

**DELAWARE STATE HOUSING AUTHORITY
HOUSING DEVELOPMENT FUND
GRANTS**

PURPOSE

The purpose of the Housing Development Fund (HDF) Grants is to provide nonprofit sponsors the opportunity to administer or fund special housing programs when it is proven that only a grant will enable the project to work successfully. Projects considered for grants must be targeted towards very low-income persons.

It is expected that the nonprofit entity has operational funding in place and previous experience in the successful development of housing programs for low-income families. HDF funds may be used to finance 100% of the funds needed for a project's first year; however, requests in subsequent years to the HDF must be matched 50/50 from other sources. In-kind contributions cannot be used for the 50/50 match.

CRITERIA FOR GRANT APPLICANTS

- Organizational and financial capacity to meet its operating expenses and to provide for unforeseen occurrences.
- Previous experience in the successful development and operation of housing projects for families of low or very low income.
- Continuity of an organizational structure.
- Desire to provide housing for persons of low or very low income and continued involvement with the project throughout the term of the grant.
- Significant involvement in the community where the project is located.
- Support of the organization's membership for the development and administration of the project.
- Expertise within the nonprofit entity and staff availability to assist in the successful planning, marketing, and managing of the project.

To improve the overall viability of a project, DSHA may suggest that a nonprofit sponsor joint venture the project with another acceptable entity. This request will be made if the project has merit but the sponsoring nonprofit entity seems deficient in one or more of the areas needed to maintain the long-term viability of the project.

9/1/06

Please complete the following application form. Feel free to provide any additional information as an attachment. Sponsors should be prepared to provide the Authority copies of its three most recent annual financial statements.

There will be a \$500 non-refundable grant application fee.

All questions concerning this application process, and completed applications, should be directed to:

Jerry W. Jones
Housing Finance/Development Administrator
Delaware State Housing Authority
18 the Green
Dover, DE 19901
PH: (302) 739-4263
FAX: (302) 739-1118
E-MAIL: jerry@destatehousing.com

APPLICATION FORM
HOUSING DEVELOPMENT FUND
Delaware State Housing Authority
Grants

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

I. APPLICANT INFORMATION

Program Name_____

Program Address_____

City_____ County_____

Sponsor Name_____

Sponsor Address_____

City_____ State_____ Phone Number_____

Contact Person _____ Phone Number_____

Type of Organization: (please check)

____ Non-Profit ____ Local Government

Is the applicant/sponsor recognized by the Internal Revenue Service as tax-exempt under Section 501(c)3? ____

Yes_____ No_____ Status Pending_____

(EXHIBIT A)

Please provide background information on sponsor. Please provide a list of board officers and staff involved in the proposed program and resolution of applicant's governing body approving request for Grant. (EXHIBIT B)

Please provide a brief summary of any other housing programs or housing affiliations with other agencies/companies that you have been involved in. (EXHIBIT C)

Please provide letters of support for your project proposal.
(EXHIBIT D)

Please check appropriate proposed program category:
_____ New Program _____ Expansion of Existing Program
_____ New Component of Existing Program _____ Existing Program

II. FUNDING REQUESTED

Amount Requested: \$ _____

Timetable: Set-up: _____ Months Starting Date: _____

III. PROGRAM DESCRIPTION

Program Beneficiaries. Please briefly describe the program beneficiaries, targeted income groups, type of households, etc.

Program Activities. Please briefly describe your program.

Please attach a narrative of the program that should include at least the following information: description of program methods, services offered, eligibility requirements, regulations and guidelines for participants, and any other information that will help explain how the proposed program will be operated. Also indicate future financial plans for income and fiscal stability; in particular, how operational funds will be procured. Please include as much information as you feel appropriate so that we may have a good understanding of the program. (EXHIBIT E)

Program Administration. Describe how program operations will be administered and how day-to-day operations will be handled. List the governing group(s). (EXHIBIT F)

Please provide marketing study or statistics that demonstrate the need for the program. (EXHIBIT G)

IV. PROJECT ECONOMICS

Sources and Uses of Funds (Annual Operating Budget) (EXHIBIT H)

NOTE: Sources and uses must equal each other. Please attach all funding commitment letters, requests, and applications.

Sources: (at a minimum, please include the following)

- HDF Request
- Matching Grant Funds
- Donations
- Fees
- Other Funding Sources

Uses: (examples of uses are as follows)

- Pre-Development Costs
- Administrative expenses
- Salaries
- Insurance
- Telephone
- Supplies/Equipment
- Other Operational Expenses

V. EXPECTED IMPACT AND/OR RESULTS OF PROGRAM:

Please describe expected impact of program over period of time.

If applicable, please describe any risks involved in continued feasibility of program, should grant funds not be appropriated in subsequent years.

VI. QUALIFICATIONS OF APPLICANT

1. Legal Status of Applicant (check one):

Nonprofit _____

Local Government _____

Joint Venture (explain) _____

2. The Applicant, if a corporation, was organized on _____
under the laws of the State of _____

_____. (Attach as EXHIBIT A
Articles of Incorporation, the Corporation Bylaws,
Partnership Agreement, and all other organization documents.
Nonprofit corporations are to attach a copy of the IRS
tax-exempt status as part of EXHIBIT A).

3. Is the Applicant or the ownership entity required to file
reports with Federal Securities and Exchange Commission or
any State agency?

Yes No

4. Has the Applicant, or any director, general partner, joint
venturer, or 10% or greater stockholder of the Applicant,
ever been declared ineligible to participate in any
governmental assisted housing, construction program, or
government social service program?

Yes No Unknown - have never applied.
If "Yes", please explain in depth.

5. Neither the Applicant nor any director, officer, general
partner, employee, joint venturer, 10% or greater
stockholder, or agency associated with the Applicant, nor
any person, firm or corporation having financial interest in
the project, has received nor will receive any benefit from
the project including, but not limited to, rebates, refunds,
commissions or fees, except as stated below: (if none, so
state)

6. Has the Applicant, or any director, officer, general
partner, joint venturer, or 10% or greater stockholder of
the Applicant, ever filed a petition of voluntary
bankruptcy? Yes No

7. Has there ever been filed a petition of involuntary bankruptcy against the Applicant, or any director, officer, general partner, joint venturer, or 10% or greater stockholder of the Applicant? Yes No
8. Has the Applicant, or any director, officer, general partner, joint venturer, or 10% or greater stockholder of the Applicant, ever made an assignment of assets for the benefit of creditors? Yes No
9. Are there any unsatisfied judgments or tax liens outstanding against the Applicant or property under Applicant's control, or any director, officer, general partner, joint venturer, or 10% or greater stockholder of the Applicant?
 Yes No
10. Has the Applicant been a party to any litigation within the last 5 years? Yes No
If "Yes" was answered to questions 6 through 10, give a full explanation:

11. Financial Status of Applicant. Please provide a copy of Applicant's three most recent audited financial statements - attach as EXHIBIT I.

12. Has the Applicant, or any director, officer, general partner, joint venturer, or 10% or greater stockholder of the Applicant, previously participated in a corporation, partnership, joint venture, etc. in any housing program of the Department of Housing and Urban Development, the Federal Housing Administration, or any other governmental agency?
 Yes No
If "Yes", indicate agency involved, name, size, type and location of development, present mortgage status (current, default, payment deferred, etc.), and other details:

— Has the applicant ever been debarred or declared ineligible to participate in any federally sponsored program or other government program? () Yes () No
If the answer is "yes", please explain:

13. Has the Applicant employed a housing consultant, loan consultant, mortgage banker, project planner or other party to assist in planning, financing, or otherwise developing the proposed project? Name and describe the responsibilities of each consultant engaged (if none, so state).

14. Has the Applicant or any director, officer, general partner, joint venturer, or 10% or greater stockholder of the Applicant, received a previous loan or grant from the Housing Development Fund? () Yes () No
If "Yes", please explain in depth.

The program shall be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, and Delaware Code Chapter 46, Title 6, The Equal Right To Housing provisions and Americans with Disabilities Act.

The Delaware State Housing Authority is required to maintain disclosure reports for recipients of HUD housing assistance. In addition, notice of the availability of these disclosure reports must be published periodically at various stages until the completion of the project for which the HUD assistance is provided. The purpose of the disclosure reports and public notification of their availability is to ensure that documentation regarding all funding decisions utilizing HUD funds is adequate to indicate the basis for such decisions.

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

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

APPLICATION CHECKLIST
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The following exhibits should accompany the HDF Application Form. Please be sure each exhibit included is labeled with the letter shown below, even if some exhibits are excluded from your package.

- Exhibit A - Articles of incorporation, bylaws, partnership agreements, and tax status.
- Exhibit B - List of board officers and staff and background information on each. Resolution of governing body approving request for grant.
- Exhibit C - Affiliations/programs. Past experience with housing projects.
- Exhibit D - Letters of support.
- Exhibit E - Narrative of proposed program.
- Exhibit F - Organization's administrative overview.
- Exhibit G - Marketing study or needs assessment.
- Exhibit H - Sources and uses of funds; copies of grant/loan commitments from other funding sources (annual operating budget).
- Exhibit I - Audited financial statement (for last 3 years).