

ORIGINAL

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 Monroe Terrace

Address West Center City (Scattered Sites)

City Wilmington County New Castle Census Tract 21 & 16

Applicant Delaware Valley Development Company

Address 722 Yorklyn Road, Suite 350

City Hockessin State DE Phone 302.235.2500

Corporation Nonprofit Profit X  
Partnership X General Limited  
Individual Local Government Limited Liability Company X

Joint Venture (explain) \_\_\_\_\_

\_\_\_\_\_ Monroe Terrace Associates, L.P.  
(Name of Ownership Entity)

Federal I.D. Number 27-0558152

Contact Person Glenn S. Worgan Phone 302.235.2500

**II. TAX CREDIT INFORMATION**

ALLOCATION YEAR OF TAX CREDIT AWARD: 2009

DSHA RESERVATION LETTER DATE SIGNED AND EXECUTED: June 19, 2009

DSHA CARRYOVER AGREEMENT DATE SIGNED AND EXECUTED: September 29, 2009

\_\_\_\_\_

DOES APPLICANT HAVE AN INVESTMENT COMMITMENT\*?

YES X 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:

First Sterling Financial – Dominick Buffa – Please see attached letter from Mr. Buffa

The Richman Group – Richard McCauley – Please see attached letter from Mr. McCauley

Raymond James – Sean Jones – Please see attached letter from Mr. Jones

\*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 X    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?    X    YES    NO

If Yes, answer the following:

Credit Amount	Approximate Exchange Funds
<u>337,344</u>	<u>\$3,397,390 (at exchange rate of \$.85)</u>

**IV. CROSS-CUTTING MEASURES AND READINESS**

1. Has the Environmental Review been completed?    YES    X    NO  
If NO, what is the status of the review: None of the sources require the project to undergo an Environmental Review. However, an environmental phase I report has been completed.
2. Have three bids been solicited for the construction contract/work?    YES    X    NO  
If NO, what is the status of the bids: Design development is on schedule for a bid solicitation and award prior to year's end.
3. Are DAVIS-BACON Prevailing wages part of the total development cost calculations?  
YES    X    NO  
If NO, what is the status : None of the sources require the project to pay Davis-Bacon wages.
4. Have Plans and Specifications been completed?    YES    X    NO  
If NO, what is the status: Plans and specifications are on schedule for completion by the end of October
5. Have building permits been issued or applied for?    YES    X    NO  
If NO, what is the status: Once plans and specifications are finalized, Applicant will apply for building permits
6. Has construction financing been secured?    YES    X    NO  
If NO, what is the status: Wilmington Trust will be taking the project to its committee for approval this month

7. Has a construction loan closing been set? \_\_\_\_\_ YES X NO  
If NO, what is the status: A closing date will be set upon DSHA approval, as it is the project's primary lender.

\*\*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: December 2009

#### Construction Schedule and Draw Schedule:

Construction period will be 12 months, beginning upon construction closing date and the subsequent issuance of a notice to proceed. Assuming a start date by January 4, 2010, construction completion will be December 31, 2010. Please see the Draw Schedule attached in the Exhibit A Section.

**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 - \$500 per unit and 1% of the amount of TCAP assistance plus the reserved and/or allocated annual credits (either returned or exchanged) multiplied by 10. Exchange Projects - \$500 per unit and 1% of the amount of the reserved and/or allocated annual credits (either returned or exchanged) multiplied by 10.

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:**

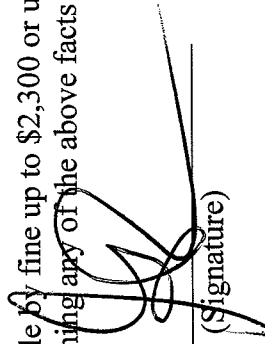
DSHA is required to collect and publicly post information related to recipients of TCAP and Exchange funds assistance. This information includes, but may not be limited to, names of applicants, project descriptions, commitment and expenditure amounts, and number of jobs created or retained. Information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

10/6/09  
(Date)

  
(Signature)

George P. Beer  
Printed Name

Managing Member  
Title

Monroe Terrace Associates, L.P., By: Monroe Terrace  
Ventures, LLC, Its GP  
Applicant Entity

**Evidence of Compliance with Section 1602 of the ARRA**

**First Sterling Financial, Inc.**



September 30, 2009

Glenn S. Worgan  
Delaware Valley Development Company  
722 Yorklyn Rd., Suite 350  
Hockessin, DE 19707

RE: Monroe Terrace  
Wilmington, DE  
Monroe Terrace Associates, L.P.

Dear Mr. Worgan:

As we discussed, First Sterling will not be able to place the tax credits for Monroe Terrace with an investor at this time, because the project does not meet current investor parameters.

Thank you,  
Sincerely,

A handwritten signature in black ink, appearing to be "D. Buffa".

Dominick Buffa  
Senior Vice President, Acquisitions

THE  
**RICHMAN**  
**GROUP**  
AFFORDABLE HOUSING CORP.

340 Pemberwick Rd.

Greenwich, CT 06831

(p) 203.869.0900

(f) 203.869.1034

September 23, 2009

Mr. Glenn Worgan  
Delaware Valley Development Company  
722 Yorklyn Rd.  
Suite 350  
Hockessin, DE 19707

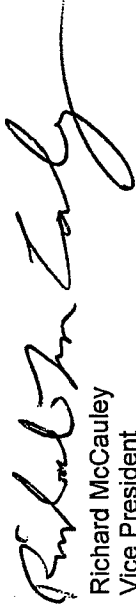
RE: West Center Village and Monroe Terrace

Dear Mr. Worgan:

We understand that you may apply to the Delaware State Housing Authority for consideration under the Tax Monetization Program for the above referenced projects. We further understand that in support of your request you must evidence that good faith efforts were made to obtain a Low Income Housing Tax Credit investment in accordance with Section 1602 of the American Recovery and Reinvestment Act of 2009 (ARRA).

The Richman Group has reviewed the West Center Village and Monroe Terrace transactions and at this time we are not able to offer a commitment that is financially feasible for these transactions. I wish you success on both projects.

Sincerely

  
Richard McCauley  
Vice President

# **RAYMOND JAMES**

September 23, 2009

Mr. Glenn Worgan  
Principal  
Delaware Valley Development Company  
722 Yorklyn Road  
Suite 350  
Hockessin, Delaware 19707

**Re: MONROE TERRACE**  
**Evidence of Compliance with ARRA -- Section 1602 of ARRA**

Dear Mr. Worgan:

You inquired about Raymond James Tax Credit Funds, Inc.'s interest in syndicating the low income housing tax credits for Monroe Terrace. Due to the current volatile nature of the tax credit market, combined with inadequate time to market the tax credits for this partnership, we currently are not in a position to offer a firm commitment to purchase the tax credits for this project.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



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Sean Jones  
Associate Director of Acquisitions

**Raymond James Tax Credit Funds, Inc.**  
**A Subsidiary of Raymond James Financial, Inc.**  
880 Carillon Parkway • St. Petersburg, FL 33716  
800-438-8088 Toll Free • 727-567-8455 Fax  
Visit our Web Site at [www.RJTCF.com](http://www.RJTCF.com)

**Exhibit A**

Monroe Terrace  
Draw Schedule  
6-Oct-09

	FHLB AHP	Dev. Equity	NCC	City	DSHA	Conventional	Equity	TOTAL
Loan Amt.	-	0	-	-	1,429,395	1,310,000	3,397,390	6,136,785
% of Proj. Cost	0.00%	0.00%	0.00%	0.00%	23.29%	21.35%	55.36%	100%
					1,610,188	1,128,207	-	2,738,395
					59%	41%	0%	100%

Uses of Funds	Total Project Costs	Draw Settlement	Jun-09 Draw #1	Jul-09 Draw #2	Aug-09 Draw #3	Sep-09 Draw #4	Oct-09 Draw #5	Nov-09 Draw #6	Dec-09 Draw #7	Jan-10 Draw #8	Feb-10 Draw #9	Mar-10 Draw #10	Apr-10 Draw #11	May-10 Draw #12	Jun-10 Draw #13	Jul-10 Draw #14	Aug-10 Draw #15	Sep-10 Draw #16	Oct-09 Draw #17	Nov-09 Draw #18	Dec-09 Draw #19	Jan-10 Draw #20
Acquisition	950,000	950,000																				
Total Rehabilitation	3,325,000		184,722	184,722	84,722	84,722	184,722	184,722	184,722	184,722	284,722	284,722	184,722	184,722	184,722	184,722	184,722	184,722	184,722	184,722		
Architect Design	116,670	116,670																				
Architect CA	38,890		2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161	2,161		
Engineering	11,667	11,667																				
Environmental	9,723																					
Market Study	4,861	4,861																				
Appraisal	4,861																					
Legal Real Estate	100,000	80,000																				20,000
Legal Syndication	40,000	40,000																				
Title and Recording	30,000	30,000																				
Real Estate Transfer Tax	14,928	14,928																				
State Improvement Tax	35,568	35,568																				
Accounting	25,000	25,000																				
Taxes During Construction	25,000	25,000																				
Insurance Bldrs Risk	35,000	35,000																				
Lease Up Expenses	15,000	15,000																				
Construction Interest	207,755										1,497	2,540	3,249	3,960	4,674	5,390	6,109	6,830	7,554	8,652	8,703	8,755
Relocation	50,000		2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
FFE	7,500	7,500																				
Construction Lender - Appraisal	10,000	10,000																				
Construction Lender Inspections & Plan Re	7,900	2,900	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278	278
Loan Fees	51,953	41,664																				8,689
Tax Credit Monitoring Fees	17,500																					17,500
Tax Credit Allocation	33,734	#####																				
Tax Credit Application	-	-																				
Operating Reserve Escrow	94,372																					94,372
Section 8 Reserve	-	-																				
Transition Reserve	-	-																				
Working Capital Escrow	1,375																					1,375
Contingency	327,966		18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220	18,220
Developer Fee	545,162	136,291																				136,291
<b>Total</b>	<b>6,136,785</b>	<b>1,630,367</b>	<b>207,881</b>	<b>207,881</b>	<b>107,881</b>	<b>107,881</b>	<b>207,881</b>	<b>207,881</b>	<b>207,881</b>	<b>207,881</b>	<b>445,668</b>	<b>310,420</b>	<b>211,130</b>	<b>211,841</b>	<b>212,555</b>	<b>213,271</b>	<b>213,990</b>	<b>214,711</b>	<b>215,435</b>	<b>495,759</b>	<b>11,203</b>	<b>11,255</b>
<b>Sources of Funds</b>																						
<b>Construction Sources</b>																						
FHLB	-	-																				
Developer Equity	0																					
City of Wilmington	-																					
New Castle County	-																					
DSHA	1,610,188										261,959	182,462	124,100	124,518	124,938	125,359	125,781	126,205	126,630	194,813		
Construction Loan	1,129,207										183,709	127,959	87,030	87,323	87,617	87,913	88,209	88,506	88,804	133,260	11,203	11,255
Limited Partner Equity	3,397,390	1,630,367	207,881	207,881	107,881	107,881	207,881	207,881	207,881	207,881	-	-	-	-	-	-	-	-	-	167,686		
<b>Total</b>	<b>6,136,785</b>	<b>1,630,367</b>	<b>207,881</b>	<b>207,881</b>	<b>107,881</b>	<b>107,881</b>	<b>207,881</b>	<b>207,881</b>	<b>207,881</b>	<b>207,881</b>	<b>445,668</b>	<b>310,420</b>	<b>211,130</b>	<b>211,841</b>	<b>212,555</b>	<b>213,271</b>	<b>213,990</b>	<b>214,711</b>	<b>215,435</b>	<b>495,759</b>	<b>11,203</b>	<b>11,255</b>
<b>Permanent Sources</b>																						
FHLB	-	-																				
Developer Equity	0																					
City of Wilmington	-																					
New Castle County	-																					
DSHA	1,429,395																					
Limited Partner Equity	3,397,390																					
Permanent Loan	1,310,000																					
<b>Total</b>	<b>6,136,785</b>	<b>3,260,734</b>	<b>415,762</b>	<b>415,762</b>	<b>215,762</b>	<b>215,762</b>	<b>415,762</b>	<b>415,762</b>	<b>415,762</b>	<b>415,762</b>	<b>1,337,005</b>	<b>1,376,929</b>	<b>1,389,477</b>	<b>1,602,741</b>	<b>1,616,724</b>	<b>2,031,428</b>	<b>2,246,856</b>	<b>2,463,009</b>	<b>2,679,891</b>	<b>3,568,612</b>	<b>2,610,704</b>	<b>2,622,062</b>