall and base cabinet for all areas adjacent to cabinets.
- c. Wet wall at mop sink shall have FRP board on walls.
- d. Hardware shall be provided for all cabinet drawers and doors.
NO BRIGHT BRASS FINISHES.
- e. Provide blocking for fully accessible and adaptable units for both kitchen and bathrooms.

O. Fire Suppression, Plumbing and Mechanical

1. Plumbing Piping

- a. Condensate lines shall drain correctly with exterior grade and/or foundation. (Pumps shall be provided when needed.) Existing condensate lines shall be checked and free flowing if lines will be reused. Contractor to check discharge location and **eliminate** all pooling water.
- b. Floor drains and/or sump holes shall be provided in all basements. The floor shall be pitched to these drains or sumps and the drains or sumps shall be connected to a positive drainage system, or to the exterior of the building. Sump pumps must be installed, ½ Hp minimum. Sump pits shall be provided with cover.
- c. If natural gas is available for site, full gas package to be installed unless otherwise approved by DSHA (i.e. all appliances, hot water heater and furnace). Provide hard wire Carbon Monoxide detector with gas package, per code.
- d. **Existing utility connections shall be field verified to receive new equipment. Existing condensate lines shall be cleaned, tested, and discharge connections verified. (REPLACE IF NECESSARY)**
- e. No polybutylene piping allowed.
- f. Use of ABS plastic in lieu of CPVC.
- g. Provide a main water supply shutoff for each building.
- h. Existing sanitary lines shall be video traced to determine viability for the rehabilitation.
- i. Existing curb stops shall be examined for viability. Inspection date of maintenance shall be provided.

2. Plumbing Fixtures

- a. Hot water heaters shall have a minimum Energy Factor of 0.92EF or better. Minimum warranty period is 10 years. Exceeding DSHA standards is permissible if costs are reasonable.
- b. Provide pans for all hot water heaters. Any heat or coil unit located in attic area shall have a pan and condensate line draining to the exterior.
- c. Tub and shower faucets shall have anti-scald protection provided.

3. HVAC System and Equipment

- a. High efficiency HVAC units. Furnace efficiency = 90AFUE Min. SEER = 13.0 or better.
- b. No through the wall HVAC units (PTAC).
- c. Sealed combustion, direct vent furnace and water heater.
- d. Non-mercury programmable thermostats.
- e. High efficiency air filters for mechanical blower units.

4. Fire Suppression

- a. Sprinkler systems are required.
- b. All sprinkler systems must be designed and approved by the appropriate fire marshal prior to construction closing.

Note: Scattered sites shall be determined on a case by case basis.

P. Electrical

1. General

- a. All building codes shall be incorporated into each project. Any item to make project code compliant shall not be an extra or a change order. All incidentals shall be included.
- b. Electrical services shall be field verified, service loads shall be calculated prior to any equipment upgrades and all necessary components made a part of the contract price.
- c. Contractor shall verify existing utility conditions and include into base bid of contract.
- d. ARC Fault Circuit Interrupter must be provided on all bedroom circuits or where code mandates, most stringent shall apply.
- e. Automatic openers for ADA compliance, for community center or other public space.
- f. Security and Surveillance systems are required – the security system shall be monitored by the Management Company and have the capability for the local police to tie into the monitoring system.

2. Lights and Fixtures

- a. Energy Star fluorescent lighting package, LED fixtures where available.
- b. Overhead ceiling fixture for living room/dining area in lieu of swag fixture.
- c. Overhead ceiling fixtures shall be installed in all bedrooms. Wall sconces may be installed due to existing conditions.
- d. Bathrooms shall provide minimum of one ceiling fixture and one wall fixture.
- e. Exterior fixtures shall not have brass finish.
- f. Energy Star fluorescent porch lights with photocell.
- g. Automatic light controls in the community building should minimize energy use.
- h. Ceiling fans shall be Energy Star Rated.

3. Telephone/Cable

- a. Provide one telephone and cable outlet in each bedroom and one other telephone and cable outlet **if possible use combination box/plate.**

Q. Miscellaneous

1. Safety

- a. Elderly dwelling units shall be provided with medical emergency pull chains in at least two locations that are connected to a central station. The two locations will be in the Master bedroom and full bathroom. The pull chains will be wired to an exterior warning device, which consists of a strobe light and audible alarm.
- b. Elderly dwelling units and fully accessible units shall have grab bars in all tub/shower units and at toilet location per State Architectural Accessible Standards and/or Federal Standard, more stringent will apply.

2. Termite Control

- a. A termite inspection and certificate shall be provided for all rehabilitation projects prior to construction closing.
- b. Termite pre-treat of soils is required for all new construction. **Certificates shall be part of the Operation and Maintenance Manual.**

Attachment 11 - REHABILITATION STANDARDS CHECKLIST

MUST BE COMPLETED BY ALL REHABILITATION PROJECTS – EXHIBIT #40

Project Name						
Date Built						
Date Last Rehabilitated (If applicable)						
EXTERIORS		DETAIL/CONDITION				
ROOF	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Roof Type/Pitch/Flat</i>						
<i># of Layers</i>						
<i>Substrate Material</i>						
<i>Insulation Type</i>						
<i>Insulation Thickness</i>						
<i>Estimated R-value</i>						
SIDING	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Type</i>						
WINDOWS	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Meet egress requirements?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
GUTTERS/DOWNSPOUTS	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Material/Type</i>						
FASCIA/SOFFITS	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Material/Type</i>						
SIDEWALKS	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Meets ADA compliance/ramping/curb cuts?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
PARKING LOT *	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Curb Cuts</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
<i>Space provided/spaces required grandfathered</i>						
<i>Handicap parking provided?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
<i>Bumpers provided?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
* <i>Note: Any parking lot surface with either fair and/or poor conditions shall have a civil engineer complete a survey as to the remaining lifespan. If determined contractor shall include quantity in needs assessment to replace pavement and subsurface.</i>						
LIGHTING (EXTERIOR)	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Tied to house panel?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
SECURITY SYSTEM	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
PATIO/BALCONIES	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/>	Good <input type="checkbox"/>	Excellent <input type="checkbox"/>
<i>Meet current code?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
MAINTENANCE FREE EXTERIOR	Yes <input type="checkbox"/>	No <input type="checkbox"/>				
STORM WATER MANAGEMENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Date, Last Preventative Maintenance			

EXTERIORS (CONT'D)		DETAIL/CONDITION	
ASBESTOS PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>NESHAP Environment Audit</i>
LEAD PAINT PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
MOLD PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
INTERIORS		DETAIL/CONDITION	
KITCHEN	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Cabinet</i>	Age (Yrs)		Type
<i>Counter Top</i>	Age (Yrs)		Type
APPLIANCES			
<i>Refrigerator</i>	Age (Yrs)		Size (C.F.)
<i>Frost-free?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Dishwasher</i>	Age (Yrs)		
<i>Stove</i>	Age (Yrs)		Gas <input type="checkbox"/> Electric <input type="checkbox"/> U.L. Gas Connection <input type="checkbox"/>
<i>Garbage Disposal</i>	Age (Yrs)		hp
<i>Exhaust hood</i>	Age (Yrs)		Vented to exterior <input type="checkbox"/> Recirculating <input type="checkbox"/>
<i>Washer</i>	Age (Yrs)		Stack <input type="checkbox"/> Side-by-side <input type="checkbox"/>
<i>Drain provided?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Dryer</i>	Age (Yrs)		
<i>Vent pipe material</i>			
<i>Adequate Venting?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
BATHROOM			
<i>Bathtub</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Tub Surround</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Anti-scald valve?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Sink/Vanity</i>	Age (Yrs)		Type
<i>Toilet</i>	Age (Yrs)		Type
<i>Water Saver?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>ADA Compliant?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Flange</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Exhaust Fan</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
FLOORING			
<i>Carpeting</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>Vinyl Composition</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>Subflooring Material</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Any existing soft spots in flooring?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	

INTERIORS (CONT'D)	DETAIL/CONDITION		
<i>Base Molding</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
WALLS	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>Mold or mildew present?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
CEILINGS	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>Textured?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Active staining present?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
SMOKE DETECTORS	Age (Yrs)		Hard-wired <input type="checkbox"/> Battery <input type="checkbox"/>
<i>Meet current codes?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
SPRINKLER SYSTEM	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Meet current codes?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
INTERIOR DOORS	Age (Yrs)		Type
<i>Sliding Doors?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Patio Doors?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Hardware</i>	Age (Yrs)		Type
INSULATION (Inches)	Ceiling	Walls	Floor
SHELVING	Age (Yrs)		Type
MINI BLINDS	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
SYSTEMS			
<i>HVAC</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>HVAC Type/Electrical Connection</i>	Type		amps
<i>Meets current codes?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Last Inspection Date
<i>Duct System</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Cleaning Date</i>	Last Cleaning Date		
<i>Air Conditioning</i>	Age (Yrs)		Type
<i>Condensation Lines</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Water Heater: Type: _____</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Pan Present:</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Electric Supply</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>	GFI	Amperage Supply	AMP Service
<i>ARC Fault Interrupter?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Last Inspection Date</i>			

SYSTEMS	DETAIL/CONDITION			
PLUMBING				
<i>Water Supply Lines: Material _____</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Curb Stops: Last Inspected: _____</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Shut-off Valves</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Water Meters: Up to Code?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Vent Stacks: Material: _____</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
ELECTRIC				
<i>Underground transmission lines</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Aboveground transmission lines</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Meters: Last Inspected _____</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Electric Panels: AMPS: _____ BRAND: _____</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Service Capacity</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Spare Breaker Capacity</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
<i>Site Lighting Adequate</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
ANY UNITS BELOW FINISHED GRADE?	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
ASBESTOS PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>NESHAP Environment Audit</i>	
LEAD PAINT PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Certificate available for property: Yes <input type="checkbox"/> No <input type="checkbox"/>	
MOLD PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
COMMON AREAS	DETAIL/CONDITION			
INTERIOR STAIRS			Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Meet code requirements?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
<i>Handrail Height</i>			Continuous: Yes <input type="checkbox"/> No <input type="checkbox"/> Meet ADA: Yes <input type="checkbox"/> No <input type="checkbox"/>	
COMMON HALLWAY (Interior)	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Fire Protection?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Last Inspection Date	
<i>Adequate lighting?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>		
<i>Walls</i>			Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
ELEVATORS	Age (Yrs)		Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Inspection</i>	Last Inspection Date			
LAUNDRY ROOM	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>ADA Accessible?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	ADA Machines Available: Yes <input type="checkbox"/> No <input type="checkbox"/>	
COMMUNITY ROOM Sq. Ft.: _____	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/>	Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>ADA Accessible?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>		

COMMON AREAS	DETAIL/CONDITION		
UTILITY CONTRACTS			
<i>Cable Contract</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Provider
<i>Other utility contracts?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Provider(s)
DOORS (Exterior)	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
FOUNDATION, CRAWL AND BASEMENT	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
ASBESTOS PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	<i>NESHAP Environment Audit</i>
LEAD PAINT PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
MOLD PRESENT	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
MAILBOXES	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>On accessible route?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
PLAYGROUND EQUIPMENT	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type</i>			
<i>Meets safety guidelines?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Is playground on accessible route?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
SWIMMING POOL	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
FENCING	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Type, Material, and Height</i>			
<i>Perimeter/Partial?</i>			
DUMPSTERS			Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Locations</i>	ADA Accessible: Yes <input type="checkbox"/> No <input type="checkbox"/>		
<i>Number Existing/Proposed</i>	Existing		Proposed
PROJECT SIGN	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Lighted?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Sign to be replaced?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	ADA/Fair Housing Logos: Yes <input type="checkbox"/> No <input type="checkbox"/>
OTHER			
<i>Support Beams Material</i>			Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Joists</i>			Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>Piers/Columns</i>	Age (Yrs)		Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>
<i>HVAC, Adequate venting?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Last Inspection Date
<i>Common Entries?</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Supply/drain pipes</i>			Poor <input type="checkbox"/> Fair <input type="checkbox"/> Good <input type="checkbox"/> Excellent <input type="checkbox"/>

GENERAL	DETAIL/CONDITION		
MINIMUM SQUARE FOOTAGE	If units are to be converted		
<i>One bedroom Units: Min 700 S.F.</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Two bedroom Units: Min 850 S.F.</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Three Bedroom Units: Min 1050 S.F.</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
<i>Site Office</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Total S.F. _____ ADA COMPLIANT: Yes <input type="checkbox"/> No <input type="checkbox"/>
<i>Maintenance Shop</i>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Total S.F. _____ ADA COMPLIANT: Yes <input type="checkbox"/> No <input type="checkbox"/>
LOCATION ON ADA COMPLIANT ROUTE	Yes <input type="checkbox"/>	No <input type="checkbox"/>	
FIRE HISTORY OF PROPERTY			
ADDITIONAL PROJECT NOTES/COMMENTS			

Life Expectancy (Years) of Different Products/Items/Materials

NOTE: Items that are beyond 50% of life expectancy shall be replaced. DSHA reserves the right to add/delete any item to the required rehabilitation.

APPLIANCES		FINISHES	
Disposal	5	Exterior, paint, plaster, stucco	3-5
Microwave ovens	5	Interior, wall paint	3-5
Ranges, free standing/built-in, electric/gas	12	Interior, door/trim paint	5-10
Refrigerators, Standard	10	FLOORS	
BATHROOMS		Vinyl sheet or tile	10
Cast iron bathtub, resurface	25	Carpeting	5
Fiberglass bathtub and shower	10	HEATING VENTILATION/AIR CONDITIONG	
Shower doors (average quality)	5	Air Conditioning Unit, Central Unit	10
Toilet	10	Window Unit	5
CABINETRY		A/C compressor	5-7
Kitchen cabinets	10	Rooftop air conditioners	10
Medicine cabinets/bath vanities	10	Furnaces, gas or oil fired	15
COUNTERTOPS		Forced air furnaces, heat pump	10
Laminate	10	Unit heaters, gas or electric	10
DOORS		Radiant heaters	10
Screen	10	Ductwork, plastic	15
Interior, six panel masonite	15	Air terminals, diffusers, grilles, registers	15
Exterior, unprotected/exposed	15	Boilers, hot water, steam	15
Exterior door trim	5-10		

Life Expectancy (Years) of Different Products/Items/Materials

NOTE: Items that are beyond 50% of life expectancy shall be replaced. DSHA reserves the right to add/delete any item to the required rehabilitation.

PLUMBING FIXTURES/PIPING		SHUTTERS	
Sinks, enamel steel sinks	5-10	Plastic, vinyl, exterior	7-8
Sinks, stainless	10	SIDING	
Faucets, low quality	5	Wood, T1-11	10
Water heater, electric	10	Aluminum	20
Water heater, gas	11	Vinyl	25
Pump, sump and well	10	Gutters, downspouts	20
ROOFING		WINDOWS	
Asphalt, wood shingles, and shakes	20	Wood casement	20
Built-up roofing, asphalt	10	Wood-single, double hung	15
Coal and tar	10	Aluminum casement	10
SAFETY		Window screens	5
Sprinkler Systems	12		
Smoke detectors, battery, hardwire	10		

Attachment 12 – ENVIRONMENTAL REVIEW CHECKLIST

MUST BE COMPLETED BY ALL PROJECTS – EXHIBIT #18

Area of Statutory or Regulatory Compliance	References/Notes Providing Documentation, Sources and Explanation of Checked Boxes	Yes or No If Yes, Explain
Historic	Is property known to be in or adjacent to a historic district, or on National Register of Historic Places?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Are there or have there been any buildings on property older than 50 years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Are there any known archaeological sites on property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Flood Management	Is any of the property in the 100-year flood plain?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Wetlands	Are there any ponds, wetlands, streams, rivers or coastlines on or near the property?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Coastal Zone	Is development located within a coastal management Zone?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Sole Source Aquifers	Is development within 2 miles of the Delaware River and in New Castle County?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Endangered Species	Are there any known endangered species on or near site?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Wild & Scenic Rivers	Is development known to be located on a wild and scenic river?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Air Quality	Will development generate an unusual amount of traffic?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Has entrance approval been obtained from DelDot?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Farmlands	Does development have agricultural zoning or have currently farmed land?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Noise	Is development located within 1,000 ft. of a major highway or busy roads?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Is development located within 3,000 ft. of a railroad?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Airports	Is development located within 5 miles of a civilian or 15 miles of a military airport?	<input type="checkbox"/> Yes <input type="checkbox"/> No
Hazardous Operations	Are there any above ground tanks containing petroleum products or chemicals of an explosive or flammable nature near site?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Attachment 13 - Design Architect's/Applicant's Certification (to be completed if achieving points)

DELAWARE STATE HOUSING AUTHORITY

Energy Conservation Measures (Exhibit #34)

The undersigned applicant hereby makes application to the Low Income Housing Tax Credit program with the Delaware State Housing Authority (DSHA) for a loan and/or tax credits pursuant to one or more of the DSHA's Housing Development/HOME Programs and certifies

that: _____ (Development Name) will utilize the following Energy conservation measures ~~for ranking points consideration.~~

Energy Conservation System Program:

As the design architect, I hereby certify that I have either designed or will design the referenced development to include the following energy conservation measures:

_____ The development meets/will meet Energy Star 3.0, and will exceed the energy efficiency requirements of Energy Star Version 3.0, by achieving a HERS index as indicated below (indicate type of development):

New Construction:

- _____ For 100% electric dwellings/buildings*: HERS Index of 55 or less (without solar PV)
- _____ For dwellings/buildings utilizing gas: HERS Index of 45 or less (without solar PV)

Substantial Rehabs:

- _____ For 100% electric dwellings/buildings*: HERS Index of 65 or less (without solar PV)
- _____ For dwellings/buildings utilizing gas: HERS Index of 55 or less (without solar PV)

NOTE: Buildings that fall under the Energy Star Multi-Family High Rise program must use the REMrate HERS rating program as verification for these points, but must follow the MFHR program to achieve the Energy Star label.

* 100% electric dwellings/buildings utilizing heat pump water heaters, geothermal desuperheater systems, or solar thermal systems must meet the HERS Index listed for gas.

http://www.energystar.gov/index.cfm?c=bldrs_lenders_raters.nh_v3_guideline

DSHA will review the architectural documents submitted with the application exhibits to confirm the existence of the proposed energy amenities and/or requirements. Confirmation from the construction contract administration architect is required with the submission and will be verified prior to closing should tax credits be awarded. Verification of the availability of all energy systems may be required by DSHA at any time and throughout the development's compliance period.

IN WITNESS WHEREOF, the Architect and Applicant/Sponsor has caused this document to be duly executed.

ARCHITECT

Signed: _____

Date: _____

Print: _____

Acknowledged and Accepted by the APPLICANT(S)

Signed: _____

Date: _____

Print: _____

Signed: _____

Date: _____

Print: _____

Attachment 14 - DSHA GREEN CERTIFICATION

DELAWARE STATE HOUSING AUTHORITY
Development Quality Base Level Green Standards (Exhibit #34)

CERTIFICATION

The undersigned applicant hereby makes application to the Low Income Housing Tax Credit with the Delaware State Housing Authority (DSHA) for a loan and/or tax credits pursuant to one or more of the DSHA's Housing Development/HOME Programs and certifies that the following development **Base Level Green Standards** will be incorporated into the project design and final work product:

1. **Demolition Plan** - On projects where demolition will occur, submit a demolition plan which identifies sound practices for managing waste and hazardous materials. Specify methods which are environmentally sensitive and create less pollution. Identify opportunities for recycling.
2. **Chloroflourocarbons (CFC)** - Where new HVAC equipment is specified, there will be no use of CFC refrigerant. Where CFC refrigerant equipment is being removed, specify standards for capturing and disposal of CFC materials. For retained CFC refrigerant equipment, include a comprehensive inspection, maintenance and phase out or conversion plan.
3. **Site work** - Employ State of Delaware Standards for Soil Erosion and Sediment Control during construction. Limit area of disturbance to immediate work area. Site work anticipated in non-optimum conditions such as wet, freezing or poor drying periods must be completed with the approval and direction of the geotechnical engineer. In addition to reviewing the cost and schedule benefits of such work, the engineer must consider the potential for adverse environmental impact. Limit access to the site when vehicles or construction activity environmentally degrade the site.
4. **Landscaping** - New plantings shall utilize at least 50 percent native plantings. Select native, highly suitable, drought /disease tolerant plantings suitable for the project soil and microclimate. Where there are healthy large existing trees, make considerations for preserving mature trees in the site plan. Utilize shade, windbreak and screening benefits of plantings in the project design. Protect trees during construction.
5. **Moisture and Mildew** - Correct all observed areas of mold, mildew and moisture infiltration within the building. On existing structures or environmental report will identify these areas. Identify remedies and accepted practices for treatment.
6. **Radon Gas** - For Projects located in EPA Radon Area Zone 1 install a passive radon gas reduction pipe system with vertical venting convertible to mechanical venting unless testing indicates there is no radon gas hazard as determined by EPA standard. This requirement is only for projects where radon gas poses a legitimate hazard.
7. **Water Conserving Features - Project water fixtures and faucets conserve water. Reduce water consumption by installing water-conserving fixtures in all units and all common space bathrooms with the following specifications: Toilets: WaterSense-labeled and 1.50 gpf; Showerheads: WaterSense-labeled and 2.0 gpf; Kitchen faucets: 2.0 gpm and bathroom faucets: WaterSense-labeled and 2.0gpf and all Faucet aerators 0.5 g.p.m.**
8. **Smoking Areas** - Designate permitted smoking areas. Locate outside smoking areas at least 25 ft. away from entry air intakes and residents' windows. No smoking in building interior common areas.
9. **Large parking lots shall include planting areas.**
10. **Exhaust fans** for all bathrooms shall be low speed/low noise, continuous exhaust fan (hard wired).
11. Non-mercury programmable **thermostats**.
12. All interior paints and primers shall have low or no VOC levels.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on this day of _____.

(Full legal name of Sponsor)

Signature

Name

Title

(Full legal name of Architect)

Signature

Name

Title

Attachment 15 - DSHA ENERGY CERTIFICATION

DELAWARE STATE HOUSING AUTHORITY
Development Quality Base Level Energy Standards (Exhibit #34)

CERTIFICATION

The undersigned applicant hereby makes application to the Low Income Housing Tax Credit with the Delaware State Housing Authority (DSHA) for a loan and/or tax credits pursuant to one or more of the DSHA's Housing Development/HOME Programs and certifies that the following development Base Level **Energy** Standards will be incorporated into the project design and final work product:

1. All appliances will be Energy Star, with pre-wired power source.
2. Energy Star qualified heat pump, furnace, air conditioning and/or ventilation equipment, sized accordingly.
3. Non Mercury programmable thermostats
4. Energy Star qualified lighting
5. Hot water heating shall have a minimum Energy Factor of 0.92EF or better.
6. Building draft stopping and air sealing scope of work to be included in the project specifications with minimum verification by visual method. Refer to the Energy Star or the Department of Energy Building America Best Practices, Volume 4.
7. Energy Star qualified windows, or windows rated by the national Fenestration Rating Council having a U-Factor < 0.33.
8. Energy Star qualified doors, having a U-Factor < 0.33.

Note: Historic projects will be subject to the base standards except where state or federal renovations standards do not allow or recommend specific work task, the energy improvements compromise the historic character of the project, or the work is not cost effective or feasible.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on this day of _____.

(Full legal name of Sponsor)

Signature

Name

Title

(Full legal name of Architect)

Signature

Name

Title

Attachment 16 - DSHA FAIR HOUSING CERTIFICATION

DELAWARE STATE HOUSING AUTHORITY FAIR HOUSING STANDARDS **CERTIFICATION**

The undersigned applicant hereby makes application to the Low Income Housing Tax Credit with the Delaware State Housing Authority (DSHA) for a loan and/or tax credits pursuant to one or more of the DSHA's Housing Development/HOME Programs or other Federal programs and certifies that the development as proposed and designed does or will meet upon completion all required fair housing standards including, but not limited to, the following:

1. Architectural Accessibility Standards

All projects are required by law to meet the handicap accessibility standards as outlined in the Delaware State Accessibility Standards. The design and construction guidelines are enforced by state and/or local building code officials. Compliance with these guidelines is mandatory in order to receive a Certificate of Occupancy for your proposed development.

2. Architectural Barriers Act (ABA) of 1968/24 CFR 40 Major Provisions

Accessibility Standards for Design, Construction and Alterations of Publicly Owned Residential Structures (24 CFR Subchapter 40.4) The Architectural Barriers Act (ABA) provides that residential structures that are (1) constructed or altered by or on behalf of the United States; (2) leased in whole or in part by the United States after August 12, 1968, if constructed or altered in accordance with plans or specifications of the United States; or (3) financed in whole or in part by a grant or loan made by United States after August 12, 1968; shall be constructed to ensure that persons with physical disabilities have access to and use of these structures. Buildings constructed with Federal funds are subject to the ABA. All residential structures designed, constructed or altered that covered by the ABA must comply with the accessibility requirements of the Uniform Federal Accessibility Standards (UFAS). Please note: Because UFAS does not fully address accessibility of units for person with impaired hearing, for the 2% units that are required to be accessible for person with hearing impairments, it is recommended that PHAs follow the 2003 edition of ICC/ANSI A117.1 Standard for Accessible and Usable Buildings and Facilities.

3. Fair Housing Amendments Act

All projects are required by law to meet the handicap-accessibility standards outlined in the Fair Housing Laws, including the Federal Fair Housing Amendments Act of 1988 (the "Act"). The law provides that failure to design and construct certain residential dwelling units to include certain features of accessible design will be regarded as unlawful discrimination.

4. Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990 (ADA), Section 504/24 CFR 8 Major Provisions

As required under 24 CFR 92.251 (a)(3), the housing must meet the accessibility requirements at 24 CFR part 8 which implements Section 504 of the Rehabilitation Act of 1973 and covered multi-family dwellings much also meet the design and construction requirements at 24 CFR 100.205 which implement the Fair Housing Act.

As per 24 CFR 8.22 New Construction-housing facilities:

- (a) New multifamily housing projects (including public housing and Indian housing projects as required by SS 8.25) shall be designed and constructed to be readily accessible to and usable by individuals with handicaps.
- (b) Subject to paragraph (c) of this section, a minimum of five percent of the total dwelling units or at least one unit in a multifamily housing project, whichever is greater, shall be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in SS 8.32 is accessible for purposed of this section. An additional two percent of the units (but not less than one unit) in such a project shall be accessible for person with hearing or vision impairments.

IN WITNESS WHEREOF, the applicant has caused this document to be duly executed in its name on this day of _____.

_____	_____
(Full legal name of Sponsor)	(Full legal name of Architect)
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title

Attachment 17 - CERTIFICATION FOR COMMUNITY REVITALIZATION PLAN

MUNICIPALITY LETTERHEAD

Date

Anas Ben Addi, Director
Delaware State Housing Authority
18 The Green
Dover, DE 19901

Re: LIHTC Application for _____ (Development Name)

Dear Mr. Ben Addi,

I certify that the _____ development is clearly identified on page _____ of the most recently approved Community Revitalization Plan for _____ (Municipality Name) dated _____.

Accordingly, said page _____ is attached to this certification.

Applicant Name:

Development Name:

Location of Development:

Name of Community Revitalization Plan:

Date of Community Revitalization Plan:

Name of Certifying Jurisdiction:

Name of Certifying Official:

Title of Certifying Official

Sincerely,

Attachment

**Attachment 18 - CERTIFICATION PROJECT LOCATED IN A DOWNTOWN
DEVELOPMENT DISTRICT**

MUNICIPALITY LETTERHEAD

Date

Anas Ben Addi, Director
Delaware State Housing Authority
18 The Green
Dover, DE 19901

Re: LIHTC Application for _____ (Development Name)

Dear Mr. Ben Addi,

I certify that the _____ development is clearly identified in the
_____ (municipality) Downtown Development District on
_____ (project address).

Date of Approved Downtown
Development District Plan:

Name of Certifying Jurisdiction:

Name of Certifying Official:

Title of Certifying Official

Sincerely,

Attachment 19 – RELOCATION ASSISTANCE POLICY

DELAWARE STATE HOUSING AUTHORITY

Relocation Policy

For all Developments financed with Federal HOME, other Federal Funds, State Housing Development Funds (HDF) or Low Income Housing Tax Credits (LIHTC) that will result in displacement or temporary displacement, the Applicant/Developer must comply fully with all the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA).

HUD Handbook 1378: Tenant Assistance Relocation and Real Property Acquisition is available through the HUD Website <http://www.hud.gov/relocation>. This handbook explains all of the requirements of the URA. Although the LIHTC program is not considered Federal financial assistance, DSHA has elected to adopt the URA as a relocation assistance policy for Tax Credit and/or DSHA financed properties that result in temporary or permanent displacement.

The URA has recently been updated effective February 5, 2005, for a complete review of the final rule, please refer to the following:

<http://a257.g.akamaitech.net/7/257/2422/01jan20051800/edocket.access.gpo.gov/2005/pdf/05-6.pdf>

In accordance with DSHA's QAP, Developers may not displace residents for over-income purposes and DSHA strongly discourages proposals that will result in permanent displacement.

If the URA regulations are not followed, DSHA reserves the right upon final allocation of credits to decrease the cost certified relocation line item. This may result in the following: a decrease in eligible basis, a decrease in the LIHTC award, and/or a decrease in other DSHA funding.

Notice Examples

Attached are some examples of notice letters that must be sent for developments with existing residents that may have temporary or permanent displacement. The first letter (Attachment 1) must be sent when there is a contract of sale and the second letter (Attachment 2) must be sent after acquisition of the property. The third letter (Attachment 3) is for prospective residents that may move into the development before the property is acquired.

Note: Attachments 1 and 2 have letters applicable to Section 8 and Non-Section 8 residents.

Attachment 1- (Notice to Residential Resident that they will not be Displaced)

Informs any current/potential resident of the fact that the property is under an option to a buyer who is applying for DSHA assistance and lets the resident know that if an application is approved the current/potential resident may be displaced. The notice also informs the current/potential resident that they may not qualify as a displaced person and therefore, is not eligible to receive any assistance or benefits described in the relocation policy. The Applicant/Developer must notify DSHA and send a copy of this letter and a listing of residents notified to DSHA when the letter is sent to current/potential residents.

Attachment 2- (Notice of Eligibility for Relocation Assistance Residential Resident)

This notice is to be sent when the property has been acquired. This letter (a) explains that the project was purchased and cautions the person not to move; (b) explains that the person will not be displaced; (c) explains what is to occur when the resident is temporarily displaced (i.e. approximately how long should they expect to be displaced from their current unit, how will the Applicant/Developer accommodate them with replacement housing while they are displaced, how will the Applicant assist them with any moving costs they incur from their temporary move); and, (d) explains that they will be able to move back into their unit. The Applicant/Developer must notify DSHA and send a copy of this letter, along with a list of notified residents, to DSHA when the letter is sent to current/potential residents.

Attachment 3 - (Notice to Prospective Residents)

This notice informs prospective applicants that move into the development prior to the new acquisition that they may not be entitled to relocation assistance.

Temporary Relocation Plan and Budget

1. The Applicant/Developer must submit a list of all current occupants including their name (for families, you need only list the name of the head of household and family size), address, and annual income after acquisition of the property.
2. A detailed relocation plan describing the manner in which the temporary displacement of residents will be handled must also be submitted prior to initial closing.
3. A comparison of the current rents being charged and the proposed rents for the project must be submitted to DSHA with the relocation plan. Also, for all relocation units, comparable rents must also be submitted. For comparables, the Applicant/Developer is required to assist the occupant in locating **decent, safe and sanitary housing**, (hereafter referred to as DSS, as determined by local housing codes) and must use **at least three suitable, DSS replacement units as comparables**. For Section 8 developments, please note, residents cannot be relocated to units that are smaller than the units on the Housing Assistance Payment contract. For example, a single person in a three-bedroom unit at a development with only three and four bedroom units must be relocated to a unit with a comparable number of bedrooms.
4. Applicants/Developers should include relocation expenses in their project cost budget. As part of DSHA's mortgagor's draw process, a monthly **RELOCATION REIMBURSEMENT FORM** must be completed with each draw (**Attachment 4**). Relocation costs must be drawn on a monthly basis and must include all back-up documentation. If funds are available in operations, start-up relocation costs can be paid from operations and then reimbursed from construction proceeds, however, relocation is not an operational expense unless otherwise approved in writing by DSHA.

No advance payment of rents for relocation units will be allowed. All relocation units must be occupied within 90 days of draw request. Payments for holding unoccupied relocation units for more than 90 days will not be recognized as an eligible project cost by DSHA. Applicants may not receive reimbursement of relocation costs from more than two sources (i.e., construction funds and/or Housing Assistance Payments). Any subsidized properties that require relocations can only request the difference between the subsidy rent and the off-site's rent (which may be positive or negative) and other relocation costs. The relocation line item shall include expenses charged by the management firm or other approved entity for relocation. This fee cannot be charged to the development's operating funds.

5. Upon permanent closing, the Applicant/Developer must provide DSHA with a final list of all residents occupying the property (due within 30 days after closing). If this list differs from the list that was originally submitted after acquisition (Refer to number 1 above), the Applicant/Developer must explain why the resident is no longer an occupant. Please be prepared to submit evidence that the resident(s) moved on their own accord and not for reasons related to DSHA program rules (i.e. income limitations).

As a useful guide, DSHA recommends that the Applicant/Developer follow DSHA's recommended relocation process found in **Attachment 5**.

Permanent Relocation

Developments that experience permanent displacements for any reason must follow all URA requirements.

Attachment 1 (Non-Section 8)

NOTICE TO RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED

(Applicant Letterhead)

Dear Resident:

_____ has submitted an application to Delaware State Housing Authority to rehabilitate the building which you occupy at _____.

This notice is to inform you that, if the assistance is provided and the building is rehabilitated, you may be displaced. We urge you **not to move** anywhere at this time. This is **not** a notice to vacate the premises. We will be meeting with you at a later date to determine whether you will qualify for a rehabilitated unit. If you do elect to move for reasons of your choice, you will not be provided relocation assistance.

If you meet the criteria to continue to qualify for a unit, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment in the same building) upon completion of the rehabilitation. The criteria to qualify for a unit may include background checks on all adult household members. Of course, you must comply with standard lease terms and conditions.

If you meet the qualifications, after the rehabilitation, your initial rent, including the estimated average utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30% of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed all reasonable extra expenses, including all moving costs and any increase in housing costs. You can be assured that we will make every effort to accommodate your needs because a portion of the financing is from state or federal funding sources, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you do not meet the qualifications to remain as a tenant you should continue to pay your rent because a failure to pay rent or meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign an agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before making any moving plans.

If you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house.

No current resident or residents of _____ will be permanently displaced on the basis of failing to meet income eligibility requirements unless the resident(s) consents to permanent displacement. The resident(s) may consent to permanent displacement contingent upon receiving relocation assistance approved by the Delaware State Housing Authority.

Again, this is not a notice to vacate and does not establish eligibility for relocation payments or other relocation assistance. This letter is important and should be retained. You will be contacted soon. In the meantime, if you should have any questions about our plans, please contact _____.

Sincerely,

Attachment 1 (Section 8 Multifamily)

NOTICE TO RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED

(Applicant Letterhead)

Dear Resident,

_____ has submitted an application to the Delaware State Housing Authority to rehabilitate the building, which you occupy. If the application is approved, you will benefit from the substantial renovations that will take place. You may be relocated during these renovations. We urge you not to move anywhere at this time. This is not a notice to vacate the premises.

This is a Notice of Non-Displacement. You will not be required to move permanently as a result of the rehabilitation. This Notice guarantees you the following:

You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/Development upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.

If you must move temporarily so that the repairs/rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal and/or State assistance is involved, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, protects you.

If you have any questions, please contact _____ at _____. Remember do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

Attachment 2 (Non-Section 8)

**NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE
RESIDENTIAL RESIDENT**

(Applicant Letterhead)

Dear Resident:

_____ has been approved to rehabilitate the building which you occupy at _____.

This notice is to inform you that while the building is rehabilitated, you may be displaced. We urge you **not to move** anywhere at this time. This is **not** a notice to vacate the premises. We will be setting up interviews to start the qualification process beginning _____. You will be contacted either by phone or by mail to schedule your interview.

If you meet the criteria to qualify for a unit, you will be able to lease and occupy your present apartment or one comparable upon completion of the rehabilitation. The criteria to qualify for a unit includes background checks on all adult household members. Of course, you must comply with standard lease terms and conditions.

If you meet the qualifications, after the rehabilitation, your initial rent, including the estimated average utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) 30% of your average monthly gross household income. If you must move temporarily so that the rehabilitation can be completed, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs. You can be assured that we will make every effort to accommodate your needs. Because a portion of the financing is from state or federal and/or state funding sources, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

If you do not meet the qualifications to remain as a tenant you should continue to pay your rent because a failure to pay rent or meet your other obligations as a tenant may be cause for eviction and loss of relocation assistance. You are urged not to move or sign any agreement to purchase or lease a new unit before receiving formal notice of your eligibility for relocation assistance. If you move or are evicted before receiving such notice, you may not receive any assistance. Please contact us before making any moving plans.

If you are eligible for relocation assistance, you will be given advisory services, including referrals to replacement housing, and at least 90 days advance written notice of the date you will be required to move. You would also receive a payment for moving expenses and may be eligible for financial assistance to help you rent or buy a replacement house.

No current resident or residents of _____ will be permanently displaced on the basis of failing to meet income eligibility requirements unless the resident(s) consents to permanent displacement. The resident(s) may consent to permanent displacement contingent upon receiving relocation assistance approved by the Delaware State Housing Authority.

Enclosed with this letter is what you will need to bring with you to your interview. If you should have any questions about our plans, please contact _____.

Sincerely,

Attachment 2 (Section 8 Multifamily)

**NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE
RESIDENTIAL RESIDENT**

(Applicant Letterhead)

Dear Resident:

On _____ we notified you that the owner of your building had applied for assistance to make extensive repairs to the building. On _____, the owner's request was approved and the repairs will begin soon.

This is a Notice of Non-Displacement. You will not be required to move permanently as a result of the rehabilitation. This Notice guarantees you the following:

1. You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/Development upon completion of the rehabilitation. Your monthly rent will remain the same or, if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.
2. If you must move temporarily so that the repairs/rehabilitation can be completed, you will be reimbursed for all of your extra expenses, including the cost of moving to and from the temporarily occupied unit and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable.

Since you will have the opportunity to occupy a newly rehabilitated apartment, I urge you not to move. (If you do elect to move for your own reasons, you will not receive any relocation assistance.) We will make every effort to accommodate your needs. Because Federal and/or State assistance is involved, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, protects you.

If you have any questions, please contact _____, _____, at _____ . Remember do not move before we have a chance to discuss your eligibility for assistance. This letter is important to you and should be retained.

Sincerely,

Attachment 3

NOTICE TO PROSPECTIVE RESIDENTS

(Applicant Letterhead)

Dear _____:

On _____ (date), I _____ (property owner or buyer) entered into an option to sell/acquire the property/unit you now propose to occupy. As part of my agreement to sell/acquire, I am to advise you of the following:

An application has been or will be submitted to Delaware State Housing Authority (DSHA) for Low-Income Housing Tax Credits to be used on the property you now propose to occupy. This notice is to advise that financial assistance available under a Relocation Assistance Policy is only for tenants that occupy units at this site at the time of the option to sell and **will not** be made available to you.

This notice is to inform you of the following information **before you enter into any lease agreement and occupy a unit at the above address:**

- You may be displaced from the property.
- You may be required to relocate temporarily.
- You may be subject to a rent increase.

You will not be entitled to any relocation benefits provided under DSHA's Relocation Assistance Policy. If you have to move, or your rent is increased as a result of the above option/agreement, you will not be reimbursed for any such rent increase or for any costs or expenses incurred by you in connection with the move.

Please read this notice carefully prior to signing a lease agreement and moving into this property. If you should have any questions about this notice, please contact:

(Seller/Buyer)

(Address/telephone number)

Once you have read and have understood this notice, please sign the statement below if you still desire to lease the unit.

Sincerely,

Owner

I have read the Notice to Prospective Residents and understand the conditions under which I am moving into this property.

Print Name

Signature

Date

Attachment 4

RELOCATION REIMBURSEMENT FORM

Property Name _____

Month/Year _____

Draw # _____

Original Unit # Address	Temporary Relocation Unit Address	Permanent Return Unit # Address	Resident Name	Transfer Date	A* Moving Expenses	HAP Amount (If applicable)	Resident Rent or TTP	Contract Rent	Relocation Rent	B* Differences (+/-)	C* Misc. Expenses	D** Relocation Security Deposit
Totals					\$					\$	\$	\$

* Moving Expenses include packing and moving company costs. Miscellaneous include, cable/satellite costs, utilities, telephone etc. Attach all back-up documentation for these costs, including the **Total Relocation Expense Requested (Add Columns A, B, C, & D)** \$

relocation coordinator (the salary staff time cannot be the same staff allocated for management i.e. no double dipping).

** Column B – Difference calculation is the difference between the original resident rent and HAP amount, if applicable, and the relocation rent. This amount could be negative if resident is a Section 8 recipient.

*** This total should equal monthly draw request.

Report Completed By _____

Date _____

Attachment 5

DELAWARE STATE HOUSING AUTHORITY

Relocation Procedures

Preliminary

1. A rent roll should be obtained to locate vacancies.
2. Draft first notice of displacement letter informing residents of the potential acquisition and relocation assistance and send to DSHA for approval. (URA Handbook, Pgs. 2-3, 2-4, & 2-5)
3. Send residents the displacement notice letter by **certified mailing**. Copy all certified mailings for reimbursement.
4. Organize resident meeting to introduce new management company and explain relocation and answer questions.
5. Obtain bids from moving companies.
6. Locate available units off-site to use for the duration of the relocation (for those residents that will be moved off-site). The lease and security deposits should be in management's name/limited partner's name.
7. Draft second notice of displacement letter after the acquisition is complete. The letter may also inform residents of a date new management will be on site and informing them of an interview that will be scheduled. Also, mention the relocation assistance available and send to DSHA for approval.
8. Send residents second notice of displacement letter by **certified mailing**. Copy all certified mailings for reimbursement.
9. Set up vendor accounts (bank, post office, office supply, etc).
10. Locate "comparable replacement dwellings" for residents who do not want to stay or volunteer to move off-site during the relocation. A comparable replacement dwelling performs the same function, provides the same utility, and has a comparable style of living. (URA Handbook, Pg. 1-7, 2-7 & 2-8)
11. Create a relocation folder for each resident keeping all relocation correspondence including a "Site Occupant Record" in file. (URA Handbook, Appendix 8)
12. Prior to relocating the resident, all relocation units, for developments that are receiving Housing Assistance Payments (HAP), must be inspected by DSHA Contract Administrator.

Once on Site

1. Set up interviews with all residents for eligibility, have vendor accounts in place. File in JP Court on any delinquent residents. Any evicted residents are not entitled to relocation assistance. (URA Handbook, Pg. 1-14)
2. Upon interviews, residents should complete a new application and be explained relocation process again. All tenant screening must be completed. When applicable, criminal background checks should be completed on all adult residents and if denied, the resident **is** entitled to relocation assistance.

(URA Handbook Pg. 1-12) (Note: criminal background checks should not be completed for existing Section 8 project based residents).
3. Moving supplies should be provided to residents upon requests. (boxes, bubble wrap, tape, etc.).

Note: Tenants are not required to pack or box their belongings unless they elect to move themselves.

Note: Residents may choose to move themselves and are still entitled to the moving estimate.
(URA Handbook, Pg. 2-12)

4. When turning over a building or unit for construction, terminate all utilities in management's name.
5. A "property" moving report and relocation expense report should be maintained. The reports should include date moved, location of move, and all moving expenses.
6. When issuing checks for reimbursement to residents, residents must sign acknowledgment of any money received.
7. Copies of all moving bills, utility bills (reconnect fees) and reimbursement checks should be maintained for each resident for reimbursement from construction. Send DSHA a "Claim for Actual Reasonable Moving and Related Expenses" form with all backup for each resident. (URA Handbook, Appendix 16)

Residents Requiring Permanent Relocation Assistance

Residents who choose to permanently move or are not eligible due to criminal backgrounds.

1. Determine if resident is eligible. (URA Handbook, Pg. 1-11)
2. Referrals to replacement dwellings must be provided to the resident. (URA Handbook, Pg. 1-7 & 2-9)
3. Issue resident letter of "Eligibility for Relocation Assistance-Resident" at least 90 days in advance of their **permanent** relocation. (URA Handbook, Pg. 2-5 and Appendix 6)
4. Issue relocation assistance payment with the payment required by the formula provided on Pg. 3-10 of the URA Handbook. An eligible displaced person who rents a replacement dwelling for more than their current monthly rent is entitled to a payment equal to 42 times the difference in the new monthly rent. Example: The resident finds a replacement dwelling of \$500 monthly with comparable utilities and their current dwelling rent is \$450 monthly. The resident is due the difference of $\$50 \times 42 = \$2,100$ for relocation assistance in addition to moving expenses and transfer fees. Tenant must sign acknowledgment for reimbursement.

Note: If utilities are not comparable, the difference is subject to the same formula.

5. If resident does not want relocation assistance, have the resident sign a waiver.
(URA Handbook Pg. 1-25)

Attachment 20 – Target Units Certification and Integrated Special Needs Targeting Plan

Targeting Certification

WHEREAS **[INSERT OWNER NAME]** has applied for Low-Income Housing Tax Credits (LIHTC) from Delaware State Housing Authority (DSHA) to finance and build XX apartment units, known as **[insert Development Name]** in **[insert City/Town Name]**, Delaware; and

DSHA’s 2014 Qualified Allocation Plan requires that each LIHTC property approved targets a minimum of five percent (5%) of the total units to special population households (the target units may float or can be designated); and

THEREFORE, **[INSERT OWNER NAME]** and **[INSERT MANAGEMENT NAME]** agree to the following partnership to target XX apartment units (the “Targeted Units”) within the **[insert Development Name]** apartment development for special population households involved in the referral process coordinated by DSHA.

[INSERT OWNER NAME] shall:

- Agree that the XX Targeted Units will not be segregated within the property or in any way be distinguishable (beyond, if applicable, the presence of accessible features or assistive technology) from non-targeted units, and that the unit mix of targeted units will depend on the needs of referred households.
- Assure that the Targeted Units remain available to the Targeted households, and that the purposes and spirit of this agreement, are maintained through the compliance period.
- Assure that any special arrangements (*rent adjustments, unit subsidies, special unit accommodations, arrangement for transportation services, etc.*) outlined in the Targeting Plan are maintained through the compliance period.
- Assures that when target units are not occupied by special population-eligible households, a lease addendum for the non-special population-eligible household will be required for the non-special population-eligible household to transfer to the next available non-special population unit (of comparable or smaller size) when an special population-eligible household applies and is accepted to the development.
- Assure that the Referral agency will pre-screen Applicants to assure that Applicants referred to for tenancy in the Targeted Units:
 1. Have a qualifying special need, as defined by the 2014 Qualified Allocation Plan.
 2. Have qualifying income to cover rent, utilities and reasonable living expenses.
- Assure that the Referral agency (DSHA) will refer applicants to **[INSERT MANAGEMENT NAME]**, at initial rent up and in the event of vacancies, for the duration of the compliance period. Referred households must complete applications for tenancy and shall provide a certification that the household was referred to live in a Targeted Unit by the Referral agency.
- Make reasonable accommodations, when applicable as to the completion of the application and need for accessible units for the targeted units and special population served.

- Have available a list of supportive services offered by community service providers involved in the referral process available to tenants of target units, when applicable. It is understood and agreed that these services shall be available to said households on an as-needed basis, and that receipt of these or any other services shall not be a condition of tenancy.
- Facilitate communication with **[INSERT MANAGEMENT NAME]** by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to Targeted Units.

[INSERT MANAGEMENT NAME] shall:

- Screen all households referred to it by Referral Agency, DSHA, using its established screening criteria.
- Include language on Reasonable Accommodations on its application for tenancy.
- Affirmatively market to households meeting the definition of special populations, as described in the Marketing Plan section of the Targeting Plan.
- Agree that the additional target units that receive points under this category must be reserved exclusively for the target special population-eligible population (unless there is an extended vacancy as referenced below).
- Agree that if the project is unable to fill a unit with the targeted population after a sixty (60) calendar day referral period, the unit may be leased to another household with income at 50% AMI or below. The next available 50% AMI unit in the Project shall be marketed to the Project's original targeted population until the project is in compliance with percentage for which it received points. The sixty (60) calendar day period at lease-up will be measured from the date upon which the project achieves 80% occupancy and at turnover will be measured from the date upon which the unit is determined ready for occupancy following move-out by the prior tenants and completion of any unit turn cleaning, repairs, or maintenance.
- In the event there are no special population-eligible applicants due to not meeting established screening criteria, notify DSHA and the Referral agency, and entertain requests for Reasonable Accommodations in accordance with State and Federal Fair Housing Law and the spirit of this agreement;
- Agrees that when target units are not occupied by special population-eligible households, a lease addendum for the non-special population-eligible household will be required for the non-special population-eligible household to transfer to the next available non-special population unit (of comparable or smaller size) when a non-special population-eligible household applies and is accepted to the development.
- Accept Section 8 Housing Choice vouchers or State Rental Assistance Vouchers or other rental assistance as allowable income as part of income requirement guidelines for all households.
- Facilitate communication with supportive service or other human service agencies by designating, and maintaining in the event of staff turnover, a named individual as the primary contact on matters related to the Targeted Units.

All parties to this Agreement shall:

- Agree that [INSERT OWNER NAME] and [INSERT MANAGEMENT NAME] are responsible for meeting compliance requirements established by IRS and the DSHA.
- Agree that [INSERT OWNER NAME] and [INSERT MANAGEMENT NAME] are responsible for maintaining the property for the benefit of all the households.
- Agree that the provisions and the spirit of this agreement notwithstanding, decisions on the admittance and/or retention of households according to Fair Housing and the Delaware Landlord Tenant Code are the responsibility of [INSERT MANAGEMENT NAME and OWNER NAME].
- Agree to adhere to the terms of the Referral, Screening and Communications plan section of the Targeting Plan.
- Agree that tenant participation in supportive services will not be a condition of tenancy.
- Agree that in the event that disagreements or difficulties arise that they are unable to resolve through open and cooperative dialogue, they will seek assistance in resolving these conflicts from DSHA Agency and the other Department of Health and Human Services divisions.
- Agree that the terms of the Targeting Plan for [insert Development name] prepared jointly by [INSERT OWNER NAME], [INSERT MANAGEMENT NAME] are hereby incorporated by reference.

IN WITNESS WHEREOF, the parties have executed, or caused this agreement to be executed by their duly authorized representatives, as of the date below written.

[insert Owner Contact, Title]

[insert Owner name]

[insert Phone Number]

Date

[insert Management Contact, Title]

[insert Management name]

[insert Phone Number]

Date

Integrated Special Needs Targeting Plan

Name of Development	
Address of Development	
Total number of units	
Number of Target units	
Number of required accessible units	
No. of additional fully accessible units	

	Owner	Management Agent
Organization		
Primary Contact		
Phone		
Email		
Street Address		
City, State, Zip		

Targeting Plan for Special Population-Eligible Households

- I. Developments must target a minimum of 5% (or 3 units, whichever is greater) of all units for special population-eligible households referred to below specifically addressing the needs of the identified group.
- Persons with HIV/AIDS related illness;
 - Literally or Imminently Homeless;
 - Survivors of Domestic Violence;
 - People with disabilities (Persons with mental illness; physical disabilities; or intellectual or developmental disability);
 - Persons exiting foster care or state-run institutions;
 - Veterans;
 - Other special needs populations identified in DSHA’s needs assessment may be considered at DSHA’s sole discretion.

II. Description of Suitability – Please describe how the property will meet the needs of the targeted special needs households, including:

a. Unit Size and Design Features

1. Attach a copy of the Unit Mix and Rent from the Operating Income Tab of the Pro forma. Include any details for additional target units above the 5%.
2. Describe any adaptability or accessibility features and/or assistive technology beyond the required minimums.
3. Describe any community space needed being developed as part of this property.

b. Site Suitability and Access to Transportation

Describe the suitability of the site for the special populations targeted:

1. Describe availability of accessible public transportation or other local amenities, including any such services available specifically for the targeted special populations-eligible population.

c. Affordability

Describe the sustained affordability of the target units and what types of measures will be used to continue the affordability for the targeted units. Rents for target units must be affordable to households at 40% of AMI or below.

III. Referral, Screening and Communication Plan

DSHA is developing a unified referral system to serve the State Rental Assistance Program, Section 811, and LIHTC Special Populations Target units. Applicants shall utilize this system, which will refer pre-screened special populations-eligible households from the target populations identified by the Applicant.

Every property, including rehab properties (where original residents receive priority in filling rehabbed units) and properties with project-based rental assistance (where the waiting list must operate by HUD rules) will need to develop a specific plan, with responsible parties identified and processes defined. The referral, screening and communication plan should include:

- Description of how referrals will be determined,
- Maintain contact with referrals and the management agent and offer assistance with any issues that may arise during a referral's tenancy;
- How reasonable accommodations or modifications will be negotiated; and
- How the management agent will maintain contact throughout tenancy, including how the management agent will maintain communication that will accommodate staff turnover during the compliance period.

Prepared by: _____

Applicant/Developer Name

Date: MM/DD/YYYY

CERTIFICATION OF INTENT TO PARTICIPATE IN SECTION 811 PROGRAM

Applicant agrees to accept, if offered by DSHA, the assignment of Project Based Section 811 rental subsidies for _____ units at _____ (Project) and to comply with all of the requirements of DSHA's PRA Demonstration program.

Applicant

Date