



# Delaware

## Low Income Housing Preservation in 2010

### Low Income Housing Tax Credits (9% Tax Credits)

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In the 2010 QAP, projects apply to specific pools, developments are ranked within those pools and the highest scoring developments in each are separately evaluated to determine the amount of tax credits required. For 2011, conversion developments now qualify for the Preservation Pool, which has approximately \$1,199,250 of Tax Credit Authority (45% of Delaware's credit pool). The following types of properties are eligible for this pool: 1) any tax credit housing development, which has completed its compliance period that is a) in need of substantial rehabilitation or b) at risk of losing its affordability; and 2) any currently subsidized housing development that is a) in need or substantial rehabilitation or b) at risk of losing its affordability. Up to 5 points will be awarded to developments that are of imminent risk of losing their affordability restrictions, depending on how soon affordability restrictions will expire.

Substantial rehabilitation is defined as: at least \$35,000 hard cost in rehabilitation per unit and, the most recent use must be residential, 100% of the units must be rehabilitated, and no more than 25% new units can be added.

**Allocations (2003-2009)**

*Properties Preserved:* 20

*Apartments Preserved:* 1,356

*Additional Info:* In 2008 and 2009, 100% of Delaware's 9% tax credits were allocated to the preservation of affordable rental housing.

### Private Activity Bonds with 4% Tax Credits

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Properties financed with tax-exempt bonds may receive 4% Tax Credits without participating in the annual competitive allocation process described in this QAP. However, complete applications must be submitted and approved by DSHA before the tax-exempt bonds are sold. Projects must satisfy the QAP threshold requirements and must score a minimum of fifty-five (55) points. For the purposes of the 4% Tax credits only, DSHA, upon a showing of good cause by the applicant, may waive a minimal portion of the \$30,000 hard cost requirement for substantial rehabilitation.

**Allocations (2003-2009)**

*Properties Preserved:* 4

*Apartments Preserved:* 280

### Housing Trust Funds

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The Delaware State Housing Authority and the Council on Housing oversee the Housing Development Fund. In 2006 over 250 units were preserved with the help of loans from the Housing Development Fund. Funding sources for the Housing Development Fund include State General Assembly appropriations (about \$4 million annually), a document recording surcharge (about \$1.5 million annually), loan repayments, and interest income. Recent legislation now allows private donations. Historically, HDF dollars have been leveraged at a 5-to-1. In 2009 - 2010, Delaware won a supplemental appropriation of \$4.5 million for the trust fund.

**PLEASE NOTE:** *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

## **Green Multifamily Preservation Initiatives**

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### ***Green Incentives in State Tax Credit Allocation Plan***

The 2010 QAP provides up to five points for exceeding the state's energy efficiency standards, which is likely easier for new construction projects to attain since rehab projects are not required to meet the state standards.

### ***Other Green Incentives Relevant to Preservation***

The Department of Natural Resources and Environmental Control administers Delaware's Weatherization Assistance Program. The State Housing Authority is working with the Department to encourage the use of weatherization funds on multifamily projects. For complete information on DE's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

Other incentives include grants for the installation of renewable energy systems, energy credits for solar energy systems, and utility rebates for energy efficiency and green energy building improvements.

***For additional information on green initiatives, visit [www.aceee.org](http://www.aceee.org) for more on policies related to energy efficiency or [www.dsireusa.org](http://www.dsireusa.org) for programs that may be available to developers to incentivize renewable energy or energy efficiency.***

## **Sustainable Communities & Transit-Oriented Development Incentives**

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Delaware's 2010 QAP awards 3 points to projects located in Qualified Census Tracts and 2 points for projects located in an approved Community Revitalization Plan.

The 2010 QAP also awards 1 point for projects with access to public transportation. In specific target areas, points are awarded for proximity to retail facilities, employment opportunities, medical center, public transportation, schools, etc.