

APPLICATION
TAX CREDIT EXCHANGE (EXCHANGE) or TAX CREDIT ASSISTANCE PROGRAM (TCAP)
Delaware State Housing Authority
State of Delaware

This application is designed to be sufficiently comprehensive and precise to address all information necessary for a responsible Exchange or TCAP funding decision. However, Delaware State Housing Authority reserves the right to ask for additional information during the review process, should it be deemed necessary.

GENERAL INFORMATION

I. APPLICANT INFORMATION

Development Name Hollybrook Farms

Address 501 Holly Brook Apts

City Laurel County Sussex Census Tract 518.01
Applicant Hollybrook Farms, LP

Address 410 Severn Ave, Suite B-413

City Annapolis State MD Phone 410-334-3671

Corporation _____	Nonprofit _____	Profit _____
Partnership <u>X</u>	General _____	Limited <u>X</u>
Individual _____	Local Government _____	Limited Liability Company _____

Joint Venture (explain) _____

HOLLYBROOK FARMS, LP

(Name of Ownership Entity)

Federal I.D. Number 20-8729964

Contact Person David F. Layfield Jr. Phone 410-334-3671

II. TAX CREDIT INFORMATION

ALLOCATION YEAR OF TAX CREDIT AWARD: 2007 + 2008

DSHA RESERVATION LETTER DATE SIGNED AND EXECUTED: 12/17/2007

DSHA CARRYOVER AGREEMENT DATE SIGNED AND EXECUTED: 5/19/2008

DOES APPLICANT HAVE AN INVESTMENT COMMITMENT*?

YES NO

If yes, please provide name, address, phone number, e-mail and contact person below:

Ken Michel Phone: 617-261-4646 x 11
Michel Associates, Ltd email: KenM@michelltd.com
Seaport Center
70 Fargo Street, Suite 907
Boston, MA 02210

If no, please provide the names of syndicators contacted, name, address, phone number and contact person below:

n/a

*Three (3) written forms of documentation from syndicators/investors that demonstrate good faith efforts to obtain investment commitments must be attached to this application. DSHA may consult with equity providers to verify that the investors turned down providing equity to the property.

III. FUNDING REQUESTED**

Are you applying for TCAP funds? YES NO

If yes, Proposed TCAP request: (Maximum Request is \$2,750,000)

TCAP Loan/Mortgage/Grant***	Amount	Term	Rate
_____	_____	_____	_____

Describe how the TCAP loan will be secured/guaranteed.

Will the applicant's tax credit allocation be returned for Exchange funds? YES NO

If Yes, answer the following:

Credit Amount	Approximate Exchange Funds
<u>512,641.88</u>	<u>4,357,455.98</u>

IV. CROSS-CUTTING MEASURES AND READINESS

1. Has the Environmental Review been completed? YES NO
If NO, what is the status of the review: n/a
2. Have three bids been solicited for the construction contract/work? YES NO
If NO, what is the status of the bids: _____
3. Are DAVIS-BACON Prevailing wages part of the total development cost calculations?
 YES NO
If NO, what is the status : n/a
4. Have Plans and Specifications been completed? YES NO
If NO, what is the status : _____
5. Have building permits been issued or applied for? YES NO
If NO, what is the status : _____
6. Has construction financing been secured? YES NO
If NO, what is the status : _____

7. Has a construction loan closing been set? X YES NO
If NO, what is the status : _____

**Provide an updated Sources of Funds for both construction and permanent financing and attach as Exhibit A.

*** Grants may be made available to non-profits only.

V. TIMELINES

Construction Closing Date or Anticipated Closing Date: June 13, 2008

Construction Schedule and Draw Schedule:

Construction Start : July 2008

Draw 12 : June 2009

Construction End: December 2009

NOTE: ALL EXCHANGE FUNDS MUST BE DISBURSED BY NOVEMBER 1, 2010.

NOTE: 75% OF TCAP FUNDS MUST BE COMMITTED BY FEBRUARY 16, 2010 AND 75% EXPENDED BY FEBRUARY 16, 2011 AND 100% EXPENDED BY FEBRUARY 16, 2012.

V. FEES

Applicants are required to submit the following fees: **NOTE: Fees can not be funded from TCAP or Exchange Funds**

1. Exchange Application processing fee of \$500 due upon application.
2. Eligible projects will be charged an Asset Management fee specifically for DSHA to perform asset management functions and assure compliance with Section 42 of the IRC for the LIHTC program. Asset Management fees may not be paid from TCAP funds or Exchange Funds. TCAP Projects - the Asset Management fee will be a combination of: \$500 per unit, 1% of the amount of TCAP assistance, and 1% of the reserved and/or allocated annual credits (either returned or exchanged) multiplied by 10. (Example: Property that has 50 units the Asset Management fee will be $\$500 \times 50 = \$25,000 + \$1,250,000 \text{ TCAP loan} \times 1\% = \$12,500 + \$300,000 \text{ Allocation Amount} \times 1\% \times 10 \text{ years} = \$30,000$. Total Asset Management Fee = \$67,500.)

NOTE: DSHA will not charge additional fees, other than the Exchange Application fee, for projects that are under construction and have paid prior DSHA fees.

NOTICE TO APPLICANT:

DSHA is required to collect and publicly post information related to recipients of TCAP and Exchange funds assistance. This information includes, but may not be limited to, names of applicants, project descriptions, commitment and expenditure amounts, and number of jobs created or retained. Information will be collected at least quarterly and publicly posted until the completion of the project for which the assistance is provided. By signature below, Applicant agrees to provide such information as requested by DSHA for the required reports and consents to the release of such information to the public.

Applicant covenants and represents that there have been no material changes to any information submitted by the Applicant in its LIHTC application that received a LIHTC award of which DSHA is not already aware. If there are changes to the information submitted not already disclosed to and approved by DSHA, Applicant is required to attach the amended parts of the LIHTC application and all related attachments to the LIHTC application, if amended. Applicant is advised that amendments to a LIHTC application that affect the ranking of a project that received a LIHTC award will make the Applicant ineligible for TCAP and Exchange funding.

For Applicants applying for TCAP or Exchange funding, Applicant covenants and agrees that, in the event Applicant makes false statements or otherwise provides information to DSHA with the intent to mislead DSHA, or otherwise violates the rules, policies, guidelines or procedures of DSHA, in addition to any other contractual remedies available to DSHA, DSHA may impose such sanctions as the Housing Director shall deem reasonable under the circumstances as are authorized by DSHA's rules, policies, guidelines or procedures. In the event Applicant objects to any such sanctions, applicant must inform the Housing Director, in writing, within thirty (30) days after notice of imposition of sanctions. Applicant shall have the right to have the imposition of sanctions reviewed at a public session of the Council on Housing, and the parties agree that the Council on Housing shall have the right to modify, increase, suspend or cancel such sanctions and such decision shall be binding upon DSHA and Applicant.

I/we fully understand that it is a State crime punishable by fine up to \$2,300 or up to 1 year in prison, or both, to knowingly make any false statements concerning any of the above facts as applicable under the provisions of Title 11, Delaware Code, Section 1233.

6/12/09
(Date)

Arthur W. Edwards, Jr.
(Signature)

Arthur W. Edwards, Jr. Vice President, Hollybrook Farms
Printed Name Title Associates, Inc
General Partner

Hollybrook Farms, LP
Applicant Entity

Exhibit A

LP + LIHTC Exchange + Danversbank LOC

Construction Sources & Uses

Sources	
Section 515 Assumptions	4,111,125.50
Bonneville Multifamily	1,750,000.00
Greystone Bank	2,450,000.00
DSHA HDF	2,750,000.00
Equity - Installment 1	2,678,376.00
Exchange Equity	2,097,407.00
Phase IV Rehab Funds	242,243.25
Replacement Reserves	125,785.75
Developer Contribution	6,840.00
Developer Fee (Post Const)	170,000.00
Total	16,381,777.50

LP + LIHTC Exchange + Danversbank LOC

Permanent Sources & Uses

Sources	
Section 515 Assumptions	4,111,125.50
Bonneville Multifamily	1,750,000.00
DSHA HDF	2,750,000.00
LP Equity (290,746.12)	2,678,376.00
LP Additional Contribution	175,000.00
Exchange Equity (512,641.88)	4,357,455.98
Danversbank Line of Credit	190,041.02
Phase IV Rehab Funds	242,243.25
Replacement Reserves	125,785.75
Developer	1,750.00
Total	16,381,777.50

Uses

Construction Costs	8,301,137.27
Developer Fee	680,000.00
Other Costs	6,950,580.23
Ineligible Costs	450,060.00
Soft Costs from Default	-
Total	16,381,777.50

GAP

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GAP

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