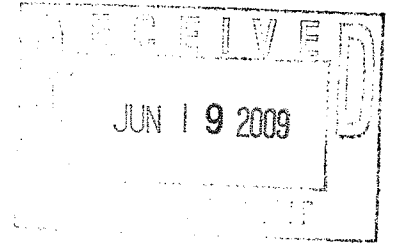




MILLSBORO HOUSING FOR PROGRESS, INC.

◆ Established 1971 ◆

A Strong Commitment to Affordable Housing



June 17, 2009

Ms. Cynthia Deakyne, Housing Asset Manager
Delaware State Housing Authority
18 The Green
Dover, DE 19901

Dear Ms. Deakyne:

RE: **Tax Credit Exchange (Exchange) or Tax Credit Assistance Program (TCAP)**
Application for – Millsboro Village I – DE-HDF-335-FTI8-O6

Millsboro Housing for Progress Inc. (MHP) is submitting the application identified above along with requested documentation for your review. We are attaching the documentation, which is three letters from syndicates who were unable to find investors for this project. We have again reviewed your letter of November 19, 2008 and as you are aware, several deadlines outlined in that letter have been missed. However, the fast approaching and most important dates found in that letter are the "Completion" and the "Placed in Service Date", which is November 30, 2010. I have no doubt that if we can get this project to construction closing in the next two months that our general contractor and management firm can meet those deadlines, but we must get to closing first.

Thanking you in advance for reviewing our application and your consideration in helping us to move this project forward. We at MHP again look forward to working with Delaware State Housing Authority and its staff for the successful completion of Millsboro Village I.

Sincerely,

William B. Duffy, Jr.
Board President

Cc: Maggie Cook-Pleasant, NCALL

P.O. Box 177
Millsboro, Delaware 19966
(302) 934-6491
(302) 934-1409 FAX

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 Millsboro Village I LLC

Address PO Box 177

City Millsboro County Sussex Census Tract 506.02

Applicant Millsboro Housing for Progress, Inc.

Address 300 Old Landing Road

City Millsboro State Delaware Phone (302) 934-6491

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

Joint Venture (explain) N/A

N/A

(Name of Ownership Entity)

Federal I.D. Number 51-0187629

Contact Person Maggie Cook-Pleasant Phone (302) 678-9400

II. TAX CREDIT INFORMATION

ALLOCATION YEAR OF TAX CREDIT AWARD: 2008 & 2009

DSHA RESERVATION LETTER DATE SIGNED AND EXECUTED: December 5, 2008

DSHA CARRYOVER AGREEMENT DATE SIGNED AND EXECUTED: December 17, 2008

DOES APPLICANT HAVE AN INVESTMENT COMMITMENT*?

YES NO

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

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

Enterprise Community Investment, Inc., 1 Whitehall Street, 11th Floor, New York, NY 10004, (212) 284-7182, Thomas R. Eastman, Vice President of Syndication

National Affordable Housing Trust, 3948 Goshen Drive, Harleysville, PA 19438, (610) 584-1017, David Lennon, Vice President of Development

Boston Capital Corporation, 1802 Lang Drive, Crofton, MD 21114, (410) 451-7309, Corine Sheridan, Vice President, Real Estate Director, LIHTC Business Development

*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
<u>Grant</u>	_____	_____	_____

Describe how the TCAP loan will be secured/guaranteed.

MHP is requesting a grant and if it must be secured, it will be secured by the housing project.

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>\$728,639</u>	<u>MHP is returning the tax credits and requesting both TCAP funds and Exchange Funds for the Preservation of Millsboro Village I.</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: _____

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 : _____

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 : **The Town of Millsboro is awaiting payment for the building permit, which is pending construction loan closing.**

6. Has construction financing been secured? YES NO
If NO, what is the status : **Construction financing is secured but the letter expired and MHP is awaiting a construction loan closing date from DSHA before requesting a new letter from the construction lender.**

7. Has a construction loan closing been set? _____ YES X NO
If NO, what is the status : Waiting to secure complete financing for this project

**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: August 2009

Construction Schedule and Draw Schedule:

This project is already bid-out and the general contractor has been selected and is awaiting the construction closing to establish start date. It is anticipated by both MHP and the general contractor that the construction phase can begin 15 days after the construction loan closing. We also anticipate that after the initial draw (the construction loan closing draw) that the second draw will be submitted for payment one month later. It is also anticipated that at the pre-construction meeting, a draw schedule for this project will be established and are normally submitted monthly after the initial draw.

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:

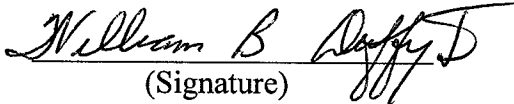
DSHA is required to collect and publicly post information related to recipients of TCAP and Exchange funds assistance. This information includes, but may not be limited to, names of applicants, project descriptions, commitment and expenditure amounts, and number of jobs created or retained. Information 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.

6-18-09
(Date)


(Signature)

William B. Duffy, Jr.
Printed Name

Board President
Title

Millsboro Housing for Progress, Inc.
Applicant Entity