

# Entry Form 2017 Annual Awards for Program Excellence

Entry Deadline: Thursday, June 15, 2017, Midnight ET

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email awards@ncsha.org.** 

<b>Entry Title:</b> Enter your entry's title exactly as you wish it to be published on the NCSHA website and in th awards program.
Category:
Subcategory:
<b>Entry Summary:</b> A 15-word (max) summary of the program, project, or practice you are entering.
HFA:
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Visual Aids: Payment:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF? Yes No

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**Category:** Legislative Advocacy: State Advocacy **Entry:** Strengthening the Downtown Development District Initiative

#### PROGRAM INTRODUCTION AND OVERVIEW

Over the last two years, DSHA has worked with the Governor, state General Assembly, and the Office of State Planning Coordination to develop and strengthen the Downtown Development Districts (DDD) program and associated DDD Grant program, which strengthens commercial and residential development and redevelopment in core municipal areas. The program supports local communities in the creation of DDD areas and provides grant rebates to eligible projects. DSHA manages the grant program, while partnering with other communities and agencies to provide other incentives. Legislation creating the program was passed and signed in 2014 and the program launched in 2015. DSHA's ongoing and focused efforts to maintain and build strong support among legislators — an aggressive strategy of public events, legislative advocacy, coalition-building and press outreach - led to the budget of \$7 million surviving intensely tight budget years intact and even receiving an increase to \$8.5 million in FY16.

#### ADVANCING THE OVERALL AGENCY MISSION

DSHA is both the state's housing finance agency and community development agency, managing the state Consolidated Plan, HOME funds, and CDBG funds for eligible units of local government. We also have a role in state planning efforts, reviewing local land use plans and providing technical assistance to local jurisdictions and incorporating housing needs. The DDD program cuts across all of these pieces of our work. DSHA's vision is for affordable housing to be part of the landscape of every community, with healthy downtowns and neighborhoods supporting quality of life and access to opportunities.

#### • DEMONSTRATING COALITION-BUILDING

The DDD's program structure itself is built around partnership across agencies and levels of government, helping DSHA build natural coalitions to support the program. Since the DDD Grant program includes residential as an eligible activity, it also brings together people from many different fields – planning, housing, community revitalization, economic development, small business, larger developers. That diversity of voices has been important in building and maintaining support for the program.

#### FORGING EFFECTIVE RELATIONSHIPS WITH STATE LEGISLATORS

The coalition partners are of vital importance in relationship-building with and conveying success stories to local legislators. Local advocates include mayors, municipal leaders and staff, small and large businesses, commercial organizations, community revitalization groups and nonprofits. The DDD program also is a positive way to overcome tensions between local and state governments that may exist in a particular district. The program began with three districts, one in each of Delaware's counties, in January 2015. With eight districts created in August 2016, many legislators have a DDD in their district or nearby. DSHA has also held or encouraged others to hold events across the districts - award announcements, groundbreakings, ribbon cuttings and grand openings often attended by legislators, giving them a chance to connect the program to positive change in their district. In many cases, they have personally seen and participated in the transformation that has come about from repeat events. The demand that they observed for the program funding in the first year — with districts announced in January 2015 and the funding all reserved by June — also led to support for increasing funding.

#### ANTICIPATING, IDENTIFYING AND PRIORITIZING LEGISLATIVE ISSUES

Like in many states, budget times have been tight in Delaware, with little new funding available, and DSHA strategically planned its approach to its funding increase request for FY16. The program's focus on economic development, community revitalization, leveraging private investment and creating jobs have been attractive touchstones for legislators in telling the story of how Delaware leaders come together

#### **Delaware State Housing Authority**



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across the aisle to work for the common good. In a time when public debate has been centered on cuts and austerity, the DDD program has been a consistent bright spot for these leaders to focus on.

#### REACHING TARGET AUDIENCES

In addition to a strategic focus on events to engage communities, the press and legislators, we worked with advocates to encourage strategic testimony and support in the budget writing process and seek representatives from diverse constituencies and sectors. We also sought out advocates who have projects or businesses in the districts of legislators on key budget-writing committees. Just as the most recent example, at DSHA's annual hearing before a key committee in March 2017, advocates testifying for the DDD program included a small business owner; the CEO of a small hospital; the manager of a main street program; the state capital's planning director; the mayor of a smaller city; the director of a large local housing nonprofit; and the leaders of a nonprofit serving homeless veterans.

#### EMPLOYING ANALYTICAL SKILLS TO ANTICIPATE AND IDENTIFY POTENTIAL RAMIFICATIONS

DSHA worked from the outset to ensure that the program had a strong set of performance measures and reporting structures. At all of our events and in all our communications, staff stay on a consistent message about the dramatic private investment leveraged by the DDD Grant program. We also analyze the application, reservation and awards data regularly to keep track of program activity in each of the districts to identify issues such as the balance of activity and investment across the districts. For example, this helped staff identify that a particular district has had many large projects but few small business projects and work to increase outreach about the program to potential small investors and existing local small businesses, resulting in an uptick in related applications.

#### • AN INNOVATIVE PROGRAM

The State and local governments are coordinating efforts to overcome barriers to development so that new private investment and market opportunities can be shifted back to the heart of Delaware's communities. After decades of losing residents, Delaware's cities and towns have been working hard to reestablish their downtowns as places where people can live, work, and thrive. The DDD program leverages the desirable assets of these communities to overcome issues that include poor building conditions, socioeconomic challenges, crime and perceptions of safety. The DDD projects have given local leaders and state legislators prominent success stories to feature to combat public perceptions.

#### • A REPLICABLE PROGRAM

Using DSHA's process, any HFA could work with its counterpart agencies within its state to propose a similar program. DSHA analyzed similar programs in other jurisdictions with varying degrees of success and differing objectives regarding housing. It conducted stakeholder discussions to tailor the DDD to Delaware's needs, identifying priorities such as the need for a variety of diverse projects; the importance of a simple program accessible to small investors; and a method for providing incentives to projects meeting local and state priorities. With a housing priority element in the program, many municipalities expressed a desire to improve home ownership rates in their downtown areas and ensure the availability of quality rental stock.

#### RESPONDING TO AN IMPORTANT STATE HOUSING NEED

DSHA's most recent Housing Needs Assessment identified important strategies needed to support public investment decisions that use public funds, recognizing the unique needs of different neighborhoods. The DDD program supports strategies such as supporting neighborhood identity; rehabilitating existing housing stock; supporting homeownership; pursuing public-private partnerships; preserving quality

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housing stock; developing around neighborhood anchors; encouraging socio-economic diversity; demolishing blight; and providing greater housing and job opportunities for existing residents.

#### DEMONSTRATING MEASURABLE BENEFITS TO HFA-TARGETED CUSTOMERS

The first awards under the DDD grant program were made in April 2015. Approximately 20 percent of the reservations made have been to groups serving affordable housing needs, including Central Delaware Habitat for Humanity and Delaware Center for Homeless Veterans. The DDD grant has also been used as a source of financing for Low Income Housing Tax Credit developments.

#### A PROVEN TRACK RECORD OF SUCCESS IN THE MARKETPLACE

At its outset in January 2015, three districts were designated as Downtown Development Districts by the Office of the Governor. During the first 19 months of the program, reservations of \$14.2 million were made to 35 projects, attracting more than \$291 million in private investment. This success encouraged the state to expand the number of districts, with five new districts announced in August 2016. An additional \$4 million in awards were attracted \$39 million in private investment. Three of the new districts were able to submit applications within 90 days of designation, a testament to the pent-up demand that this small investment of public funds has been able to unleash.

#### • PROVIDING BENEFITS THAT OUTWEIGH COSTS

Over the two-year life of the program, approximately \$18 million in state funds have been awarded, leveraging \$330 million in private funds. Several projects have completed during this period, adding at least nine new units for homeownership and 118 units of affordable rental. Five new restaurants have opened in three districts, and a number of commercial spaces added or rehabbed. In the most urban of the districts, Wilmington, the developers have concentrated on mixed-use space, rehabbing street-level retail and adding rental housing in the floors above. Starbucks has come to downtown Wilmington, and the University of Delaware just opened its first off-campus UDairy Creamery ice cream store in the city core. The \$1.5 million funding increase specifically allowed DSHA to go from 13 awarded projects to 22, in tandem with an increase in the number of smaller projects.

#### • DEMONSTRATING EFFECTIVE USE OF RESOURCES

The leverage of \$18 million in state funds to attract \$330 million in private investment is the proof of an effective use of resources. By redistributing capacity within DSHA, no additional staff was required.

#### • EFFECTIVELY EMPLOYING PARTNERSHIPS

More than 50 different private investment groups have accessed the DDD program in the eight districts. Each district has a program administrator who works with investors and describes the incentives available to projects within that municipality's district. This infusion of partnerships, private investments and public incentives are strong efforts to overcome the financial, regulatory, and other barriers associated with redevelopment. Promoting new targeted commercial, industrial and residential growth in Delaware's downtown areas will capitalize on emerging market trends while make a long-lasting contribution to the economic vitality and quality of life in these currently distressed areas.

#### • ACHIEVING STRATEGIC OBJECTIVES

The DDD program has achieved multiple objectives from DSHA's Housing Needs Assessment, including adding nearly 120 units of affordable rental housing stock; adding or rehabbing 39 homeownership units; adding nearly 300 units of quality rental housing stock, available to tenants at a variety of income levels to encourage socioeconomic diversity; and adding new commercial, retail and restaurant space, providing job opportunities.



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## **VISUAL AIDS**

1. Former Governor Jack Markell's weekly message video announcing the DDD program: <a href="http://tiny.cc/DSHA-GovDDD">http://tiny.cc/DSHA-GovDDD</a> | Full transcript: <a href="http://tiny.cc/DSHA-GovDDDTranscript">http://tiny.cc/DSHA-GovDDDTranscript</a>



**2.** Video featuring Tonic restaurant owner Dan Butler on the benefits of the DDD program: <a href="http://tiny.cc/DSHA-TonicDDD">http://tiny.cc/DSHA-TonicDDD</a>



"Tonic today would not exist as it is without the Downtown Development District.

It made the deal doable. This was a real turning point – a real decision where we could go one way or the other." >> Dan Butler, owner, Tonic

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### 3. WITN TV coverage of the 2015 DDD funding announcement: <a href="http://tiny.cc/DSHA-WITN-DDD">http://tiny.cc/DSHA-WITN-DDD</a>



- **4.** A partial list of DDD events aimed at energizing local and legislator support, and photos from selected events:
  - April 2015: Program kickoff and announcement of the first round of projects with three events, one in each initial district.
  - September 2015: Event at Marble house, Dover.
  - October 2015: Groundbreaking for Residences at River Place, Seaford.
  - January 2016: Ribboncutting for Market Street Village, Wilmington.
  - April 2016: Grant check presentation for Tonic, Wilmington.
  - August 2016: Announcement of new districts, held in Smyrna.
  - June 2016: Large project announcements held with Governor Markell.
  - October 2016: Central Delaware Habitat for Humanity event in Dover.
  - January 2017: Large project announcement in Milford.
  - April 2017: Ribboncutting for Residences at River Place, Seaford.
  - May 2017: Opening of the UDairy Creamery, Wilmington.





**Entry:** Strengthening the Downtown Development District Initiative



Dover Mayor Robin Christiansen speaking at the initial DDD program kickoff in 2015.



DDD event at the Marble house, Dover, September 2015.



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A DDD award check presentation at Tonic, Wilmington, April 2016.



Ribbon-cutting ceremony with Governor Markell for Market Street Village, Wilmington, January 2016.



Entry: Strengthening the Downtown Development District Initiative



Leaders of the Delaware Center for Homeless Veterans testify at a 2017 public hearing of the Bond Bill Committee about how the DDD program has helped their project in Wilmington.



Opening of the new UDairy Creamery, located in a DDD-funded building project in Wilmington, May 2017.

**5.** Selected media coverage of the January 2017 funding announcement from WDDE (radio), WBOC (TV), WXDE (radio) and the News Journal (print):

# Five Delaware towns to share \$3.6M in downtown grants













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(Photo: SCOTT GOSS/THE NEWS . JOURNAL)

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Scott Goss , The News Journal Published 2:41 p.m. ET Jan. 10, 2017 | Updated 3:09 p.m. ET Jan. 13, 2017







Another \$38.6 million worth of redevelopment projects in five downtowns will move forward, thanks in part to support from Delaware taxpayers

Gov. Jack Markell on Tuesday announced 16 commercial, residential and mixed-use projects throughout the state that will share nearly \$3.6

million in state grants provided by the Downtown Development Districts program.

Created in 2014, the initiative's goal is to use a relatively small amount of public funding to attract larger investments from private developers in central corridors blighted by vacant buildings and economic stagnation. Including the projects announced Tuesday, the DDD program has awarded \$17.7 million in grants to help support about \$329 million in private investment.

"In an ideal world, you wouldn't have to put any public money in," Markell said. "But when you get this kind of thing going and other private investors see the kind of investment being here, they will follow."

STORY: Housing project gives new look to Dover's New Street

STORY: Buccini/Pollin buys 3 buildings in Wilmington

Wilmington, Dover and Seaford were the first districts chosen for the program. Five more were added last summer: Smyrna, Milford, Harrington, Georgetown and Laurel

Approved development projects in those downtowns can receive up to 20 percent of eligible construction costs in the form of rebates awarded by the Delaware State Housing Authority after work is completed. The cities, towns and county governments also have contributed their own incentives to sweeten the pot.

The latest round of funding was announced inside the historic First National Bank on Northwest Front Steet in Milford. Located in the heart of the city's downtown, the building has been vacant since April 2015 when its most recent tenant, M&T Bank, consolidated its local operations to a branch on U.S. 113.

The restaurant chain Touch of Italy purchased the property last summer and is renovating the building for an April opening of its sixth location, a project backed by a \$50,000 DDD grant from a pool of smaller awards not included in Tuesday's announcement. The new restaurant is expected to include sit-down seating, a bar in the former bank vault and two pizza ovens. Once finished, the eatery will employ about 30 people

Co-owner Bob Ciprietti said the availability of the DDD grants is one of the reasons he and business partner Joe Curzi took on the new investment.

"We didn't know we were going to get the grant, but we knew we fit the criteria to qualify," co-owner Bob Ciprietti said, "It gives us some extra working capital to make the building better and invest more in our people."



co-owner Bob Ciprietti talks with Gov. Jack Markell in the restauran, the site of a former M&T Bank. (Photo: SCOTT GOSS/THE NEWS ner M&T Bank. (Photo: SCOTT GOSS/THE NEWS JOURNAL)

Touch of Italy is one of three projects in downtown Milford to win grants this year.

Milford developer Dan Bond was awarded nearly \$136,000 to support his planned renovation of the former Lou's Bootery building across the street. Founded by Louis Pikus, the store operated for 64 years but has been vacant since the death of his son, Milford City Councilman S. "Skip" Pikus in 2015.

Bond said he plans to use the DDD grant and a historic restoration grant program to fund about 40 percent of an \$873,000 renovation that will allow him to sign a new





Picking up the financial pieces after a divorce 3:16



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tenant on the ground floor while adding a pair of two-bedroom apartments upstairs.

About a block south, a \$279,000 DDD grant will be used to support a \$1.5 million renovation of the former Milford Skating Center into additional office space for the engineering firm Davis, Bowen and Friedel.

Milford Mayor Bryan Shupe credited the program with helping to fill some sore spots in the ongoing redevelopment in the city's downtown business district.

"Downtown Milford has been growing for a number of years, but the challenge with a lot of downtowns is that you get six businesses move in, but two more move out," he said. "M&T Bank and Lou's Bootery were at the corner of the busiest corridor through Milford so having them both vacant at the same time was difficult, but thankfully with the DDD, we're getting projects that will bring more people downtown."



Milford Mayor Bryan Shupe talks about the impact of the state's Downtown Development District program inside a former M&T Bank that soon will become a Touch of Italy restaurant, thanks in part to a grant from the am (Photo: SCOTT

Two-thirds of the grant funding announced Tuesday was awarded to 11 projects in Wilmington. Of the nearly \$2.4 million earmarked for the city, nearly a third was allocated to six projects along the Market Street corridor owned by the Buccini/Pollin Group.

Other projects in Delaware's largest city approved for DDD funding include \$585,000 for a new seven-story hotel at 1300 Market St., \$500,000 for an addition to the Mill co-working space in the Nemours Building on Orange Street, \$396,000 for the renovation of a rental complex in the Quaker Hill neighborhood and \$155,000 for the East Side Rising redevelopment project on East Seventh Street.

Projects in three other towns also were awarded funding Tuesday. Those grants include \$132,000 for four affordable housing units on Dover's New Street, \$195,000 for a 3,000-square-foot expansion of Connections' addiction management center in

Harrington and \$215,000 for the demolition and reconstruction of the Dairy Sweet building off U.S. 13 in Smyrna.

This week's DDD grant announcement is expected to be the last under Markell.

Another round of about \$3.3 million in large grants will be awarded in mid-June - the remainder of the \$7.9 million approved by the General Assembly for the current fiscal

However, it remains to be seen whether Gov.-elect John Carney will seek funding for the program in his first budget request. Lawmakers are staring down a \$350 million budget gap in the coming fiscal year.

"I was a little doubtful when this legislation came before us," Senate Minority Leader Gary F. Simpson, R-Milford, said of the DDD program. "[But] from what I've seen  $\dots$  I wish there was enough money in the budget to do it in every community."

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# \$17 Million Awarded to Downtown Development District Projects in Delaware

Posted: Jan 10, 2017 11:40 PM ESTUpdated: Jan 10, 2017 11:42 PM EST By Madeleine Overturf CONNECT

**MILFORD,** Del. - Eight towns in the first state are part of the <u>Downtown Development District</u> (<u>DDD</u>) <u>Program,</u> and 16 projects in those towns have new funds to turn downtown revitalization dreams into reality.

On Tuesday, Governor Markell announced that those 16 projects were the recipient of nearly \$4 million, making the DDD funds round out at \$17.7 million. The money is awarded to developers in grants after all the work is complete, matching up to 20 percent in construction costs. Delaware State Housing Authority Director Anas Ben Addi says the state investment has been worth the risk.

"It's the chicken or the egg," he told WBOC. "Do you bring investors first or do you need people to come first to shop when these businesses are open?"

"For each dollar that we've committed, we are getting about \$19 more in private leverage," he goes on to say.

Dan and Rhonda Bond bought the old <u>Lou's Bootery</u> and are also part of the program. They say it help gets big projects like theirs off the ground.

"It helps us and it helps the other projects for all of us to pitch in," Dan Bond said. "It's a good public-private partnership."

The old bank building in downtown Milford will be turned into a new Touch of Italy restaurant, expected to be done in April.

Homeowners and small businesses are eligible for the grants too, as the program is designed to create more residential and commercial space--the former Lou's Bootery will have both. Representative Harvey Kenton--who grew up in Milford--spoke highly of the program.

"This is adding more icing onto the cake," he said. "In the next 10-15 years, Milford is going to be a place for everyone to come see and want to live here."

The other Downtown Development District programs are Laurel, Georgetown, Seaford, Harrington, Smyrna, Dover and Wilmington.

# 16 downtown projects receive \$3.6 million in state funds

By <u>KATIE PEIKES</u> · 16 HOURS AGO
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DELAWARE PUBLIC MEDIA

State officials handed out \$3.6 million to sixteen downtown development projects Wednesday morning.

The Delaware Downtown Development Districts grants will help projects in Harrington, Dover, Milford, Smyrna and Wilmington revamp older buildings in hopes of attracting more businesses and residents downtown.

Awards can cover up to 20 percent of a project's cost.

Touch of Italy, a restaurant filling a former M&T Bank site in Milford, is among the recipients. Co-owner Bob Ciprietti had been eyeing the space for two years before buying it in June. He said the grant boosts his plans for the restaurant, which is slated to open in April.

"It gives us extra working capital to make not only the building better but to invest more money," Ciprietti said. "Instead of putting it into the building, we get to put it into our people."

Milford mayor Bryan Shupe said in the two years his downtown has been eligible for the grants, it's has seen at least eight businesses open or expand there.

"We want to make sure with the DDD that we're getting some of these bigger projects that really bring people downtown and really secure us against any more impacts from the recession," Shupe said.

The area around Front St., in particular, is where Shupe said he expects to see a lot of future downtown investment.

"This corner alone will be a great catalyst for leveraging more private investment, you know, bringing 30 more jobs to this building, some more across the street at Lou's Bootery..." Shupe said.

Some of the other projects around the First State include an expansion of Connections CSP's Withdrawal Management Center in Harrington and the renovation of three mixed-use buildings on Market St., in Wilmington. These mixed-use buildings will bring 11 new rental units to the city and close to 6,000 square feet of retail space. This includes a plan for a UD Creamery in Wilmington.

"The ultimate benefit is just generating more excitement, interest in our downtowns," said Anas Ben Addi, the director of the Delaware State Housing Authority.

Gov. Jack Markell has been championing for this since the creation of the DDD program in May 2014. With grants being awarded every few months, the state has "meaningful tools" to implement it, Ben Addi said.

"We want to bring people back to our downtowns, we want them to shop, to eat, live and work in our downtowns," Ben Addi said.

The state designated Smyrna, Milford, Harrington, Georgetown and Laurel as new Downtown Development Districts in August 2016. They joined Wilmington, Dover and Seaford - the original districts, declared in 2014. The first grants were awarded in April 2015.

Since 2015, nearly \$18 million in downtown district grants have been awarded across Delaware, leveraging \$329 million in private investment.

The Delaware State Housing Authority expects to hand out more funding in March.

Tuesday, January 10, 2017 - 3:21pm

#### New Downtown Development District grant funding announced in Milford

By Mark Fowser

State and local officials gathered at a former bank building in Milford which is being converted into a restaurant to detail more grant funding through Delaware's Downtown Development District program (photos: Mark Fowser)

New development is coming to several Delaware downtowns through a new round of grant funding from the state's Downtown Development Program.

Governor Markell and Delaware State Housing Authority Director Anas Ben Addi made the announcement Tuesday in Milford in a former bank building which is being converted into a restaurant.

The bar area will be located in the bank's vault.

"What this program will do is preserve our history here, but it will also look forward to the future of how we can re-imagine our downtown area," Milford Mayor Bryan Shupe said.

Projects in Harrington, Dover, Smyrna and Wilmington will also get a share of the grant program, which is designed to leverage millions more in private investment.

"The DDD program has been a central part of our efforts to revitalize Delaware's downtown business districts and drive private investment in our towns and cities. In just two years, the DDD program has leveraged dramatic private investment in a wide variety of projects." Governor Markell said.

"Encouraging private investment that also revitalizes our downtown business districts and surrounding neighborhoods is the goal of the DDD program, and we're thrilled that it has been so successful."

Find out more:

<u>click here</u>