

PROJECT AND NEIGHBORHOOD STANDARDS  
HOUSING DEVELOPMENT FUND

Delaware State Housing Authority  
State of Delaware

Proposed developments must meet the standards in this section.

1. The development 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.
2. The development must promote greater choice of housing opportunities to, and avoid undue concentration of assisted persons in, areas containing a high proportion of low-income persons.
3. The site must be free from adverse environmental conditions, natural or manmade, such as instability, flooding, septic tank backups, sewage hazards, or mud slides; harmful air pollution, smoke or dust; excessive noise vibration or vehicular traffic; rodent or vermin infestation; or fire hazards. The neighborhood must not be one, which is seriously detrimental to family life or in which substandard dwellings, or other undesirable elements predominate, unless there is activity in progress to remedy the undesirable conditions. Phase I and Phase II environmental audits may be required.
4. The site must be adequate in size, exposure and contour to accommodate the number and type of units proposed and must conform to all local zoning ordinances/laws.
5. Adequate utilities (water, sewer, gas and electricity) and streets will be available to the site.
6. The housing must be accessible to social, recreational, educational, commercial and health facilities and services as well as other municipal facilities that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents/sale prices.
7. Travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for the targeted population must not be excessive. (While it is important that elderly housing not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such developments.)
8. Developments that require permanent or temporary relocation of current tenants, homeowners, and/or businesses will be considered only if HUD relocation guidelines are followed.
9. The development may not be in an area that has been identified as having special flood hazards and in which the sale of flood insurance has been made available under the National Flood Insurance Act of 1968, unless the development is covered by Flood Disaster Protection of 1973, and it meets any relevant Department of Housing and Urban Development standards and local requirements.

10. The marketing survey, submitted in the application, must reflect a satisfactory unit absorption rate, as well as a demonstrated need for this development. Verification of market information must be a part of the application.
11. The repayment schedule of the Housing Development Fund loan proceeds will be taken into consideration when making a determination in the approval of the loan request. Applications that show a shorter loan period, and that do not jeopardize the integrity of the development, will be given a higher priority ranking when a final decision is made.
12. It will be the responsibility of the general contractor to supply references at the time that the application is submitted. If the general contractor is not selected at the time of application submission, references must be submitted at the time of selection, and DSHA reserves the right to reject the general contractor. The general contractor must provide payment and performance bonds from an approved bonding company prior to beginning work on a development.
13. A limited-profit or limited liability corporation applicant who is applying for HDF or conventional permanent financing will agree to limit the amount of profit/equity distributable per year to partners/equity holders to amounts not to exceed 6% of initial investment on elderly and handicapped developments and 10% of initial investment on family developments. Where developments have a mix of units, a weighted average based on unit mix will be applied. Applicants operating on this basis will be permitted to receive a return on their initial investment in accordance with the DSHA regulatory agreement, which will be executed at the time of final closing. In the regulatory agreement, the Applicant will legally obligate itself to regulate rents, charges, rates of return, and methods of operations. Initial investment is defined as total development costs less all permanent loans and grants, whether from DSHA or other sources. Where Low Income Housing Tax Credits are involved, the amount of annual equity distribution is limited to 1.5% of initial investment. DSHA reserves the right to adjust profit/equity distribution at its sole discretion.