



**State and Local Fiscal Recovery Funds
Multifamily Revenue Bond Accelerator
Program Guidelines**

Table of Contents

PROGRAM OVERVIEW..... 2

FUNDING AVAILABILITY 2

ELIGIBLE ASSISTANCE 2

APPLICATION INFORMATION..... 2

 Eligibility..... 3

 Other Information and Requirements 3

APPENDIX 4

 Areas of Opportunity 4

 New Housing Creation 4

 New Housing Creation Pool 4

 Construction and Energy Standards..... 4



PROGRAM OVERVIEW

The Department of the Treasury has made available more than \$350 billion in Coronavirus State and Local Fiscal Recovery Funds (SLFRF), a part of the American Rescue Plan Act (ARPA) to state, local, and Tribal governments across the Country to support their response to and recovery from the COVID-19 public health emergency.

The Delaware State Housing Authority (DSHA) has allocated up to \$15 million in gap financing to the Multifamily Bond Revenue Accelerator Fund (MBRA). The purpose of this program is to accelerate the development of multifamily affordable housing units by providing additional financing for 4% LIHTC projects that would otherwise not be financially feasible. In addition to the Housing Development Fund permanent financing specified in the 2023-2024 Qualified Allocation Plan (QAP) and the HOME funds available to the highest scoring 4% application, DSHA will make up to \$35,000 per unit available in SLFRF ARPA funds to qualified 4% applications. There will be no per project limit to this financing. All units receiving SLFRF ARPA funds must meet tenant income eligibility requirements under the LIHTC program.

FUNDING AVAILABILITY

- Up to \$15 million State and Local Fiscal Recovery Funds (SLFRF) to establish the Multifamily Bond Revenue Accelerator Fund.
- Applications for this funding will be accepted on the April 28, 2023 deadline for LIHTC applications. To the extent funding remains available after that date, applications for this fund will be on a rolling basis, in a manner similar to that described in the 2023-2024 QAP for 4% applications generally.
- Awards of up to \$35,000 per unit with no per project limit to financing.

ELIGIBLE ASSISTANCE

To be eligible, a proposed development must qualify under the definition of the New Housing Creation pool in the QAP.

- Priority will be given to applicants
 - In Areas of Opportunity, as defined in the QAP, in Kent and Sussex Counties
 - In Areas of Opportunity, as defined in the QAP, in New Castle County

APPLICATION INFORMATION

Applications for this funding will be accepted on the April 28, 2023 deadline for LIHTC applications. To the extent funding remains available after that date, applications for this fund will be on a rolling basis, in a manner similar to that described in the 2023-2024 QAP for 4% applications generally. All projects



receiving this funding will be required to reach financial closing on or before December 31, 2024. Applications for both the 2023 and 2024 LIHTC cycles will be considered.

Should DSHA decide that an otherwise eligible application will not be able to complete construction by December 31, 2026, DSHA will not award SLFRF ARPA funds.

Eligibility

- Eligibility for the MRBA Program will be reviewed in conjunction with developers' LIHTC applications.
- Applicants may include in part II of their LIHTC applications the proposed request for SLFRF ARPA funding as a source for financial feasibility.
- All applications will be reviewed for financial feasibility and be required to demonstrate how the proposed project is effective and consistent with DSHA's housing development underwriting and project review procedures.
- To the extent that DSHA may determine that SLFRF ARPA funding is not necessary for financial feasibility, DSHA may determine that no SLFRF ARPA funding be awarded to the project.

Other Information and Requirements

- SLFRF ARPA funding will follow DSHA federal funding loan terms as outlined in the QAP funding supplement.
 - The loan will be subordinate to any other DSHA lending.
 - Interest will be deferred during construction and for all periods after the Conversion Date during which the development remains in compliance with the requirements of the LIHTC program, all restrictive covenants, and all other funding sources.
 - Failure to maintain such compliance will trigger repayment requirements.
- Funds will be disbursed at construction closing using DSHA's LIHTC construction draw process.
- To the extent that SLFRF ARPA funds from this set-aside remain available once funding decisions have been made for applications received by the April 30, 2023 deadline, DSHA reserves the right to award funding to future 4% applications made under the terms of the 2023-2024 QAP, until such funds have been awarded or December 31, 2024, whichever occurs first.



APPENDIX

Areas of Opportunity

- Delaware Market Areas A, B, and C and/or areas where students are attending schools achieving a high proficiency level of 85% or higher (as defined by HUD). These are strong high-value markets where new affordable housing opportunities should be supported.
 - DSHA maps of the defined areas are available at the Balanced Opportunities Housing Maps link: <https://arcg.is/0GXD8j0>

New Housing Creation

The creation of newly affordable rent and income restricted units.

- Conversion:
 - Any non-subsidized, non-tax credit housing development considered substandard (see definition) that needs substantial rehabilitation which will be converted into newly restricted and assisted affordable housing rental units; or
 - Conversion of non-residential use to residential use. NOTE: All conversion projects must meet all threshold requirements including minimum square footage and notice of inspection requirements.
- New Construction:
 - Newly constructed property that is created for newly restricted and/or assisted affordable housing rental units; or
 - Completely vacant and/or abandoned structures are considered new construction, including Choice Neighborhood applications.

New Housing Creation Pool

All applicants in this pool must be new creation developments (see definitions). All developments will be family (non-senior sites) unless one of the following conditions applies:

- The application is for a senior project with a rental subsidy contract for at least 25% of the newly constructed units; and/or
- The application is for a senior project in which 25% of the new affordable units are restricted to residents at 30% of AMI with rents restricted to levels affordable at 30% AMI

Construction and Energy Standards

- The construction and energy standards for this program will be as listed in the attachments to the QAP.
- All projects must follow the Capital Needs Assessment (CNA) Process including the life expectancy chart. DSHA will not allow matrix rehabilitation for projects receiving funding from the MP Program.