



Downtown Development Districts (DDD) Rebate Program

At A Glance: DDD Small Project Rebate

The **At A Glance** provides a quick overview of the program and is not intended to replace the more in-depth program guidelines. It is important for Investors to read the program guidelines to gain a full understanding of the program requirements and application processes. Please visit DSHA’s website at <http://www.destatehousing.com/ddd> to access program guidelines, applications, forms, an interactive DDD map and links to other DDD related information.

<p>DDD Act of 2014</p>	<p>Created to leverage state resources in a limited number of designated areas in Delaware’s cities and towns to: spur private capital investment, stimulate job growth and improve the commercial vitality of our cities and towns, and to help build a stable community of long-term residents in our downtowns and neighborhoods. Under this Act, funding was allocated through the General Assembly to DSHA to establish and administer the DDD Rebate Program.</p>
<p>Districts</p>	<ul style="list-style-type: none"> • Designated January 11, 2015: Dover, Seaford and Wilmington • Designated August 10, 2016: Georgetown, Harrington, Laurel, Milford and Smyrna • Designated August 19, 2019: Clayton, Delaware City, Middletown and City of New Castle
<p>Funding Set Asides</p>	<ul style="list-style-type: none"> • Large Project and Small Project set asides ensure a variety of projects have ample access to funding
<p>DDD Investors</p>	<ul style="list-style-type: none"> • Eligible Investors: Property owners (occupant or non-occupant), tenants of eligible-property owners, for-profit developers, nonprofit organizations, businesses and homeowners • In-eligible Investors: Federal, state or local government, in any form
<p>Qualified Investment</p>	<ul style="list-style-type: none"> • Qualified Real Property Investment (QRPI) between \$25,000 and \$350,000 • Minimum Qualified Investment Threshold (MQIT) is \$25,000
<p>DDD Rebate</p>	<ul style="list-style-type: none"> • Eligible investors may receive a rebate of 20% of eligible costs upon completion of investment • Maximum rebate is \$70,000 and requires an eligible investment of \$350,000
<p>Rebate Application</p>	<ul style="list-style-type: none"> • Rolling application process • First-come, first-served based on funding availability • Investor must apply for a rebate within 60 days from the final placed-in-service date • Small Project Rebate Checklist provides application instructions and exhibit requirements (project description/conformity to District plan, proof of site control, before and after pictures, placed-in-service documentation, itemized invoices, receipts and proofs of payment, and completed W-9 form)
<p>Lite-Reservation</p>	<ul style="list-style-type: none"> • Optional Lite-Reservation <u>guarantees funding availability for only</u> • Investor must apply prior to the commencement of construction • Small Project Lite-Reservation Checklist provides application instructions and exhibit requirements (project description/conformity to District plan, proof of site control, before pictures, project timeline/building permit, project budget and completed W-9 form) • Project construction must commence within 60 days of Lite-Reservation • Lite-Reservation awards may be rescinded if Reservation conditions are <u>not</u> met
<p>Minimum Threshold Criteria</p>	<ul style="list-style-type: none"> • QRPI must be made within the boundary of a designated District • QRPI must be made after the date the real property is incorporated into the District boundary • QRPI must be in conformance and support the goals of the approved District plan • QRPI must be in excess of the required MQIT • Real property must be located in the District <u>at time of application</u> • Investors must meet site control requirements
<p>Additional Criteria for Small Projects</p>	<ul style="list-style-type: none"> • Investors have 1 year to complete a Small Project, unless otherwise approved by DSHA • Work performed should be continuous with no gaps in construction activity for more than 60 days • DSHA will consider time extensions on a case-by-case basis for delays beyond an Investor’s control

<p>Eligible Expenses and Activities</p> <p><i>(Refer to Appendix B in the guidelines for details)</i></p>	<ul style="list-style-type: none"> • Eligible capital investments necessary for the rehabilitation, expansion, or new construction of commercial, industrial, single or multi-family residential, or mixed-use building/facility • Expenses generally referred to as “hard costs” that are associated with the building structure • Structural, mechanical, electrical and accessibility improvements to the <u>building/facility</u> • Limited costs for commercial appliances/equipment related to commercial business activities • Limited costs related to site improvements
<p>Ineligible Expenses and Activities</p> <p><i>(Refer to Appendix B in the guidelines for details)</i></p>	<ul style="list-style-type: none"> • Business activities commonly referred to by the Internal Revenue Code (I.R.C.) as <u>sin</u> businesses, or activities prohibited by state or local zoning, safety or building ordinances, or Delaware Code (e.g. golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, and liquor stores) • ‘Adult Entertainment Establishments’ as defined in 24 Del. C. 16, check cashing facilities, tobacco-only retailers (includes vape shops) or recreation-only marijuana retailers • Federal, state or local government related activities, as defined for the purposes of this program, include: libraries, post offices, public safety services such as police stations, etc. • Investments made to property owned by federal, state, or local government • Institutional related activities: Hospitals, public and private schools, universities and colleges • Costs generally referred to as “soft costs” (e.g. acquisition, architectural and engineering fees) • Costs chargeable to furniture, fixtures and equipment (some exceptions) • General maintenance type repairs, minor repairs and service calls
<p>ADA Regulations</p>	<ul style="list-style-type: none"> • Investors are required to contact their state and local municipality’s inspection and planning department for accessibility requirements
<p>Cash Expenditures</p>	<ul style="list-style-type: none"> • Cash transactions are highly discouraged and require confirmation from both parties • Inclusion of cash transactions for rebate consideration will be solely determined by DSHA
<p>Use of Contractors</p>	<ul style="list-style-type: none"> • General Contractors must meet program requirements • Work must be performed by a registered and <u>licensed Delaware</u> contractor • Contractor invoices must be itemized and meet program standards
<p>Placed-in-Service Date</p>	<ul style="list-style-type: none"> • Investors must comply with all state and local municipality permit and inspection processes • Final placed-in-service documentation is determined by the jurisdiction (e.g. Certificate of Occupancy, Final Building Inspection, etc.) • Investors have 60 days from the placed-in-service date to apply for a Rebate
<p>Rebate Approval</p>	<ul style="list-style-type: none"> • DSHA will review submitted documentation and determine final Rebate • DSHA will perform an inspection of the work completed • Most Investors can expect to receive their Rebate within 60 days of final submission • Investors will receive an IRS 1099-MISC form at the end of the year
<p>Program Contacts</p>	<ul style="list-style-type: none"> • Tunisha Scott, Community Development Manager Tunisha.Scott@delaware.gov or 302-739-0221 • Kimberly Edwards, Community Development Analyst II Kimberly.Edwards@delaware.gov or 302-739-0240 • Contact Information for Districts can be found in Appendix E of the DDD Rebate Program Guidelines

DDD SMALL PROJECT REBATE PROCESS

