



# **DOWNTOWN DEVELOPMENT DISTRICTS LARGE REBATE PROGRAM GUIDELINES**

*Administered by*

**Delaware State Housing Authority**



## Table of Contents

<b>DOWNTOWN DEVELOPMENT DISTRICTS</b>	<b>5</b>
Downtown Development Districts Act	5
DSHA's Role	5
Designated Districts	5
DDD Investor Incentives	5
<b>THE DDD REBATE PROGRAM</b>	<b>6</b>
Qualified District Investors	6
Qualified District Projects	6
Program Ineligible Activities	6-7
Qualified Real Property Investment (QRPI)	7
Cost Eligibility	7
Eligible Costs	7
Ineligible Costs	7-8
Cash Payment Restrictions	8
Permit and Inspection Requirements	8
Placed in Service (PIS) Requirements	8
Contractor Requirements	9
Licensing Requirements for All Contractors	9
Identity of Interest Contractors	9
Contractor General Conditions (Limited Eligibility)	9
Work Performed by Unlicensed Contractors or Individuals	9
Internal Revenue Services (IRS) Reporting	10
Federal and State Americans with Disabilities Act (ADA) Standards	10
The Delaware Freedom of Information Act (FOIA)	11
<b>DDD RESERVATION PROCESS</b>	<b>12</b>
Applying for a Large Project Reservation	12
Threshold Requirements	12-13
Scoring and Ranking of Application	14
Cancellation of Reservation Award	14-15
Reservation Extension Process	15
Voluntary Return of Reservation	15
Reservation Assignment Agreement	15
Important Dates	16
Available Funding	16
<b>DDD REBATE PROCESS</b>	<b>17</b>
Applying for a Large Project Rebate	17
Large Project Rebate Application Checklist	17
Attestation of Costs by an Independent CPA	17
Compliance Review	17-18
Rebate Disbursement	18

**Appendix A: DDD Rebate Program Related Definitions ..... 19**

**Appendix B: Contact Information for District Administrators..... 20-21**

**Appendix C: Scoring Matrix ..... 22-23**

**Appendix D: Eligible Items by Category ..... 24-27**

**Appendix E: Calculation of Large Project Reservation/Rebate ..... 28**

**Appendix F: Multiple Investments for a Building or Facility ..... 29**

## For Rebate Program Assistance Contact:

### Kimberly Edwards

Community Development Manager

E-mail: [Kimberly.Edwards@delaware.gov](mailto:Kimberly.Edwards@delaware.gov)

Phone: (302) 739-4263, ext. 240

### Estee Gleasner

Community Development Analyst II

E-mail: [Estee.Gleasner@delaware.gov](mailto:Estee.Gleasner@delaware.gov)

Phone: (302) 739-4263, ext. 299

Program guidelines, application materials and forms may be accessed by going to [Destatehousing.com](http://Destatehousing.com)

If you need language assistance to understand this document and/or any other DSHA housing assistance program, please call 302-739-4263.

*Si usted necesita asistencia en español para entender este documento, o algún otro programa de asistencia de vivienda de DSHA, por favor llame al 302-739-4263.*



18 The Green, Dover, DE 19901

# **DOWNTOWN DEVELOPMENT DISTRICTS ACT**

The Downtown Development Districts Act (“DDD” or “Act”) of 2014 was created to leverage state resources in a limited number of designated areas throughout Delaware to:

- spur private capital investment;
- stimulate job growth and improve the commercial vitality of Delaware cities and towns; and
- build stable communities of long-term residents in our downtowns and surrounding neighborhoods.

## **DELAWARE STATE HOUSING AUTHORITY’S (DSHA) ROLE**

Under this Act, funding is allocated through the General Assembly to DSHA to administer the DDD Rebate Program.

- DSHA is authorized to establish additional qualifying criteria with respect to uses (e.g. residential, commercial, industrial, and mixed-use) or types of projects (e.g. rehabilitation, new construction).
- DSHA is authorized to amend the required Minimum Qualified Investment Threshold (MQIT) established initially by the Act.
- DSHA is authorized to prioritize particular types of uses or projects in one or more Districts.
- DSHA is authorized to establish such other limitations in one or more Districts as DSHA shall determine from time to time, but no more often than once a year.

## **DESIGNATED DISTRICTS**

Delaware’s Office of State Planning Coordination (OSPC) administers the District Designation application process and oversees District compliance after designation. Applications are evaluated by members of the Cabinet Committee on State Planning Issues for recommendations to the Governor for final designation. The current district designations include:

- January 11, 2015      Dover, Seaford, and Wilmington
- August 10, 2016      Georgetown, Harrington, Laurel, Milford, and Smyrna
- August 19, 2019      Clayton, Delaware City, Middletown, and the City of New Castle

District information including corresponding District Plans and maps for each District can be accessed on DSHA’s website. Additionally, OSPC created an interactive map to help investors determine if a property is located in one of the designated Districts. Those maps can be found here:

[www.destatehousing.com](http://www.destatehousing.com).

## **DDD INVESTOR INCENTIVES**

The DDD Rebate is just one incentive available to investors who invest in real property within a District. Other available incentives may include state and federal Historic Preservation Tax Credits, county and municipal incentives, and bridge loans. Investors are encouraged to contact their DDD District Administrator to discuss their proposed or planned project and to learn more about incentives available to investors. Refer to Appendix B of these guidelines for District contact information.

## DDD PROGRAM INFORMATION

The DDD Rebate program provides cash rebates to Qualified District Investors that make a Qualified Real Property Investment (QRPI) within the boundaries of a District. Investors are eligible for rebates of up to 20% of the QRPI. Rebates are performance-based; therefore, investments are required to be completed, paid in full and placed-in-service prior to rebate application.

### **QUALIFIED DISTRICT INVESTORS**

A Qualified District Investor is an entity or individual making a capitalized QRPI for the rehabilitation, expansion, or new construction of a commercial, residential, mixed-use, or industrial building or facility located within the boundaries of a District. Qualified District Investors include:

- Owners of real property (occupant and non-occupant).
- Tenants making capitalized leasehold improvements may apply with owner's permission.
- Investors can be for-profit developers, nonprofit organizations, businesses, and homeowners.
- Federal, state, and local government agencies and quasi-governmental organizations are ineligible to participate in the rebate program in any form including as the owner, developer and/or tenant of real property.

### **QUALIFIED DISTRICT PROJECTS**

A Qualified District Project includes the new construction, expansion, or rehabilitation of a building or facility located within the boundaries of a designated District that substantially impacts the overall transformation of a District and forwards the goals of the District's DDD Plan. Projects should have a planned start and finish date with no breaks in construction greater than 60-consecutive days during the duration of the project. Construction activities considered repair or maintenance in nature are ineligible for rebate. Examples of Qualified District Projects include:

- New construction of a building on a vacant lot
- Demolition of a blighted building that is replaced with a new building
- Historic preservation of a building
- Gut or substantial renovation of a building that includes both interior and exterior improvements
- Commercial tenant fit-outs
- Private multi-level parking garage buildings (refer to additional information under "Program Ineligible Activities")
- Projects that improve the overall appearance of a building or facility located in a District
- Projects that create employment opportunities for Delawareans
- Projects that provide healthy and safe housing opportunities for Delawareans

### **PROGRAM INELIGIBLE ACTIVITIES**

Investments related to the following activities are ineligible for participation in the rebate program:

- Business activities commonly referred to by the Internal Revenue Code (I.R.C.) as sin businesses, or activities prohibited by state or local zoning, safety and building ordinances, or Delaware Code.
  - I.R.C. § 144(c)(6)(B): Any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off the premises.

- Adult Entertainment Establishments as defined in 24 Del.C.16.
- Check cashing facilities, tobacco-only retailers, vape shops, and recreational-only marijuana retailers and manufacturers.
- Federal, state, or local government agencies, quasi-governmental organizations and public service-related activities such as, or similar to, libraries, post offices, fire and police stations.
- Institutional related activities defined as, or similar to, hospitals, public and private schools, colleges and universities. Medical offices may be eligible at DSHA's sole discretion, however, any medical facility that offers overnight stay resources will be considered under the category of hospital and will not be eligible for a reservation or rebate.
- Parking garage buildings owned, operated, or partnered in any form with federal, state, or local government agencies or quasi-governmental organizations.
- Final building use and/or tenant information must be provided at the time of application, even in the event that a tenant is not the same entity or a related entity to the Investor. All final use and/or tenants must comply with the stated program guidelines and eligible activities to be consideration for a rebate and/or rebate reservation.

### **QUALIFIED REAL PROPERTY INVESTMENT (QRPI)**

The QRPI is the amount that is chargeable to a capital account for program-eligible costs to rehabilitate, expand, or construct a commercial, residential, or mixed-use building or facility located within the boundaries of a District. When determining the final QRPI, DSHA may also consider the following factors:

- Does the investment improve the commercial vitality of the District?
- Does the investment create employment opportunities new to Delaware?
- Does the investment substantially impact the transformation of the District?

### ***Cost Eligibility***

Costs described below are for example purposes only and may not represent all eligible and ineligible costs. Costs defined as eligible "in conjunction with substantial rehabilitation or new construction of a building" require the MQIT be met prior to inclusion of these costs. For example, to include the repaving of a parking area in a large-project investment, the investor must spend at least \$350,000 in eligible-costs directly related to the building structure prior to inclusion of the parking area. Questions regarding eligibility of specific costs should be directed to DSHA. DSHA will determine final eligibility of all costs.

### ***Eligible Costs***

- Costs typically referred to as "hard costs or brick-and-mortar costs" directly related to the physical construction or rehabilitation of a building's structure (building envelope and interior).
- Limited costs associated with non-residential appliances/equipment.
- Limited costs associated with site improvements.
- Demolition of a primary building when replaced with a new building.
- See **Appendix D** for a comprehensive listing of eligible expenses

### ***Ineligible Costs***

The following ineligible costs are for example purposes only and may not include all ineligible costs.

- Costs typically referred to as "soft costs" indirectly related to the physical construction of a building, such as, but not limited to:

- Appraisal, architectural, engineering, environmental, interior design service fees and similar fees
- Permit, zoning, impact, inspection, licensing, audit fees and similar fees
- Pest and termite control, services or fees
- Legal, accounting, realtor, sales, marketing, consultant and similar professional fees
- Loan fees and capitalized interest
- Bonding, closing costs and insurance payments
- Temporary facilities
- Rent loss
- Costs generally chargeable to furniture, fixtures and equipment (FF&E), unless otherwise defined as eligible
- Costs paid or to be paid by an insurance claim up to the amount of the claim (contact DSHA for additional assistance)
- General maintenance, repairs and service calls
- Purchase of tools and construction equipment and rental of small tools
- Computer network installation and related equipment, excludes permanent wiring installed within walls or ceiling structures
- Point of sale equipment
- Outbuildings, ancillary to the function of the main building. (e.g. garages, sheds, gazebos)
- Exterior and interior signage, unless otherwise defined as eligible
- Playgrounds and equipment, swimming pools, boat docks and ramps, walking trails, and fencing
- Site utility fees, connection and impact fees, and similar fees
- Utility hookups, water, electric and gas meters, utility disconnection and access fees
- Site work and site improvements, unless otherwise defined as eligible
- Site infrastructure, private and public roads, and curbing
- Perimeter and public sidewalks
- Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios

### **CASH PAYMENT RESTRICTIONS**

Cash payments are strongly discouraged and may require further documentation such as notarized statements from all related parties and evidence of a cash withdrawal from a qualified account. DSHA has the right to exclude any and all costs paid for in cash from the final QRPI calculation.

### **PERMIT AND INSPECTION REQUIREMENTS**

Investors must follow all permit and inspection requirements of the governing jurisdiction to be eligible for rebate. Investors should contact the municipality's inspection department or District Administrator for assistance.

### ***Placed In Service (PIS) Requirements***

A copy of the final PIS document required by the municipality must be provided to DSHA as part of the rebate application process.

- Investors have up to 60 days from the final PIS date to submit the required documentation for the DDD rebate.



- The PIS date is defined as the date the final Certificate of Occupancy (CO) or final Certificate of Compliance (C of C) is issued by the municipality certifying a building/facility complies with building codes and laws.
- The final PIS document must be dated within 30-days of construction completion, unless otherwise approved by DSHA.

It is important for investors to contact the municipality prior to construction commencement to discuss all permitting and PIS requirements.

## **GENERAL CONTRACTOR REQUIREMENTS**

The General Contractor (GC) is defined as the entity that contracts for and assumes responsibility for completing a construction project, and hires, supervises and pays all subcontractors. The GC will submit draws to the investor for reimbursement. A valid written contract or agreement must be in place between the investor and the GC and made available to DSHA at rebate application or upon request.

### ***Licensing Requirements for All Contractors***

- Contractors are required to be registered with and hold a business license from Delaware's Division of Revenue and be properly insured and bonded. Additionally, the license must be in effect during the time the work was performed. An **eligible** contractor must **actively seek and perform work for the general public**. Individuals or entities that obtain a business license for the sole purpose of performing their own work are not considered eligible contractors for this program.
- Licensing requirement inquiries should be addressed to Delaware's Division of Revenue.
- Investors are required to submit copies of DE business licenses for all hired contractors to DSHA at time of rebate application. This includes the general contractor and all subcontractors.

### ***Identity of Interest (IOI) Contractors***

- Investors that have a relationship as defined below with the general contractor, contractor, third-party contractor or material supplier may not include costs related to overhead and profit as part of the QRPI.
  - DSHA defines identity of interest as it relates to the QRPI as an affiliate and/or related party that: (i) has a spousal or family relationship, parent-subsidary relationship, or where owners, officers, directors, partners, stockholders or members of one business entity have a five percent (5%) or more interest in the other business entity; or (ii) where a substantial relationship exists between the parties directly or indirectly through (a) common family, (b) common general partners or members, (c) common control of the entities, or (d) the person or entity is otherwise controlled in whole, or in part, by the other person or entity.
- It is the investor's responsibility to ensure that the identity of interest party understands that all overhead and profit must appear on the invoice as a separate line item.
- Overhead is defined as the costs of operating a business. Includes costs such as insurance, bonds, office supplies, payroll, vehicle expenses, utilities, accounting expenses, etc.
- Profit is defined as the amount left over after paying for the job costs and overhead.
- If applicant/investor is the General Contractor, material cost and subcontractor billing are submittable expenses.

- If applicant/investor owns the General Contracting company, labor, material cost and subcontractor billing are submittable expenses. Proof investor/applicant paid General Contractor for completed work is required.

Investors that use IOI contractors are strongly encouraged to contact DSHA prior to project commencement to discuss invoice requirements. Invoice requirements for IOI contractors may have additional requirements that will be determined by DSHA on a case-by-case basis.

### ***Contractor General Conditions (Limited Eligibility)***

Program-eligible General Conditions will be capped at 10% of the eligible QRPI excluding overhead and profit for rebate purposes and must be documented by invoices, canceled checks, time sheets, logs, etc. Activities eligible under General Conditions are limited to the following:

- Cleanup and dumpsters for construction debris
- Project Construction Site Manager and Project Superintendent salaries only
- General labor for material movement on site
- Watchmen's or other security wages
- Rental fees for portable toilets
- Utility usage bills (during construction)
- Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates)

Costs associated with the above activities must be incurred for labor or materials supplied at the job site and properly documented. All charges for material or labor must be at cost, with no mark-up and no indirect costs, and properly documented. DSHA retains the right to determine if such labor charges are reasonable given local market conditions.

Costs associated with general trade items (i.e. carpentry, drywall, etc.) performed by employees of the GC are not eligible under General Conditions. Such costs should be included under the appropriate construction cost line item and properly documented.

### ***Work Performed by Unlicensed Contractors or Individuals***

Labor and materials for work performed by unlicensed contractors or individuals including homeowners are ineligible for rebate.

### **INTERNAL REVENUE SERVICES (IRS) REPORTING**

- Investors are required to complete, sign and submit an IRS Form W-9, Request for Taxpayer Identification Number and Certification, to DSHA when applying for a reservation/rebate. The W-9 "Name" must match the investor/applicant.
- DSHA is required to report payments of \$600 or more during a tax year made to investors to the IRS using the information return Form 1099-MISC.

### **FEDERAL AND STATE AMERICANS WITH DISABILITIES ACT (ADA) STANDARDS**

Investors are required to comply with ADA Standards. Investment projects that do not adhere to these standards may be deemed ineligible for rebate. Please contact your state and/or local municipality's Inspection and Planning department to determine if any accessibility improvements are required.

## **THE DELAWARE FREEDOM OF INFORMATION ACT**

By submitting a Small or Large Project Application, the applicant acknowledges and agrees that the Application shall be deemed a “public record” for the purposes of the Delaware Freedom of Information Act (“FOIA”), codified at 29 Del. C. §§ 10001 - 10005.

If information included in an application is exempt from disclosure, such as trade secrets, commercial, or financial information of a privileged or confidential nature, DSHA will protect such information from disclosure to the extent permitted by § 10002(g)(2) of the FOIA. DSHA shall determine in its discretion whether application material is exempt from disclosure. Applicant acknowledges and agrees that any portion of the application which is determined by DSHA to not constitute confidential financial, or trade secret information exempt from disclosure under FOIA shall be subject to public examination and copying.

It is the policy of DSHA not to release to any third party any application materials until after the ranking of projects, and allocation of Reservations funds have been announced, or a rebate has been disbursed. DSHA expressly reserves its authority to withhold all such information from third party requests pending the completion of the review and ranking process, to the extent permitted by the FOIA. DSHA will endeavor to respond to FOIA requests for application materials as promptly as possible, and absent unusual circumstances, will release to any requesting party public documents related to application materials within 15 days of a written request. All requests should be made at [DSHA\\_FOIACoordinator@delaware.gov](mailto:DSHA_FOIACoordinator@delaware.gov).

## DDD REBATE RESERVATION PROCESS

Large Project investors must apply for and receive a Reservation to be eligible for a rebate. It is important to understand that a reservation guarantees funding availability only and does not guarantee the amount of the final rebate. Available funds are limited, so reservations will be awarded through a competitive applications process. Applications must meet all stated threshold requirements and will be ranked and scored based on criteria outline below.

### **APPLYING FOR A LARGE PROJECT RESERVATION**

The Large Project Reservation is designed to provide assurance to investors that funding will be available upon completion of an investment.

- The Large Project Reservation Application consists of a group of exhibits that provide DSHA with the necessary information to determine program eligibility, financial feasibility and estimated QRPI. The **Large Project Reservation Application Checklist** outlines the requirements for each of the required exhibits and provides instructions on how to package and submit the application to DSHA. The checklist can be accessed at [www.destatehousing.com](http://www.destatehousing.com).
- Upon completion of the review and ranking of applications, Reservation Awards will be posted to DSHA's website and applicants will be notified of the final determinations. Official Reservation and Conditions of Reservation Funding letters ("Reservation") will be issued to all reservation awardees. Awardees will have at least 15 days to review, sign and return the Reservation to DSHA. Reservations not accepted within the stated time period may be forfeited.

### **THRESHOLD REQUIREMENTS**

Investors and investments must meet the following threshold requirements **at the time of Reservation application** to be considered for a Rebate Reservation:

- The real property must be located within the District boundary.
- Investments cannot be more than 25% complete. DSHA will verify percentage of completion through documentation and physical inspection of the investment property.
- Investor must demonstrate ability to complete investment within three (3) years from the date of Reservation.
- Investor must demonstrate ability for investment to substantially commence within one (1) year from the date of Reservation.
- Investor must have site control. Site control can be demonstrated by one of the following:
  - Legal title/Property Deed
  - Valid Purchase and Sale Agreement – Must be signed by all parties. If a Large Project Reservation is awarded the investor has 120 days from the Reservation date to provide legal title to DSHA.
  - If the investor is a tenant, the property owner must provide consent for the tenant to apply. DSHA's **Tenant-Owner Consent Form** must be completed, signed, notarized and submitted at time of application.
- IOI investors may only have five (5) active Rebate Reservations at a time. Applications will not be considered for Investors who have reached or exceeded the active reservation cap. All active reservations must be compliant with all program guidelines at time of Reservation application submission.

- Final building use and/or tenants must comply with the stated program guidelines and eligible activities. Final building use and/or tenant information must be provided at the time of application, even if a tenant is not the same entity or a related entity to the Investor.
- The General Contractor (GC) must be licensed in the State of Delaware. A copy of the GC's current Delaware business license must be submitted with the reservation application.
- Qualified Real Property Investment (QRPI) requirements:
  - The QRPI must conform to and support the approved District Plan.
  - The QRPI must be in excess of the required Minimum Qualified Investment Threshold (MQIT). MQIT for large projects is \$350,000.
  - The QRPI must be made after the date the real property is officially incorporated within the boundaries of a District.
    - Investments with more than 35% of the estimated QRPI completed prior to the date the real property location is officially incorporated within the boundary of the designated District are ineligible for rebate consideration. DSHA will verify percentage of completion through documentation and physical inspection of the property.
    - Costs associated with work performed or materials purchased prior to a District's designation are ineligible for rebate consideration.
  - QRPI eligible activities will begin on the reservation award date and must conclude no later than three years thereafter to be included in the final rebate calculation.
- Investment cannot layer DDD Rebate Reservations with other DSHA-controlled resources including, but not necessarily limited to, the Low-Income Housing Tax Credit (LIHTC) program, Strong Neighborhood Housing Fund program (SNHF), and the Delaware Workforce Housing Program (DWHP).
- DDD rebates are limited to \$2,000,000 per building or facility within a five-consecutive year period starting with the year in which a rebate is issued by DSHA. See **Appendix F** for examples of multiple investments.
  - Large-project tenants making fit-out improvements to leased spaces within a building or facility that has reached the five-consecutive year rebate limit of \$2,000,000 may participate in the Large-project reservation process with the following restrictions:
    - Total tenant fit out rebates for the building or facility will be capped at \$1,500,000.
    - Individual tenant fit out rebates will be capped at \$500,000.
    - Investor must be a new tenant of a building or facility.
    - Tenant must own and operate the business activity operating in the leased space.
    - Tenant pays for improvements included in the QRPI
    - Tenant meets all other large-project eligibility, program requirements, and threshold requirements.
- If an application includes more than one parcel, the parcels must be contiguous.
  - Multiple single-family properties may be submitted as a single large project as long as parcels are contiguous.
- Applications must achieve a minimum score of 65 points. Additionally, applications must score a minimum of 10 points in the Enhanced Project Design Guidelines category.

## **SCORING OF APPLICATIONS**

Applications will be scored based on the following priority considerations:

- Readiness to proceed
- Creates permanent jobs
- Creates or sustains mixed-use development
- Demonstrates relationship with diverse supplier(s)
- Creates homeownership
- Protects historic resources
- Utilizes energy conservation measures
- Incorporates Enhanced project design guidelines

In the event of a tie, Priority Projects as identified by the District Plan will receive preference. Detailed scoring information can be found in **Appendix C**.

## **RANKING OF APPLICATIONS**

The Large Project rebate reservations will be allocated by top ranked applications by district in order of score. For example: If applications are received from five (5) districts, the top scoring application from each district will be ranked by order of total score. Rebate reservations will be awarded based on that ranking until funds are exhausted.

In the event there are remaining funds, reservations will be awarded by score, regardless of district. Applicants that do not meet threshold requirements will not be scored and ranked.

## **CANCELLATION OF RESERVATION**

DSHA may cancel a Reservation if any of the following conditions occur:

- Investor cannot provide acceptable “proof of full-site control” within 120 days from the date of Reservation.
- Investment is not able to be “substantially commenced” within 12 months from the date of Reservation.
  - For an investment to be considered “substantially commenced” a minimum of 15% of the Reservation QRPI related to real construction activities must be expended, meaning physical construction or rehabilitation of the building or facility must be underway.
  - Investors are required to complete and submit a Large Project Progress Report and required support documentation to DSHA by the Substantially Commenced deadline established at Reservation. The fillable report can be found here: [www.destatehousing.com](http://www.destatehousing.com). DSHA will review the progress report to determine if investment is substantially commenced.
    - If the investment passes the Substantially Commenced test, DSHA will notify the investor by e-mail that the investment passed and is considered substantially commenced.
    - If the investment does not pass the Substantially Commenced test, DSHA will determine if the investment is eligible for a six-month extension. Investments that qualify for an extension will be notified via e-mail and an amended reservation will be issued. Investments that do not qualify for an extension will be notified by e-mail that the Reservation has been cancelled. See “RESERVATION EXTENSION” for additional information.

- The nature or characteristics of the Investment changes from what is presented in the original application at any time after receiving a Reservation.
- The ownership of the Investment changes from what is presented in the original application.
- During the Reservation period, DSHA determines the investment cannot be completed within 3 years from the date of Reservation.
- DSHA determines the investor cannot meet any of the requirements outlined in the Conditions of Reservation Funding.
- DSHA determines the final use of the building does not comply with the list of eligible uses.
- Reservations that are cancelled by DSHA are not eligible for reapplication.

### **RESERVATION EXTENSION PROCESS**

Investments that do not meet the Substantially Commenced deadline established at Reservation may be eligible to request a six-month extension. Extensions requests should include a detailed explanation and all supporting documentation to explain the delay as well as updated timelines to achieve the substantially commenced requirement and completion requirements.

Investments that qualify for a Substantially Commenced extension will be notified via e-mail and an amended reservation will be issued. Amended reservations will reflect a six-month extension for the Substantially Commenced deadline and a six-month extension for the completion deadline.

Investments are only eligible for one extension. Failure to comply with extension deadlines will result in the Reservation being cancelled.

### **VOLUNTARY RETURN OF RESERVATION**

Investors that determine an investment is no longer feasible or that the investment cannot meet the established deadlines may elect to voluntarily return the Reservation. Investors that voluntarily return a reservation may reapply during future Large Project funding rounds as long as the Investor and Investment meet all program and minimum threshold requirements at time of reapplication. Other restrictions include:

- An investor may not resubmit the same application more than two additional times (a total of three applications for the same investment).
- A resubmission after a return of reservation will result in a deduction of two (2) points in scoring.
- Resubmissions may not ask for more than the original Reservation amount. Resubmissions may be less than the original Reservation based on QRPI and guidelines in effect at time of resubmission.

The Large Project Reservation Application process is a competitive process; resubmissions will not be granted preference and DSHA cannot guarantee a new Reservation will be awarded.

### **RESERVATION ASSIGNMENT AGREEMENTS**

Investors are not restricted from monetizing a Reservation through an Assignment Agreement; however, DSHA will not be a party to the Agreement nor sign any such Agreement. Additionally, the final rebate can only be issued to the investor name listed on the Reservation award and in compliance with the stated guidelines.



## **IMPORTANT DATES**

- **December 5, 2025** DDD Large Project Reservation round officially opens
- **February 27, 2026** Reservation Applications due **no later than 3:00 pm**
- On or about **May 29, 2026** DSHA to announce Large Project Reservation Awards

## **AVAILABLE FUNDING**

DSHA has established two funding set-asides, the **Large Project** and the **Small Project**, to ensure a variety of investors have reasonable access to funding.

<b>FUNDING SET-ASIDE</b>	<b>AVAILABLE</b>	<b>MQIT <sup>(1)</sup></b>	<b>MAXIMUM REBATE</b>
<b>SMALL Project</b>	\$2,000,000	\$25,000	\$70,000 per building or facility
<b>LARGE Project <sup>(4)</sup></b>	\$3,500,000	\$350,000	\$2,000,000 per building or facility <sup>(3)</sup>

- (1) Minimum Qualified Investment Threshold (MQIT) is defined as the **minimum** amount of Qualified Real Property Investment (QRPI) an investor must make to be eligible to apply. See definitions for additional information.
- (2) At the time of the Large Project Reservation round opening, DSHA will announce the full amount of funding available for reservation.
- (3) DDD rebates are limited to **\$2,000,000 per building** or facility within a **five-consecutive year period, starting with the year in which a rebate is issued by DSHA.** See Threshold section for additional information.
- (4) The Large Project set-aside will be allocated by top ranked reservations, one per district. Any remaining funds will be allocated by ranking.



## DDD REBATE SUBMISSION PROCESS

Investors must follow all program requirements, meet all program deadlines, and submit proper documentation upon completion of the investment to receive a rebate up to the amount of the Reservation. Final rebate reservation may be equal to or less than the reservation amount but will not be greater than the reservation amount.

### **APPLYING FOR A LARGE PROJECT REBATE**

Large Project investors must apply for and receive a Reservation to be eligible to apply for a rebate. Additionally, at time of rebate application, the Reservation must be considered by DSHA to be active and in good standing. All rebate materials must be submitted within 60-days of the issuance of the PIS documentation. Applications received after the 60-day deadline will be considered ineligible for rebate, unless otherwise approved by DSHA.

#### ***Large Project Rebate Application Checklist***

- The Large Project Rebate Application consists of a group of required exhibits that provide DSHA with the necessary information to determine program compliance and the final QRPI and rebate.
- The Large Project Rebate Application Checklist outlines the requirements for each of the required exhibits and provides instructions on how to package and submit the application to DSHA. The checklist can be found here: [www.destatehousing.com](http://www.destatehousing.com).

#### ***Attestation of Costs by an Independent Certified Public Accountant (ICPA)***

Large Project investors are required to engage the services of an ICPA to perform an Attestation of Actual Costs. ICPAs must meet the selection criteria defined in DSHA's Agreed-Upon Procedures for Attestation of Actual Costs guidelines. Investors and ICPAs may obtain the guidelines and required forms by contacting DSHA. The completed Attestation of Actual Costs must be submitted as part of the application within 60 days of project being placed in service (PIS). To meet this deadline, DSHA recommends investors engage with an ICPA in the beginning stages of the investment project. Costs associated with the preparation of the attestation are ineligible for a rebate. DSHA reserves the right to revise the ICPA's QRPI calculation.

#### ***Compliance Review***

DSHA reviews applications to determine program compliance and verify the submitted application successfully satisfies all documentation requirements. DSHA reserves the right to return any application in its entirety if the investor or investment is not in compliance with the program's requirements. DSHA will complete the following compliance checks for all rebate submissions:

- Clean Hands Statute: The Delaware Clean Hands statute refers to regulations that require residents and property owners to be current in the payment of taxes and other county obligations as a condition of receiving a rebate.
- DSHA Funding Compliance:
  - Rebate applications for projects that have an Identity of Interest (IOI) ownership (as defined by DSHA) to projects funded in whole or in part with DSHA-controlled financing will be subject to additional review for compliance with all DSHA funding requirements and DSHA loan documents.

- If non-compliance with any DSHA funding is determined, the applicant must correct all non-compliance before the rebate will be issued. If the non-compliance is not corrected, DSHA reserves the right to capture the portion of the rebate necessary to bring the non-compliant project into compliance or cancel the rebate reservation.
- Physical Inspection – a DSHA inspector will perform a physical inspection of the investment property to determine:
  - Parcel location
  - Conformity with scope of work submitted at Reservation
  - Completion of all municipal, county or governmental agency inspections
  - Project completeness
  - Verification performed work supports documentation of submitted QRPI
  - Building or facility use(s) and square footage
  - Evidence that business activity is taking place or about to begin, if applicable
  - Confirm priority considerations granted at Reservation application were successfully satisfied

Properties that will be listed for sale upon completion must have a inspection completed prior to the sale or the property will not be eligible for the rebate and all associated costs will be removed from the QRPI calculation.

During the review process, DSHA will contact investors and/or the ICPA if any clarifications or additional information is needed to determine the final QRPI and rebate.

### **REBATE DISBURSEMENT**

Investors can expect to receive a rebate check within 60 days from the date DSHA receives the Rebate application and all required documentation. Rebates will be issued via ACH unless other arrangements are made.

## Appendix A: DDD Rebate Program Related Definitions

- **Building:** defined as any construction meeting the ordinarily accepted meaning of the term, usually a roofed and walled structure built for permanent use where: (1) areas separated by interior floors or other horizontal assemblies and (2) areas separated by fire walls or other vertical assemblies shall not be construed to constitute separate buildings, irrespective of having separate addresses, ownership or tax assessment configurations, unless there is a property line contiguous with the fire wall or vertical assembly.
- **Downtown Development District or “District”:** defined as an area within a municipality or unincorporated area designated as a Downtown Development District by the Governor in accordance with Chapter 19 of Title 22.
- **District Plan:** defined as the strategic plan or other detailed description of the overall strategy for the development of a proposed District submitted by the municipality or unincorporated area as part of its application for District designation.
- **Facility:** defined as a complex of buildings, co-located at a single physical location within a District, all of which are necessary to facilitate the conduct of the same residential, trade, or business use. This definition applies to new construction as well as to the rehabilitation and expansion of existing structures. Multi-family rental developments described as “scattered site” will be considered a single facility for DDD program purposes. An exception is made only for scattered site single-family homeownership units developed by a non-profit.
- **Mixed-Use:** defined as a building or facility that blends a combination of residential, commercial, or industrial uses.
- **Permanent Full-Time Position:** defined as a job of indefinite duration at a business firm located in a designated District, requiring the employee to report to work within the District; and requiring (i) a minimum of 35 hours of an employee’s time per week for the entire normal year of a business firm’s operation, which a normal year must consist of 48 weeks, (ii) a minimum of 35 hours of an employee’s time per week for the portion of the calendar year in which the employee was initially hired for or transferred to the business firm, or (iii) a minimum of 1,680 hours per year. Such positions shall not include: (i) seasonal, temporary, or contract positions, (ii) a position created when a job function is shifted from an existing location in the State to a business firm located within a District, (iii) any position that previously existed in the State, or (iv) positions created by a business that is simultaneously closing facilities in other areas of the State.
- **Street Level Pedestrian Friendly Use:** A use provided at street level that generates significant foot traffic. Street level grocery, retail, restaurant, and entertainment uses are considered pedestrian friendly. Other uses qualify if they generate street level pedestrian activity for at least 13 hours per day or provide street-level uses that generate at least 400 users a day.

## Appendix B: Contact Information for District Administrators

Designated Districts are required to appoint a **District Administrator** to manage and market the DDD program, assist investors and administer District incentives. Investors should contact the District they are investing in to ensure compliance with the District Plan and to learn about incentives that may be available to their investment project.

DISTRICT	DISTRICT ADMINISTRATOR	DISTRICT STAFF
Clayton	<b>Ryan Paisley</b> Vice Mayor <a href="mailto:rpaisley@clayton-delaware.com">rpaisley@clayton-delaware.com</a> <b>CC:</b> <a href="mailto:mayor@clayton-delaware.com">mayor@clayton-delaware.com</a> <b>OFFICE:</b> 302-535-9795 <b>Website:</b> <a href="http://clayton.delaware.gov/">http://clayton.delaware.gov/</a>	<b>Susan Muncey</b> Office Manager <a href="mailto:smuncey@clayton-delaware.com">smuncey@clayton-delaware.com</a> <b>OFFICE:</b> 302-653-5637
Delaware City	<b>Harry Hill</b> City Manager <b>OFFICE:</b> 302-834-4573 <b>Website:</b> <a href="http://delawarecity.delaware.gov/">http://delawarecity.delaware.gov/</a>	<b>Britney Loveland</b> Administrative Assistant <a href="mailto:bloveland@ci.delaware-city.de.us">bloveland@ci.delaware-city.de.us</a> <b>OFFICE:</b> 302-834-4573
Dover	<b>David Hugg</b> City Manager <a href="mailto:dhugg@dover.de.us">dhugg@dover.de.us</a> <b>OFFICE:</b> 302-736-7196 <b>Website:</b> <a href="https://www.cityofdover.com/">https://www.cityofdover.com/</a>	Director Planning and Inspections <a href="mailto:compplan@dover.de.us">compplan@dover.de.us</a> <b>OFFICE:</b> 302-736-7196
Georgetown	<b>Eugene Dvornick</b> Town Manager <a href="mailto:gdvornick@georgetowndel.com">gdvornick@georgetowndel.com</a> <b>OFFICE:</b> 302-856-7391 <b>Website:</b> <a href="http://www.georgetowndel.com/">http://www.georgetowndel.com/</a>	<b>Jocelyn Goodwin</b> Planning Administrator <a href="mailto:jgodwin@georgetowndel.com">jgodwin@georgetowndel.com</a> <b>OFFICE:</b> 302-856-7391
Harrington	<b>Norman Barlow</b> City Manager <a href="mailto:nbarlow@cityofharrington.com">nbarlow@cityofharrington.com</a> <b>OFFICE:</b> 302-398-3530 <b>Website:</b> <a href="https://harrington.delaware.gov/">https://harrington.delaware.gov/</a>	<b>Amanda Marlow</b> Assistant City Manager <a href="mailto:amarlow@cityofharrington.com">amarlow@cityofharrington.com</a> <b>OFFICE:</b> 302-398-3530
Laurel	<b>Jamie Smith</b> Town Manager <a href="mailto:laureltm@comcast.net">laureltm@comcast.net</a> <b>OFFICE:</b> 302-875-2277 <b>Website:</b> <a href="https://www.townoflaurel.net/">https://www.townoflaurel.net/</a>	

<b>Middletown</b>	<b>Morris Deputy</b> Town Manager <a href="mailto:mdeputy@middletown.delaware.gov">mdeputy@middletown.delaware.gov</a> <b>OFFICE:</b> 302-378-9120 <b>Website:</b> <a href="http://www.middletownde.org/">http://www.middletownde.org/</a>	<b>Kristen Krenzer</b> Public Relations Officer <a href="mailto:kkrenzer@middletown.delaware.gov">kkrenzer@middletown.delaware.gov</a> <b>OFFICE:</b> 302-378-2711
<b>Milford</b>	<b>Rob Pierce</b> Planning & Economic Development Director <a href="mailto:rpierce@milford-de.gov">rpierce@milford-de.gov</a> <b>OFFICE:</b> 302-424-8396 x1311 <b>Website:</b> <a href="http://cityofmilford.com/">http://cityofmilford.com/</a>	
<b>City of New Castle</b>	<b>Antonina Tantillo</b> City Administrator <a href="mailto:atantillo@newcastlecit.delaware.gov">atantillo@newcastlecit.delaware.gov</a> <b>OFFICE:</b> 302-322-9801 <b>Website:</b> <a href="https://newcastlecit.delaware.gov/">https://newcastlecit.delaware.gov/</a>	
<b>Seaford</b>	<b>Trisha Newcomer</b> Director of Economic Development & Community Relations <a href="mailto:tnewcomer@seafordde.com">tnewcomer@seafordde.com</a> <b>OFFICE:</b> 302-629-9173 <b>Website:</b> <a href="http://www.seafordde.com/index.cfm?ref=82500">http://www.seafordde.com/index.cfm?ref=82500</a>	
<b>Smyrna</b>	<b>Jeremy Rothwell</b> Smyrna Senior Planner <a href="mailto:jrothwell@smyrna.delaware.gov">jrothwell@smyrna.delaware.gov</a> <b>OFFICE:</b> 302-389-2332 <b>Website:</b> <a href="https://smyrna.delaware.gov/">https://smyrna.delaware.gov/</a>	
<b>Wilmington</b>	<b>Elliott Larkin</b> Acting Director <a href="mailto:etlarkin@wilmingtonde.gov">etlarkin@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-3059 <b>Website:</b> <a href="https://www.wilmingtonde.gov/">https://www.wilmingtonde.gov/</a>	<b>John Kurth</b> Senior Planner III <a href="mailto:jkurth@wilmingtonde.gov">jkurth@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-3118  <b>Sean Park</b> Office of Economic Development <a href="mailto:sjpark@wilmingtonde.gov">sjpark@wilmingtonde.gov</a> <b>OFFICE:</b> 302-576-2131

## Appendix C: Scoring Matrix

SCORING CATEGORIES	SCORE
<b>READINESS TO PROCEED</b>	
<ul style="list-style-type: none"> <li>Building permits secured prior to Reservation application. Copy of approved building permit must be included with application submission to be eligible for points.</li> </ul>	<b>15</b>
<b>CREATES PERMANENT JOBS</b>	
Application must include letter of commitment from the employer outlining number of full-time positions created and job titles and/or job descriptions. Refer to <a href="#">Appendix A</a> for definition.	
<ul style="list-style-type: none"> <li><b>Creates</b> <u>1-10</u> permanent full-time positions</li> </ul>	<b>5</b>
<ul style="list-style-type: none"> <li><b>Creates</b> <u>11</u> or more permanent full-time positions</li> </ul>	<b>10</b>
<b>CREATES OR SUSTAINS MIXED-USE DEVELOPMENT</b>	
Development creates a mix of uses within a new building/facility <u>OR</u> sustains existing mixed use within a building/facility that, without this assistance, mixed-use is not possible. QRPI must include both Commercial and Residential	<b>10</b>
<b>CONTRACTUAL RELATIONSHIP WITH DIVERSE SUPPLIER(S)</b>	
Must demonstrate material participation in the development team by minority-owned businesses, woman-owned businesses, veteran-owned businesses, service-disabled veteran-owned businesses, and/or Individuals with Disabilities-owned businesses certified by the State of Delaware, Division of Supplier Diversity ( <a href="https://business.delaware.gov/osd/">https://business.delaware.gov/osd/</a> ). Up to 5 total points may be awarded.	
<ul style="list-style-type: none"> <li>Development Team Member (Owner/Developer)</li> </ul>	<b>5</b>
<ul style="list-style-type: none"> <li>Special Team Member (such as General Contractor, Architect, Management Agent, Engineering Firm(s), Cost Certification Accounting Firm, Security System Provider, or construction subcontractors)</li> </ul>	<b>1pt. per member</b>
<b>CREATES HOMEOWNERSHIP</b>	
<ul style="list-style-type: none"> <li>Creates a minimum of 5 new homeownership units (must be on contiguous parcels)</li> </ul>	<b>5</b>
<b>PROTECTS HISTORIC RESOURCES</b>	
<ul style="list-style-type: none"> <li>State Historic Preservation Office (SHPO) determination (50 years or older)</li> </ul>	<b>5</b>
<ul style="list-style-type: none"> <li>SHPO and/or Federal documentation of allocation of Historic Tax Credits</li> </ul>	<b>10</b>
<b>ENERGY CONSERVATION MEASURES</b>	
<ul style="list-style-type: none"> <li>Participates in a Delaware Sustainable Energy Utility (DSEU) Program. Must provide documentation.               <ul style="list-style-type: none"> <li>Residential Programs: <a href="https://www.energizedelaware.org/residential/">https://www.energizedelaware.org/residential/</a></li> <li>Non-Residential Programs: <a href="https://www.energizedelaware.org/nonresidential/">https://www.energizedelaware.org/nonresidential/</a></li> </ul> </li> </ul>	<b>5</b>

ENHANCED PROJECT DESIGN GUIDELINES* (Must score a minimum of 10 points)	
<b>Orientation</b>	
Faces public street with prominent entrance and clear connection to public sidewalk.	4
Primary entrance located on facade facing street with high level of ground floor pedestrian interest:	
• Front-facing entry (porch or patio with minimum depth of 8 feet)	2
• Front-facing entry (canopy, courtyard)	2
• Front entry garages avoided in favor of rear entry/alley accessed garage, on-street, or off-site parking.	2
• Dwelling units facing public or internal courtyard or plaza.	2
• Exterior facing units include balconies with a minimum dimension of 30 square feet and minimum depth of 6 feet.	2
• Non-residential uses located street level <b>and</b> offer external primary access.	2
<b>Mass and Articulation</b>	
Size and bulk are similar in scale and character of adjacent uses.	2
Building facades have architectural elements that break up long blank walls, add visual interest.	2
Front façades incorporate a variation in building setback and have architectural elements such as:	
• covered or recessed building entries	2
• plazas or courtyards	2
• seating and planting areas	2
Three (3) or more of the following methods of articulation are used such that the combination of features project a residential character:	10
• Balcony, bay window, porch, patio, or clearly defined entry for each interval up to 40 feet.	
• Lighting fixture, trellis, canopy, or other landscape feature within each interval.	
• Architectural features such as setbacks, indentations, overhangs, projections, cornices, bays, canopies, or awnings. Each are a minimum of two (2) feet in depth and two (2) feet in width. The sum of the feature depth and width is at least eight (8) feet.	
• Material variations with contrasting colors, brick or metal banding, or textural changes.	
• Artwork or building ornamentation, such as mosaics, murals, decorative masonry or metal patterns or grillwork, sculptures, or similar items that provide visual relief.	
Rooflines are varied through dormers, architectural focal points (such as peaks, towers, gables, domes, or roof line trellis structures), variations or steps in roof height or detail (such as cornices, parapets, pitched roofs or full mansards, terraced roofs).	2
Windows facing the street are strategically placed to enhance views, provide natural surveillance, make spaces feel larger, provide relief, detail and variation on the façade with visible trim and architectural styling.	2

**\*NOTE:** Not all items included in this category will count toward the QRPI for rebate purposes but should still be considered and/or incorporated in final design and construction

## Appendix D: Eligible Items by Category

CATEGORY	ELIGIBLE COSTS	INELIGIBLE COSTS
<b>Appliances/ Equipment</b>  <i>Limited Eligibility</i>  <i>50% of Eligible Costs</i>	<p>In conjunction with the new construction or substantial rehabilitation of a building <b>50%</b> of costs associated with the purchase and installation of <b>new</b> appliances and equipment for <b>commercial-business</b> activities that are considered part of the <b>permanent building structure</b> and <b>essential</b> to the business operation.</p> <p>To be eligible the <b>individual purchase price of each appliance or equipment must in excess of \$5,000 excluding installation cost</b>. Installation of the appliance or equipment <b>must</b> be completed by a <b>DE-licensed professional</b>.</p> <p>Investors are <b>required</b> to complete <b>DSHA's Appliance and Equipment Worksheet</b> to estimate eligible costs. <i>DSHA will review and determine final eligibility of appliance and equipment costs.</i></p> <p><b>EXAMPLES OF PREVIOUSLY APPROVED COSTS</b></p> <p><b>Restaurant</b> Purchase and installation of <b>new</b> commercial grade appliances such as: walk-in cooler and freezer, gas range with ventilation system.</p> <p><b>Brewery</b> Purchase and installation of <b>new</b> brewing tanks and connective plumbing. Brewery <b>must</b> be physically connected to and part of a restaurant where food is served.</p> <p><b>Coffee Shops</b> Purchase and installation of a <b>new</b> commercial coffee-brewing system.</p> <p><b>Commercial Laundromat</b> Purchase and installation of <b>new</b> washers and dryers.</p>	<p>Costs associated with the purchase and installation of appliances and equipment for <b>single or multi-family residential</b> building investments. <i>This includes the residential portions of a mixed-use building.</i></p> <p>Appliances and equipment <b>not</b> essential to the commercial-business operation.</p> <p>Repairs, maintenance or service of appliances or equipment.</p> <p>Examples of other ineligible costs:</p> <ul style="list-style-type: none"> <li>• Portable appliances and equipment</li> <li>• Office equipment such as copiers</li> <li>• Appliances and equipment installed in an office lounge, breakroom or lunchroom used by employees and guests</li> <li>• Point of sale equipment</li> <li>• Audio and video systems, computers, monitors or televisions</li> <li>• Computer and network installation, service calls and associated fees.</li> </ul>
<b>Building Environmental Remediation</b>	Costs associated with the removal of asbestos, lead-based paint or other environmentally hazardous issues associated with the <b>building structure</b> .	Testing, environmental studies and audit fees. Site remediation.
<b>Carpeting</b>	New installation or full replacement of carpeting, padding, and carpet tiles.	Area or throw rugs, carpet cleaning or repairs to existing carpeting.
<b>Concrete</b>	Concrete foundation, slab work, and gypcrete work associated with the <b>building structure</b> .	Patios, public or perimeter sidewalks, retaining walls or curb cuts and work. <b>Refer to Site Improvements for sidewalk eligibility.</b>



<b>Demolition</b>	Demolition of existing walls, floors, ceilings, roof systems, etc. Disposal fees directly related to the demolition. Demolition of a building, <b>only if replaced with a new building</b> .	Wrecking, destroying or tearing down of <b>non-essential</b> buildings (e.g. sheds, detached garages or outbuildings). Demolition of a building with no replacement.
<b>Doors and Frames</b>	Interior and exterior doors, metal or wood frames, hardware, lock systems, hinges and doorstops for <b>new</b> doors.	Repair of an existing door or replacement of hardware on an existing door.
<b>Driveways/ Paving</b>	Driveways installed with the <b>new</b> construction of a single-family <b>residential</b> building. In conjunction with a substantial rehabilitation of a building, costs to repave an existing driveway.	Repair of an existing driveway. Gravel or stone driveways.
<b>Drywall</b>	Costs associated with gypsum board, sheetrock, spackling, tape and finishing work for new construction.	Minor drywall repair work.
<b>Electrical</b>	<b>Interior</b> wiring of a building including, but not limited to, electrical boxes, switches, paddle fans, light fixtures, outlets, cable, phone lines. and permanently installed whole-building generators.	Electric hookups, installation or removal of electric meters, meter panels, electric utility disconnection or access fees.
<b>Elevators</b>	Installation of a new elevator.	Maintenance or repairs to an existing elevator. <i>DSHA will consider substantial repairs on a case-by-case basis.</i>
<b>Exterior Siding</b>	Installation of new exterior siding, including, but not limited to, vinyl, concrete plank, stucco, moisture and thermal protection (Tyvek), all associated trim, fypons, and architectural millwork.	Repairs to existing siding.
<b>Finished Carpentry</b>	Installation of kitchen and bathroom cabinetry, installation of doors and windows, trim, windowsills, baseboards, and casework.	Maintenance or repairs.
<b>Fire Alarm/ Security System Equipment</b>	In conjunction with the new construction or substantial rehabilitation of a building costs to permanently install close-circuit security cameras, fire alarm, annunciation panels, electronic entry systems.	Maintenance or repairs to existing systems.  Non-hard wired security systems installed in <b>single-family residential</b> properties.
<b>Flooring</b>	Installation of new vinyl, VCP plank, engineered flooring, hardwood flooring, underlayment, sheet goods, ceramic tiles, stained concrete, or VCT flooring.	Repairs to existing floors.

<b>General Conditions</b>	<p><b>Program eligible General Conditions</b> will be <b>capped at 10%</b> of the eligible construction hard costs <b>excluding overhead and profit</b> and must be documented by invoices, canceled checks, time sheets, logs, etc. Additionally, activities eligible under General Conditions are <b>limited to the following</b>:</p> <ul style="list-style-type: none"> <li>• Cleanup and dumpsters for construction debris</li> <li>• Project Construction Site Manager and Project Superintendent salaries only (onsite services)</li> <li>• General labor for material movement on site</li> <li>• Watchmen's or other security wages</li> <li>• Rental fees for portable toilets</li> <li>• Utility usage bills (during construction)</li> <li>• Large equipment rental (if equipment is owned by GC, costs charged must be at the local rental rates).</li> </ul>	<p><i>Project Management</i> costs and salaries.  <b>Costs not defined as eligible.</b></p>
<b>HVAC</b>	In conjunction with the new construction or substantial rehabilitation of a building costs to install new heating and air conditioning systems (must be code compliant).	Maintenance, repairs, and service to existing HVAC systems.
<b>Insulation</b>	Installation of new Insulation located at slabs/footers, walls, floors or attic areas, including batt, blown-in, spray-on, fire stopping and rigid types.	
<b>Joint Sealant</b>	Interior and exterior caulking of the building. Includes bathroom and kitchen areas, trim, baseboards, fire-stopping and all exterior areas.	Maintenance and repairs.
<b>Kitchen and Bathroom Cabinets</b>	New kitchen and bathroom cabinets, including all base and wall cabinets, countertops, side and wall splash guards.	Repairs to existing cabinetry and countertops.
<b>Masonry</b>	Block, brick, or stonework, including foundation footings, paving, restoration re-pointing, acid washing and power washing associated with the <b>building structure</b> .	Maintenance and minor repairs. Power washing <b>not</b> in conjunction with the rehabilitation or new construction of a building. Retaining walls.
<b>Metals/Gutters/Downspouts</b>	Miscellaneous metals and drip edge, fascia, headers, columns, and interior and exterior metal railings. Steel stairs, beams and other structural metals.	Exterior railings <b>not</b> permanently <u>attached to the building</u> . Maintenance or repairs. <i>DSHA will consider <u>substantial</u> repairs on a case-by-case basis.</i>
<b>Painting</b>	Interior and exterior painting of a building.	Touch-ups to existing painted surfaces.
<b>Plumbing</b>	Rough and finished plumbing, included but limited to, hot and cold-water supplies, sanitary connections, venting, purchase and setting of new fixtures (toilets, tubs, sinks, showers, garbage disposals, and water heaters).	Repair, maintenance and plumbing service calls.
<b>Roofing</b>	<b>Replacement</b> of roof, including but not limited to, shingles, vents, metal flashing, underlayment, ice shields and rubber roofs.	Maintenance and repairs. <i>DSHA will consider substantial repairs on a case-by-case basis.</i>
<b>Rough Carpentry</b>	All framing, additions, setting trusses and roof, wall or floor sheathing.	

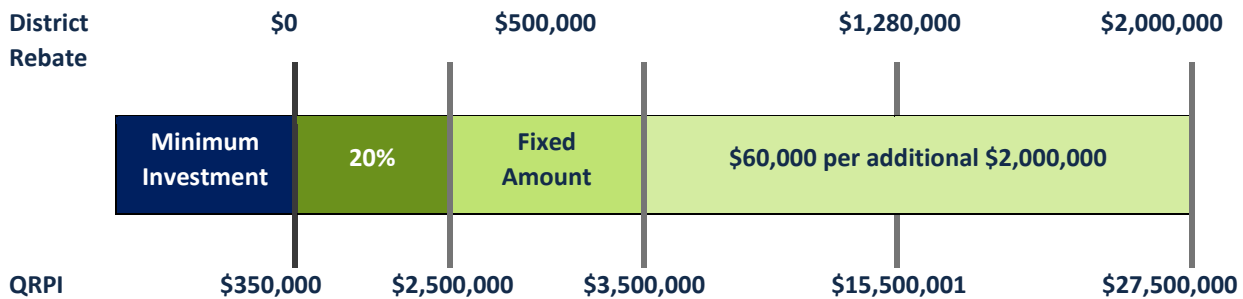
<b>Site Grading</b>	Costs include stripping topsoil, stock piling and grading, rough and finish grading, and imported fill material when in conjunction with the new construction or rehabilitation of a building.	Costs associated with clearing site, removal of trees, etc.
<b>Site Improvements</b>  <b>Limited Eligibility</b>	<p>Costs related to site improvements are <b>limited to the following</b> and must be in conjunction with the <b>substantial</b> rehabilitation or new construction of a building:</p> <ul style="list-style-type: none"> <li>• Material and labor costs for a new parking area or the resurfacing and seal coating of an existing parking area located on the same property as the building under construction.</li> <li>• Material and labor costs for <b>new private</b> sidewalks that physically connect to the building. <i>Example: a sidewalk that connects from the building's front door to a parking lot or driveway located on the same parcel.</i></li> <li>• <b>30%</b> of material and labor costs for <b>new</b> underground utilities that <b>connect to the building</b> (cable, water, gas, sewer and electric lines).</li> <li>• <b>30%</b> of material and labor costs for <b>new</b> storm management systems if located on the same parcel as the improved building(s).</li> </ul> <p>All site improvements <b>must be located on the same parcel as the improved building</b> to be considered eligible.</p>	<ul style="list-style-type: none"> <li>• Costs <b>not</b> in conjunction with the <b>substantial</b> rehabilitation or new construction of a building. <i>For example, the construction of a parking lot on its own is <b>not</b> eligible for rebate.</i></li> <li>• Sidewalks <b>not</b> physically connected to the building. Perimeter and public sidewalks. Repairs to <b>existing</b> sidewalks.</li> <li>• Impact fees, site utility connection or service fees. Fees related to storm water management systems.</li> <li>• Costs paid directly to state or local government or agency.</li> <li>• Repairs to existing underground utilities connecting to the building. Repairs to existing storm water management systems.</li> <li>• Playground, play equipment, boating docks and ramps, swimming pools, fencing and costs similar in nature.</li> <li>• Landscaping, hardscaping, decorative stone walls, retaining walls, walkways and patios.</li> <li>• <b>All costs</b> related to private and public roads and curbing.</li> </ul>
<b>Specialties/ ADA/Signage</b>	<b>ADA accessibility improvements to a building</b> , unit and building identification numbers, fire extinguishers, necessary permanent shelving. <b>Exterior</b> signage affixed to the building in a permanent fashion when in conjunction with the <b>substantial</b> rehabilitation or new construction of a building.	Removable or decorative shelving. Retail shelving for commercial activities.  Easily removable signage, window decals, hanging signs and free-standing signs.
<b>Sprinklers</b>	Code compliant fire protection sprinkler systems and all associated pertinent equipment <b>located in a building</b> when in conjunction with the <b>substantial</b> rehabilitation or new construction of a building.	Repair, maintenance or service calls.
<b>Toilet Accessories</b>	Shower rods, grab bars, towel bars, toilet paper holders, mirrors, and medicine cabinets.	Repair or maintenance. Shower curtains, bathroom linens, etc.
<b>Windows</b>	Purchase and installation of new windows, and patio doors, including screens.	Window coverings (e.g. blinds). Repair or maintenance of windows.

## Appendix E: Calculation of Large Project Reservation/Rebate

- QRPIs between \$350,000 and \$2,500,000 are calculated at a rate of twenty percent (20%).

CALCULATION	EXAMPLE 1	EXAMPLE 2
Eligible QRPI	\$700,000	\$2,500,000
Multiplier	.20	.20
DDD Rebate	<b>\$140,000</b>	<b>\$500,000</b>

- QRPIs between \$2,500,001 and \$3,500,000 are eligible for a fixed rebate amount of \$500,000.
- QRPIs greater than \$3,500,000 are calculated at lower rate of \$60,000 per each additional \$1,000,000 in QRPI.



CALCULATION EXAMPLE	
Eligible QRPI	\$6,800,000
Multiplier	Refer to Chart
DDD Rebate	<b>\$740,000</b>

INVESTMENT RANGE			RESERVATION	INVESTMENT RANGE			RESERVATION
\$2,500,001	-	\$3,500,000	\$500,000	\$15,500,001	-	\$16,500,000	\$1,280,000
\$3,500,001	-	\$4,500,000	\$560,000	\$16,500,001	-	\$17,500,000	\$1,340,000
\$4,500,001	-	\$5,500,000	\$620,000	\$17,500,001	-	\$18,500,000	\$1,400,000
\$5,500,001	-	\$6,500,000	\$680,000	\$18,500,001	-	\$19,500,000	\$1,460,000
<b>\$6,500,001</b>	-	<b>\$7,500,000</b>	<b>\$740,000</b>	\$19,500,001	-	\$20,500,000	\$1,520,000
\$7,500,001	-	\$8,500,000	\$800,000	\$20,500,001	-	\$21,500,000	\$1,580,000
\$8,500,001	-	\$9,500,000	\$860,000	\$21,500,001	-	\$22,500,000	\$1,640,000
\$9,500,001	-	\$10,500,000	\$920,000	\$22,500,001	-	\$23,500,000	\$1,700,000
\$10,500,001	-	\$11,500,000	\$980,000	\$23,500,001	-	\$24,500,000	\$1,760,000
\$11,500,001	-	\$12,500,000	\$1,040,000	\$24,500,001	-	\$25,500,000	\$1,820,000
\$12,500,001	-	\$13,500,000	\$1,100,000	\$25,500,001	-	\$26,500,000	\$1,880,000
\$13,500,001	-	\$14,500,000	\$1,160,000	\$26,500,001	-	\$27,499,000	\$1,940,000
\$14,500,001	-	\$15,500,000	\$1,220,000	\$27,500,000		and over	\$2,000,000

## APPENDIX F – MULTIPLE INVESTMENTS FOR A BUILDING OR FACILITY

Investors planning to make multiple or phased investments to a single building or facility are strongly encouraged to contact DSHA to discuss their planned investment. For rebate eligibility purposes, DSHA must be able to clearly identify each investment as a separate project. To be considered a separate project, work must be performed at different periods of time and to different portions of the building.

Examples of multiple or phased investments for a building or facility:

### A. Mixed-Use Building

Investment 1: Improvements to the exterior and interior of a building, and vanilla shell for new tenant

Investment 2: Tenant fit out

Investment 1: Improvements to floor 2 to create new office units

Investment 2: Improvements to floors 3 and 4 to create new residential units

---

### B. Residential Multi-Family Facility

Investment 1: Improvements to building 1

Investment 2: Improvements to building 2

---

### C. Single-Family Residence

Investment 1: Improvements to building exterior (paint, new roof, new windows, new doors)

Investment 2: Improvements to building interior (new floors, paint, bathroom and new mechanicals)