

ANNUAL REPORT

2025



Prepared By:

Delaware State
Housing Authority



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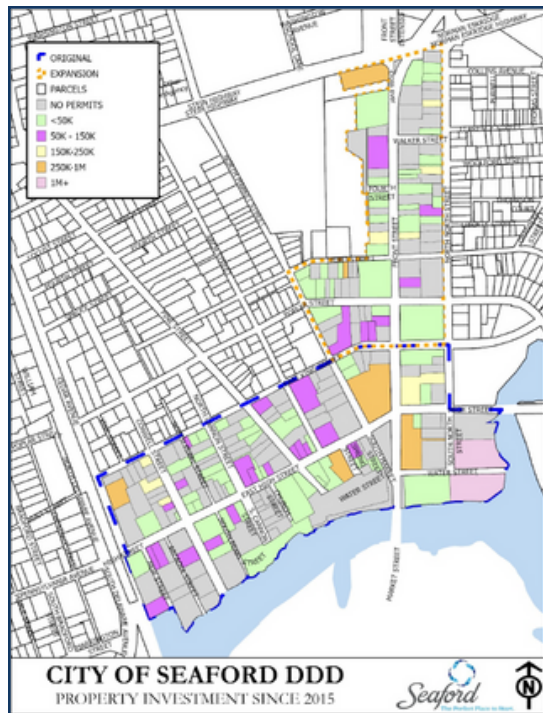
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FY 2014 - 2025 PROGRAM ACTIVITY

PROGRAM OVERVIEW



The Downtown Development District (DDD) program was created to accelerate private investment in designated downtown areas. Delaware Code guides the DDD program, establishing criteria and procedures for designating districts and eligibility for investors seeking incentives.



STATE OF DELAWARE

- Governor designates Districts
- Office of State Planning Coordination (OSPC) facilitates application process
- Delaware State Housing Authority (DSHA) administers the DDD Rebate

LOCAL GOVERNMENTS

- Identify downtown area for revitalization
- Develop District Plan
- Adopt local incentives for District Investors
- Market DDD program to potential investors

Designated Districts		
2015	2016	2019
Dover Seaford Wilmington	Georgetown Harrington Laurel Milford Smryna	Clayton Delaware City Middletown New Castle

OUR IMPACT

This report highlights the DDD program's success in revitalizing distressed downtowns. Fiscal Year 2025 marked a robust development cycle, with 68 Small and Large Projects completed and 15 Large Projects reserved.

The program includes new construction, renovation, and adaptive reuse of vacant buildings, while preserving significant historical structures. The focus remains on residential development, aligning with Delaware's commitment to promoting diverse housing opportunities.

"The Downtown Development Districts Rebate Program is a proven success story for Delaware. It allows public-private partnerships to join us in revitalizing our downtowns, creating jobs, boosting local businesses, and building stable neighborhoods essential to the future of every Delaware resident."

**- DSHA Director
Matthew Heckles**

FY 2014-2025

410

Small Projects

47.4M

State DDD Funds

85

Large Projects

\$693M

Private Investment

DOWNTOWN DEVELOPMENT DISTRICT TIMELINE

Since its inception, the DDD program has excelled in helping private investors overcome challenges associated with downtown infill development.



DISTRICT REBATE

Primary state incentive to support investment in designated Districts.

QUALIFIED REAL PROPERTY INVESTMENT (QRPI)

Capital expenses necessary for the rehabilitation, expansion, or new construction of a commercial, residential, or mixed-use building or facility.

“Hard costs” associated with building structure and often includes labor and material required to construct building envelope and interior.

**DISTRICT INVESTORS
RECEIVE UP TO 20 PERCENT
OF PROJECT'S QRPI**

PROJECT SET-ASIDES

Small Project Set-Aside

Minimum QRPI: \$25,000
Maximum rebate: \$70,000
Based on funding availability

Large Project Set-Aside

Minimum QRPI: \$350,000
Maximum rebate: \$2,000,000
Reservation is required

Priority Consideration

When requests exceed available funding, priority is given to highest scoring projects.

Rebate Limit

Limited to \$2,000,000 per building or facility within a five-year period.

Performance-based

The project must be completed and placed in service to receive rebate.



Rehabilitation of 207-year old Wilmington Monthly Meeting of Friends

QUALIFIED DISTRICT INVESTOR

Virtually any entity or individual making Qualified Real Property Investments (QRPI) within a District. This includes property owners, tenants, for-profit developers, nonprofit organizations, businesses and homeowners.

LARGE PROJECT INVESTOR

This investor is more familiar with the development process, enjoys economies of scale, and has significant capital for investments.

SMALL PROJECT INVESTOR

Typically a small, family-owned or independent business who invests mostly in their existing business.

- Minimal experience in development
- Often needs assistance in navigating the development

ACCESS TO INCENTIVES

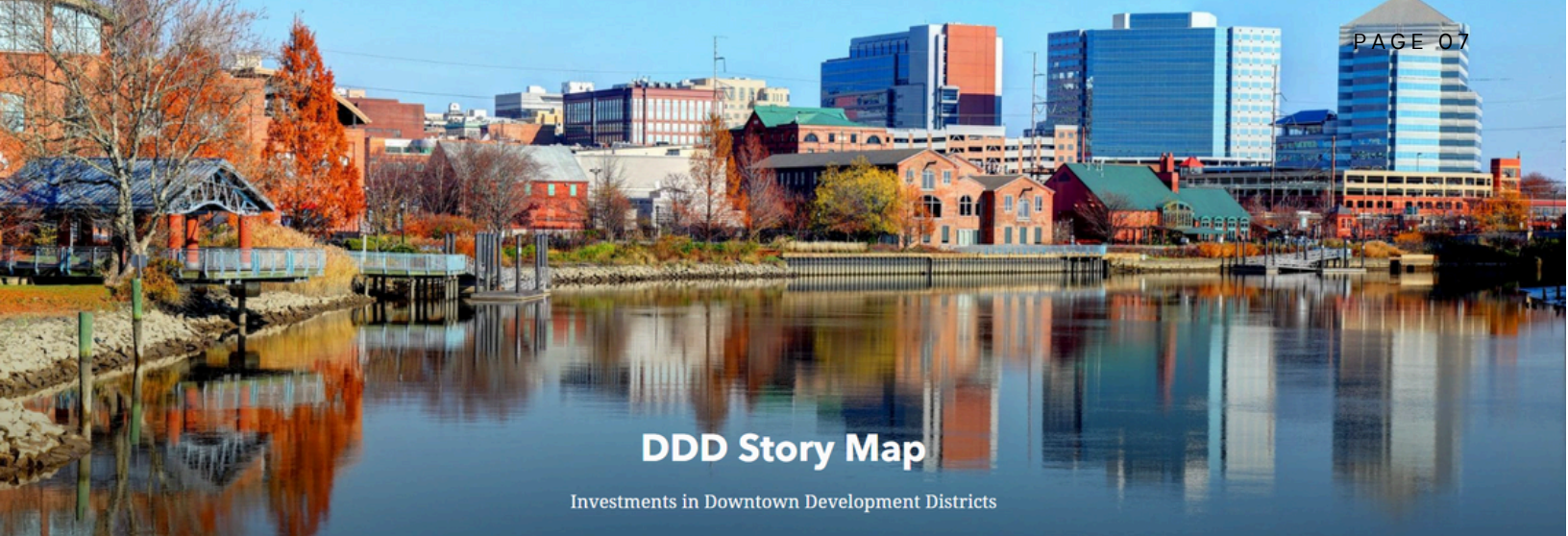
- DDD Rebate - up to 20 percent of capital costs
- Historic Preservation Tax Credits
- Municipal Incentives



*Large Project rehabilitation
in Smyrna*



*Small Project rehabilitation
in Wilmington*



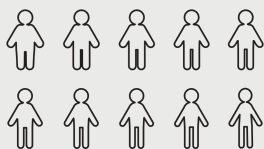
PROGRAM RESOURCES

DSHA partners with the OSPC and the Delaware Division of Small Business (DSB) to bring training, online resources, marketing material and coaching to support Districts in attracting private investment and redevelopment.

- **DDD Story Map** highlights DDD activity within each District.
- **Central Incentives Website** contains all incentives for District investors.
- **Community Development Coach** assists Districts in building capacity to attract new or expand existing businesses.
- **Outreach and Training** is provided to different audiences on various topics.
- **Marketing** provides promotional materials and DSHA marketing.

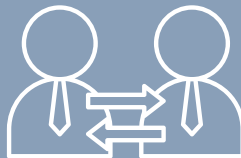
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People educated



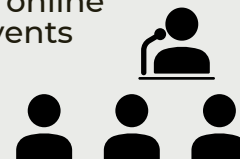
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Investors receiving TA



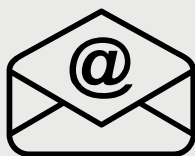
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Workshops
and online
events



22,439

E-Newsletter
reads



13,992

Website views



FY 2025 DISTRICT IMPACT

DOVER

\$541K Rebate

\$4.2M Private

- ✓ **7 Small Projects**
- ✓ **1 Large Project**
7 homeownership units

GEORGETOWN

\$70K Rebate

\$350K Private

- ✓ **1 Small Project**
mini-mart with second floor owner's unit

HARRINGTON

\$131K Rebate

\$865K Private

- ✓ **3 Small Projects**
2 new duplexes
adaptive reuse to engineering office

MIDDLETOWN

\$246K Rebate

\$2M Private

- ✓ **3 Small Projects**
- ✓ **1 Large Project**
2 new duplexes
renovate car wash and ADA compliant

MILFORD

\$838K Rebate

\$9M Private

- ✓ **8 Small Projects**
- ✓ **1 Large Project**
adaptive reuse of former Rite-Aid into 10 rental units
renovate commercial building for 7 retail tenants

NEW CASTLE

\$175K Rebate

\$1.4M Private

- ✓ **4 Small Projects**
2 new single-family units
housing rehab by owner
historic building renovation into event venue

SEAFORD

\$328K Rebate

\$1.9M Private

- ✓ **8 Small Projects**
17 units via downtown mixed-use, single-family, duplexes

SMYRNA

\$394K Rebate

\$2.9M Private

- ✓ **5 Small Projects**
- ✓ **1 Large Project**
7 units of missing middle housing
historic renovation of 2 churches

WILMINGTON

\$5.4M Rebate

\$95.5M Private

- ✓ **18 Small Projects**
- ✓ **8 Large Projects**
300 units via new multi-family, adaptive reuse, & rehab of rowhomes
4 historic buildings preserved

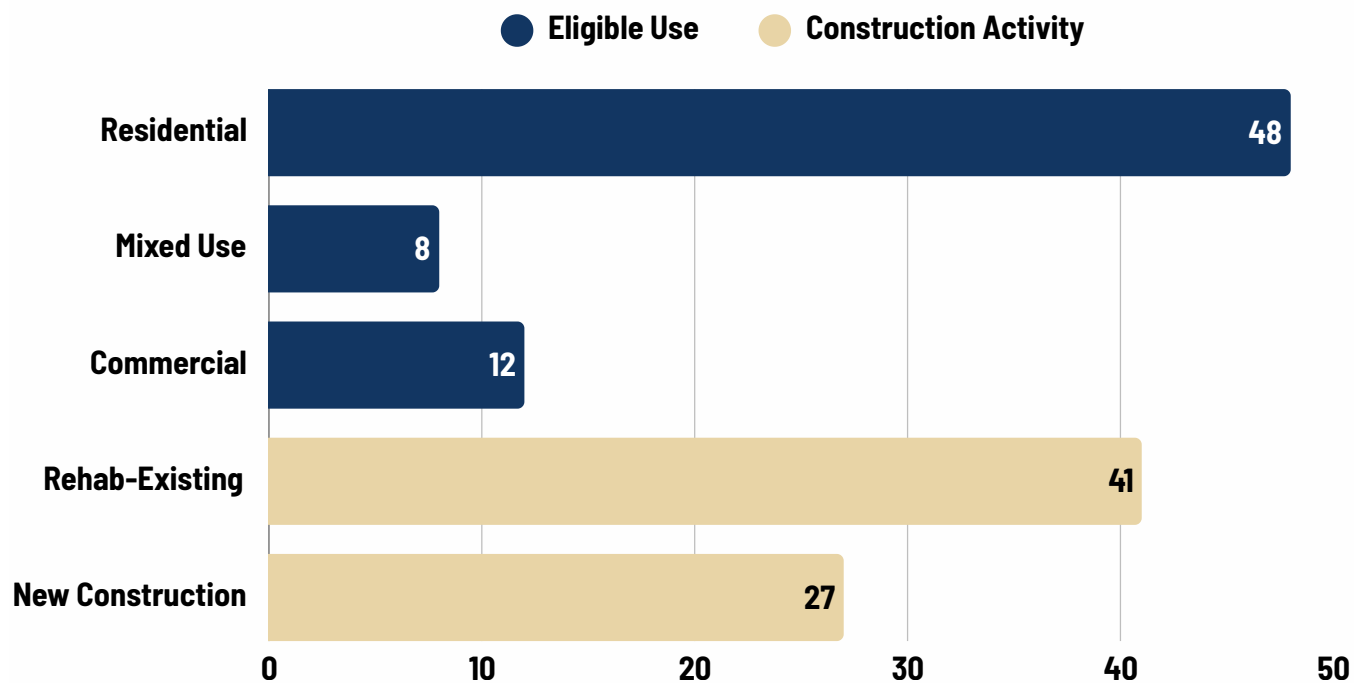
FY 2025 PROGRAM ACTIVITY

Over the past year, 12 Large and 56 Small Projects were completed, receiving \$8.1 million in state funds and leveraging \$118.2 million in private investment. In addition, \$5.5 million in state funds were reserved for 15 Large Projects and are expected to leverage \$174 million in private investment.

Most projects are residential, followed by commercial and mixed-use. Combined, residential and mixed-use projects increased the number and variety of living options downtown. Most of this was accomplished through rehabilitating existing buildings including several historic structures.

While most projects were residential, 44 percent of state funds went to mixed-use projects followed by commercial projects receiving 36 percent.

Eligible Use and Construction Activity



FY 2025 PROGRAM ACTIVITY

Rebates Issued	Total Development Cost	Rebate	#
Small Projects	\$14,428,948	\$1,989,755	56
Large Projects	\$103,723,931	\$6,156,044	12
Total	\$118,152,879	\$8,145,799	68

Eligible Use	Total Development Cost	Rebate	#
Residential	\$10,903,658	\$1,652,414	48
Mixed-Use	\$74,188,115	\$3,571,217	8
Commercial	\$33,061,106	\$2,922,168	12
Total	\$118,152,879	\$8,145,799	68

Rebates Issued	Total Development Cost	Rebate	#
Rehab-Existing	\$94,577,580	\$5,767,977	41
New Construction	\$23,575,299	\$2,377,822	27
Total	\$118,152,879	\$8,145,799	68

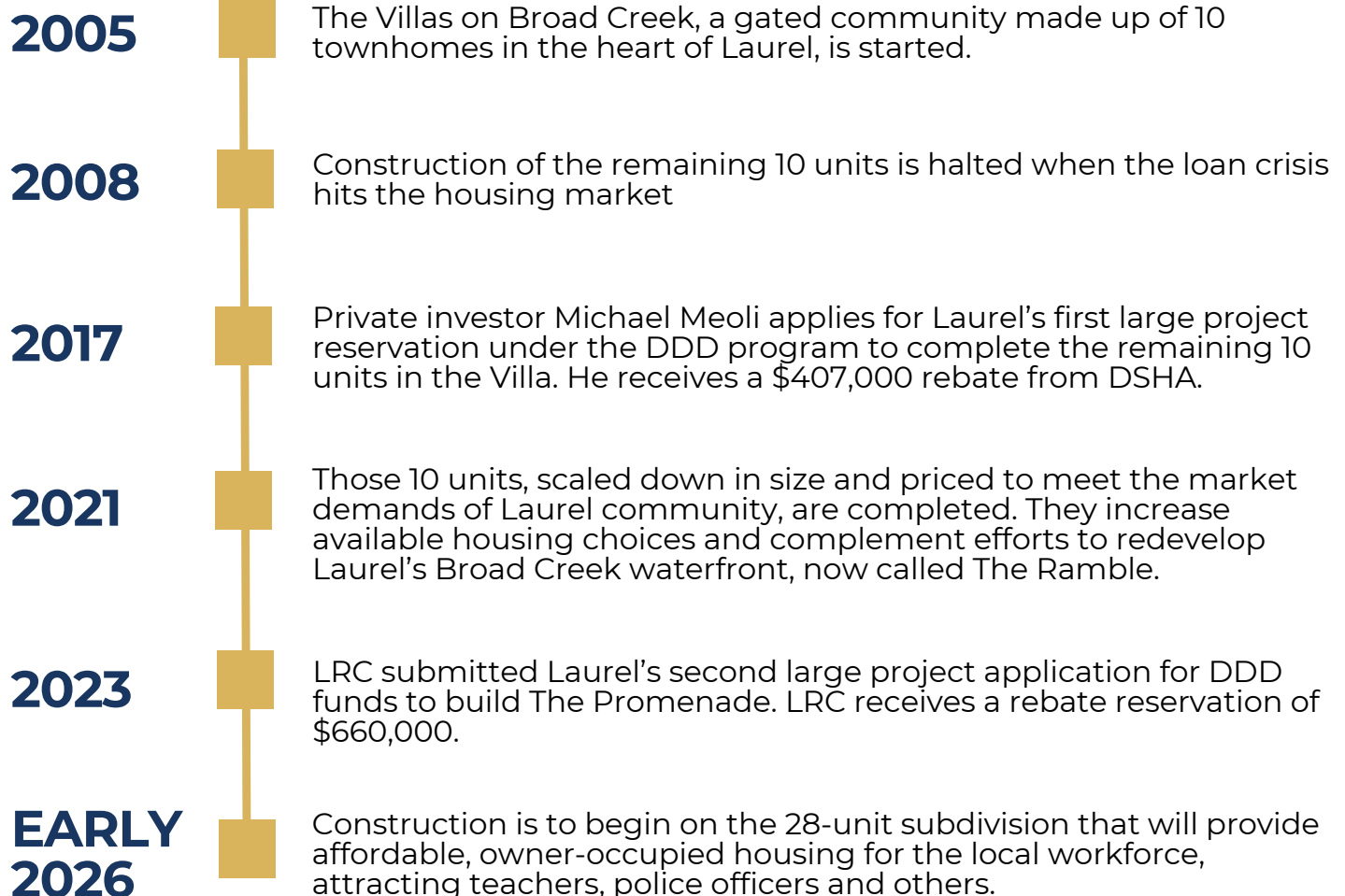
Large Project Reservations	Total Development Cost	Reservation	#
Round 17 New	\$173,551,994	\$5,500,000	15

LAUREL SPOTLIGHT

A small town tucked away in western Sussex County, Laurel's Downtown Development District spans 78 acres and includes much of the Broad Creek waterfront, commercial businesses along Market Street and historic homes to the south.

With the help of the Laurel Redevelopment Corporation (LRC), Sussex County Habitat for Humanity, Milford Housing Development Corp., and others, Laurel has taken a comprehensive approach to commercial revitalization and rehabilitated the district's aging homes and rental properties.

DDD funding rebates have redeveloped residential areas, too. Sussex Habitat received nearly \$142,000 in Small Project rebates, and Milford Housing Development Corp., almost \$89,000 in Small Project rebates for building or restoring homes. Overall, almost \$753,000 in DDD funds have brought private investments of nearly \$4.35 million to complete 20 projects since Laurel was designated as a DDD.



LAUREL SPOTLIGHT

THE RAMBLE

The Ramble is Laurel's redevelopment plan for the Broad Creek waterfront and central core, and it is central to the Downtown Development District boundary. In addition to a village green, shops, and waterfront cottages, plans include a kayak launch, a nature-based playground and wetlands education area.

Adjacent to The Ramble will be The Promenade. When completed, this 28-unit subdivision, which received a Large Project DDD rebate reservation of \$660,000, will provide affordable, owner-occupied housing for the local workforce.



"Having worked in Laurel since 1992, I can say without a doubt, after Laurel obtained the DDD designation, we have seen a sense of renewed pride and enthusiasm, and economic development opportunities grow throughout the town. It's my hope, over the next few years, more private property owners and businesses take advantage of the DDD program and what it offers."

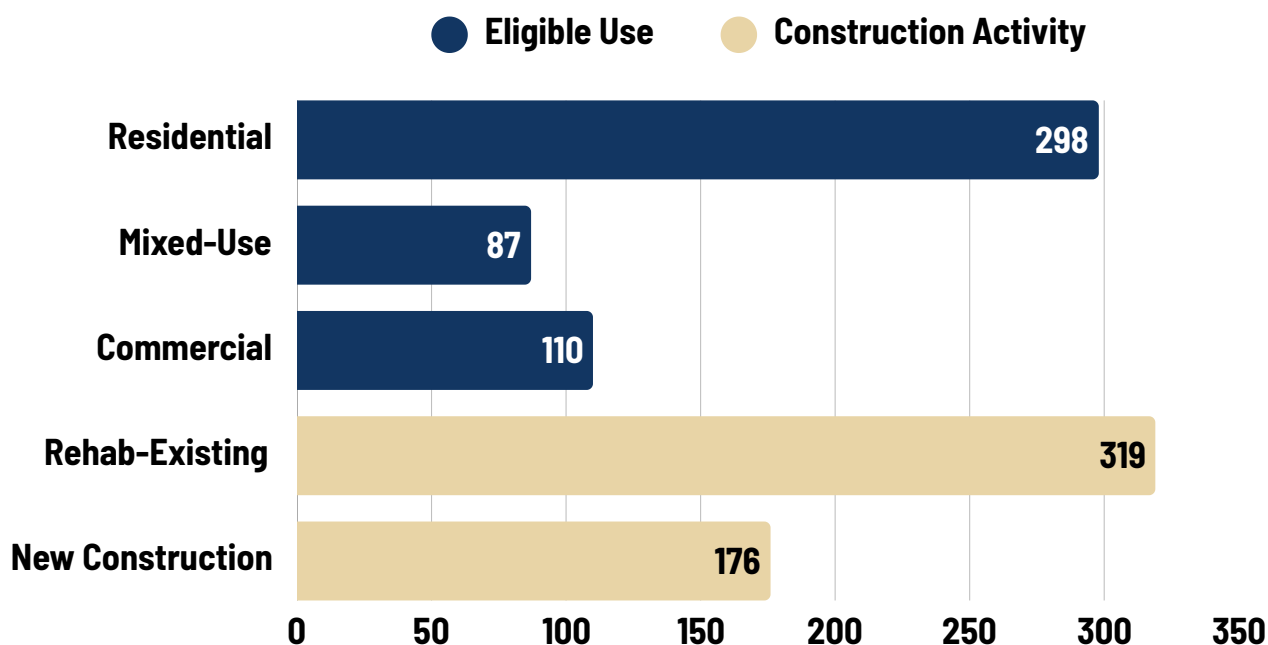
- Brian Shannon, executive director of LRC

FY 2014-2025 PROGRAM ACTIVITY

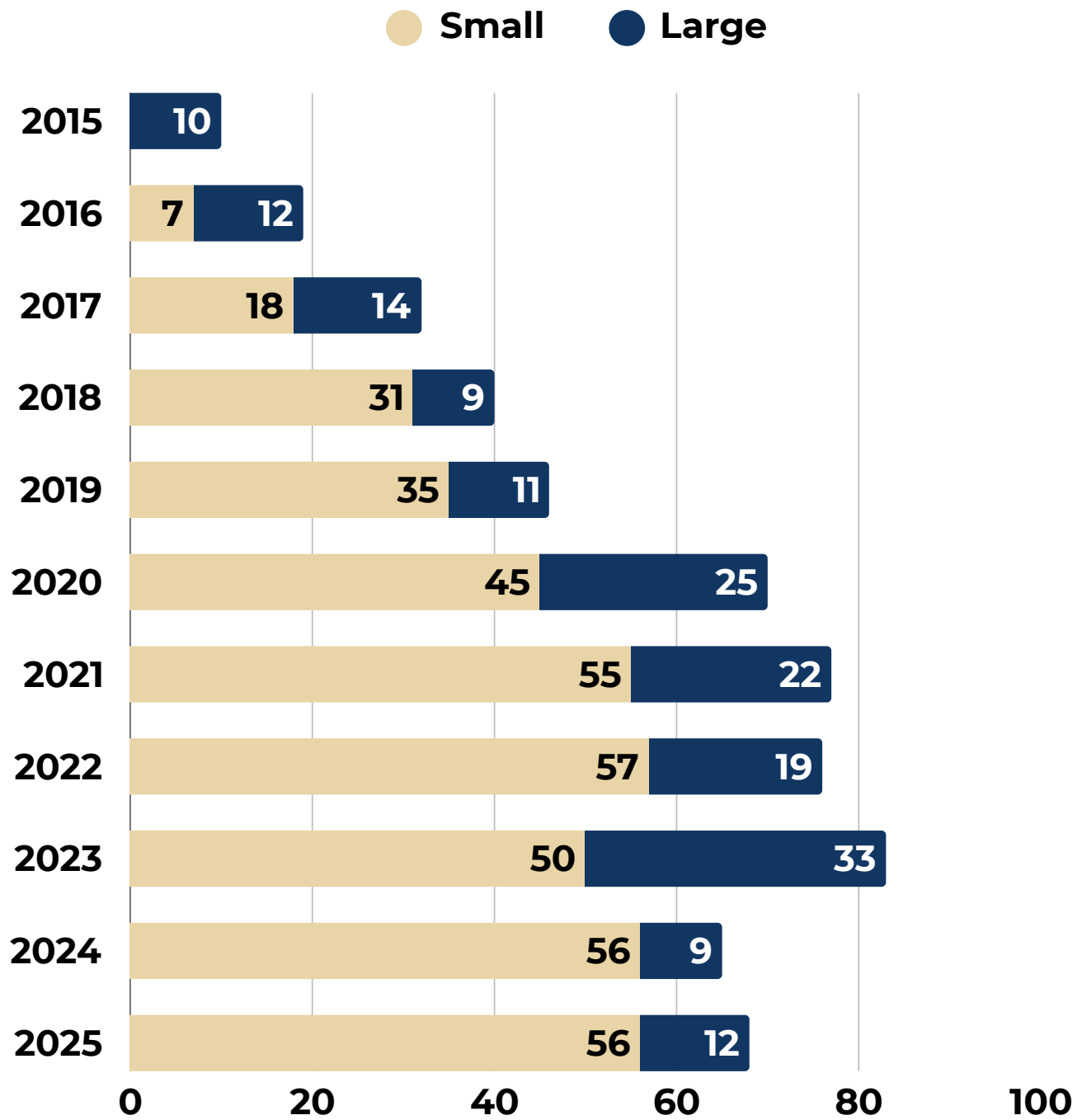
Since the program's inception, Delaware's investment in the DDD program has accelerated downtown revitalization with the completion of 495 projects. This represents 410 Small Projects and 85 Large Projects which together used \$47.4 million in state DDD funds to leverage \$693 million in private investment. In addition, there are 33 reserved Large Projects that are still underway.

Sixty percent of all projects have been residential, followed by commercial and mixed-use, creating a range of housing options that build a strong customer base for nearby businesses. Most projects were completed through renovating and adaptive reusing vacant buildings. In addition, the number of historical structures that are preserved or restored continues to grow as investors become comfortable combining the DDD rebate with historic tax credits.

Eligible Use and Construction Activity



FY 2014-2025 PROJECT TYPE



REBATED PROJECTS BY DISTRICT FY 2014-2025

District	DDD Rebate	Private Investment	Large Projects	Small Projects
Clayton	\$13,942	\$76,080	0	2
Delaware City	\$280,724	\$1,725,909	0	10
Dover	\$2,666,686	\$23,108,022	6	72
Georgetown	\$1,163,827	\$8,461,725	2	16
Harrington	\$1,129,135	\$10,053,807	1	38
Laurel	\$752,627	\$4,349,602	1	19
Middletown	\$560,641	\$4,587,844	2	10
Milford	\$3,650,248	\$32,237,523	8	77
New Castle (City)	\$586,802	\$4,378,668	1	16
Seaford	\$3,036,711	\$32,114,776	4	40
Smyrna	\$1,350,027	\$10,450,172	2	38
Wilmington	\$32,198,742	\$561,281,240	58	72
Total	\$47,390,113	\$692,825,368	85	410



Delaware State Housing Authority
18 The Green
Dover, DE 19901

www.destatehousing.com