

LAWS OF DELAWARE  
VOLUME 85  
CHAPTER 200  
153rd GENERAL ASSEMBLY  
FORMERLY  
SENATE BILL NO. 33

AN ACT TO AMEND TITLE 22, TITLE 29, AND TITLE 30 OF THE DELAWARE CODE RELATING TO THE DOWNTOWN DEVELOPMENT CORRIDORS AND DISTRICTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Chapter 19. The Downtown Development Corridors and Districts Act

Section 2. Amend Chapter 19, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Subchapter I. Establishment, Amendment, and Termination of Corridors and Districts

Section 3. Amend § 1902, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1902. Definitions.

As used in this chapter:

(1) “Committee” means the Cabinet Committee on State Planning Issues established ~~pursuant to~~ under § 9101 of Title 29.

(2) “Corridor plan” or “District plan” means the strategic plan or other detailed description of the overall strategy for the development of a proposed corridor or district submitted by the municipality or unincorporated area as part of its application for corridor or district designation.

(3) “Downtown” means that portion of a city, town, or unincorporated area that traditionally comprises its downtown or central business district, as determined by such city, town, or unincorporated area in accordance with guidelines promulgated by the Office.

(4) “Downtown Development Corridor” or “corridor” means an area within a municipality with a population of 30,000 or more based on the 2020 federal census that is designated as a Downtown Development Corridor under this chapter.

~~(4)~~(5) “Downtown Development District” or “district” means an area within a municipality or unincorporated area designated as a Downtown Development District ~~in accordance with the provisions of~~ under this chapter.

~~(5)~~(6) “DSHA” means the Delaware State Housing Authority.

~~(6)~~(7) “Municipality” means any incorporated town or city of this State.

~~(7)~~(8) “Office” means the Office of State Planning Coordination.

~~(8)~~(9) “Unincorporated area” means an area of ~~the~~ this State having a concentration of population that is not a municipality and that is eligible to apply for and receive district designation in accordance with rules promulgated by the Office.

Section 4. Amend § 1903, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1903. Applications for corridor or district designation.

(a) At the request of the Governor, the Office shall solicit applications from municipalities and unincorporated areas to have an area designated as a Downtown Development Corridor or Downtown Development District. Such application shall include a description of the area to be included; the need for corridor or district incentives; the corridor plan or district plan; local incentives offered; and such other information as may be required by the Office.

(b) ~~The Office of State Planning Coordination shall~~ administer the application process and establish criteria to determine what areas qualify as Downtown Development Corridors and Downtown Development Districts. The Office is authorized to take such actions as may be necessary or convenient to fulfill its responsibilities ~~hereunder,~~ ~~including but not limited to~~ under this chapter, including promulgating rules and regulations relating to the establishment, amendment, and termination of corridors and districts and providing assistance to municipalities and unincorporated areas in connection with the application process.

(c) The criteria for designating ~~areas~~ an area as a Downtown Development Corridor or Downtown Development Districts ~~shall include:~~ District must include all of the following:

(1) The need and impact of ~~such a~~ the designation for ~~such the~~ the area, including ~~but not limited to~~ income, unemployment rate, homeownership rate, and prevalence of vacant or abandoned housing units in ~~such the~~ the

municipality or unincorporated area. Need and impact factors ~~shall~~must account for at least 50 percent of the consideration given to applications for corridor or district designation; designation.

(2) The quality of the municipality's or unincorporated area's ~~district plan~~; corridor plan or district plan.

(3) The quality of the local incentives ~~offered~~; and offered.

(4) Such other criteria as may be determined by the Office.

Section 5. Amend § 1904, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1904. Review and approval of applications.

(a) Applications for corridor or district designation ~~shall~~ must be evaluated by the Cabinet Committee on State Planning Issues, which shall recommend to the Governor those applications with the greatest potential for accomplishing the purposes of this chapter.

(b) ~~Upon~~On receipt from the Committee of any recommended application, the Governor ~~may~~; may do any of the following

(1) Designate immediately the recommended area as a ~~district~~; corridor or district.

(2) Designate the recommended area as a corridor or district effective 1 year from the date of ~~such~~ the determination by the ~~Governor~~; or Governor.

(3) Deny ~~such~~ the application.

(c) ~~The initial round of applications shall result in the immediate designation of at least 1 but no more than 3 districts.~~ [Repealed.]

Section 6. Amend § 1905, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1905. Designation, renewal, and amendment of corridors or districts.

(a) ~~No~~ Not more than 15 districts ~~shall~~ may be designated at any 1 time. ~~Designation of the first 3 districts shall include 1 district in each county.~~ Not more than 1 corridor may be designated for each municipality.

(b) ~~Districts shall~~ A corridor or district is to be designated for an initial 10-year period. ~~Upon~~On recommendation of the Committee, the Governor may renew ~~districts~~ a corridor or district for up to 2 5-year renewal periods. Recommendations for renewals ~~shall~~ must be based on the performance of corridor or district responsibilities by the ~~municipality (or municipality, or county in the case of a district in an unincorporated area); area~~; area; the continued

need for ~~such a~~ the corridor or district; and ~~its~~ the corridor's or district's effectiveness in creating capital investment, increasing population, creating jobs, improving housing stock, providing enhanced retail and entertainment opportunities, and otherwise improving the quality of life within ~~such~~ the corridor or district.

(c) Any ~~municipality (or municipality, or county in the case of a district in an unincorporated area)~~ area, having a corridor or district within its borders ~~shall be~~ is responsible for providing the local incentives specified in its application, providing timely submission of reports and evaluations as required by rule or regulation, implementing an active local development corridor or district program within the context of overall economic and community development efforts, and fulfilling such other responsibilities as may be required by law, rule, or regulation in connection with ~~such~~ the corridor or district.

(d) Each corridor or district shall ~~be required to~~ submit regular reports and information to the Office as may be necessary to evaluate ~~such~~ the corridor's or district's effectiveness and compliance with this section.

Section 7. Amend § 1906, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1906. Local incentives.

(a) ~~Any~~ A municipality or unincorporated area ~~submitting an application applying for district designation, or municipality applying for a corridor designation,~~ shall propose local incentives that address local economic and community conditions, and that will help achieve the purposes set forth in § 1901 of this title. ~~Such~~ The local incentives may include ~~but are not limited to~~ a reduction in fees or taxes. In addition, the application may also contain proposals for regulatory flexibility, which may include ~~but are not limited to~~ permit process reforms, special zoning districts, or exemptions from local ordinances.

(b) All incentives proposed in the application ~~shall be binding upon the municipality (or county in the case of an unincorporated area) upon~~ are binding on a municipality or unincorporated area applying for district designation, or municipality applying for a corridor designation, on designation of the corridor or district. The extent and duration of ~~such~~ the incentives ~~shall~~ must be consistent with the requirements of the Delaware Constitution and the United States Constitution.

(c) A municipality or county may establish eligibility criteria for local incentives that differ from the criteria required to qualify for the incentives provided in this chapter.

Section 8. Amend § 1907, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1907. Amendments to corridor or district boundaries and incentives.

A municipality or county may apply to the Office to amend the boundaries of ~~the~~ a corridor or district or to amend 1 or more corridor or district incentives, ~~provided that~~ incentives for a corridor or district designated by the municipality or county, if any revised incentive proposed by the municipality or county ~~shall be~~ is equal or superior to the incentive for which the amendment is sought. All proposed amendments are subject to approval by the Committee.

Section 9. Amend § 1908, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1908. Formal review and termination of corridors or districts.

(a) If a ~~municipality (or a county in the case of an unincorporated area)~~ municipality or county fails to fulfill its obligations ~~pursuant to~~ under § 1905 of this title or as otherwise set forth in this chapter, ~~then~~ the Office may recommend to the Committee that the corridor or district be placed under formal review or that its corridor or district designation be terminated.

(b) ~~Except in instances where a city, town, or~~ Unless a municipality fails to provide local incentives ~~in accordance with~~ under § 1906 of this title ~~hereunder~~, the Office may not recommend any of the following:

(1) Placing ~~any~~ a corridor or district under formal review for at least 2 years following the initial designation of ~~such district; and~~ the corridor or district.

(2) Terminating the designation of ~~any~~ a corridor or district for at least 1 year following the placement of the corridor or district on formal review by the Committee.

(c) ~~In no event shall the~~ The Office may not recommend formal review or termination of ~~any~~ a corridor or district without providing sufficient notice and opportunity to be heard to ~~such~~ the corridor or district.

(d) The Committee may approve any recommendation by the Office to place a corridor or district under formal review or to terminate a corridor's or district's designation ~~upon~~ on the affirmative vote of  $\frac{3}{5}$  of the members of the Committee.

(e) The Office may promulgate regulations to authorize the continuation of previously authorized corridor or district incentives for a reasonable period following termination of the ~~district; provided, however, that no new~~

~~incentives shall be~~ corridor or district. A new incentive may not be authorized for any entity after the date of termination.

Section 10. Chapter 19, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

Subchapter II. Downtown Development Corridor and District Grants

Section 11. Amend § 1921, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1921. Qualifications for Downtown Development Corridor and Downtown Development District ~~Grants~~.  
Grants; definitions.

(a) Subject to the limitations set forth in this subchapter, any qualified corridor or district investor making a qualified real property investment in a corridor or district ~~shall be~~ is entitled to a grant in an amount up to 20% of the qualified real property investments made by ~~such~~ the qualified corridor or district investor in excess of the minimum qualified investment threshold.

(b) For purposes of this ~~chapter~~: subchapter:

(1) “DDC Grant”, “~~DDD Grant~~” Grant”, or “grant” ~~shall mean~~ means a Downtown Development Corridor or Downtown Development District Grant ~~as set forth in under~~ subsection (a) of this ~~section hereunder~~.  
section.

(2) “Facility” means a complex of buildings, co-located at a single physical location within a corridor or 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.

(3) “Minimum qualified investment threshold” means the minimum level of qualified real property investments required to be made by a qualified corridor or district investor in a building or facility ~~in order~~ to qualify for a ~~DDD Grant, grant~~, as determined by DSHA. ~~Notwithstanding the foregoing, for the fiscal year ending June 30, 2015, the minimum qualified investment threshold shall be \$25,000 with respect to a single residential or mixed-use building or a facility. No~~ Not more often than once per year, DSHA may amend the minimum qualified investment threshold with respect to uses (residential, commercial, industrial, etc.), types of projects (rehabilitation, new construction, etc.), or other criteria determined by DSHA to be necessary or convenient to accomplish the purposes of this chapter.

(4) “Qualified corridor or district investor” means an owner or tenant of real property located within a corridor or district ~~who that~~ expands, ~~rehabilitates~~ rehabilitates, or constructs ~~such the~~ real property for residential, commercial, ~~industrial~~ industrial, or mixed use. ~~In the case of~~ For a tenant, the amounts of qualified real property investment specified in this section ~~shall relate~~ relates to the proportion of the building or facility for which the tenant holds a valid lease. ~~In the case of~~ For an owner of an individual unit within a “common interest community,” as ~~such term is~~ defined in § 81-103 of Title 25, the amounts of qualified real property investments specified in this chapter ~~shall relate~~ relates to that proportion of the building for which the owner holds title and not to common elements.

(5)a. “Qualified real property investment” means the amount in excess of the minimum qualified investment threshold that is properly chargeable to a capital account for improvements to rehabilitate, ~~expand~~ expand, or construct depreciable real property placed in service during the calendar year within a corridor or district. Specific inclusions and exclusions from the definition of “qualified real property investments” ~~shall be~~ shall be determined by DSHA, but ~~such the~~ definition ~~shall~~ must generally include expenditures associated with all of the following:

a.1. Any exterior, interior, structural, ~~mechanical~~ mechanical, or electrical improvements necessary to construct, ~~expand~~ expand, or rehabilitate a building or facility for residential, commercial, industrial, or mixed ~~use~~ use.

b.2. ~~Excavations~~; Excavations.

e.3. Grading and ~~paving~~; paving.

d.4. Installing ~~driveways~~; driveways.

e.5. Landscaping or land ~~improvements~~; and improvements.

f.6. Demolition.

b. Notwithstanding ~~the foregoing, no~~ paragraph (b)(5)a. of this section, an investment in the rehabilitation, expansion, or construction of any building or facility in a corridor or district ~~shall be~~ is not a qualified real property investment unless it is performed in accordance with the corridor plan or district plan.

Section 12. Amend § 1922, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1922. Limitations and conditions.

(a) The availability of ~~Downtown Development District Grants~~ grants in any given year ~~shall be~~ is subject to appropriation by the General Assembly.

(b) In addition to its other powers and responsibilities ~~hereunder~~, under this chapter, DSHA is expressly authorized to establish ~~such~~ other limitations and conditions with respect to grants as may be necessary or convenient to accomplish the purposes of this chapter, including ~~but not limited to~~: all of the following:

(1) Amending the minimum qualified investment ~~threshold~~; threshold.

(2) Establishing caps or limits on ~~DDD-Grants~~ grants available to any qualified corridor or district investor, alone or in combination with other local, state, or federal incentives for any individual building or ~~facility~~ (including but not limited to facility, including state historic preservation tax credits ~~pursuant to under~~ Chapter 18 of Title 30); 30.

(3) Establishing additional qualifying criteria with respect to uses (residential, commercial, industrial, etc.) or types of projects (rehabilitation, new construction, ~~etc.~~); etc..

(4) Incentivizing particular types of uses or projects in 1 or more ~~districts~~; and corridors or districts.

(5) Establishing ~~such~~ other limitations and conditions in 1 or more corridors or districts as DSHA ~~shall determine from time to time~~; determines.

(c) DSHA may not establish or amend the ~~foregoing~~ limitations and conditions ~~no~~ authorized under this section more often than once per year.

Section 13. Amend § 1923, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1923. Policies and procedures for allocation of Downtown Development Corridor Grants and ~~Downtown Development District Grants~~.

(a) Qualified corridor or district investors ~~shall be eligible to~~ may receive ~~DDD-Grant~~ a grant provided for in this chapter to the extent that ~~they~~ the investors apply for and are approved for grant allocations through DSHA.

(b) The accuracy and validity of information on qualified real property investments ~~shall be~~ is subject to verification procedures in accordance with rules promulgated by DSHA on forms supplied by DSHA and in accordance with dates specified by DSHA.

Section 14. Amend § 1924, Title 22 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:



§ 1924. Administration.

(a) DSHA ~~shall have~~ has the primary responsibility for administering the ~~DDD Grant program~~ grants program. In connection ~~therewith~~, with administering the grants program, DSHA's powers and duties ~~shall include but not be limited to the following~~; include all of the following:

(1) Adopting ~~such~~ rules and procedures as may be necessary or desirable to effectuate the provisions of this ~~chapter~~; chapter.

(2) Administering, enforcing, and interpreting ~~such the~~ rules and ~~procedures~~; procedures adopted under paragraph (a)(1) of this section.

(3) Allocating grant funds in accordance with the provisions of this ~~chapter~~; and subchapter.

(4) Monitoring the implementation and operation of this subchapter.

(b) Beginning ~~no not~~ later than December 31, 2015, DSHA shall issue an annual report to the Governor and the General ~~Assembly~~ Assembly, with a copy to the Director of the Division of Legislative Services evaluating the effectiveness of the grant program established ~~hereunder~~; under this subchapter.

(c) DSHA may delegate to, and receive assistance from, other entities including the Office, the Division of Small ~~Business~~ Business, and other state agencies in carrying out its responsibilities ~~hereunder~~; under this subchapter.

Section 15. Amend § 9101, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 9101. Cabinet Committee on State Planning Issues.

(c) The Committee shall consider matters relating to the orderly growth and development of the State, ~~including, but not limited to~~; including all of the following:

(6) Performing such other duties and responsibilities with respect to the Downtown Development Corridors and Districts Act as set forth in Chapter 19 of Title 22.

(h) The Office of State Planning Coordination shall render local planning technical assistance. The Office of State Planning Coordination may serve as the lead agency to engage other state agencies, local governments, and other governmental and nongovernmental organizations for the purposes of coordinating planning activities, promoting liaison between various state agencies and local governments, building capacity through training and sharing of digital and other information, developing infrastructure plans and master plans, addressing specific growth and design issues, and such other actions as are appropriate to achieve the purposes of this chapter. The Office of State Planning

Coordination shall develop and promote cooperation and coordination among state agencies and local governments to ensure effective and efficient planning and infrastructure investment. The Office of State Planning Coordination may make grants available to county and municipal governments to assist them in achieving any of the objectives outlined in this section, provided that funded activities and deliverables are in compliance and in harmony with the Strategies for State Policies and Spending. The Office of State Planning Coordination shall further have such authority and responsibility with respect to the Downtown Development Corridors and Districts Act as set forth in Chapter 19 of Title 22.

Section 16. Amend § 1812, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1812. Definitions.

The following words, terms and phrases, when used in this subchapter, shall have the meanings ascribed to them herein, except where the context clearly indicates a different meaning (singular includes plural):

(6) “Downtown Development Corridor or Downtown Development District” means an area of a ~~city or town~~ municipality or an unincorporated area that has been designated by the Governor as a Downtown Development Corridor or Downtown Development District ~~in accordance with under~~ Chapter 19 of Title 22.

Section 17. Amend § 1816, Title 30 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 1816. Total amount of credits permitted in each fiscal year; allocation of such credits.

(a) The maximum amount of credit awards under this chapter in any fiscal year shall not exceed \$5,000,000. One hundred thousand dollars of the credit awards in a fiscal year must be reserved for distribution to qualified resident curators. If in any fiscal year there are insufficient qualified resident curators to exhaust this allotment, the unused credit amount will be available in the next fiscal year for award to persons qualifying under § 1813(a)(1) or (2) of this title. In any 1 year, \$1,500,000 of tax credits shall be reserved for projects receiving a credit of not more than \$300,000. In addition, in any 1 year, \$1,500,000 of tax credits shall be reserved for projects located in ~~Downtown Development Districts~~; Downtown Development Corridors or Downtown Development Districts of which \$500,000 shall be reserved for projects in such corridors or districts receiving a credit of not more than \$300,000. On April 1 of each year, any unused balance of the foregoing pools of tax credits shall be available to any eligible project. However,

should a credit award exceed the actual credit claimed, the amount of the excess credit award shall not be available for a subsequent award.

Section 18. The initial round of applications for Downtown Development Corridors under this Act must result in the designation of at least 1 Downtown Development Corridor.

Approved September 2, 2025