

ATTACHMENTS TO QUALIFIED ALLOCATION PLAN

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ATTACHMENT 1

DSHA UNDERWRITING GUIDELINES

Construction Guidelines:

General Contractor's Overhead and Profit

10% of construction costs including: site work, buildings and general requirements.

General Requirements:

8% of construction hard costs for new construction and for acquisition/rehabilitation, 10% of rehabilitation costs.

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

Contingency:

5% for new construction and 10% for rehabilitation based on the cost of buildings, site work, general requirements and contractor's overhead and profit.

Only one contingency is allowed. Contingency may be used to fund additional Developer fee under certain conditions. See Cost Cert Guide and Developer Fee footnote.

Land & Acquisition Value:

Price must be supported by approved appraisal. Appraisers must contact DSHA for comparable land cost analysis. DSHA reserves the right to request a second appraisal. See DSHA for guidance and Exhibit 53 for additional details.

Development Cost Guidelines:

*Developer Fee:

10% of Total Development Cost excluding developer fee, transferred reserves, bond prepayment penalty and land cost. For identity of interest acquisitions of existing rental properties, the fee is 8½% of the Total Development Cost excluding developer fee, transferred reserves, bond prepayment penalty and land cost. **In all cases, developer fee may not exceed \$1,000,000.**

Working Capital Escrow: 2.5% of the combined construction mortgages. Amount will be released at permanent closing assuming there are no outstanding constructions or financial issues.

Operating Reserve Escrow: Four months of operating expenses, including debt service and replacement reserves. Must be funded at construction closing for acquisition/rehabilitation developments.

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

DSHA may consider an increase in the Developer's Fee at permanent loan closing in an amount up to 12.5% of the original Contingency line item as recorded in the DSHA Building Loan Agreement executed at construction closing (or in the absence of such document, as indicated in the DSHA approved proforma) provided that the following conditions are met:

1. There are sufficient unexpended funds in the contingency to reduce the DSHA permanent loan(s) by the same amount as being paid in additional developer's fee or if there are no DSHA permanent loan(s), to reduce the total development costs by the same amount as being paid in additional developer's fee; and
2. The original construction contract amount and increases in the construction contract amount required by approved change orders have been fully paid as indicated by the contractor's and mortgagor's cost certifications; and
3. The contingency funds are not otherwise required to fund approved development costs including but not limited to, required reserves or escrows; and
4. No funds have been transferred from other approved line items to the contingency and
5. Payment of any additional developer fee and subsequent reduction in DSHA permanent loans or the total development costs will not result in a decrease in the annual amount of Tax Credits or decrease in the amount of LIHTC equity contributed to the development.

ATTACHMENT 1 (CONTINUED)

Equity Factor:

DSHA requires that a minimum of .72 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. Net equity is defined as all equity raised for the development less syndication fees imposed by syndicator and allowances by DSHA (i.e., 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 acquisition credits based on the applicable rate issued by the Treasury Department one (1) month prior to application submission.

Relocation:

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. 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 results in a loss of credits, the difference in any equity reduction will be the responsibility of the owner not DSHA. Relocation expenses include resident moving expenses, utility deposits, off-site rents, management administration and other relocation expenses allowed under the URA. DSHA will allow up to \$3,000 per unit.

Relocation Operating Deficit Reserve:

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.

Bond Prepayment Fees:

Bond prepayment 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.

Operating Proforma Underwriting Guidelines:

Operating Income:

Must include rents and laundry income. Other income must be supported with written documentation.

Rents should be affordable for the market area. Please contact DSHA for comparable tax credit rents in the area of the proposed development.

For federally financed or subsidized properties, the contract rents approved by HUD/Contract Administrator must be used for the contract period. Tax Credit rents must be used after any subsidy period expires.

Interim income can only be used for HUD/DSHA approved operation expenses of the property and not for construction expenses except by written consent by HUD and 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).

Operating Expenses:

Between \$4,200-\$4,600 per unit (for non-subsidized properties).

Between \$5,200 and \$5,800 per unit (for federally subsidized properties).

(See DSHA for guidance).

Debt Coverage Ratio:	<p>1.15:1 Loan to Value ratio of 50% or less.</p> <p>1.20:1 Loan to Value ratio of 51%-80%.</p> <p>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 unless otherwise approved by DSHA.</p>
Annual Replacement Reserves:	<p>New Construction: .006 of cost of Buildings or \$500/unit for properties with 32 units or less.</p> <p>Rehabilitation: \$500 - \$1500 per unit.*</p>
Replacement Reserves:	<p>Existing federally financed or subsidized properties that have replacement reserve funds in escrow. These existing funds may be used for capital improvements (rehabilitation expenses) or to re-establish new reserve escrows. Note: Reserve funds cannot be counted towards eligible basis.</p> <p>*\$1,500 per unit replacement reserve can be established during construction. Interim Income can be used to establish the reserve. If at permanent closing the \$1,500 per unit balance has been met, the annual replacement reserve per unit cost will reduce to \$500 per unit.</p>
Trending (20-year proforma):	<p>Income: 3%</p> <p>Expenses: 4%</p> <p><u>Section 8 Properties:</u> Trending must be approved by Contract Administrator prior to application submission.</p>
Vacancy Rate:	5-7% (contact DSHA for guidance)
Management Fee:	8% of gross income (exceptions made for subsidized developments)
Operating Proforma:	Must be approved by Development's management entity and for federally subsidized properties, the contract administrator must also approve the proforma.

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

ATTACHMENT 2

2010 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 County has been identified as a Difficult Development Area for the State of Delaware:

SUSSEX COUNTY

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

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	6.01
		6.02
		7
		8
		9
		16
		17
		19
		20
		21
		22
		23
Newark	Tracts	144.03
		145.01
		145.02

Attached are maps demonstrating the expanded Qualified Census Tracts for the State of Delaware.

ATTACHMENT 4

ELIGIBLE BASIS LIMITS*

	<u>0</u> <u>Bdrm</u>	<u>1</u> <u>Bdrm</u>	<u>2</u> <u>Bdrm</u>	<u>3</u> <u>Bdrm</u>	<u>4</u> <u>Bdrms</u>
Sussex County	\$125,928	\$144,355	\$175,536	\$227,085	\$249,271
Kent County Dover	\$125,928	\$144,355	\$175,536	\$227,085	\$249,271
New Castle County City of Wilmington	\$125,928	\$144,355	\$175,536	\$227,085	\$249,271

*Replication of HUD 221(d) 3 limits effective as of 01/01/10

ATTACHMENT 5

State Strategies for Policies and Spending

Delaware State Strategies for Policies and Maps can be accessed on the web at

<http://stateplanning.delaware.gov/strategies/strategies.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.

LEAVE BLANK (Map will be inserted here)

ATTACHMENT 6

DELAWARE STATE HOUSING AUTHORITY LOW INCOME HOUSING TAX CREDIT PROGRAM

Application Checklist

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, through a written agreement. (For non-profits only.)**

- Exhibit 4 **Joint Venture Agreement, if applicable.** Applicant must submit an agreement to DSHA, outlining the current and long-term roles of the partners. 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** - Documentation of Applicant's governing body approving tax credit application and/or loan request must be submitted. (For non-profits only.)

- 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 **Current Financial Statement for each Principal Owner, Developer and/or General Partner.** If the ownership entity is an existing organization, the most recent and prior year's audited financial statements must be included.

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

- Exhibit 10 **Management Agent Qualification Application** - include all required attachments (i.e., management plan, audited 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).
- Exhibit 11 **Affirmative Fair Housing Marketing Plan**
- Exhibit 12 **IRS Form 8821, Tax Information Authorization.**

OTHER MINIMUM THRESHOLD INFORMATION

- Exhibit 13 **Local and Community Notice for Acquisition/Rehabilitation** - Applicants must notify, via certified mail, the county executive, the local state senator, and the local state representative or if in a municipality, the local mayor/council president and the local state senator and the local state representative that an application has been submitted. Applicant must also notify, via certified mail, all neighborhood associations, civic groups and community organizations within 1/4 mile of the proposed development, after submitting the application. In New Castle County or Wilmington, the New Castle County Office of Community Governing or the Community Organization Guide, City of Wilmington, Office of Planning are possible sources for a listing of neighborhood associations. A Copy of the Civic Association Directory for New Castle County is available through the New Castle County Office of Community Governing (302 395-5532) . Or in the case of sites located in Wilmington , a copy of the Community Organization Guide is available from the City of Wilmington, Office of Planning. DSHA claims no responsibility regarding the inclusion or exclusion of civic groups, neighborhood associations and or community organizations listed in the above referenced guides. For all Kent and Sussex counties, if said lists do not exist, developer must exercise due diligence and make specific contact with their local legislators to obtain information on specific and legitimate groups in notifying the appropriate surrounding communities. Legitimate (organized with by-laws) neighborhood associations, civic groups and community organizations must be in existence at the time of notification. All letters providing notice pursuant to this section shall be substantially in the same form as provided in the LIHTC application. Applicants/sponsors must certify to compliance with this section, as well as document proof of compliance in the form of U. S. Postal certified mailing receipts, stamped green cards and certification letter submitted to DSHA by 4:00 pm **April 25, 2011**. Failure to submit the above-referenced certification, stamped receipts and green cards to DSHA by the deadline will result in disqualification of the sponsor's application. DSHA reserves the right to reject any application where the notice does not conform to the form notice as provided by DSHA and/or otherwise failing to comply with the provisions of the local government and community notice requirements. New construction applications are exempt from this notice requirement.

NOTE: Applicants that successfully earn full points within the Community Outreach Notice scoring category shall be considered as meeting the Local and Community Notice for Acquisition/Rehabilitation Developments minimum threshold requirement-

- Exhibit 14 **Letter of Support from Local Public Housing Authority** - A letter of support that indicates that local public housing waiting lists and/or Section 8 existing waiting lists will be used when marketing the property.

Exhibit 15 **Independent Market Study**- Document of sufficient scope to determine if Low Income 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. (Please supply three copies).

Exhibit 16 **Letter of Government Support** – Documentation from the local government indicating its support of the development and endorsing the development in the current round of competition. This letter must be from The Chief Executive Officer of the municipality in which the development is located and must precisely reflect the development as submitted without modification or qualification.

Additional Information

Exhibit 17 **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 18 **Special Needs Verification** - Developers that will rent units in the development to one or more of the targeted special needs populations must make available a minimum of three services specifically addressing the needs of the identified group. One hundred percent (100%) of the property must be made available for the special needs population. A minimum of three (3) appropriate services must be provided free of charge to the residents. Documentation of what these services are and how these services will be paid for must be provided. Contracts and or letters of agreements must be attached.

Exhibit 19 **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. Services must be affordable, appropriate, available, and accessible at least four (4) times a year to the development's residents. Services should be actively linked to the residents and not simply provided to the community at large and must be provided on-site. Please include the following with this exhibit: qualifications of the social service organizations that will be utilized at the property, including their history, capacity and experience; program description including the details and goals of the programs for the residents; contracts or commitment letters detailing costs of services from each social service provider. 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 20 **Certification for Community Revitalization**- See Attachment 11.

Exhibit 21

Amenities/ Energy Efficiency and Fair Housing and ADA units

Amenities/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 be included also.

Energy Efficiency-Documentation by the architect of all new design features that exceed the minimum construction/rehabilitation standards for energy efficiency. See the table on page 47 of the Minimum Construction/Rehabilitation Standards for a list of minimum energy standards. Details covering costs of upgrades must be included also. Items that are standard building practices (i.e. caulking) or are required by building or rehabilitation codes will not receive points.

DSHA Certification for Base Level Energy Standards and DSHA Certification for Green Energy Standards must be signed and attached as part of Exhibit 21.

Exhibit 22

Community Outreach – Documentation that the following occurred by **March 15, 2011.**

- 1) Notification to community organizations within one-quarter mile of the development, the county executive, the local state senator and the local state representative or if in a municipality, the local mayor/council president, the local state senator and the local state representative by certified mail. Post office stamped green cards and receipts must be attached.
- 2) Documentation of meetings/presentations with the local community. Copy of sign-in sheets, newspaper notices and details of notification methods (i.e. flyers, emails, other correspondence) to existing tenants and surrounding community must be submitted with application in order to receive points. Town, City, County, or municipality meetings are eligible as community meetings/presentations only if the proposed development is the only item on the agenda and appropriate notification to all parties has been made.

SITE INFORMATION

Exhibit 23

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 24

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 allowances for all tenant paid utility costs from Public Housing Authority, RD, or local utility company estimates.

- Exhibit 25 **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 26 **Location Map.**

Exhibit 27 **Photograph of Property.**

Exhibit 28 **Phase I Environmental Audit and Phase I Environmental Site Assessment.**

All developments require a Phase I Environmental Site Assessment (ASTM E1527-05). 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 (i.e. lead, asbestos, PCBs etc.). Applicant must also complete the ‘Environmental Review Checklist’ provided in the LIHTC Application - Part II, Attachment F.

Exhibit 29 **Verification of Flood Plain and Wetlands Status and Other Unusual Site Features or Notice of Non-Applicability.**

ACQUISITION/REHABILITATION PROPERTY INFORMATION

Exhibit 30 **Current Operating Budget, if applicable.**

Exhibit 31 **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 that is an attachment in the Qualified Allocation Plan.

Exhibit 32 **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 residents income must be included with the application.

Exhibit 33 **Preservation/Rehabilitation** - (A.) Tax Credits: Any tax credit housing development, which has completed its compliance period, that is in (1) need of substantial rehabilitation or (2) at risk of losing its affordability; or, (B). Subsidized: Any currently occupied *subsidized* housing development (see Subsidized Housing definition in the QAP) in (1) need of substantial rehabilitation or (2) at risk of losing its affordability. To receive points in the preservation category, for the definitions (A) or (B), the applicant must submit written confirmation from the contract administrator and/or other documentation of imminent expiration of affordability controls. 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.
2. Have committed federal rental assistance contracts - 3 points.
3. Property was placed in service on or before December 31, 1994 – 2 points
4. Property is non-elderly/disabled – 1 point.

*All hard/rehabilitation costs will be for the building housing the units and units only. (Must be documented by the Capital Needs Assessment and proposed rehabilitation work must be past its 50% life cycle per DSHA’s Construction Standards. Attachment A – Cost Summary (LIHTC Part II Application – Page 22) must also be completed). 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. The Applicant will not be eligible for points in the Preservation/Rehabilitation Pool if Attachment A – Cost Summary of the LIHTC Part II Application is not completed.

Exhibit 34 **Historic Preservation** - Documentation that individual property is listed on National Historic Register.

Exhibit 35 **Federally-Assisted Distressed Property** - Summary of how the property qualifies as a distressed federally assisted property, if applicable.

Exhibit 36 **Ten-Year Rule.** A sworn statement that property has not transferred ownership within the last ten years.

CONSTRUCTION INFORMATION

Exhibit 37 **Physical Needs Assessment** - must be completed by a licensed architect and include an energy audit completed by a certified energy rater.

Exhibit 38 **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 2003 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.*

4. *The unit shall be provided with a separate bathroom containing a water closet, lavatory and bathtub or shower.*

- Exhibit 39 **Detailed Preliminary Plot Plan.**
- *Exhibit 40 **Architect/Artist's Rendering of Site and Proposed Development.**
- *Exhibit 41 **Department of Natural Resources and Environmental Control** - Documentation regarding National Pollutant Discharge Elimination System - Notice of Intent.
- *Exhibit 42 **National Emission Standard for Hazardous Air Pollutant.**
- *Exhibit 43 **Erosion and Sedimentation Control Plan.**
- *Exhibit 44 **DELDOT Entrance Permit, if applicable.**
- *Exhibit 45 **Model Energy Code** - Building compliance.
- *Exhibit 46 **Fire Marshal Conditional Approval.**
- *Exhibit 47 **Architectural Accessibility Board Approval.**
- *Exhibit 48 **Site Plan with Easements Notated (ALTA).**
- *Exhibit 49 **Building Permit.**
- *Exhibit 50 **Plans and Specifications (include sprinkler system requirements).**
- *Exhibit 51 **Realty Transfer Tax – Title 30 §5401 (8) c (See DSHA for form).**

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. The (*) items can be denoted on one page listing each exhibit as N/A at this time. Please note, however, that DSHA requires submission of applicable exhibits listed below before making a Tax Credit allocation.

LEVERAGING AND FINANCING INFORMATION

- Exhibit 52 **Developers Proposed Cash Flow Proforma.**
- Exhibit 53 **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 **10/07/11**. 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.
- Exhibit 54 **Appraised Land Value/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 arms length transaction, the maximum acquisition price must be the lesser of the contract price or the 'as is' appraised value of the property. For transactions involving a change in use, appraisals must include an "as is" value and an "after rehabilitation" value under its projected use. In such cases, the

acquisition cost may not exceed the lesser of the two values or any lower value, defined in the QAP, page 22 and 24. 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 property appraisal report. NOTE: The Summary Appraisal Report and the Property Appraisal should not be more than six months old.

- Exhibit 55 **Details of Equity Financing** - including written description of syndication details and copy of agreement (if applicable), award letter of grant, etc. NOTE: If claiming points for leveraging additional net equity, a detailed commitment letter must be submitted.
- Exhibit 56 **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 funding sources. NOTE: If claiming points for leveraging additional net equity, a detailed commitment letter must be submitted.
- Exhibit 57 **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 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 58 **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 59 **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 60 **Developer Blank Points Work Sheet** - Developers should score themselves on the attached form. (Must also be completed by tax-exempt bond properties.)

OTHER

- Exhibit 61 **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. In addition, names and addresses of all neighborhood associations, civic groups and community organizations within one-quarter mile of the proposed development.

*Exhibit 62 **Cost Certification** – Note: The final cost certification will be due ninety (90) days after substantial completion or certificate of occupancy or temporary certificates of occupancy, whichever occurs earlier. The substantial completion date is defined as the date DSHA acknowledges through written documentation that 100% of the units are completed and ready for occupancy or the date of the certificate of occupancy for the last completed building, whichever is earlier. 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. (See DSHA for forms).

ATTACHMENT 7

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 complex 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. ***The study must contain a signed statement by the preparer that they have read DSHA's market study requirements, agreed to perform the market study in accordance with DSHA market study requirements, and attests to the ability of the market to support the proposed housing units based upon market conditions. DSHA must pre-approve the preparer of every market study.***

_____ *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.

_____ *Site Assessment*

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:

Features

Supermarket

- 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.

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.

_____ *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.

_____ *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 unaccommodated 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.

_____ *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.

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

ATTACHMENT 8 – COMMUNITY OUTREACH

Local Community Notice For Points	Completed by
Notice to: Community organizations, neighborhood groups, civic association ¼ mile within proposed development, elected County Executive, local State Senator, local State Representative, Mayor, if in a municipality. (1 points)*	March 15, 2011
Community meetings (2 points)	March 15, 2011

*If claiming points, this notification will satisfy the QAP threshold requirement for local and community notice for acquisition/rehabilitation developments. All notice requirements must be completed by certified mail. Please read QAP for full details.

Note: By April 25, 2011 Community organizations, neighborhood groups, civic associations within ¼ mile of the proposed development, elected County Executive, local State Senator, local State Representative and Mayor (if in a municipality) must be notified. In New Castle County, the New Castle County Office of Community Governing or the Community Organization Guide, City of Wilmington, Office of Planning are possible sources for a listing of neighborhood associations. If located in Kent and Sussex counties and if lists do not exist, developer must exercise due diligence, including specific contact with local legislators to obtain information on specific and legitimate groups in notifying the appropriate surrounding communities of the proposed development. DSHA claims no responsibility regarding the inclusion or exclusion of civic groups, neighborhood associations and or community organizations listed in the above referenced guides.

ATTACHMENT 8 (CONTINUED)

COMMUNITY NOTIFICATION FORM OF NOTICE

DEVELOPER STATIONERY

CERTIFIED & REGULAR MAIL

Date:

Re: Housing Tax Credit Application Notification

Dear

_____ would like to inform you that we have made an application to

(Name of Developer or Development Entity)

Delaware State Housing Authority for Low Income Housing Tax Credits and/or Housing Development

Fund financing for an apartment complex located _____

(in your jurisdiction or your neighborhood)

We have attached a development summary for your information. Please call if you have any questions.

We can be reached at: _____.

(Address and Phone No.)

Sincerely,

Attachment

(ATTACHMENT TO NOTICE)

DEVELOPMENT SUMMARY

Sponsor: _____

Development Name: _____

Development Location: _____

State Funds Requested: _____

Housing Credits Requested: _____

Other Funding: _____

Type of Property: _____

Number of Units: _____

Development Beneficiaries: _____

Development Description: _____

Other Information: _____

ATTACHMENT 9

Delaware State Housing Authority State of Delaware LOW INCOME HOUSING TAX CREDIT PROGRAM

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. All LIHTC developments must adhere to DSHA's minimum construction standards regardless of financing source(s), including tax-exempt bond financing. In order to meet minimum threshold requirements, the Rehabilitation Standards Checklist must be fully completed for rehabilitation projects. 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.

- **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.

- **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.

- **Delaware State 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.

- **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.

Architect Certification:

- 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.
- Designs that do not meet current code requirements **will not be considered cause for a change order.**

Bidding Protocol:

The bidding protocol is not required for projects receiving Tax Credits only. However, all DSHA projects financed with HDF, HOME or other state funds receiving Tax Credits shall invite a minimum of three (3) pre-qualified builders to provide bid estimates for the proposed projects. 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.

Bids shall be awarded to the lowest bidder unless low bid is incomplete.

General Contractor Requirements:

- General Contractors must follow DSHA's bidding protocol. 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

The General Contractor Certification and Questionnaire shall be completed with all required attachments and submitted to DSHA and approved by DSHA 30 days prior to invitation to bid. The questionnaire can be found at the following link:

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

After DSHA has approved the General Contractor certification, the General Contractor will be placed on a list of approved General Contractors.

DSHA must review/approve bid documents prior to release for bidding.

1. Site Work-

- All new construction shall be designed to obtain 100% accessible routes to all units.
- 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.
- All landscaped areas shall have warrantied weed barriers installed under mulch and maintain 12" buffer between vinyl siding and grass areas, unless siding (fabric only) is at least 8" above finished grade. 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 or tree trimming. This is for curb appeal and

- beautification of the property. **Allowance is not to be used for tree removal or trimming.**
- A grading and landscaping plan shall be provided for all projects prior to closing.
- 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.
- Large parking lots shall include planting areas. At a minimum, all parking areas shall be seal coated and striped, if physical needs assessment and/or civil engineer shall so determine. However, the condition of existing parking areas may require additional courses of action.
- All condenser units shall be landscaped to avoid mowing and trimming around unit **and provided with concrete or fiberglass pad.**
- If underground sprinkler 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.*
- No portable storage buildings allowed. Incorporate into building design as a maintenance area.
- Storm water management ponds shall be designed to state standards, bio retention ponds are optimum. 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.**
- 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.
- 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.
- Preservation of existing trees is required to the greatest extent feasible and in compliance with state and local requirements.
- Use of drought resistant, minimal water consumption landscaping **is required.**
- 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).**
- **When feasible, segregate all recyclable construction debris, materials and waste.**

2. Wood and Plastic

- 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.
- Exterior grade caulking shall be used.
- Vinyl siding must be solid, and shall be a minimum of 0.044 inch in thickness.
- Existing base molding shall be removed and replaced with taller dimension profile composite trim.

3. Thermal and Moisture Protection

- Insulation shall meet all applicable codes for new construction and rehabilitation.
- Roofing materials which exceed 50% of the life expectancy shall be removed; at this time substrate shall be inspected. (No second layers allowed.)
- Asphalt shingles shall have a minimum warranty of 30 years, and meet *applicable wind building codes.*
- All exterior building surfaces shall be designed to be maintenance-free.
- All roofs shall have 3” “T” edging, no smaller than two-foot section, *especially at corner intersections.*
- All exterior surfaces shall have house wrap installed as per manufacturer’s instructions.

4. Doors and Windows

- Interior doors shall be six-panel Masonite or better. Tops and bottoms of all interior and exterior doors must be painted.
- 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.
- Hardware shall be brushed aluminum or better - no high polished brass. Grade two (2) or better, including hinges and door bumpers. All exterior hinge hardware shall be of non-rusting material.
- Windows shall be thermal insulated with a minimum "U" value of 0.33 or below. **Slider windows will not be allowed.**
- Entry doors shall have a minimum "U" value of 0.33 or below. Frame savers shall be used *on all exterior applications*.
- Medium density overlay board is not allowed for any applications.
- Entry door shall have either doorbell or knocker and peep hole (eye viewer), no polished brass.
- Exterior signage shall not be polished brass.
- Peep/viewer to be provided for solid rear door. Unit numbers shall be provided on all rear doors.
- Unit numbering and building identification numbers shall be provided **and approved by the Fire Marshal and Post Office.**

5. Finishes

- VCT 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.) **Seal and wax, per manufacturer's direction.**
- Carpet to meet minimum weight and grade standard as follows: Filament 100% smartstrand triexta BCF; Gauge: 5/32; Pile Height: .520; Stiches per inch: 7.50; Certified Pile Height: 29.40 ozs; Total Weight: 64.47 ozs; Denisty: 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. See attached carpet specification as quality standard.**
- Drywall shall be glued and screwed. Moisture resistant drywall shall be used in all locations where plumbing penetrates 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.**
- Paint shall be an Egg Shell or low luster semi-gloss. Kitchens and bathrooms shall be semi-gloss. **NO FLAT PAINT WILL BE ALLOWED.** Other paints must be approved by DSHA. Minimum three (3) coats - one (1) primer and two (2) finish coats. Shall meet requirements of manufacturer.
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.
- Doorstops shall be rubber disk type or half moon type. All other types must be approved by DSHA. All stop finish to match door hardware. The use of hinge pin type doorstops are prohibited.
- Kitchen counter top shall be provided with end splash for adjacent or end walls.
- No self-edge counter tops except for pass thru applications.

6. Specialties

- Concealed blocking is to be provided for all items such as tissue paper holders, grab bars, and medicine cabinets.
- One inch diameter grab bars properly mounted to in-wall blocking shall be used in lieu of standard towel bar.
- Cultured marble tops for vanities with slide splashes when adjacent to wall--no laminated tops with drop in bowl type fixtures.
- One-piece bathtub unit. If space constraints will not allow, rigid fiberglass surrounds Swanstone RM-58, or equal will be used in conjunction with tub. No plastic surrounds will be allowed. Select style based on adaptability. **Base shall have 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.
- 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.
- 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".
- Shower rod to be surface mounted, no tension rods allowed.
- 2.0 g.p.m. Showerheads.
- 0.5 g.p.m. Faucet aerators.
- *Vertical blinds shall be of quality construction. Each exterior door assembly (French door, slider or any combination) shall be provided with vertical blinds for privacy.*

7. Equipment

Appliances:

- All appliances will be Energy Star.
- Refrigerators shall be frost free--minimum of 15 cubic feet.
- Ovens shall be self-cleaning. (Utilize U.L. listed stainless steel connectors for gas stoves.)
- Exhaust fan, duct to exterior. Re-circulating charcoal filter type model may be used if approved by DSHA.
- Back splashguard shall be wall mounted behind range. If range located in corner, install additional splashguard on adjacent wall.
- Washer and dryer hook-up shall be designed for side-by-side set up with a minimum depth of 30" (**vented to exterior**).
- 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.
- Dishwashers are to be provided. If venting on unit is located adjacent to counter top, underside of counter top edge must be laminated.

8. Furnishings

- 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. *If cabinet is not designed with recessed edge, hardware shall be provided.*
- Provide plastic laminate on wall between wall and base cabinet for all areas adjacent to cabinets.
- Medicine cabinet shall be installed in lieu of mirrors, surface mount, heavy gauge steel construction with stainless steel frame or molded bodies, rust resistant, soft tone baked enamel

- interiors, shatter resistant, polystyrene shelves.
- Wet wall at mop sink shall have FRP board on walls.
- Hardware shall be provided for all cabinet drawers and doors per ADA requirements. NO BRIGHT BRASS FINISHES.

9. Mechanical

- Non-mercury programmable thermostats.
- 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.
- Provide a main water supply shutoff for each building.
- 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.**
- **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)**
- No polybutylene piping allowed.
- High efficiency HVAC units. Furnace efficiency = 90% or better. Min. SEER = 13.0.
- Hot water heater shall have integral R = 16 insulation. No blankets will be allowed. *Minimum warranty period is 5 years.*
- Hot water heaters shall have a minimum Energy Factor between 0.82 to 0.91EF.
- 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.
- No through the wall HVAC units.
- Tub and shower faucets shall have anti-scald protection provided.
- Sealed combustion, direct vent furnace and water heater.
- 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.

10. Electrical

- **All building codes shall be incorporated into each project, any item to make project code compliant shall not be an extra or change order. All incidentals shall be included.**
- Energy Star fluorescent lighting package.
- Overhead ceiling fixture for living room/dining area in lieu of swag fixture.
- Exterior fixtures shall not have brass finish.
- Overhead ceiling fixtures shall be installed in all bedrooms. Wall sconces may be installed due to existing conditions.
- Bathrooms shall provide minimum of one ceiling fixture and one wall fixture.
- ARC Fault Circuit Interrupter must be provided on all bedroom circuits or where code mandates, most stringent shall apply.
- Provide one telephone and cable outlet in each bedroom and one other telephone and cable outlet *if possible use combination box/plate.*
- Energy Star fluorescent porch lights with photocell.
- **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.**
- **Contractor shall verify existing utility conditions and include into base bid of contract.**

11. Miscellaneous

- If common hallways are designed, no carpet. VCT to be installed in common hallways with two colors required.
- Shelving shall be vinyl coated wire units. Provide all intermediate supports needed.
- Contractor shall supply rechargeable 2.5 ABC fire extinguishers (minimum size) for each unit, or where code mandates, most stringent shall apply.
- All emergency exit signs shall be LED.
- 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.
- Automatic light controls in the community building should minimize energy use.
- A termite inspection and certificate shall be provided for all rehabilitation projects prior to construction closing.
- Termite pre-treat of soils is required for all new construction. *Certificates shall be part of the Operation and Maintenance Manual.*
- All developments must be provided with adequate laundry facilities on site or washer and dryer hook ups in each unit. Dryer venting must meet all applicable codes for venting. Laundry facilities must meet ADA requirements for front-loading washing machines.
- 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.
- 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.
- High efficiency air filters for mechanical blower units.
- Use of ABS plastic in lieu of CPVC.
- 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.
- Contractor shall make conservative effort to separate construction debris for recycling.

NOTE 1: 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 physical needs assessment be submitted with the application if rehabilitation work is to be performed.** 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 physical needs assessment.

NOTE 2: **The following Rehabilitation Standards Checklist must be completed and submitted with the application for developments involving rehabilitation.** Please verify actual lifespan of all components of existing structure. If not submitted/completed, application will be considered incomplete and will not be scored.

NOTE 3: The following "Plans/Specifications Review" checklist is for informational purposes as to the key areas DSHA will review for compliance to DSHA's minimum construction/rehabilitation standards.

NOTE 4: 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/>.

NOTE 5: 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.

NOTE 6: 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.

For rehabilitation projects, the "Rehabilitation Standards Checklist" must be completed or the application will be considered incomplete and will not be scored.

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.

Updated: 1/10

Project Name: _____

Date Built: _____

Date Last Rehabilitated, if applicable: _____

REHABILITATION STANDARDS CHECKLIST

EXTERIORS

APPROXIMATE AGE

Roof type/pitch: _____ years

of layers: _____

Substrate material _____ years

Condition: Poor Fair Good Excellent

Insulation: Type _____ Thickness _____

Estimated R-value _____

Siding type: _____ years

Window type: _____ years

Does window meet egress requirements? Yes No

Exterior Trim:

Gutters/Downspouts _____ years

Materials/type: _____

Condition: Poor Fair Good Excellent

Fascia/Soffits _____ years

Materials/type: _____

Substrate Condition: Poor Fair Good Excellent

Sidewalks:

Meets ADA compliance/ramping? _____ years

Condition: Poor Fair Good Excellent

Parking lot:

Condition: Poor Fair Good Excellent

* Any parking lot surface with either fair and/or poor conditions shall have civil engineer complete a survey as to the remaining lifespan. If determined to be in poor condition, contractor shall include in needs assessment to replace pavement.

Curb Cuts: Yes No

Space provided/spaces required grandfathered _____

Handicap parking provided? Yes No

Bumpers provided? Yes No

Condition: Poor Fair Good Excellent

APPROXIMATE AGE

Exterior lighting type: _____ Tied to house panel: Yes No _____ years
Condition: Poor Fair Good Excellent

Security System _____
Condition: Poor Fair Good Excellent

INTERIORS

Kitchen:
Cabinets: Type _____ _____ years
Counter tops: Type _____ _____ years
Flooring: Type _____ _____ years
Asbestos: Yes No
Subflooring Material: _____
Condition: Poor Fair Good Excellent

Appliances:

Refrigerator: _____ C.F. _____ years
Frost-free model: Yes No
Dishwasher: _____ years
Stove: Gas Electric U.L. gas connection _____ years
Garbage Disposal: _____ hp _____ years
Exhaust hood: Vented to exterior: Recirculating:
Washer: Type: Stack Side-by-Side _____ years
Drain provided: Yes No
Dryer: Adequate Venting: Yes No _____ years
Vent pipe material: _____
Miscellaneous: _____ _____ years
Interior Doors type _____ _____ years
Sliding Doors: Yes No
Hardware type _____ _____ years
Patio Doors: Yes No

APPROXIMATE AGE

Bathroom:

Bathtub type: _____ years

Condition: Poor Fair Good Excellent

Tub Surround type: _____ years

Anti-scald valve: Yes No

Sink/vanity type: _____ years

Toilet type: _____ years

Water Saver: Yes No

Flange Condition: Poor Fair Good Excellent

Flooring:

Carpeting: _____ years

Flooring Condition: Poor Fair Good Excellent

Vinyl Composition Flooring: _____ years

Flooring Condition: Poor Fair Good Excellent

Type of Sub floor: _____ years

Condition: Poor Fair Good Excellent

Base Molding: Type: _____ Height: _____ " _____ years

Condition: Poor Fair Good Excellent

Exhaust Fan: Poor Fair Good Excellent

Existing soft spots in flooring: Yes No

Other: _____ years

Asbestos present: Yes No

Walls: Type: _____ years

Condition: Poor Fair Good Excellent

Mold/Mildew Present: Yes No

Ceilings: Type: _____

Texture: Yes No _____ years

Textured: Condition: Poor Fair Good Excellent

Active Staining Present: Yes No

Shelving: Type: _____ years

APPROXIMATE AGE

Smoke Detectors:

Hard-wired _____ Battery _____ _____ years
Meets current codes? Yes No

Sprinkler System:

Meets current codes? Yes No _____ years

Date last inspected: _____

HVAC:

Electrical connection _____ amps
Condition: Poor Fair Good Excellent
Code compliant: Yes No

System Type: _____ _____ years

Duct System: _____ _____ years

Cleaning Date: _____

Air Conditioning: Type: _____ _____ years

Condensation lines conditions: Poor Fair Good Excellent

Water Heater: Type: _____ _____ years

Condition: Poor Fair Good Excellent

Patio/Balcony: _____ Railings: Yes No _____ years

Meets current codes? Yes No

Condition: Poor Fair Good Excellent

Mini Blinds: Yes No _____ years

Electric Supply Type: _____ GFI: _____ _____ years

Amperage Supply: _____ AMP Service _____

ARC Fault Interrupter? Yes No Last Inspection Date: _____

Common Areas:

Interior Stairs:

Meets Code requirements: Yes No

Handrail condition: Poor Fair Good Excellent

Handrail height: _____".

Interior Corridors:

Condition: Poor Fair Good Excellent

Fire Protection Provided? Yes No

Last Inspection Date: _____

Storage for tenants available? Yes No

Interior lighting adequate: Yes No

Foundation, Crawl and Basement:

Condition: Poor Fair Good Excellent

Supply / drain pipes:

Condition: Poor Fair Good Excellent

Piers: Material _____

Condition: Poor Fair Good Excellent

Walls: Material _____

Condition: Poor Fair Good Excellent

Support Beams: Material _____

Condition: Poor Fair Good Excellent

Joists:

Condition: Poor Fair Good Excellent

HVAC:

Adequate venting: Yes No

Inspection Date: _____

Adequate Lighting: Yes No

Termites: Yes No

Last inspection _____

Miscellaneous:

Mailboxes: _____

Interior: Condition: Poor Fair Good Excellent

Exterior: Condition: Poor Fair Good Excellent

On accessible route: Yes No

Cable TV Provided _____

New System _____

ADA Access: _____

APPROXIMATE AGE

Maintenance Free Exterior Yes No

Storm Water management: Yes No

Last Preventative Maintenance completed: _____

Asbestos Present: Yes No _____ years
(NESHAP ENVIRONMENT AUDIT)

Lead Based Paint: Yes No _____ years

Mold Present: Yes No _____ years

Playground Equipment:

Type: _____ _____ years Age:

Meets Safety Guidelines: Yes No

Is playground on accessible route? Yes No

Dumpster Locations _____

Number Existing: _____

Number Proposed: _____

Construction: _____ Condition: _____

Swimming Pool: Yes No _____ years

Elevator: Yes No _____ years

Date of last inspection: _____

Cable Contract: Yes No _____ years

Fence: Perimeter Yes No

Partial Yes No

Condition Poor Fair Good Excellent

Type _____ Material _____ Height _____

Other utilities contracts? Yes No years remaining on contract

Explain: _____

Flat Roof: Yes No _____ years

Common Hallway: Yes No

Interior Exterior _____ years

Any units below finished grade Yes No

Exterior and Interior Doors Type: _____ _____ years

Insulation: _____ years

Ceiling ___inches Walls ___inches Floors ___ inches

Overall Development Age _____

Minimum Square Footage Requirements: (if units are to be converted)

One Bedroom Unit: Minimum 700 S.F.

Two Bedroom Unit: Minimum 850 S.F.

Three Bedroom Unit: Minimum 1050 S.F.

Site Office: _____SF

Maintenance Shop: _____SF

Location on ADA Compliant Route: Yes No

Bathroom ADA Compliant: Yes No

Laundry Room: Yes No

ADA Accessible: Yes No

Community Room: Yes No

ADA Accessible: Yes No

Project Sign: Yes No

Lighted: Yes No

Sign to be replaced: Yes No

Fire History of Property: NA _____date of occurrence

Life Expectancy of Different Products/Items/Materials

Life in Years

Disposal 5

Microwave ovens 5

Ranges

Free standing and built-in, electric 12

Free standing and built-in, gas 12

Refrigerators

Standard 10

BATHROOMS

Cast iron bathtub 25
(Resurface)

Fiberglass bathtub and shower 10

Shower doors (average quality) 5

Toilet 10

CABINETRY

Kitchen cabinets 10

Medicine cabinets/bath vanities 10

COUNTERTOPS

Laminate 10

DOORS

Screen 10

Interior

Six Panel Masonite 15

Exterior

Unprotected and exposed 15

Electric Baseboard heat 10

Hot water or steam heat 15

FINISHES

Exterior (paint, plaster, stucco) 3-5

FLOORS

Vinyl sheet or tile 10

Carpeting 5

HEATING VENTILATION AND AIR CONDITIONING

Air conditioning unit:

Central unit 10

Window unit 5

Air conditioning compressor 5 to 7

Water heater

Electric 10

Gas 11

Forced air furnaces

Heat pumps 10

Ductwork

Plastic 15

Rooftop air conditioners 10

Boilers, hot water (steam) 15

Furnaces

Gas or oil fired 15

Unit heaters

Gas or electric 10

Radiant heaters 10

Coal and tar 10

Asphalt composition shingle 20

Life in Years

Air terminals
Diffusers, grilles,
And registers 15

Pumps, sump and well 10

Smoke detectors: Battery/ 10
Hardwire

Wooden decks 15

Brick and concrete patios 15

Concrete walks 15

Sprinkler systems 12

Fences 5

Interior
Wall paint 3 to 5

Trim and door 5-10

PLUMBING

Sinks
Enamel steel sinks 5-10

Stainless 10

Faucets (Low quality) 5

ROOFING
Asphalt and wood shingles
And shakes 20

Built-up roofing 10
Asphalt

SHUTTERS

Plastic (vinyl)
Exterior 7-8

SIDING

Gutters and downspouts 20
Siding

Wood (T1-11) 10

Aluminum 20

Vinyl 25

WINDOWS

Wood casement 20

Wood-Single/Double Hung 15

Aluminum casement 10

Screen 5

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

PLANS/SPECIFICATIONS REVIEW CHECKLIST

Upon a reservation of credits or funding, the following items must be completed as applicable:

DATE

_____ 1. *Department of Natural Resources*

- A. *Erosion and sedimentation if site disturbance is more than 25 acres*
- B. *On-site septic*
- C. *On-site public well*
- D. *NPDES - NOI Permit for over 5 acres*
- E. *NESHAP - Building older than 1980*
- F. *Lead Based Paint Assessment - Building older than 1978*

_____ 2. *Soil Conservation District*

- A. *Sediment and Storm Water Management*
 - 1. *Erosion and Sedimentation Control Plan and Narrative*
- B. *Wetlands survey, if applicable* ___
 - 1. *Wetlands delineation*
- C. *Flood plain, if applicable* _____

_____ 3. *Utilities (approval documentation)*

- A. *DelDot - Entrance Permit*
Contact Person _____
- B. *Sewer Line tie in*
 - 1. *Location* _____
 - 2. *Capacity verification* ___
- C. *Storm Line tie in*
 - 1. *Location* _____
 - 2. *Capacity verification* ___

- D. Electrical Contact Person _____
 - E. Gas - natural or propane
Contact Person _____
 - F. Water
 - 1. Public Water tie in
 - A. Location _____
 - G. Streets, sidewalks and curbing
 - H. Underground/Aboveground Storage Tanks, Yes or No
 - I. Model Energy Code _____
- _____ 4. Fire Marshal Approval (send letter to Fire Marshal to waive fee)
- A. Conditional _____
 - B. Final approval _____
- _____ 5. Architectural Accessibility Board
- A. Conditional _____
 - B. Final approval _____
- _____ 6. City Requirements, if applicable
- _____ 7. Utility Easements, Agreements
- A. Existing _____
 - B. Proposed _____
- _____ 8. Access Easements, Agreements
- A. Existing _____
 - B. Proposed _____
- _____ 9. Permits, Building Contact Person _____
- _____ 10. Environmental Audit, Test Borings, Engineering/Geotechnical Report

*Development Standard Checklist
Page Three*

_____ 11. *Survey, Property, Boundary*
A. *Sealed and Signed* _____

_____ 12. *Other State and Federal Requirements*

_____ 13. *Zoning Verification*
A. *Contact Person* _____

_____ 14. *Copy of Deed*
A. *Deed Book and Number* _____

_____ 15. *Federal Fair Housing Amendment Act*
Design Guideline Compliance yes _ no _

_____ 16. *American with Disabilities Act (ADA)*
Design Guideline Compliance yes _ no _

_____ 17. *Noise Assessment Guidelines*
Federal Guideline Compliance yes _ no _

esl

Revised: 12/09

Energy Efficiency Table

Item	Exceed Standard	QAP Points	Estimated Material Costs	Notes
Insulation shall meet all applicable codes for new construction and rehabilitation	25% or better	1 point	\$0.14/SF	High Density Batt Blown-in
	50% or better	2 points	\$0.31/SF	
Windows shall be thermal insulated with a minimum "U" value of 0.33 or below	Below 0.33 Low E, Argon Gas	1 point	\$35 to \$65 per window	
Entry doors shall have a minimum "U" value of 0.33 or below	Below 0.14	1 point	\$45 per door	
Hot water heater shall have integral R=16 insulation	Energy Factor between 0.82 to 0.91EF	1 point		
High efficiency HVAC unit 90% or better Minimum SEER rating = 13	SEER =14	1 point	\$2,075	
	SEER=16	2 points	\$3,000	
	SEER=18	3 points	\$3,675	

Actual costs may vary, not all manufacturer's were compared.
Installation not part of estimate (Unit cost only)

The sample on the previous page would receive a total of 5 points for exceeding DSHA's standards. Other proposed energy efficiency may be approved at DSHA's discretion. Any substitutions for energy efficiency amenities will only be allowed if the substitution is for the benefit of the tenant and must be approved by DSHA.

Failure to provide the energy efficiency amenities after points are awarded and a Carryover Agreement is executed will result in a noncompliance penalty point (in the same amount awarded) and will be imposed upon the applicant and responsible development team. The noncompliance point penalty will be carried over to the subsequent application submission.

DELAWARE STATE HOUSING AUTHORITY
Development Quality
Base Level Green 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 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. Toilets – 1.6 gallons or less per flush, shower heads – 2.0 GPM. Bath and kitchen faucets 2.0 GPM or less.
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**.

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

DELAWARE STATE HOUSING AUTHORITY
Development Quality
Base Level Energy 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 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
2. Energy Star qualified heat pump, furnace, air conditioning and/or ventilation equipment
3. Non Mercury programmable thermostats
4. Energy Star qualified lighting
5. Hot Water Heating shall have a minimum Energy Factor between 0.82 to 0.91EF.
6. Building draft stopping and air sealing scope of work to be included in the project specifications with minimum verification by visual method. See 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.

Please 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)

(Full legal name of Architect)

Signature

Signature

Name:

Name:

Title:

Title:

ATTACHMENT 11

**FORM OF CERTIFICATION OF CONSISTENCY
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 12

DELAWARE STATE HOUSING AUTHORITY RELOCATION ASSISTANCE 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—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**) 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**) 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 (See 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—RESIDENTIAL RESIDENT THAT THEY WILL NOT BE DISPLACED.
(Applicant Letterhead)

Date

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—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:

1. You will be able to lease and occupy your present apartment or another suitable, decent, safe and sanitary apartment in the same building/complex 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 2 - (Non-Section 8)

NOTICE OF ELIGIBILITY FOR RELOCATION ASSISTANCE
RESIDENTIAL RESIDENT
(Applicant Letterhead)

Date

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

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/complex 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)at(address and 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 5
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)

When residents require permanent relocation assistance (i.e., they chose 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)