

# **CITY OF DETROIT**

## **Housing & Revitalization Department**

### **Housing Rehabilitation and Development Program**

(2018 HOME/CDBG Development Program NOFA)



### **NOTICE OF FUNDING AVAILABILITY (NOFA)**

**AND**

### **REQUEST FOR PROPOSALS (RFP)**

### **INFORMATION AND APPLICATION PACKAGE**

Michael E. Duggan, Mayor

Arthur Jemison, Director

## Housing Rehabilitation and Development Program Application Award Process

Tentative Schedule and Subject to Change

Event	Date
NOFA Published	December 15, 2017
Pre-Submission Meeting	January 8, 2018 2:00pm-4:00pm
Fast Track Application Deadline	January 26, 2018 5:00pm
Last Day for Q&A	February 16, 2018 5:00pm
Final Submission Date	March 2, 2018 5:00pm



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## I. INTRODUCTION TO AVAILABLE FUNDS AND PROGRAM GOALS

The City of Detroit is making available housing development funds through its NOFA to support the rehabilitation and/or development of affordable housing units in the City of Detroit.

Funding sources to be made available are identified as:

- HOME Investment Partnerships (HOME) Program through the U.S. Department of Housing and Urban Development (“HUD”)
- Community Development Block Grant (CDBG) Program through HUD
- NSP 1, 3 Program Income through HUD
- Unexpended City of Detroit Bond Funds
- City of Detroit General Funds

The City of Detroit program, known as the **Housing Rehabilitation and Development Program**, aims to strengthen public-private partnerships in order to achieve the following goals:

- Produce mixed-use, mixed-income multifamily housing developments in the city's neighborhoods through new construction and the rehabilitation or the improvement of existing structures.
- Preserve current affordable housing stock in both public and private sector control, thereby reducing loss of existing well-located affordable housing.
- Develop supportive housing for the chronically homeless.
- Produce public infrastructure improvements to support housing, or open space areas related or near areas of concentrated housing.

### **A. Preferred Projects**

The City of Detroit will prioritize projects that are located in the target areas identified in the 2016 Targeted Multifamily Housing Area (**Appendix H**). The 2016 Targeted Multifamily Housing Areas map provides guidance to market strength and funding allocation decisions made by the City. The City will use federal funds to support the rehabilitation or construction of housing units that are available to low-income (80% of the Area Median Income, AMI) and low-income (60% AMI) households based on the annual HUD Income Limits (**Attachment I**). Mixed-income or mixed-use proposals must demonstrate that non-residential uses and “market rate” residential units (for households with incomes above 80% AMI) will be from other funding sources. The City of Detroit prefers to fund Multifamily rental housing projects through this NOFA, but Single-Family Homebuyer/Rental Development Projects are welcome to apply. Projects that possess the following qualities will be taken into high consideration:



- Contain transformational elements (scale, design, environmental) which enable follow-on collateral mixed-income development;
- Have strong financial commitments from other sources and minimal need for gap financing from the City;
- Are located in the 2016 Targeted Multifamily Housing Areas (**Appendix H**);
- Advance placemaking concepts; and
- Support walkability.

### **B. CHDO Application**

The City will set-aside at least fifteen (15%) percent of its HOME program allocation for projects sponsored by a Community Housing Development Organization (“CHDO”). An organization that has not been certified and seeks funding from this set-aside must submit an application for CHDO certification along with the response to this NOFA. Applicants may find the requirements for the CHDO certification at:

<http://www.detroitmi.gov/Portals/0/docs/Planning/PDF/CHDO%20Certifications-Applications.pdf>

Additional information on the CHDO process can be found in **Appendix F**.

### **C. Pre-Submission Meeting**

The City will conduct an informal pre-submission meeting to discuss program requirements and answer questions on **Monday, January 8, 2018, 2:00 p.m. – 4:00 p.m., 2 Woodward Avenue, Suite 908, Detroit, Michigan 48226**.

## **II. AVAILABILITY OF THE REQUEST FOR PROPOSALS**

The City of Detroit will issue the Request for Proposals (RFP) for this Program on **Friday, December 15, 2017**. Interested parties may download an electronic copy of the RFP and related documentation from the City of Detroit website:

<http://www.detroitmi.gov/Government/Departments-and-Agencies/Housing-and-Revitalization/For-Developers-and-Contractors>

The last day the Housing and Revitalization Department staff will respond to questions regarding the NOFA will be 5:00 p.m. Friday, February 23, 2018. All questions should be submitted to Darwin Heard at [dheard@detroitmi.gov](mailto:dheard@detroitmi.gov).



### A. Submission Information Summary

Submission Period	Submission Dates	Review Begins on	Determination Made by
Fast Track Review	January 5th, – January 26th, 2018	Rolling, as received	February 2nd, 2018
Regular Review	February 5th – March 2nd, 2018	March 5th, 2018	May 11th, 2018

### B. Application Submission

The City will accept complete applications during regular business days and office hours. The City will begin to accept complete applications on **Friday, January 5<sup>th</sup>, 2018, at 9:00 a.m. (See Fast Track Review and Consideration Process below in Section II Part D).**

Applicants must submit two **(2) paper copies**, along with **three (3) electronic USB flash drive copies** of the application to the Housing and Revitalization Department, located at 2 Woodward Ave., Suite 908 Coleman A. Young Municipal Center.

Paper copies should be submitted in a three-ring binder with a clearly labeled cover sheet on the outside of the binder. The cover sheet must identify the name of the project and the name and address of the developer/applicant.

### C. Application Submission Deadline

Applicants not responding to the Fast Track review must submit all required documentation to the City of Detroit no later than **5:00 p.m. on Friday, March 2nd, 2018.**

The City reserves the right to request additional information or documentation at any stage during the application review process. The City reserves the right to change the funding amount of a given proposal prior to closing, at its sole discretion. Applicants will be expected to respond and comply with any additional information requests in a timely manner. Failure to provide requested information in a timely manner will result in a proposal being deemed non-responsive and ineligible for further consideration.

### D. Fast Track Review and Consideration Process

The City will expedite the review and consideration of complete applications that are received from **January 5th through January 26th 2018.**

- The City will begin to review and consider these applications on a rolling basis as the City receives the applications. The City of Detroit may issue an award letter to the projects after the “fast track” review period.



- If the City does not award funds to a project with an application that was submitted during the “fast track” review period, then the City will continue to consider that application along with all other applications that were received during the “regular” submission period from **February 5th through March 2nd, 2018.**

### III. INCLUSIONARY HOUSING ORDINANCE

The City of Detroit recently enacted the Inclusionary Housing Ordinance (Section 1. Chapter 14 of the 1984 Detroit City Code, 14-12-1 through 14-12-16).

Applicants requesting over \$500,000 of NOFA Funds for *Rental projects only* (with exception of NSP funds), where the project includes 20 or more units, must comply with the City of Detroit’s new Inclusionary Housing Ordinance (Appendix G). Specifically related to this NOFA, the Inclusionary Housing Ordinance requires applicants that receive the following:

1. General Funds or City of Detroit Bond Funds over \$500,000 and 20 units or more:
  - Provide at least 20% of its dwelling units for lease to households earning up to 80% AMI or below;
  - For an affordability period of at least 30 years.
2. HOME or CDBG funds over \$500,000 and 20 units or more:
  - Provide at least 15% of its total dwelling units for lease to households earning up to 60% AMI or below. Additionally, at least 5% of the total dwelling units are required to be leased to households earning up to 50% AMI or below;
  - For an affordability period of at least 30 years.

\*Please note, the Developer will be required the follow whichever regulation is more restrictive between HUD regulations and the Inclusionary Housing Ordinance. **See Section VI and Appendix G.**

### IV. CITY HOME SUPPORTED ACTIVITIES

The general purposes of the HOME program are expanding the supply of decent and affordable housing, particularly rental housing, for low and very low income residents, strengthening the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent affordable housing, and extending and strengthening partnerships





among all levels of government and the private sector, including for profit and nonprofit organizations, in the production and operation of affordable housing.

All federal requirements for the HOME program are listed in Title 42, Chapter 130 and CFR Title 24 Part 92. It is the responsibility of the applicant to review these regulations. All projects supported by HOME funds must comply with the associated statutory and regulatory requirements for the HOME program. The City of Detroit strongly encourages interested parties to review the authorizing legislation, and the implementing regulations or alternative requirements for the HOME program before applying for assistance.

#### **A. HOME eligible activities**

HOME funds will be used under this RFP to support the acquisition, rehabilitation or new construction and rental or sale of property as affordable housing. The following are eligible HOME activities:

**Acquisition:** Acquisition of properties in need of rehabilitation and vacant land for new construction are eligible subject to the property meeting HOME requirements. (All properties acquired with HOME funds must be environmentally cleared by the City prior to acquisition **See Environmental Review under Section H - Additional HOME requirements**). Occupied properties require written approval of a relocation plan concurrent with the submission of an application for City HOME funds for acquisition to ensure that relocation rules are followed (Uniform Relocation Act 49 CFR Part 24). For units where HOME funds are not used for the acquisition of the property, the Developer still must provide proof that relocation requirements were met and must submit a relocation plan to the City regardless of the source of acquisition funding. If requesting funds for acquisition, the Developer must provide documentation evidencing through appraisals or other market studies that the acquisition price was reasonable.

**Homebuyer Assistance:** Includes down-payment and closing cost assistance associated with eligible homebuyer activities.

**Homeowner Rehabilitation:** Assisting existing owner-occupants with the repair, rehabilitation or reconstruction of their homes. (Not a CHDO activity).

**Multi-Family Rental New Construction and Multi-Family Rental Rehabilitation:** Rehabilitation includes the alteration, improvement or modification of an existing structure. Any project that includes the addition of dwelling units outside existing walls of a structure is considered new construction. Please note that HOME funded new construction is limited to areas with demonstrated functioning markets, please refer to 2016 Targeted Multi-Family Areas Map (**Appendix H**).

**Rehab and New Construction of Single-Family Housing for Homeownership:** HOME funds may be used for the rehabilitation or new construction of single-family housing for the purposes of selling to low-income homebuyers. Rehabilitation includes the alteration, improvement or



modification of an existing structure. Any project that includes the addition of dwelling units outside existing walls of a structure is considered new construction.

**Tenant- Based Rental Assistance:** Financial assistance for rent, security deposits, and utility deposits may be provided to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program. (Not a CHDO activity).

The acquisition and improvement of property for **affordable rental units** assisted with HOME funds must be rented to households who are at or below sixty percent (60%) of the Area Median Income (AMI). At least 20% of those HOME-assisted units must be rented to households at or below fifty percent (50%) of the AMI.

The acquisition and improvement of property for **affordable for-sale** housing units assisted with HOME funds must be sold to households at or below eighty percent (80%) of the AMI.

\*The Area Median Income (“AMI”) is defined by the most recent United States Department of Housing and Urban Development (HUD) HOME rent limits for the Detroit, Warren, Livonia Metropolitan Area (**Attachment I**). These income limits are generally published annually every spring.

Also see <https://www.hudexchange.info/programs/home/home-income-limits/> for guidance.

\*Maximum HOME rents are the lesser of the HUD published Fair Market Rents or High HOME rents (**attachment J**). 20% of the HOME-assisted units cannot exceed the HUD published Low HOME rents. These rent limits are generally published annually every spring.

Also see <https://www.hudexchange.info/programs/home/home-rent-limits/> for guidance.

Key HOME Compliance Requirements and/or Events	Timeline or Amount
City provides a conditional award letter that is good for no longer than nine (9) months	(60) day response period
Construction start deadline*	City will provide a commitment letter and construction must start within (6) months of initial commitment letter
Construction completion deadline**	Within (18) months of initial project closing.
Minimum project size	(15) HOME funded multi-family rental units or (10) HOME funded single-family rental or homebuyer units
Maximum HOME funding Rental project	The maximum amount of HOME subsidy per eligible unit cannot exceed the Section 234-Condominium Housing basic mortgage limits as determined by the local HUD Field. The HOME award will be based on the project's documented need for HOME financing.
Maximum HOME funding Homebuyer project	<p>The maximum amount of HOME subsidy per eligible unit cannot exceed \$75,000 without permission from HRD. Total development cost may not exceed twice the appraised value of property at stabilization. Only projects with demonstrated market demand will be approved through market study and or pre-sales.</p> <p>Section 215(b) of the National Affordable housing Act (NAHA) requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD.</p>

\*At its sole discretion, the City may provide an extension.



## **B. HOME Financing Requirements**

HOME funding may be offered in the form of two types of project financing loans to successful respondents of this RFP (see #2 below). A mortgage agreement shall be signed at closing and a lien shall remain on the property for the full term of the HUD Affordability Period (“Affordability Period”). As detailed in the development and loan agreement, the HOME Affordability Period will not terminate upon the repayment of the HOME funds or transfer of the property during the Affordability Period.

*\*HRD has the discretion to substitute any HOME fund award with other sources of funding.*

Rental Project Loans may have the following terms as outlined below:

1. Loans will have a fixed interest rate ranging from zero to two percent, or higher if required by first position lender.
2. Based on a review of the rental pro forma and the needs of the project, HOME financing can be in the form of either one, or a combination of the following:
  - A conditional loan that does not accrue interest, has repayment deferred, does not require monthly payments, and is forgiven at the end of the applicable affordability period, as long as the Developer complies with the terms and conditions; or
  - An unconditional loan that may accrue interest, is fully amortized over the term of the loan, and requires repayment.
3. Loans that mature at the end of the Affordability Period or longer period specified by other project lenders as supported by the Income Operating Pro Forma, may be required to pay a balloon payment.
  - The term and type of the loan will be determined through project underwriting, negotiations with other project funders, and in compliance with the HOME affordability requirements at Section 92.252 (Rental Housing) of the HOME regulations.
  - The HOME Affordability Restriction Agreement (“Restriction Agreement”) shall be a restrictive covenant against the property and the affordability obligations shall pass to subsequent owners during the Affordability Period (running with the land).
  - The Affordability Period in the Restriction Agreement shall survive foreclosure and the HOME compliance obligation will be binding on the foreclosing lender.

4. The following terms apply to homebuyer projects only:

- HOME Funds used for single-family homebuyer projects may not be used as a permanent mortgage for the property, or to refinance existing debt.
- When the total cost of development (acquisition, construction, soft costs) exceeds the after-construction appraised value of the property, the difference between the development cost and the after-construction appraised value shall be considered a grant and not be repaid to the City of Detroit’s HOME Program, and is considered “development subsidy”.
- When properties are sold for a price greater than the after-construction appraised value, the difference between the appraised value and the sales price must be repaid to the City of Detroit’s HOME Program, and is considered “development surplus”.
- The appraised value of the property after construction cannot exceed most current FHA Maximum Mortgage Limits for Wayne County.
- The Restriction Agreement shall be a restrictive covenant against the property and the affordability obligations shall pass to subsequent owners during the affordability period (running with the land).
- The affordability period in the Restriction Agreement shall survive foreclosure and the HOME compliance obligation will be binding on the foreclosing lender.

**C. Affordability Period**

HOME assisted units must meet the affordability requirements, including an affordability period as described below and affordable rents and occupancy by income eligible tenants. These restrictions will be imposed for the period of time as outlined in the table below, following the project construction completion. The City may impose stricter standards, at its discretion. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. They will be imposed by the Restriction Agreement that runs with the land.

HOME funds per unit	Minimum Affordability Period
Under \$15,000 per assisted unit for rehabilitation or acquisition of existing housing	5 years
\$15,000 - \$40,000 per assisted unit	10 years
Over \$40,000 per assisted unit or rehabilitation involving refinancing (any amount)	15 years
New construction or acquisition of newly constructed rental housing (any amount)	20 years*

\*In the case of homebuyer projects that are funded for new construction, the minimum affordability period for assistance over \$40,000.00 per unit is (15) years.

***\*Please note that all Rental projects assisted with \$500,000 or more in HOME funds and have 20 or more total dwelling units trigger Affordability Periods based on the City’s Inclusionary Housing Ordinance (please see Section III or appendix G).***

#### **D. Eligible HOME Costs**

HOME funds are available for the Developer’s project-related hard costs and soft costs. All costs must be related to the production of eligible housing units and may include the following:

**Acquisition costs** – Acquisition and related costs of securing vacant lots or existing buildings for the development of housing under this RFP are eligible. Acquisition costs are subject to a Uniform Relocation Act (URA) compliant appraisal and related costs must be reasonable and necessary.

**Construction/Rehabilitation costs** – Reasonable and necessary new construction or rehabilitation costs are eligible under this RFP.

**Soft costs** – Reasonable and necessary soft costs are eligible for reimbursement. Please note that funding for soft costs is only eligible in collaboration with an eligible hard cost, and must be approved by the City. Examples of eligible soft costs could include the following project related costs:

- Financing fees
- Title commitments and insurance



- Surety fees
- Title and recording fees
- Legal and accounting fees, including cost certification
- Environmental reviews
- Appraisal
- Architectural and engineering fees

**City legal fees** – The City requires Developers of HOME assisted projects to pay the City’s legal fees, which are currently estimated at \$30,000.00 - \$40,000.00 per project. The legal fees are an eligible HOME cost that can be paid out of the HOME award.

**Developer fees** – Developer fees on the project must be approved by the City, and the Developer fees in aggregate for the entire project will not exceed 15% of the total development costs less the Developer fees. The Developer fee disbursement schedule will be negotiated with the Developer based on the City’s review of the project pro forma and requirements of other funding sources. A portion of the Developer fee may be deferred, if required by the project budget.

**Contractor fees** – The contractor will be governed by the following maximum ratios: Contractor profit-6%, Overhead -2%, and General Conditions -6%. The City of Detroit may consider higher percentages for these fees if MSHDA or other funder approves higher percentages, such as in the case of less than 50 units, for which MSHDA allows a combined fee up to 20%.

**Initial operating deficit reserves** – In order to facilitate project viability, HOME funds may be used to cover the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up. This reserve is limited to the reasonably projected deficits for a period **not to exceed** the first 18 months of project operations after completion. The Developer is required to provide an estimate of initial operating deficits in the development income operating pro forma as part of the application submission for to this RFP. City staff shall review and approve (and, if appropriate, reduce) the proposed reserve amount.

**Lead-based paint inspection** – Unless the City’s award letter expressly states that the City will reimburse Lead-based paint inspections, the Developer will be responsible for these costs and they will not be eligible for HOME funding.

**Down payment and closing costs assistance** - For HOME Homebuyer-assisted units.

### **E. Ineligible HOME Activities and Costs**

In accordance with 24 CFR Part 92.214 of the HOME regulations, applicable Office of Management and Budget (OMB) Circulars at 2 CFR Part 200, and the City's own local requirements, the following activities and costs are prohibited, but not limited to, under this RFP:

- General planning
- Relocation costs (unless specifically approved by the City)
- Refinancing of existing debt on property
- The payment of delinquent property taxes or utilities
- Purchase of equipment
- Off-site development costs (unless applicant is specifically approved for financing through City bond funding in conjunction with this application).
- Entertainment costs
- Other ineligible costs per the OMB Cost Principles (2 CFR Part 200) are specified in the HOME Development and Loan Agreement which is incorporated as part of this RFP.
- HOME may not be used as a permanent mortgage on a property for homebuyer projects.



**F. Minimum Unit Sizes and Minimum Number of Bedrooms**

The minimum square footage and size of completed housing units for rent or sale to eligible households is as follows:

Apartments for rental to seniors or special needs populations:	Apartments for rental to families:	Single-Family/Duplex/Town Homes for rental:
Efficiency - 450 sq. ft., 1 bathroom minimum	1 bedroom - 625 sq. ft., 1 bathroom minimum	2 bedrooms - 1050 sq. ft., 2 bathroom minimum
1 bedroom - 625 sq. ft., 1 bathroom minimum	2 bedrooms - 850 sq. ft., 1 bathroom minimum	3 bedrooms - 1220 sq. ft., 2 bathroom minimum
2 bedrooms - 750 sq. ft., 1 bathroom minimum	3 bedrooms - 1100 sq. ft., 1½ bathroom minimum	N/A
N/A	4 bedrooms - 1150 sq. ft., 2 bathroom minimum	4 or more bedrooms - 1420 sq. ft., 2 bathroom minimum

Note: Basements, garages, crawl spaces, attics, or unfinished space may not be included in the square footage calculation. Any deviation from these posted minimums must be explicitly approved by the City of Detroit Housing and Revitalization Department, market support must be provided.

**G. Minimum and Maximum HOME Funding Per Project**

Projects are subject to the HOME mandated minimum investment of \$1,000 per unit (CFR Part 92.205 (c)) and maximum per unit subsidy limits as determined by the local HUD Field office using Section 234-Condominium Housing basic mortgage limits.

Total HOME funding in any one project shall not exceed per unit maximums, and may be limited by the total amount of funding available. City staff will review and validate the construction cost estimate provided by the cost estimator or project architect to ensure that costs are reasonable and adequate to meet the needs of the project. Notwithstanding the City’s cost review and validation, the Developer applicant shall be responsible for ensuring that project cost estimates are reasonable and adequate based on standards used in the market. The City cannot guarantee that, if cost assumptions are inaccurate or under-estimated, the City will increase the level of funding to the Developer after an award has been made.



Allocation of these funds will be according to the process and criteria specified in this RFP. The City expects to receive more proposals than can be funded with its limited HOME allocation, and reserves the right to reject any and all submissions. Applications may not be funded for the full amount requested.

The City encourages applicant Developers to seek additional funds from other State, Federal, and private sources. Whichever funding source—HOME or an alternate funding source—has the more stringent requirements, those must be met.

#### **H. Additional HOME Requirements**

If awarded HOME funds, the proposed project and the Developer must satisfy all HOME program requirements, not limited to those that are specifically listed in this RFP. HUD published a Final Rule in the *Federal Register* on July 24, 2013 to amend the HOME Investment Partnerships (HOME) Program regulations. These amendments to the HOME regulations represent the most significant changes to the HOME Program in 17 years. This Final Rule will provide the legislative oversight under this RFP. Please refer to the link below for a summary of these changes at:

<https://www.hudexchange.info/programs/home/home-final-rule/>

**Income Targeting: Occupancy by Low- or Moderate-Income Households** – For the purposes of this RFP, all units assisted with HOME funds must serve households with incomes at or below 60% of AMI, adjusted by household size, as defined below. At least 20% of all properties must be rented to households at or below 50% of AMI. See attached HOME Income Limits for 2017 in **Appendix I**. Homebuyer units are targeted for households at or below 80% AMI.

**Accessibility** – Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973.

**Bonding** – The contractor completing the rehabilitation/new construction work will be required to secure a 100% Payment and Performance Bond on a rehabilitation/new construction project with an estimated rehabilitation/new construction cost of \$100,000 or more in the aggregate. The surety (the provider of the bond) must be authorized to do business in the State of Michigan.

**Construction/Rehabilitation** – In all work under this RFP, Developers must adhere to all applicable state and local laws, codes, zoning, and other requirements relating to construction, rehabilitation, and housing safety, quality, and habitability. Developers must meet the Housing & Revitalization Department’s Contractor’s Performance Standards November 2017 (“HRD Performance Standards”). Developers must incorporate Industry accepted Green Building and Energy Efficiency Practices. Additionally, Developers are encouraged to use HOME funds to incorporate modern, green building, and energy-efficiency improvements. HUD’s energy codes can be found at:



[https://www.hud.gov/program\\_offices/economic\\_development/New HUD-USDA Energy Codes](https://www.hud.gov/program_offices/economic_development/New_HUD-USDA_Energy_Codes)

Construction must not have started prior to the approval of HOME funding and the receipt of environmental clearance from HUD.

**Rehabilitated Units** – All rehabilitated units must conform to the City’s Housing Rehabilitation Standards, which are included in the HRD Performance Standards and local building codes, lead-based paint requirements, and other environmental standards. Rehabilitation supported with HOME funds will be required to conform to 24 CFR 92.251 of the HOME regulations, as applicable.

**Davis-Bacon** – For properties of 12 units or more, construction will be subject to Federal Labor Standards including Davis-Bacon wage and record-keeping requirements. The Davis-Bacon “Commercial” wage scale will be applicable to buildings with more than three stories.

**Section 3** – The Developer must agree to comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued thereunder prior to the execution of any construction contract and shall be a condition of any HOME funds awarded as a result of the RFP.

Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located. Any Developer that receives a HOME award of at least \$250,000 and any contractor or subcontractor that receives at least \$100,000 shall be subject to the Section 3 provisions. The Developer must certify that no contractual or other disability exists that would prevent compliance with the requirements.

The Developer must also agree to ensure that opportunities for training and employment arising in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project are given to low- and very low-income persons residing within the metropolitan area in which the HOME-funded project is located. Where feasible, priority should be given to low- and very low-income persons within the service area of the project or the neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs; and award contracts for work undertaken in connection with a housing rehabilitation (including reduction and abatement of lead-based paint hazards), housing construction, or other public construction project to business concerns that provide economic opportunities for low- and very low-income persons residing within the metropolitan area in which the HOME-funded project is located; where feasible, priority should be given to business concerns that provide economic opportunities to low- and very low-income residents within the service area or the

neighborhood in which the project is located, and to low- and very low-income participants in other HUD programs.

The Section 3 program is administered by the Department of Civil Rights, Inclusion & Opportunity (CRIO). For information and questions, **please contact CRIO directly** via department web page on the City of Detroit website, email **CRIOsection3@DetroitMi.gov** , or by phone at **313-224-9515, program manager, Patricia Ford**.

Developers are required to submit a Section 3 plan with their NOFA submission. All Section 3 forms can be found on the City's Website at:

<http://www.detroitmi.gov/Government/Departments-and-Agencies/Civil-Rights-Inclusion-Opportunity>

**Debarred, Suspended or Ineligible Contractors** – As a condition of closing, the Developer must attest and certify that no member or contracting entity or affiliate of the development team is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from any entity from a federally funded transaction. Any contractor that remains on a debarred or suspended condition shall be prohibited from participation in the City's HOME program as long as the contractor is classified in this manner. The Developer must register on the Federal System for Award Management (SAM) website to allow for confirmation that neither the developer, selected contractor nor any subcontractors are on the Federal or other debarred lists.

<https://www.sam.gov/portal/SAM/##11>

**Environmental Review** – All projects which receive funding through this RFP are subject to the HUD environmental review requirements. The HUD environmental review requirements are found in Title 24, Part 58, of the Code of Federal Regulations. The project must satisfy the HUD environmental review requirements before the City may commit funds to the project. The City shall interpret "commit" as execution of the development and the loan agreements for the project.

Upon application for assistance through this RFP, the Developer and all project participants (i.e. public or private non-profit or for-profit entities, or any of their contractors) agree to the following stipulations: (1) that the provision of any funds to a project is subject to the findings of the environmental review, and (2) that neither the Developer nor any project participant shall undertake any "choice limiting actions" until the environmental review process is complete, all parties have executed the development and loan agreements for the project, and the City has issued a notice to proceed.

The findings of the environmental review may identify environmental concerns that necessitate an alteration, a change, or a modification to the proposed project. The City may require alterations, changes, or modifications to the project based upon the findings of the

environmental review, and the Developer and all project participants must implement any alterations, changes, or modifications required by the City.

The City shall define “choice limiting actions” as any of the following: (1) acquisition of any real property associated with the project, (2) any improvements to the property or properties associated with a project, (3) any rehabilitation of an existing structure located on property associated with the project, (4) any construction of a new structure located on property associated with the project, or (4) demolition of any existing structure located on property associated with the project. Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of issuance of this RFP and the date of the notice to proceed from the City. If the City discovers that the Developer or any project participant committed a “choice limiting action” during this time period, then the City may deny funding to an entire project or may disqualify for reimbursement any cost associated with the particular “choice limiting action.”

The City shall NOT define “choice limiting actions” as either of the following: (1) an option agreement for the acquisition of real property, or (2) a non-binding purchase agreement. An option agreement is exclusive right to purchase a property at a specific price within a specified time period without an obligation to purchase. A non-binding agreement establishes that there is no legal obligation on the part of the buyer to purchase the property, that acquisition will proceed only if the property is determined environmentally acceptable, and the deposit is a reasonable amount and refundable or, if not refundable, is a nominal amount of the purchase price.

The City shall identify appropriate staff to facilitate the environmental review process for an awarded project. The City shall solely determine all investigations and documentation necessary to demonstrate compliance with the HUD environmental review requirements, and the City shall articulate all necessary documentation to the Developer and/or their representative through the Environmental Determination.

The Developer shall procure qualified professionals, as necessary, for the performance of all investigations and the production of all necessary documentation. Documentation includes, but is not necessarily limited to, the following: (1) a HUD Environmental Assessment, (2) asbestos survey report, (3) combination lead-based paint inspection and risk assessment report, and (4) Phase I Environmental Site Assessment. All investigations and resulting documentation shall conform to the applicable Federal, State and local laws, regulations and protocols and all professional standards. All costs associated with environmental review investigations and documentation are eligible project soft costs. The Developer or their representative shall submit all required environmental documentation to the City for review and approval.

Following approval of all environmental documentation, the City shall prepare and submit for publication a notice that is consistent with applicable Federal regulations. Following the expiration of the public comment period identified in the notice, the City shall prepare and

submit the Request for Release of Funds (form HUD 7015.15) to the U.S. Department of HUD. The City shall inform the Developer when HUD has issued the Authority to Use Grant Funds (form HUD 7015.16). Once HUD has issued the Authority to Use Grant Funds, the environmental review process is complete. The City may then execute the development and loan agreements for the project and issue a notice to proceed. Timing for completion of the environmental review process may vary depending upon site conditions and the affected environment.

If the Developer has an existing HUD Environmental Assessment or Phase I or Phase II environmental assessment for the project, then the Developer may submit these documents with the RFP response under the “Readiness to Proceed” section. City staff will review the documentation to determine compliance with the HUD environmental requirements.

**Excess Funds/Subsidy Layering Reviews** - The City of Detroit shall conduct a subsidy layering analysis in accordance with the HOME regulations upon receipt of an application to ensure that it will not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide affordable housing. In order to avoid undue enrichment, as required by program rules, excess HOME funds including any budgeted and unused hard cost and soft cost contingencies shall be retained by the City after all approved costs and approved Developer fees are paid. In addition, HOME funds set aside for initial operating deficit reserves are **not** included in the “unused” cost categories. As projects will have multiple funding sources, the Development and Loan Agreement will detail the uses of each funding source, and outline how excess funding is to be managed. A post completion subsidy layering analysis may also be done using a final cost certification and financing certification from the Developer to determine the disposition of any unused funds and to verify all costs. Unused HOME funds may not be used for initial operating deficit reserves as these would be included in the initial financing budget.

**Cost Certification** – A Cost Certification Report must be prepared by an independent public accountant, based on an audit of the Developer’s accounting records at the time of completion and submitted to City staff. If there is an identity of interest between the Developer and the general contractor, then the accountant must review the general contractor’s accounting costs to see what the costs the general contractor actually paid. The standards for the City-required cost certification report are included in the HOME Development and Loan Agreement. The Developer and the general contractor should not be the same entity.

**Financing Certification** – A Financing Certification Report must be prepared by the Developer at the time of completion and must list and certify all actual sources of funds that were used for the project. The standards for the City-required financing certification report are included in the HOME Development and Loan Agreement, which is incorporated as a part of this RFP.

**Limitation on Demolition** – Demolition of an existing structure may be funded through HOME only if construction will take place on the HOME project within (6) months. An extension may be granted at the sole discretion of the City.

**Relocation** – All HOME-assisted homes and properties acquired or rehabilitated through this RFP are subject to the Uniform Relocation Act and should be vacant prior to initiation of the project, as defined by the Uniform Relocation Act and prior to the City’s funding commitment. If occupied, the Developer still **must** adhere to Federal requirements related to acquisition, displacement, and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act). The City must approve a relocation plan for the project prior to award and commitment of funding for the project.

Projects seeking HOME funds under this RFP should not result in the permanent involuntary displacement of tenants. Accordingly, when Developers are considering occupied properties, they should consult with the City regarding compliance with applicable requirements.

**Deadlines** – Developers that receive HOME funds for acquisition must take title of 100% of the properties at the closing of the HOME funds if HOME is used to fund acquisition. If other financing sources are used for acquisition, the HOME assisted project may be closed “in escrow”. Construction is expected to begin within (6) months after the City’s issuance of a commitment letter. The City must approve a project completion schedule that includes all milestones associated with the acquisition, major elements of the development implementation process, schedule of project construction completion by trades, and sale or lease-up of the units prior to loan closing. Due to strict Federal deadlines, projects that do not reach milestones in a timely manner may be subject to rescission of HOME funding.

## V. OTHER REQUIREMENTS

### A. CDBG Financing Requirements and Eligible Costs

The City may provide CDBG funding for pre-development soft costs in the form of a deferred and/or forgivable loan. The City may defer repayment of the loan until the project has reached one of the following benchmarks:

- The project has closed on a development agreement and a loan agreement with the City of Detroit, or;
- The project has successfully submitted a complete application for Low Income Housing Tax Credits (LIHTC) to the Michigan State Housing Development Authority.

***\*Please note that all Rental projects assisted with \$500,000 or more in CDBG funds and have 20 or more total dwelling units trigger the City’s Inclusionary Housing Ordinance (please see Section III or appendix G).***



If a project seeks LIHTC and funding from this RFP, the City of Detroit will defer repayment of the loan to whichever benchmark the City deems most appropriate based upon the funding sources and uses of the project.

Subject to all City approvals, the City of Detroit may utilize CDBG funds to reimburse applicants for expenses incurred on any eligible soft costs listed below. The applicant must submit an official request to the Department for soft cost reimbursement, and the applicant must provide all necessary documentation to support the reimbursement request. At its sole discretion, the City will determine the soft costs for which the applicant may seek reimbursement. The City will provide financing in the form of a deferred and/or forgivable loan. Although limited, these funds may be used as a supplement or substitute for HOME funds. Additionally, applicants with other funding sources may simply apply for pre-development soft cost financing.

\*The City may substitute NSP1, NSP 2, and/or NSP 3 funds for CDBG funds for projects in the respective NSP program target areas.

Reasonable and necessary soft costs are eligible for reimbursement. Please note that funding for soft costs is only eligible in collaboration with a fundable construction project that must also be approved by the City. Examples of eligible soft costs could include the following project related costs:

- Financing fees
- Title commitments and insurance
- Surety fees
- Title and recording fees
- Legal and accounting fees, including cost certification
- Environmental reviews
- Appraisal
- Architectural and engineering fees.

Any project supported by CDBG must comply with the associated statutory and regulatory requirements for the CDBG program. The City of Detroit strongly encourages interested parties to review the authorizing legislation, and the implementing regulations or alternative requirements for the CDBG program before applying for assistance. See the following reference for more information:

The CDBG Program was authorized under Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), and the implementing regulations are found in Title 24, Part 570, of the Code of Federal Regulations.





## **B. City Bond Fund and General Fund Requirements and Eligible Activities**

Subject to all City approvals, the City may award Bond and/or General Funds to support the infrastructure surrounding a **housing project approved for other City financing**. At its sole discretion, the City will determine the total amount of these funds based on availability and particular infrastructure needs of the project.

Eligible items may include funding to support infrastructure improvements in the “right of way” including (but not limited to) streets, alley, sidewalks, water and sewer lines, etc.

Pursuant to the Inclusionary Housing Ordinance, all projects that are awarded \$500,000 or more in City Bond funds and/or City general funds and have more than 20 units must comply with the provisions in the ordinance for 20% set-aside of dwelling units at 80% AMI (**Section III and Appendix G**).

***\*The City of Detroit may substitute City General Funds or Bond Funds awarded for infrastructure with other sources of funding.***

## **C. Project Costs and Other Requirements**

The Developer is responsible to ensure that all project development costs are accounted for in the submitted development budget. Failure to provide adequate development costs may result in the proposed project not receiving funding upon review.

At the time of application or no later than 45 days after the submission of the application, the Developer must submit itemized cost estimates from the project architect to substantiate the construction costs in the development budget. The Project architect and/or the cost estimator shall be an individual or an entity consisting of individuals with qualifications in construction management, building science, or construction science, all of which usually include several courses in cost estimating. Certifications in construction estimating from accredited industry professional associations are also acceptable. The cost estimator must also have at least two years of experience in one or more of the areas listed above. Years of experience can also substitute for a degree, certification or other formal qualifications. Project architects and/or cost estimators with thorough knowledge of construction materials, costs, and procedures in areas ranging from heavy construction to electrical work, plumbing systems, or masonry work are preferable.

Contingency Requirements - The Developer must use the following contingency standards in preparing the development budget:

- Use a ten percent (10%) contingency for HOME/CDBG Rehabilitation projects.
- Use a five percent (5%) contingency for New Construction projects.

Davis Bacon Wage Determination: Prior to submission of an application, the Developer must request a Wage Determination by using the Davis Bacon online resource at the following link: <http://www.wdol.gov/dba.aspx>.

Lease-up Costs: The development budget must include lease-up costs and adequate reserves on initial operating deficit reserves. The City is willing to include these costs as a part of the HOME funding award.

Builder Overhead and Profit and General Requirements: The RFP response must state how the estimated amounts for builder fee / profit, general requirements, and general overhead in the construction budget were determined.

The RFP response must state whether the Developer has solicited or received any proposals (bids) from general contractors.

#### **D. Compliance with Applicable State and Local Laws**

**Construction/Rehabilitation** – In all work under this RFP, Developers must adhere to all applicable state and local laws, codes, zoning, and other requirements relating to construction, rehabilitation, and housing safety, quality, and habitability. Construction must not have started prior to the approval of HOME funding and the receipt of environmental clearance from HUD.

**New Construction** – All new construction must meet HRD’s Performance Standards (which include the City’s Housing Rehabilitation and New Construction Standards) and local building codes. The project should also meet FHA requirements for new construction, when applicable.

**Rehabilitated Units** – All rehabilitated units must meet Housing & Revitalization Department Contractor’s Performance Standards (which include the City’s Housing Rehabilitation and new Construction Standards) and local building codes, lead-based paint requirements, and other environmental standards. Rehabilitation supported with HOME funds will be required to conform to Property Standards under 24 CFR 92.251 (Uniform Physical Conditions Standards) of the HOME regulations, as applicable.

**Minimum Rehabilitation Budget** - All HOME assisted units must be rehabilitated to the requirements of the Housing & Revitalization Department Contractor’s Performance Standards and local building codes as noted above, which are incorporated as a part of this RFP and will be provided to each Developer in the form of hard copies and placed on HRD’s website for download. The HOME assisted project must provide decent, safe, and affordable housing with quality materials and labor as dictated by the rehabilitation standards. The per unit rehabilitation budget for each HOME assisted unit will be subject to a City approved rehabilitation work write-up and specifications.

**Lead-Based Paint** - If a rehabilitated unit in this program was originally placed into service prior to January 1, 1978, rehabilitation must comply with HUD lead-based paint rules (24 CFR Part 35 and 24 CFR Section 570.608). A lead-based paint inspection and lead-based paint risk

assessment for lead-based paint hazards shall be conducted, and rehabilitation work must be done by contractors meeting the requirements of the HUD lead-based paint rule and the EPA Renovation, Repair, and Painting rule. All purchasers and tenants of HOME assisted structures constructed prior to 1978 must be notified of the hazards of lead-based paint poisoning in accordance with requirements at 24 CFR Part 35.

**Zoning** - Appropriate zoning for the site(s) must be evident and documentation must be submitted with the application. Evidence may include items such as a City zoning verification letter or a letter from the City approving the rezoning of the site(s).

**Required Green Building and Energy Efficiency Practices** – Developers must incorporate the industry accepted Green Building and Energy Efficiency Practices in projects funded through this NOFA. All new construction or substantial rehabilitation of residential buildings under 3 stories receiving HOME funding must be designed to meet the standard for ENERGY STAR Version 3 for new construction. All procedures used for this rating shall comply with National Home Energy Rating System guidelines. All new or substantial rehabilitation in buildings above 3 stories receiving HOME funding must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G, plus 20 percent.

In addition, the City strongly encourages Developers to use HOME funds not only to stabilize neighborhoods in the short-term, but to strategically incorporate modern, green building and energy-efficiency improvements to provide for long term affordability and increased sustainability and attractiveness of housing and neighborhoods. HRD's review will utilize the Green Communities Criteria Checklist to evaluate projects. Projects that are more energy efficient and/or green will receive higher scores.

The Green Communities Criteria Checklist can be found at:

<https://www.enterprisecommunity.org/sites/default/files/media-library/solutions-and-innovation/green/ecp-2015-criteria-checklist-11-15.pdf>

### **E. Developer Financial Capacity**

The Developer must demonstrate the financial capacity to start and complete the project and must be able to demonstrate that it has the financial resources to meet the following requirements:

- The company is financially stable at the time of application and is not overleveraged in terms of its ability to meet its debt obligations.
- The company has the working capital to meet its operating needs and complete all open projects in its development pipeline.
- The Developer must demonstrate that it has adequate financing available to maintain the property over the length of the affordability period.



- **Completion Guaranty:** The Developer must provide a completion guaranty to the City using in which the Developer shall guarantee payment of liabilities and cost over runs of up to 10% of the construction contract. The Developer will provide reassurance to the City that the project will be completed on time and on budget. The RFP response shall indicate which Capitalized Entity (i.e.) will provide the Completion Guaranty. The proposed guarantor(s) must be acceptable to the City, in the City's sole and absolute discretion the Developer shall be responsible for covering any shortfalls and shall be contractually obligated to pay for said shortfalls pursuant to the Development and Loan Agreement.

#### **F. Pro Forma and Cash Flow Requirements**

The Developer must demonstrate through the operating pro forma that the project will be maintained successfully over the length of the affordability period. The developer must provide support to the project over time, including adequate operating and replacement reserves. If a pro forma is required by another funding source, such as Low Income Housing Tax Credits, then the Developer may use the pro forma required by that funding source. Otherwise, you must use the pro forma template provided by the City (**Attachment A**).

Other items to consider in completing the pro forma include:

1. Leveraging of private or HOME funded long term debt as a source of funds will be subject to the project's ability to support such financing as demonstrated by the project's operating pro forma. Using standard underwriting criteria and cost reasonableness, the Developer must clearly demonstrate through the project's operating pro forma that the repayment of this debt will not be a burden on the long term viability and affordability of the project.
2. Debt service coverage ratio requirements outlined in **Section VIII B**.
3. All funding and associated requirements are clear and adequately reflected in the pro forma.
4. The pro forma must be based on sound, appropriate information, convincing data, and realistic inflators as well as operating cash flows that are realistic and adequate.
5. The project demonstrates financial feasibility over the term of the pro forma and the project is not unduly enriched.
6. There is no project pro forma submission for homebuyer projects. In lieu of a pro forma, homebuyer applicants must provide a discussion of how HOME funds will be used in conjunction with other funding, to make units more affordable to income eligible households.

7. Affordable Rent Restrictions – Developers must propose rents for the HOME assisted units that may not exceed the lesser of comparable market rents or the HOME rents minus utility allowances.
8. If a project receives Federal or State project-based subsidies and the tenant pays no more than 30% of his or her income, the maximum rent may be the rent allowable under the project-based subsidy program.
9. The rent must be reduced if the tenant pays for utilities because the calculation of these rent standards includes all utilities excluding telephone. However, in practice many utilities (water, heat, air conditioning, cooking gas, etc.) are not included in rents.
10. Utility allowances provide a mechanism for adjusting the maximum allowable HOME rents when the tenant pays some or all utilities. **See attached utility charts (Appendix C1-C5)** by housing type.
11. Replacement Reserves – Developers will be expected to execute a Replacement Reserve Agreement, and to establish and maintain a Replacement Reserve Fund. The Developer will be responsible for depositing a per unit amount per annum (PUPA) into the fund for capital improvements to the property, as outlined in the Replacement Reserve Agreement. In the event that there is a conflict between this provision and the requirements of other funders, the need for reserves will be analyzed and negotiated between the various parties. The City may waive this requirement at its discretion. The amount of the Replacement Reserve shall be determined as follows:
  - For acquisition-rehabilitation projects, the Developer must conduct a capital needs assessment (CNA) for all rehabilitation projects, and set the annual reserve, at a minimum, at the level needed to cover 100% of capital needs identified in the CNA over the HOME affordability period.
  - For new construction projects, the Developer must deposit at least \$600 PUPA. The City may consider a lower amount only if the Developer submits evidence acceptable to the City establishing that a lower deposit amount will cover 100% of likely long term capital needs over the HOME affordability period.

### **G. Market Study**

The Developer must provide proof of market demand for the units in the project as demonstrated by a third party market study. As an alternative to submission of the market study at the time of application, Developers must complete the market study and submit the market study report to the City within 12 weeks of application submission and prior to approval/commitment of HRD project funding. A Developer who does not submit the market study at the time of application or by the 12 week deadline may not be considered for funding under this RFP, unless granted an extension. CDBG applicants applying for pre-development costs only are exempt from this requirement.



## VI. CROSS CUTTING HOME AND INCLUSIONARY HOUSING ORDINANCE REQUIREMENTS

Applicants must ensure that their project meets the City’s Inclusionary Housing Ordinance and HOME criteria. Below are two examples of how the City will analyze if projects have met these guidelines.

City Ordinance – Projects requesting \$500,000 or more in NOFA funds (for rental projects only) and consists of 20 or more dwelling units must have the following:

- At least 15% of the dwelling units must be affordable to households who make 60% AMI or below, and at least 5% of the dwelling units must be made available to households at 50% AMI or below for an affordability period of 30 years.

HOME Rules - All HOME-assisted units must be rented to households at or below 60% AMI. At least 20% of those HOME-assisted units must be rented to households at or below 50% AMI. Additionally, to qualify for HOME funds, the Developer must provide at least 15 HOME-assisted units.

*If the Unit count includes a fraction, the Unit count must be rounded up to the nearest whole number.*

### Example 1

Project - Developer is developing a 100 unit project and is requesting \$500,000 in HOME funds to finance 20 affordable units.

Affordability Restriction	Ordinance	HOME	Developer Must Provide at Least
50% AMI	100 Units*5% = 5 Units (at least)	20 Units * 20% = 4 Units (at least)	5 Units (at least)
60% AMI	100 Units*15% = 15 Units (at least)	*20 Units * 80% = 16 Units	15 Units (at least)
Total Affordable Units	20 Units (at least)	20 Units	20 Units (at least) <b>APPROVED</b>

*\*Amount of 60% Units may vary based on Developer’s determination, as long as 20% of the HOME-assisted Units are at 50% AMI.*

The Inclusionary Housing Ordinance is the stricter of the two regulations in this scenario. The Developer has satisfied the Inclusionary Housing Ordinance by making available at least 15 Units to households at 60% AMI and below, and 5 of the Units at 50% AMI and below. In doing so, this project **also** meets HOME requirements, because the Developer made at least 20% of the HOME-assisted available to households at 50% AMI and below. The affordability period for the HOME-assisted units must be for a term of 30 years.

## **Example 2**

Project - Developer is developing a 60 Unit project and is requesting \$500,000 in HOME funds to finance 12 affordable units.

<b>Affordability Restriction</b>	<b>Ordinance</b>	<b>HOME</b>	<b>Developer Must Provide at Least</b>
50% AMI	60 Units*5% = 3 Units (at least)	12 Units *20% = 3 Units (at least)	3 Units
60% AMI	60 Units*15% = 9 Units (at least)	12 Units * 80% = 9 Units	9 Units
Total Affordable Units	12 Units (at least)	<b>12 Units</b>	12 Units <b>FAILED</b>

The Developer satisfies the Inclusionary Housing Ordinance. However, the Developer does not provide at least 15 HOME-assisted units. Therefore, the City will request the Developer provide at least 3 additional HOME-assisted units in order to satisfy the NOFA threshold requirements.

## **VII. THRESHOLD/FEASIBILITY REVIEW**

### **A. Threshold/Feasibility Review**

Applications will be subject to threshold/feasibility review to determine eligibility for funding. The following threshold requirements are the minimum criteria for an acceptable application that will be scored by the City:

1. A Cover letter must be included that states the reasons for pursuing this RFP and the reasons the City should seriously consider this project/organization for funding.
2. The Application (**Attachment A**) and the applicable attachments (**Attachments A-D**) must be complete.
3. The Application must be received by the application submission deadline.
4. All HOME funded projects under this RFP must be in 'Eligible Areas' as designated by the City based on the 2016 Targeted Multifamily Housing Area Map (**Appendix H**).
5. Site control must be evident. Evidence of site control must be provided and can include an executed option to buy, a purchase agreement, or a deed, and must be legally binding on the Seller throughout the application review period.
6. Per the new 2013 HOME Final Rule, an assessment of the market conditions of the neighborhood in which the project will be located must be submitted in the form of a third party market study or other data/studies mutually accepted by the City and other lenders.

7. The proposed activity must be eligible under the City’s HOME Program and this RFP. All outlined requirements must be met.
8. Projects must comply with HOME income targeting requirements.
9. Applications that do not meet the above threshold requirements will be deemed ineligible for further consideration. Ineligible applications will be returned to the applicant at the end of the review period.
10. Projects meeting the threshold/feasibility review requirements will be scored. Eligible applications will be evaluated by City staff based on information provided under the “Submission Contents and Instructions” located at the front of the application (See **Attachment A**) and according to the selection criteria contained therein.

**B. Minimum Number of Units**

It is preferred that projects seeking HOME funds include a minimum of 15 HOME-assisted units (rental/multifamily) and/or 10 HOME-assisted units (homebuyer/single family).

**VIII. SELECTION PREFERENCES**

The City, through this NOFA, seeks to invest in projects that will fulfill the following overall investment objectives:

**A. City Investment Approach – Geographic Alignment and Prioritization of Investments**

The City’s objective is to prioritize funding projects located in targeted geographic areas of the City. This approach will ultimately result in more effective neighborhood stabilization and revitalization throughout the City. It is preferred that all project submissions (including Single Family) applying for funds through this NOFA be located within an “Eligible Area” as designated by the “2016 Targeted Multifamily Housing Areas Map.” (**Appendix H**).

**B. Maximize Leverage of HOME Funds**

HOME funds are a limited resource and the City seeks to maximize the use of non-HOME funds in each project to fund the maximum number of eligible projects within this RFP round. Accordingly, projects that comply with all other requirements in this RFP and have higher proportional amounts of non-HOME sources of funding (e.g. LIHTCs or other State, Federal, or private sources), as evidenced by submitted letters of commitment, shall be scored more favorably than projects proposing to use more HOME funding.

As required by the HOME regulations governing this RFP, the HOME assisted project should not receive any more HOME funds than what is necessary to make the project affordable, taking





into consideration long term viability. However, leveraging of private or HOME funded long term debt as a source of funds will be subject to the project's ability to support such financing as demonstrated by the project's operating pro forma. The Developer must clearly demonstrate through the project's operating pro forma that the repayment of this debt will not be a burden on the long term viability and affordability of the project.

The combined debt service coverage ratio (taking into account all must-pay debt) on viable projects should vary between a minimum of 1.15 and a maximum of 1.25. If debt coverage ratio exceeds the maximum, then first mortgage debt may be considered at a per unit amount that ensures a balance between project viability and subsidy layering. If a project is using Low HOME Rents, the City discourages private sector debt unless it is used to establish basis and can be structured in a manner that does not result in the project being at risk in terms of financial viability.

If a HOME assisted project contains market rate units, the number of HOME assisted units must be in a proportion no less than the amount of HOME funds to total funds in the project. The market rate units must be comparable to the HOME assisted units in size, location within the project, amenities, views, and finishes. If a HOME assisted project contains commercial uses, the number of HOME assisted units in the residential portion of the project must be in a proportion no less than the amount of HOME funds to total funds in the residential portion.

### **C. Prioritize the Funding of Certain Housing Product Types**

HOME funds through this RFP can only be used for rental housing development for low- and moderate-income households, or the development of homebuyer units for income eligible households. Notwithstanding the above, the City encourages projects that incorporate other housing types as follows:

1. Preference for Rental Renovation/Rehabilitation Projects: In this funding round a strong preference is being given to funding the acquisition and/or rehabilitation of vacant properties. New construction may be considered, but only in limited areas of the City with strong market demand for proposed housing. Applicants can also propose a mix of new construction and acquisition/rehabilitation in eligible target areas.
2. Preference for Mixed Use Projects: HOME funds through this RFP can be used for rental housing development for low- and moderate-income households in projects that include mixed uses such as office and retail below residential units. HOME funds can be used to develop the housing but the office and retail components of the project must be developed with other sources of funding. Non-housing related costs are ineligible through HOME.
3. Preference for Mixed Income Projects: HOME funds through this RFP can be used for rental housing development for low- and moderate-income households in projects that

contain market rate housing units for households with incomes above 80% of AMI. However, the market rate housing units at or above 80% AMI housing units must be developed with other sources of funding because the costs related to those units are ineligible through HOME.

4. Preservation Projects: Proposals to extend expiring affordability requirements for existing occupied affordable housing development projects.
5. Permanent Supportive Housing: Specifically, development that supports those who experience chronic homelessness. Successful Permanent Supportive Housing developments will include well-managed wraparound services and reduce barriers to entry to the MSHDA minimum (criminal screening, credit checks, etc...).

## **IX. PROGRAM LEGAL DOCUMENTS AND REPORTING REQUIREMENTS**

The following documents and reporting requirements will be required to administer any HOME award and secure the HOME obligation:

- HOME Development and Loan Agreement
- Mortgage Agreement
- Promissory Note
- Assignment of Rents
- HOME Affordability Restriction Agreement

Reporting – Each funded Developer will be required to collect and report information about the organization(s) responsible for overseeing the development and management of the property, including, but not limited to, an audited annual financial statement within 90 days after the end of the Developer’s fiscal year.

Each funded Developer will be expected to collect and report information about the uses of funds throughout the development of the project annually, including, but not limited to:

- Annual certified rent-roll within 30 days of the project’s fiscal year end;
- Operating budget comparing actual to projected income/expenses prepared by Developer and property manager 60 days prior to the project’s fiscal year end;
- Annual Division 8 (UPCS 92.251.B) Inspection Report;
- Annual re-certification of tenant income;
- Lease status and rental amount for each property;

- Other data needed to support HUD reporting requirements and performance measures; and,
- Tenant income, household composition, and other information required to document eligibility.

Failure to submit such reports can be cause for default on the HOME loan.

Additional project/program requirements will be outlined in the Development and Loan Agreement following the selection of projects. All documents are available in hard copy format.

## **X. SCORING CRITERIA**

### **A. Organization Information and Developer Capacity (15pts)**

The Developer must demonstrate the following through narrative and completed forms/templates:

1. The staff and principals of the organization have adequate development skills and similar experience in developing housing of the type being proposed in the RFP.
2. The development team has been identified and secured and has adequate development skills and similar experience in developing housing of the type proposed in the RFP
3. The Developer must have adequate staffing levels with appropriate skills and qualifications to complete the proposed project within the stated timeframe. The Developer must also demonstrate that previous experience is similar in type, scale, and complexity to proposed HOME assisted project.
4. The organization is fiscally sound and has the systems and financial resources to develop the proposed projects. Developer must provide evidence of organizational financial strength.
5. Demonstrate that Developer's current and projected non-HOME project workload will not interfere with the ability to complete the proposed HOME project in a timely manner.
6. The project demonstrates financial feasibility over the term of the pro forma and the Developer is not unduly enriched.
7. The Developer must have substantial experience and capacity in the successful lease-up and management of rental property, as well as experience in asset management, rental development activity, and ownership of projects of a similar type and size.

## **B. Project/Property Information and Feasibility (20pts)**

The Developer must demonstrate the following through narrative and completed forms/templates:

1. The project is efficient in its use of HOME funds and in its leveraging of other funds, as applicable. All funding and associated requirements are clear and adequately reflected in the pro forma.
2. All financing sources have been identified and committed, or reasonable dates for commitment are provided by the Developer.
3. Project budget is logical, reasonable, and a good value for the product. Estimated development and construction costs are well researched, detailed, and reasonable.
4. Operating pro forma is based on sound, appropriate information, convincing data, and realistic inflators. Operating cash flows are realistic and adequate.
5. The project demonstrates financial feasibility over the term of the pro forma and the Developer is not unduly enriched.
6. The project is well structured and designed, with a clear, appropriate, and detailed scope of work or plans and specifications.
  - Construction schedule is logical, realistic, and reasonable.
  - There are effective marketing and lease-up strategies in place.

## **C. Location and Market Information (20pts)**

1. Beyond the geographical target threshold areas, projects will be scored more favorably if they are also located in one or more of the following targeted areas:
  - Areas that are designated within acknowledged or approved City lead Planning Areas as delineated for housing development of the type proposed. Information on these areas can be found at:  
<http://www.detroitmi.gov/Government/Departments-and-Agencies/Planning-and-Development-Department>
  - Projects that are within designated Historic Districts.
  - Areas that are in close proximity to community amenities and employment centers.
2. The market demand for the project will be scored based on the results of the market study, which shows that the demand for the units exists and that the proposed units in the project compare with similar units in the area in terms of size and amenities. The Developer shall provide evidence of the following:
  - That the project will be marketable and involve properties that demonstrate the likelihood of having a stabilizing impact on the neighborhood. The

following factor is considered under this section: mixed use projects or mixed income projects can positively contribute to neighborhood stabilization and will receive favorable consideration under this RFP, subject to the project's scoring under the remainder of RFP criteria and its ability to meet any threshold requirements.

- The project provides targeting for specific special populations as demonstrated by coordination with the local Continuum of Care, specific targeting for special populations, or if the Developer brings a Federal subsidy targeted to special populations. All of the units in the project must not be targeted to the special population.
- The project is a good fit for the proposed neighborhood, rental housing is needed in this area, and the project is of a significant size and density as to make an impact on the community.

Homes are designed to meet the needs and tastes of the targeted market population, including house layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, etc.

Projected rehabilitation/construction includes materials, design, and amenities that will make the units efficient and marketable.

#### **D. Readiness to Proceed Information (40pts)**

The Developer must demonstrate the ability to proceed with the project in a timely manner that allows the City to meet its statutory deadline for expenditure of HOME funds. Preference will be given to "shovel ready" projects that demonstrated ability to close within 6 months of commitment will receive points under this criteria based on stages of "readiness." Scoring in this section will be based on the submission of any or all of the above documents as well as the narrative. Points will not be automatically given for the documents submitted. Documents will be reviewed to ensure that they are current, in compliance, and are approved as form and content by City staff in order to receive the points.

#### **E. Program Employment Goals Information (5pts)**

1. The Developer must have experience in complying with Section 3 requirements including a clear plan as to how requirements will be met. The Developer must also demonstrate the ability and willingness to employ low-and very low-income persons within the targeted area and community in which the project resides. Section 3 is a required factor and points will be given in this RFP for demonstrating knowledge of Section 3 requirements and a clear plan for meeting these requirements as determined by City staff.
2. Evidence that the Developer is a Minority/Women-Owned Business or Minority/Women's Business Enterprise, as applicable.

**Maximum Number of Total Points: 100**



# 2018 NOFA

## Appendices and Attachments

### ATTACHMENTS:

1. Attachment A: NOFA Application
  - i. HOME Investor Loan Program Development Budget
  - ii. Housing Rehab and Development Program Income Pro Forma
  - iii. Sample Project
2. Attachment B: HOME Program Mandatory Acknowledgement Lobbying Certification
3. Attachment C: HOME Program Mandatory Acknowledgement Conflict of Interest
4. Attachment D: Environmental Determination Request Form

### APPENDICES:

1. Appendix A1: HOME Rental Project Developer Checklist
2. Appendix A2: Homebuyer Project Developer Checklist
3. Appendix A3: CDBG "Soft Costs Only" Project RFP Checklist
4. Appendix B: Income limits, HOME Rents and Utility Allowances
5. Appendix C1: Utility Schedule- Low Rise/ Garden Apartments
6. Appendix C2: Utility Schedule- Duplex or Two-Family
7. Appendix C3: Utility Schedule- Single-Family Detached House
8. Appendix C4: Utility Schedule- Row House or Town House
9. Appendix C5: Utility Schedule- High Rise: 5 or more stories
10. Appendix D: Executive Order No. 2016-1
11. Appendix E: Instructions for Environmental Determination Request Form
12. Appendix F: CHDO Qualification and Certification Process
13. Appendix G: Inclusionary Housing Ordinance
14. Appendix H: 2016 Targeted Multi-Family Housing Area
15. Appendix I: 2017 HUD HOME Income Limits
16. Appendix J: 2017 HUD HOME Rent Limits

**Attachment A: APPLICATION AND REQUIRED FORMS**

**City of Detroit  
Housing and Revitalization Department**



**Housing Rehabilitation and Development Program**

**REQUEST FOR PROPOSALS (“RFP”)**

**December 2018**



## LIST OF DOCUMENTS

The documents must be completed, signed by an authorized representative of the Applicant, and included as a part of the Housing Rehabilitation and Development Program Application submission. The Application must be completed in accordance with the Housing Rehabilitation and Development Program **NOFA and RFP**.

1. Housing Rehabilitation and Development (HRD) Program Application (**Attachment A**)
2. **Appendix A1 or A2** to the HRD NOFA Information and Application Package (as applicable): HRD Program Checklist
3. **Attachment B** to the HRD Program Application: HRD Program Mandatory Acknowledgement - Lobbying Certification
4. **Attachment C** to the HRD Program Application: HRD Mandatory Acknowledgement – Conflict of Interest
5. **Appendix D** to the HRD NOFA Information and Application Package: Executive Order No. 2016-1
6. Environmental Determination Request Form (**Attachment D**)
7. Housing Rehabilitation and Development Program Total Development Budget (**Attachment A**)
8. Housing Rehabilitation and Development Program Income Operating Pro Forma (Omit for Homebuyer Project Submission) (**Attachment A**)
9. 2016 Targeted Multifamily Housing Map (**Attachment H**)
10. Section 3 Plan (**found online, see section IV Part H of the NOFA**)



# SUBMISSION CONTENTS AND INSTRUCTIONS

Applicant Developers must submit the following in response to this RFP:

## 1. Cover Letter

Attach to the front of your submission a one-page **cover letter** stating the reasons for pursuing this RFP and the reasons that the City should seriously consider this project/organization for funding.

## 2. Target Area Map

Target Area Map shall be retained by the City and identification of census blocks on the application demonstrating that the project is within the required eligible area for the type of project submitted either rehabilitation or new construction.

## 3. Application and Required Forms

All required narratives may be submitted in one document which may be used for narrative answers required in subsequent sections.

- Complete and sign the **Application**
- Complete the Table identifying the development team
- Complete the Acquisition/Site Control Status Table
- Complete the Project Timeline Table
- Complete the Project Location/Target Area Table
- Complete the **Rental Development Pro Forma**. If a pro forma is required by another funding source, such as Low Income Housing Tax Credits, then you may use the pro forma required by that funding source. Otherwise, you must use the pro forma template provided. Homebuyer projects must provide a discussion of how HOME funds will be used to structure sales for income eligible households.
- Complete the **Development Budget** showing all sources and uses.

## 4. Organization Information and Developer Capacity

1. Provide a narrative overview of the organization's history and experience in developing market rate and affordable housing, and particularly rental housing. Provide details and locations about specific projects that you have completed. Identify your experience in working with Federal funding sources/programs, including NSP, CDBG or HOME program experience. If you have developed housing for entities other than the City of Detroit, provide references. Also indicate whether your organization has a current presence in the City of Detroit, and provide details about the nature of your involvement, including

the location of your local office, if applicable, and the community development and affordable housing work in which you are presently engaged.

2. Provide a full organizational chart showing all affiliates. Affiliate is defined in this RFP. Provide a full disclosure of the organizational structure of the applicant, shall identify Affiliates, and shall identify Capitalized Entities: Indicate which Capitalized Entity will provide the Completion Guaranty and disclose all guaranties (including, without limitation, guaranties of completion, operating deficit guaranties, and guaranties to tax credit investors) that the applicant (or any Affiliate) has agreed to provide or expects to provide in connection with the proposed project.
3. Provide narrative describing your development team for the project. Describe the role, experience, and capacity of each person on the team. Include internal staff, project owner, project manager, specification writer, financial/accounting professionals, architects, engineers, contractors, construction manager, marketing professionals, property manager, asset manager, consultants, etc., as appropriate. Provide resumes for each staff person, partner, and development team member, along with letters of commitment from each entity with which you propose to partner or contract and a narrative description of each organization. If in place, provide a copy of the contract between you and the primary building contractor for the project. The contract may be contingent upon project funding.
4. Provide narrative describing any existing commitments and any other opportunities that you plan to pursue during the proposed development period for your project. Outline the start and completion dates, funders, and total budgets for all other projects with which you will be involved. Explain how you will manage these multiple obligations.
5. Provide narrative showing proof that there is experience and a system in place to market the units and to comply with tenant requirements for affordable housing.
6. Explain the systems you will have in place to manage the property and the assets. Outline how you will handle unit turnover, collection of rent payments, recordkeeping requirements, and evictions. Provide your plan for the provision of maintenance. Describe any services that you will offer to tenants.
7. Provide copies of current financial statements, recent financial audits, and/or other information that establishes the financial capacity of the Developer to undertake and complete the proposed project. Recent audits must be within 12 months prior to the application. Current financial statements must be the Developer's monthly financials for the current year to date.
8. Prior to the signing of the Development and Loan, the Developer must be prepared to provide evidence of insurability for the insurance standards listed below:

- a. The Developer shall maintain for the duration of the contract(s) and the affordability period, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Developer, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission. The Developer must also ensure that the project is covered by Builder's Risk insurance during the construction period.
- b. Additional Insured Status: The City of Detroit must be listed as an additional insured for liability arising from activities performed by or on behalf of the contractor and the Developer across all required insurance policies.
- c. Amounts: The Developer's certificate of liability insurance should provide the following coverage:
- d. Commercial general liability: \$1,000,000 per occurrence, \$2,000,000 in the aggregate
- e. Worker's compensation: \$500,000 per accident, disease, employee
- f. Excess liability: \$1,000,000
- g. Automotive public liability: \$1,000,000

All policies must provide that the City will receive 30 days prior written notice of cancellation. The Developer's evidence of property insurance must be for full replacement value. Builder's Risk Insurance must not be for less than the amount of the Construction Contract. The Developer must be the named insured on the Developer's commercial Liability coverage, the property insurance, and the builder's risk insurance.

### **5. Project/Property Information and Feasibility**

Provide a detailed description of the proposed project for which funds are being requested. Also provide the following information:

- Identify and describe the eligible activities for which you are applying
- Describe the work to be performed and method of approach.
- Describe the methods you will utilize to ensure cost effectiveness of the project.
- Identify the construction company you will employ to complete this project.
- Explain how you arrived at the projected rental amounts for each unit or house and how you will complete and rent the project within the prescribed timeframe.
- Describe the marketing and outreach strategy you will utilize to reach your target program participants, screen tenants, and comply with all fair housing and non-discrimination requirements.

In the above narrative, indicate the HOME funding requested for development, plus any other types of funding to be used. Provide **letters of commitment** for these funds, including funding amounts, and specify all key business terms. Also identify any and all conditions that must be satisfied before each funder will be willing to close. If project funds are not available at the time of application submittal, please identify when you applied or will apply for the identified funds. Also, please identify when the commitment may be expected.

Provide copies of the following documents, if applicable and available. The documents provided in this section serve primarily to support the narrative above and the submission of the documents themselves may not garner any points under this scoring criteria. If provided, these documents must be complete, detailed, and acceptable to City staff and shall allow any or all factors below to contribute to the scoring of the full points available under Readiness to Proceed.

- A work write-up/scope of work (rehabilitation) or plans and specifications (new construction).
- A construction cost estimate prepared by the project's architect or qualified cost estimator as detailed in Subsection 4.12.
- A **lead risk assessment and inspection report** (for all rehabilitation of pre-1979 structures). Refer to lead based paint requirements in Subsection 4.13.
- **Evidence of site control.** This must be evidenced by submission of an executed option to buy, a purchase agreement, or a deed, and must be legally binding on the seller for at least 9 months past the deadline for application submission.
- Evidence of proper **zoning** for the site(s), such as a City zoning verification letter or a letter from the City approving the rezoning of the site(s).
- **Appraisals** for all project property (land and buildings).
- Copies of all necessary building **permits** and any other necessary **permits** for the project.
- A detailed **rehabilitation or new construction budget** with sources and uses and a breakdown of costs by trade.
- A preliminary construction schedule.

If Low Income Housing Tax Credits (LIHTCs) are proposed, provide a letter of commitment for the LIHTC reservation, a conditional commitment (not a letter of interest) from an investor, note when your carryover deadline occurs, and explain how you will meet carryover. If 4% LIHTCs, provide a copy of the inducement letter. *The above is necessary for this factor to go towards scoring the full points under the section Readiness to Proceed.*

Identify any and all key milestones that must be completed prior to closing, including any needed permits to be obtained, contracts to be executed, environmental clearances to be obtained, etc.

Developer fee: Indicate the proposed Developer fee, outlining amounts to be paid from HOME funds and other sources. (Developer fees as described elsewhere in this RFP should not exceed 15% of the proposed development costs (less the Developer fees). In addition, for Developers who are also their own general contractors and other professional service providers, please indicate the overhead and profit or rates charged to the project for each of these services, using maximum allowable amounts outlined in this RFP.

## 6. Location and Market Information

1. Provide **narrative** identifying the specific geographic location(s) in which you plan to develop your project, reflecting the eligible target area(s) noted above under the Section “City Investment Approach - Geographic Alignment and Prioritization of Investments”. Provide a **map of the proposed project area** showing the location of each specific property under consideration, and the boundaries of the eligible target area(s) in which the project falls. Scattered site projects are acceptable. Each unit in a scattered site project must be located in close proximity to every other unit in the project (clustering/concentration on the same block or adjacent blocks is ideal). Additionally, the Developer must outline consistency with the City’s targeting criteria.
2. Provide a market study as previously described. The market study must demonstrate that there is a market and demand for the units in the project. The market study report for the project must meet the State of Michigan requirements for tax credits or similar third party market study. For HOME CHDOs and Developers of 5-10 unit scattered site single-family houses, a more limited scope market study may be used along with an existing verifiable pipeline of prospective renters.
3. Describe in what ways the project is designed to have an impact on the surrounding neighborhood and market.
4. Provide information on the proximity of the project to each of the following (identify, describe, and provide distance at the tenth-mile unit to the nearest of each of the following):
  - Other community development efforts.
  - Other significant investments in the neighborhood or the project made by other private, non-profit, philanthropic, or City agencies.
  - Employment centers/neighborhood anchors.
  - Educational facilities.
  - Neighborhood retail.
  - Park, playground, or public open/recreational space.

- Other amenities or services that may add value to the project and stabilize the community (identify and describe).
  - Community support for the project from stakeholders in the area of the proposed project.
5. Describe the income and use mix of the project, and how it will fit in with the fabric of the existing community. Explain whether there will be any market rate units, and if so, how these units compare and contrast with the rent assisted units. Market rate units must be comparable in size, location within the project, amenities, views, and finishes. Describe any commercial or other non-housing portions of the project, and portray how they will fit with the residential use.
  6. Describe any targeting for special populations, including if and how this project is to be completed in coordination with the continuum of care, the accommodations and services to be provided in order to meet the needs of the special population, and any Federal or other subsidy being brought to the project based upon this targeting.
  7. Identify any mechanisms currently in place to assist with the rents for potential tenants.
  8. Explain how homes are selected to meet the needs and tastes of the targeted market population, including house layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, etc.
  9. Describe the building materials, design features, and amenities that will make the units energy efficient and marketable.
  10. If a market study that meets the State of Michigan requirements for tax credits has been done for this project, please include it with your submission. A market study will be required at application or within eight (8) weeks after the application. The market study must show that the proposed project is marketable as structured. Points in this section will not be given for the submission of the market study, but rather for evidence of marketability, as described in the requested narrative in this section.

### **7. Readiness to Proceed Information**

The Developer must demonstrate the ability to proceed with the project in a timely manner that allows the City to meet its statutory deadline for expenditure of HOME funds. Preference will be given to “shovel ready” projects and projects will receive points under this criteria based on stages of “readiness.” Scoring in this section will be based on the submission of any or all of the above documents as well as the narrative. Points will not be automatically given for the documents submitted. Documents will be reviewed to ensure that they are current, in compliance, and are approved as form and content by City staff in order to receive the points.



## **8. Program Employment Goals Information**

1. The Developer must also demonstrate the ability and willingness to employ low-and very low-income persons within the targeted area and community in which the project resides. Section 3 compliance is a required for all projects funded through this RFP.
  - See section IV Part H of the NOFA
2. Evidence that the Developer is a Minority/Women-Owned Business or Minority/Women's Business Enterprise, as applicable.

## CITY OF DETROIT HOUSING AND REHABILITATION PROGRAM APPLICATION

1. Enter the full legal name of your organization:						
Federal Tax Identification Number:				Organization's DUNS number (if applicable)		
Name of Organization Lead Contact:						
Phone number and email address:						
2. Mailing address of the organization:						
City:		State:		Zip:		
Street address of the organization, if different from above:						
3. Identify City defined eligible area in which project will be located (See Exhibit A or B of HRD RFP):						
Project boundary streets/Physical address of the project:						
4. Name of Project:						
5. What is the legal structure of the Applicant?			6. Is the Applicant any of the following?			
<b>(Double Click Box below to Check)</b>			<b>(Double Click Box below to Check)</b>			
<input type="checkbox"/>	Individual (not a partnership or corporation)		<input type="checkbox"/>	51% minority ownership		
<input type="checkbox"/>	Partnership		<input type="checkbox"/>	51% female ownership		
<input type="checkbox"/>	For-profit corporation		<input type="checkbox"/>	51% minority business enterprise		
<input type="checkbox"/>	Non-profit corporation		<input type="checkbox"/>	% veteran owned		
7. Site control (check one) as evidenced by purchase contract, deed, etc.			Yes <input type="checkbox"/>	Document provided:		
			No <input type="checkbox"/>			
8. Will anyone who is employed by the Applicant or a member of the development team occupy a unit in the project?			<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
9. Is the borrower a designated Community Housing Development Org. (CHDO) per HOME regulations?			<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
					Date: _____	





**If yes, what is the date of your most recent City of Detroit CHDO certification?**  
 Please provide a copy of the most recent certification. Otherwise please submit an application for CHDO certification or recertification.

10. What type of development is being proposed by your organization for development with proposed program funding? (Check applicable boxes)	<input type="checkbox"/>	New construction of multi-family units for sale <input type="checkbox"/> or rent <input type="checkbox"/>
	<input type="checkbox"/>	Purchase/rehabilitation of multi-family rental units
	<input type="checkbox"/>	New construction of scattered site single family units for sale <input type="checkbox"/> or rent <input type="checkbox"/>
	<input type="checkbox"/>	Purchase/rehabilitation of scattered site single family units

11. Are any persons employed or contracting with your organization debarred by HUD or the State of Michigan?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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12. Are there any other contracting restrictions on the Applicant or Contractor for your development team with any federal or state agency or with the City of Detroit?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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If yes, please explain: \_\_\_\_\_

13. Has your organization or one of its principals filed for bankruptcy within the past 10 years?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
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14. TOTAL number of units you propose to develop:		No. of proposed Program assisted units:		No. of Market rate units (over 80% AMI), if applicable:
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TOTAL proposed development budget for Project: \$ \_\_\_\_\_

AMOUNT of funding from <input type="checkbox"/> HOME, <input type="checkbox"/> CDBG, <input type="checkbox"/> NSP, and/or <input type="checkbox"/> Bond Program (Check box):	\$ _____	Low income housing tax credits project:	Yes <input type="checkbox"/> No <input type="checkbox"/>
--	----------	---	--

15. Type of Units to be developed	<b>(Check all boxes that are applicable)</b>		
<input type="checkbox"/> Apartment	<input type="checkbox"/>	<input type="checkbox"/>	Duplex
<input type="checkbox"/> Townhome	<input type="checkbox"/>	<input type="checkbox"/>	Detached Single Family
<input type="checkbox"/> Other, Describe:			



To the best of my (our) knowledge and belief, all information in this Application is true and correct. The governing body of the Applicant has duly authorized this document and the Applicant will comply with all applicable HOME, and/or CDBG Program requirements, if funding is awarded according to funding source. Applicant agrees to adhere to all contracting and hiring requirements of the Federal, State, and City government. Applicant understands and agrees that all units redeveloped with funding under this program must be sold or rented to income eligible households.

The undersigned authorizes Housing and Revitalization Development's staff to conduct investigations necessary to establish project feasibility including but not limited to such verifications as employment, credit, construction experience, property ownership and financial condition. It is further authorized that the Department may send requests to receive such information from a lender or lenders so designated by the Developer Applicant for the purpose of securing financial information.

Any person, who knowingly makes a false statement or misrepresentation in this Application or causes such a false statement or misrepresentation to be made, shall be subject to a fine of not more than \$5,000 and/or imprisonment for not more than two years, under provisions of the United States Criminal Code.

Authorized Representative:

\_\_\_\_\_

(Signature)

\_\_\_\_\_

(Please Print Name and Title)

\_\_\_\_\_

(Date)



**Development Team** (Fill in all appropriate categories):

<b>Skill</b>	<b>Name</b>	<b>Affiliation (Name of Organization)</b>
Project Manager(s)		
Specification Writer(s)		
Architect(s) (if used)		
Attorney(s)		
General Contractor(s)		
Construction Manager(s)		
Finances/Accounting		
Marketing/For Lease-Up		
Housing Counselor(s)		
Development Consultant(s)		
Property Management		
Asset Management		
Other		





**Project Timeline** (Fill in Address in first column, and Dates in each additional Column)

Address of Unit	Acquisition	Start of Construction	100% Construction Completion	Begin Leasing Unit	Anticipated 100% Occupancy

<b>Project Location/Target Areas</b>	
If your project is located in one of the City’s eligible target areas identified in Exhibit A or B to the HOME RFP but is also located in one of the following areas, please provide that information below:	
If Project is within a Detroit Works Project Short Term Actions Demonstration Area, identify the area.	
If project is within an area with an acknowledged or approved “Community Plans,” as being for housing development of the type proposed, then identify the plan and area.	
If Project is within a Historic District, identify the District.	



## HOME INVESTOR LOAN PROGRAM TOTAL DEVELOPMENT BUDGET

(Project  
Name)

(Name of  
Developer)

(Date)

(Project Address)

Line Item	Paid for by HOME Funds	Paid for by Deferred Fees	Paid for by Construction Loan	Paid for by Equity	Total Development Cost
ACQUISITION					
Land Building					
Building					
Title Insurance					
Recording Fees					
CONSTRUCTION					
Construction Costs					
Contingency					
Site Improvements					
SOFT COSTS:					
Survey					
Appraisal					
Architect/Engineer					
City Legal					
Lender Legal					
Borrower's Legal					
Commitment Fees					
Title Recording Fees					
Construction R.E.					
Constr. Water					
Constr. Insurance					
Construction Interest					
Marketing & Leasing					
Accounting					
Expenses					
Operating Reserves					
Site Security					
Developer's Fees					
Consultant					
Expenses					
Builders Risk					
Environmental					
Relocation					\$ -
Repayment of Bridge					\$ -
<b>TOTAL COSTS</b>					

# HOUSING REHABILITATION AND DEVELOPMENT PROGRAM INCOME OPERATING PRO FORMA

## HOME 20 YEAR PROJECTION

Project Name:		Project Address:								
Income Adjuster:	2.25%	Expense Adjuster:	3.00%							
<b>Income:</b>										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
<i>Gross Effective Income</i>	\$ 171,720	\$ 175,584	\$ 179,535	\$ 183,575	\$ 187,705	\$ 191,928	\$ 196,246	\$ 200,662	\$ 205,177	\$ 209,793
<b>Expenses:</b>										
Administrative	\$ 18,388	\$ 18,940	\$ 19,508	\$ 20,093	\$ 20,696	\$ 21,317	\$ 21,957	\$ 22,616	\$ 23,294	\$ 23,993
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	\$ 33,500	\$ 34,505	\$ 35,540	\$ 36,606	\$ 37,704	\$ 38,835	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709
Operating	\$ 26,850	\$ 27,656	\$ 28,486	\$ 29,341	\$ 30,221	\$ 31,128	\$ 32,062	\$ 33,024	\$ 34,015	\$ 35,035
Taxes & Insurance	\$ 11,500	\$ 11,845	\$ 12,200	\$ 12,566	\$ 12,943	\$ 13,331	\$ 13,731	\$ 14,143	\$ 14,567	\$ 15,004
<b>Total Expense:</b>	<b>\$ 90,238</b>	<b>\$ 92,946</b>	<b>\$ 95,734</b>	<b>\$ 98,606</b>	<b>\$ 101,564</b>	<b>\$ 104,611</b>	<b>\$ 107,750</b>	<b>\$ 110,983</b>	<b>\$ 114,312</b>	<b>\$ 117,741</b>
<b>NOI (w/o Res &amp; Debt Svc)</b>	<b>\$ 81,482</b>	<b>\$ 82,638</b>	<b>\$ 83,801</b>	<b>\$ 84,969</b>	<b>\$ 86,141</b>	<b>\$ 87,317</b>	<b>\$ 88,496</b>	<b>\$ 89,679</b>	<b>\$ 90,865</b>	<b>\$ 92,052</b>
Replacement & Op Reserves	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500
Debt Service	\$54,156.18	\$54,156.18	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156
<b>Cashflow After Debt Sv</b>	<b>\$10,825.82</b>	<b>\$11,981.82</b>	<b>\$13,144.82</b>	<b>\$14,312.82</b>	<b>\$15,484.82</b>	<b>\$16,660.82</b>	<b>\$17,839.82</b>	<b>\$19,022.82</b>	<b>\$20,208.82</b>	<b>\$21,395.82</b>
<b>Income:</b>										
	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
<i>Gross Effective Income</i>	\$ 214,513	\$ 219,340	\$ 224,275	\$ 229,321	\$ 234,481	\$ 239,757	\$ 245,152	\$ 250,668	\$ 256,308	\$ 262,075
<b>Expenses:</b>										
Administrative	\$ 24,713	\$ 25,454	\$ 26,218	\$ 27,005	\$ 27,815	\$ 28,649	\$ 29,508	\$ 30,393	\$ 31,305	\$ 32,244
Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191	\$ 53,757	\$ 55,370	\$ 57,031	\$ 58,742
Operating	\$ 36,086	\$ 37,169	\$ 38,284	\$ 39,433	\$ 40,616	\$ 41,834	\$ 43,089	\$ 44,382	\$ 45,713	\$ 47,084
Taxes & Insurance	\$ 15,454	\$ 15,918	\$ 16,396	\$ 16,888	\$ 17,395	\$ 17,917	\$ 18,455	\$ 19,009	\$ 19,579	\$ 20,166
<b>Total Expense:</b>	<b>\$ 121,273</b>	<b>\$ 124,912</b>	<b>\$ 128,660</b>	<b>\$ 132,521</b>	<b>\$ 136,497</b>	<b>\$ 140,591</b>	<b>\$ 144,809</b>	<b>\$ 149,154</b>	<b>\$ 153,628</b>	<b>\$ 158,236</b>
<b>NOI (w/o Res &amp; Debt Svc)</b>	<b>\$ 93,240</b>	<b>\$ 94,428</b>	<b>\$ 95,615</b>	<b>\$ 96,800</b>	<b>\$ 97,984</b>	<b>\$ 99,166</b>	<b>\$ 100,343</b>	<b>\$ 101,514</b>	<b>\$ 102,680</b>	<b>\$ 103,839</b>
Replacement & Op Reserves	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500	\$ 16,500
Debt Service	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156	\$54,156
<b>Cashflow After Debt Sv</b>	<b>\$22,583.82</b>	<b>\$23,771.82</b>	<b>\$24,958.82</b>	<b>\$26,143.82</b>	<b>\$27,327.82</b>	<b>\$28,509.82</b>	<b>\$29,686.82</b>	<b>\$30,857.82</b>	<b>\$32,023.82</b>	<b>\$33,182.82</b>



**Project Name:** Sample Project Name  
**Address:** Sample Project Address

Green Cells are User Input

White Cells are Calculated Values

Total HOME Units Serving Households below 50% AMI:

30

**Income:**

Rent:	# Units	Monthly Rent	Annual Rent
Efficiency	2	\$ 350	\$ 8,400
One Bedroom	10	\$ 450	\$ 54,000
Two Bedroom	10	\$ 550	\$ 66,000
Three Bedroom	8	\$ 650	\$ 62,400
<b>Gross Rent</b>			<b>\$ 190,800</b>
Less:			
Vacancy		8.0%	\$ (15,264)
Bad Debt		2.0%	\$ (3,816)
<b>Gross Effective Income:</b>			<b>\$ 171,720</b>

**Expenses:**

Administrative		Annual
Advertising & Marketing		\$ 500
Mgmt Fee (% of collections)	8.0%	\$ 13,738
Administrative		\$ 250
Legal		\$ 750
Accounting		\$ 2,000
Office Supplies		\$ 300
Credit Checks		\$ 200
Leasing Fees		\$ 500
* Other		\$ 150
<b>Total Administrative:</b>		<b>\$ 18,388</b>
Payroll		
Administrative Payroll		\$ -
Maintenance Payroll		\$ -
Fringe	0.0%	\$ -
Payroll Taxes	0.00%	\$ -
<b>Total Payroll:</b>		<b>\$ -</b>
Maintenance		
Decorating (unit make ready)		\$ 1,000
Repairs (per unit per year)	\$ 500	\$ 15,000



Security	\$	5,000
Grounds (landscaping, snow removal)	\$	7,500
Building supplies	\$	1,500
Service contracts (elevator, HVAC)	\$	3,500
* Other	\$	-
<b>Total Maintenance:</b>	<b>\$</b>	<b>33,500</b>
<b>Operating:</b>		
Fuel (heating & hot water)	\$	10,000
Electric	\$	500
Water/Sewer	\$	3,000
Trash removal	\$	7,000
Janitorial	\$	2,000
Exterminating	\$	3,000
Telephone	\$	1,200
* Other	\$	150
<b>Total Operating Costs:</b>	<b>\$</b>	<b>26,850</b>
<b>Taxes &amp; Insurance:</b>		
Real Estate Taxes or PILOT	\$	5,000
Insurance	\$	6,000
Other Taxes, Licenses, Fees	\$	500
<b>Total Taxes:</b>	<b>\$</b>	<b>11,500</b>
<b>Total Annual Operating Expenses:</b>	<b>\$</b>	<b>90,238</b>

<b>NOI Before Reserves &amp; Debt Svc:</b>	<b>\$</b>	<b>81,482</b>
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**Reserves:**

	Per Unit	Annual
Replacement Reserve	\$ 300	\$ 9,000
Operating Reserve	\$ 250	\$ 7,500
Cashflow Before Debt Service:		\$ 64,982
Debt Service (See Terms Below)		\$54,156.18
<b>Cashflow After Debt Service</b>		<b>\$10,825.82</b>

**Maximum Supportable Debt Service Calculation:**

Required Debt Service Coverage:	1.20
Loan Amortization Period (in years)	20
Interest Rate	7.000%

<b>Maximum Supportable Hard Debt on Terms Above:</b>	<b>\$</b>	<b>582,100</b>
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# ATTACHMENT B: HOME PROGRAM MANDATORY ACKNOWLEDGEMENT

## “LOBBYING CERTIFICATION”

### *Certification for Contracts, Grants, Loans, and Cooperative Agreements*

The undersigned certifies that to the best of his or her knowledge and belief.

- (1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Division 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$1,000,000 for each such failure.

**Witnesses:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**Developer/Owner:**

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_



# ATTACHMENT C: HOME PROGRAM MANDATORY ACKNOWLEDGEMENT

## “CONFLICT OF INTEREST”

The City of Detroit, Housing & Revitalization Department is now required by HUD to include a new Conflict of Interest clause to all contracts. Please be aware that these requirements will apply if you are awarded a contract with the City of Detroit.

The Contractor warrants that its participation in this contract will conform to the requirements of the all applicable

the contract work may be impaired.

- b. In the event the Contractor has an organizational conflict of interest as defined herein, the Contractor shall disclose such conflict of interest fully in the submission of the proposal and/or during the life of the contract.
- c. The Contractor agrees that if after award he or she discovers an organizational conflict of interest with respect to this contract, he or she shall make an immediate and full disclosure in writing to the Director and Executive Manager, which shall include a description of the action which the Contractor has taken or intends to take to eliminate or neutralize the conflict. The Housing & Revitalization Department may, however, terminate the contract if it is in best interest of the City.
- d. In the event the Contractor was aware of an organizational conflict of interest before the award of this contract and intentionally did not disclose the conflict to the Housing & Revitalization Department, the Department may terminate the contract for default.
- e. The provisions of this clause shall be included in all subcontracts and consulting agreements.
- f. No Federal, state or local elected official, nor any member of the City of Detroit Planning Commission or employee of the Housing & Revitalization Department, nor any corporation owned or controlled by such person, shall be allowed to participate in any share or part of this contract or to realize any benefit from it. This provision shall be construed to extend to this contract if made with a corporation for its general benefit.
- g. No member, officer, or employee of the City of Detroit Housing & Revitalization Department, no member of the governing body of the City of Detroit or any other local government and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the project, shall, during his or her tenure, or for one year thereafter, have any interest, direct or indirect, in this contract or the proceeds thereof.
- h. The Housing & Revitalization Department reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

**Witnesses:**

1. \_\_\_\_\_

2. \_\_\_\_\_

**Developer/Owner:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_





CITY OF DETROIT AS RESPONSIBLE ENTITY  
HOUSING AND REVITALIZATION DEPARTMENT  
ENVIRONMENTAL REVIEW REQUEST FORM

Submit one form for each project for which review is requested. This form is required and must

<i><b>GENERAL PROJECT INFORMATION</b></i>		
<b>Project Name (if applicable):</b>	<b>Date Requested:</b>	
<b>Project Address(es):</b> <small>(include a map if available)</small>	<b>Project Parcel ID #s:</b>	
<b>HUD Funding Program (HOME, CDBG, ETC.):</b>	<b>Funding Year:</b>	
<b>Project Contact Name</b>	<b>Title</b>	<b>Department/Agency</b>
<b>Phone</b>	<b>email</b>	
<i><b>PROJECT DESCRIPTION</b></i>		
<b>Provide a <u>DETAILED</u> written description of the project:</b> Include type of project (new construction, rehabilitation, etc.); maximum anticipated scope of the proposal (even if it isn't solidified yet); size of the project (area coverage, number of units, population served, etc.); physical description of existing and/or proposed new buildings; timeframe for implementation		
<i><b>PURPOSE AND NEED</b></i>		
<b>Describe what is being done and why it is necessary, trends that may happen in the absence of the project:</b>		
<b>List the project beneficiaries (ex: affordable housing, public service, mixed use housing):</b>		
<i><b>FUNDING SOURCES AND AMOUNTS</b></i>		
<b>List all funding sources and development partners (private, federal, state, local, etc.):</b>		

be complete before any review can begin. Incomplete forms will be sent back to the applicant.



***TIMING REQUIREMENTS***

Provide proposed project timelines (ex: closing/construction start/contract):

Please submit this completed form and required documentation to:

Penny Dwoinen, Environmental Review Officer City of Detroit Housing and Revitalization Department

dwoinenp@detroitmi.gov      224-2933



# APPENDIX A1: HOME RENTAL PROJECT

## DEVELOPER RFP CHECKLIST

[List of everything to be submitted with the application for project funding]

*\*\*The checklist must be completed by the Developer applicant and signed below by an authorized representative.*

### **Requests for Proposal (For Developer identified projects)**

- \_\_\_ Cover Letter .....
- \_\_\_ Target Area Map denoting census block group where project located .....
- \_\_\_ Completed Application .....
- \_\_\_ Development Team Table .....
- \_\_\_ Acquisition/Site Control Status Table .....
- \_\_\_ Project Timeline Table .....
- \_\_\_ Project Location/Target Area Table .....
- \_\_\_ HOME Rental Development Pro Forma .....
- \_\_\_ Development Budget .....
- \_\_\_ Narrative on Organization Information and Developer Capacity .....
- \_\_\_ References from past clients .....
- \_\_\_ Organizational Chart .....
- \_\_\_ Resumes for staff and partners and development team members .....
- \_\_\_ Contract with building contractor .....
- \_\_\_ Copies of current financial statements and recent audits .....
- \_\_\_ Narrative on Project/Property Information and Feasibility .....
- \_\_\_ Scope of Work (rehab) or plans & specifications (new construction) .....
- \_\_\_ LBP Risk Assessment (for pre-1979 houses) .....
- \_\_\_ Evidence of Site Control .....
- \_\_\_ Evidence of proper zoning for the site .....
- \_\_\_ Appraisals for project property .....
- \_\_\_ Copies of all necessary permits for the project .....
- \_\_\_ Detailed rehabilitation or new construction budgets .....
- \_\_\_ A Preliminary Construction Schedule .....
- \_\_\_ Required Market Study or Market Feasibility justification narrative .....
- \_\_\_ Letters of Commitment from non-HOME funded sources including LIHTCs
- \_\_\_ If LIHTCs, conditional commitment from investor or Letter of Inducement .
- \_\_\_ Narrative on Location and Market Information .....
- \_\_\_ Narrative on Readiness to Proceed .....
- \_\_\_ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....
- \_\_\_ Narrative on Program Employment Goals Information .....
- \_\_\_ Proof of Certification as a Minority/Women-owned business or enterprise ..
- \_\_\_ Signed Lobbying Certification .....
- \_\_\_ Signed Conflict of Interest .....



\_\_\_ Signed Executive Order 2007-1 35-36 .....

**Acknowledgement by Authorized Person:**

To the best of my knowledge and belief, we have reviewed the contents of this Request For Proposals and have provided the documents and information selected above to meet the threshold requirement and provide the City with a basis for reviewing and underwriting the proposed project.

Authorized Representative:

\_\_\_\_\_  
(Signature of Authorized Representative)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name & Title of Authorized Representative)



# APPENDIX A2: HRD Homebuyer Project Developer RFP Checklist

## [List of items to be submitted with the application for project funding]

*\*\*The checklist must be completed by the Developer applicant and signed below by an authorized representative.*

### **Requests for Proposal (For Developer identified projects)**

- \_\_\_ Cover Letter .....
- \_\_\_ Target Area Map denoting census block group where project located .....
- \_\_\_ Completed Application .....
- \_\_\_ Development Team Table .....
- \_\_\_ Acquisition/Site Control Status Table .....
- \_\_\_ Project Timeline Table .....
- \_\_\_ Project Location/Target Area Table .....
- \_\_\_ Development Budget (Please provide a project summary sheet plus complete one additional sheet for each unit) .....
- \_\_\_ Narrative on Organization Information and Developer Capacity .....
- \_\_\_ References from past clients .....
- \_\_\_ Organizational Chart .....
- \_\_\_ Resumes for staff and partners and development team members .....
- \_\_\_ Contract with building contractor .....
- \_\_\_ Copies of current financial statements and recent audits .....
- \_\_\_ Narrative on Project/Property Information and Feasibility .....
- \_\_\_ Scope of Work (rehab) or plans & specifications (new construction) .....
- \_\_\_ LBP Risk Assessment (for pre-1979 houses) .....
- \_\_\_ Evidence of Site Control .....
- \_\_\_ Evidence of proper zoning for the site .....
- \_\_\_ Appraisals for project property .....
- \_\_\_ Copies of all necessary permits for the project .....
- \_\_\_ Detailed rehabilitation or new construction budgets .....
- \_\_\_ A Preliminary Construction Schedule .....
- \_\_\_ Letters of Commitment from non-HOME funded sources .....
- \_\_\_ Narrative on Location and Market Information .....
- \_\_\_ Required Market study and/or market feasibility justification narrative with letter indicating when Market Study will be completed .....
- \_\_\_ Narrative on Readiness to Proceed .....
- \_\_\_ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....
- \_\_\_ Narrative on Program Employment Goals Information .....
- \_\_\_ Proof of Certification as a Minority/Women owned business or enterprise (if applicable) .....
- \_\_\_ Signed Lobbying Certification .....





\_\_\_ Signed Conflict of Interest .....  
\_\_\_ Signed Executive Order 2016-1 .....

**Acknowledgement by Authorized Person:**

To the best of my knowledge and belief, we have reviewed the contents of this Request For Proposals and have provided the documents and information selected above to meet the threshold requirements and provide the City with a basis for reviewing and underwriting the proposed project.

Authorized Representative:

\_\_\_\_\_  
(Signature of Authorized Representative)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name & Title of Authorized Representative)



# APPENDIX A3: CDBG “SOFT COSTS ONLY” PROJECT RFP CHECKLIST

[List of everything to be submitted with the application for project funding]

*\*\*The checklist must be completed by the Developer applicant and signed below by an authorized representative.*

## **Requests for Proposal (For Developer identified projects)**

- \_\_\_ Cover Letter (Threshold) .....
- \_\_\_ Target Area Map denoting census block group where project located .....
- \_\_\_ Completed Application (Threshold) .....
- \_\_\_ Development Team Table .....
- \_\_\_ Acquisition/Site Control Status Table .....
- \_\_\_ Project Timeline Table .....
- \_\_\_ Project Location/Target Area Table .....
- \_\_\_ HOME Rental Development Pro Forma (Threshold) .....
- \_\_\_ Development Budget (Threshold) .....
- \_\_\_ Narrative on Organization Information and Developer Capacity .....
- \_\_\_ References from past clients .....
- \_\_\_ Resumes for staff and partners and development team members .....
- \_\_\_ Contract with building contractor .....
- \_\_\_ Copies of current financial statements and recent audits .....
- \_\_\_ Narrative on Project/Property Information and Feasibility .....
- \_\_\_ Scope of Work (rehab) or plans & specifications (new construction) .....
- \_\_\_ LBP Risk Assessment (for pre-1979 houses) .....
- \_\_\_ Evidence of Site Control (Threshold) .....
- \_\_\_ Evidence of proper zoning for the site .....
- \_\_\_ Appraisals for project property .....
- \_\_\_ Copies of all necessary permits for the project .....
- \_\_\_ Detailed rehabilitation or new construction budgets .....
- \_\_\_ A Preliminary Construction Schedule .....
- \_\_\_ Required Market Study or Market Feasibility justification narrative .....
- \_\_\_ Letters of Commitment from non-HOME funded sources including LIHTCs
- \_\_\_ If LIHTCs, conditional commitment from investor or letter of inducement ..
- \_\_\_ Narrative on Location and Market Information .....
- \_\_\_ Narrative on Readiness to Proceed .....
- \_\_\_ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific  
   environmental statutory checklist .....
- \_\_\_ Narrative on Program Employment Goals Information .....
- \_\_\_ Proof of certification as a Minority/Women owned business or enterprise ....
- \_\_\_ Signed Lobbying Certification .....
- \_\_\_ Signed Conflict of Interest .....
- \_\_\_ Signed Executive Order 2016-1 .....



**Acknowledgement by Authorized Person:**

To the best of my knowledge and belief, we have reviewed the contents of this Request For Proposals and have provided the documents and information selected above to meet the threshold requirement and provide the City with a basis for reviewing and underwriting the proposed project.

Authorized Representative:

\_\_\_\_\_  
(Signature of Authorized Representative)

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Print Name & Title of Authorized Representative)



## APPENDIX B: CITY OF DETROIT INCOME LIMITS, HOME RENTS AND UTILITY ALLOWANCES

All units assisted with HOME funds must serve households with incomes at or below 60% of the Area Median Income (AMI), adjusted by household size, as defined below.

### A. Income Limits [Source: 2017 HUD Income Limits]

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>80% AMI</b>	\$38,450	\$43,950	\$49,450	\$54,900	\$59,300	\$63,700	\$68,100	\$72,500
<b>60% AMI</b>	\$28,860	\$32,940	\$37,080	\$41,160	\$44,460	\$47,760	\$51,060	\$54,360
<b>50% AMI</b>	\$24,050	\$27,450	\$30,900	\$34,300	\$37,050	\$39,800	\$42,550	\$45,300

### B. HOME Maximum Rents [Source: 2017 HUD HOME Program Rent Limits]

<b>MAXIMUM RENT STANDARDS</b> <i>(Subtract Utility Allowance to Determine Maximum Actual Rents)</i>						
Unit Size	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
<b>Low Home Rent Limit</b>	\$578	\$643*	\$772*	\$891*	\$995*	\$1,098*
<b>High Home Rent</b>	\$578*	\$701*	\$911	\$1,207	\$1,300	\$1,495
<b>For Information Only: Fair Market Rent</b>	\$578	\$701	\$911	\$1,207	\$1,300	\$1,495
<b>50% Rent Limit</b>	\$601	\$643	\$772	\$891	\$995	\$1,098
<b>65% Rent Limit</b>	\$854	\$916	\$1,102	\$1,264	\$1,390	\$1,516

\*Adjusted Low HOME Rent or High HOME Rent corrects for last year's incorrect hold harmless rent. For all HOME projects, the maximum allowable rent is the HUD calculated High HOME rent Limit and/or Low HOME Rent Limit.

NOTE: The rent standards above must be reduced if the tenant pays for utilities since the calculation of these rent standards includes all utilities except telephone.

#### Maximum Rent Example:

1 Bedroom Apartment:	\$648
Allowance for heat:	-\$ 41
Maximum Allowable HOME:	\$607



## APPENDIX C1: CITY OF DETROIT UTILITY SCHEDULE

### Monthly Allowances for Tenant-Paid Utilities

LOW RISE/GARDEN APARTMENTS							
Utility	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<i>Heating:</i>	\$33.00	\$41.00	\$49.00	\$57.00	\$69.00	\$78.00	\$87.00
<i>Natural Gas</i>							
<i>Heating:</i>	48.00	65.00	82.00	100.00	128.00	146.00	168.00
<i>Electric</i>							
<i>Cooking:</i>	3.00	4.00	6.00	7.00	9.00	10.00	12.00
<i>Natural Gas</i>							
<i>Cooking:</i>	9.00	12.00	15.00	19.00	24.00	27.00	31.00
<i>Electric</i>							
<i>Hot Water:</i>	8.00	11.00	14.00	17.00	21.00	24.00	28.00
<i>Gas</i>							
<i>Hot Water:</i>	24.00	34.00	43.00	53.00	67.00	77.00	88.00
<i>Electric</i>							
<i>Air Conditioning:</i>	7.00	11.00	14.00	17.00	22.00	25.00	28.00
<i>Water &amp; Sewer</i>	36.00	45.00	63.00	89.00	116.00	142.00	169.00
<i>Range</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<i>Trash Collection</i>	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<i>Refrigerator</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00



## APPENDIX C2: CITY OF DETROIT UTILITY SCHEDULE

### Monthly Allowances for Tenant-Paid Utilities

<b>DUPLEX OR TWO FAMILY</b>							
<b>Utility</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<i>Heating: Gas</i>	\$33.00	\$41.00	\$49.00	\$57.00	\$69.00	\$78.00	\$87.00
<i>Heating: Electric</i>	48.00	65.00	82.00	100.00	128.00	146.00	168.00
<i>Cooking: Gas</i>	3.00	4.00	6.00	7.00	9.00	10.00	12.00
<i>Cooking: Electric</i>	9.00	12.00	15.00	19.00	24.00	27.00	31.00
<i>Hot Water: Natural Gas</i>	8.00	11.00	14.00	17.00	21.00	24.00	28.00
<i>Hot Water: Electric</i>	24.00	34.00	43.00	53.00	67.00	77.00	88.00
<i>Air Conditioning:</i>	7.00	11.00	14.00	17.00	22.00	25.00	29.00
<i>Water &amp; Sewer</i>	36.00	45.00	63.00	89.00	116.00	142.00	169.00
<i>Range/Microwave:</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<i>Trash Collection</i>	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<i>Refrigerator</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00



## APPENDIX C3: CITY OF DETROIT UTILITY SCHEDULE

### Monthly Allowances for Tenant-Paid Utilities

SINGLE-FAMILY DETACHED HOUSE							
UTILITY	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<i>Heating: Natural Gas</i>	\$34.00	\$43.00	\$52.00	\$61.00	\$74.00	\$83.00	\$93.00
<i>Heating: Electric</i>	51.00	69.00	88.00	108.00	137.00	157.00	181.00
<i>Cooking: Natural Gas</i>	3.00	4.00	6.00	7.00	9.00	10.00	12.00
<i>Cooking: Electric</i>	9.00	12.00	15.00	19.00	24.00	27.00	31.00
<i>Hot Water: Natural Gas</i>	8.00	11.00	14.00	17.00	21.00	24.00	28.00
<i>Hot Water: Electric</i>	24.00	34.00	43.00	53.00	67.00	77.00	88.00
<i>Air Conditioning:</i>	8.00	12.00	15.00	18.00	23.00	27.00	31.00
<i>Water &amp; Sewer:</i>	42.00	54.00	77.00	113.00	148.00	184.00	219.00
<i>Range/Microwave</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<i>Trash Collection</i>	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<i>Refrigerator</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00



## APPENDIX C4: CITY OF DETROIT UTILITY SCHEDULE

### Monthly Allowances for Tenant-Paid Utilities

ROW HOUSE OR TOWN HOUSE							
UTILITY	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<i>Heating: Natural Gas</i>	\$33.00	\$41.00	\$49.00	\$57.00	\$69.00	\$78.00	\$87.00
<i>Heating: Electric</i>	48.00	65.00	82.00	100.00	128.00	146.00	168.00
<i>Cooking: Natural Gas</i>	3.00	4.00	6.00	7.00	9.00	10.00	12.00
<i>Cooking: Electric</i>	9.00	12.00	15.00	19.00	24.00	27.00	31.00
<i>Hot Water: Natural Gas</i>	8.00	11.00	14.00	17.00	21.00	24.00	28.00
<i>Hot Water: Oil/Electric</i>	24.00	34.00	43.00	53.00	67.00	77.00	88.00
<i>Air Conditioning:</i>	7.00	11.00	14.00	17.00	22.00	25.00	29.00
<i>Water &amp; Sewer</i>	36.00	45.00	63.00	89.00	116.00	142.00	169.00
<i>Range</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<i>Trash Collection</i>	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<i>Refrigerator</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00





## APPENDIX C5: CITY OF DETROIT UTILITY SCHEDULE

### Monthly Allowances for Tenant-Paid Utilities

<b>HIGH RISE: 5 OR MORE STORIES</b>							
<b>UTILITY</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<i>Heating: Natural Gas</i>	\$30.00	\$37.00	\$44.00	\$51.00	\$61.00	\$69.00	\$77.00
<i>Heating: Electric</i>	41.00	56.00	71.00	86.00	110.00	128.00	144.00
<i>Cooking: Natural Gas</i>	3.00	4.00	6.00	7.00	9.00	10.00	12.00
<i>Cooking: Electric</i>	9.00	12.00	15.00	19.00	24.00	27.00	31.00
<i>Hot Water: Natural Gas</i>	8.00	11.00	14.00	17.00	21.00	24.00	28.00
<i>Hot Water: Electric</i>	24.00	34.00	43.00	53.00	67.00	77.00	88.00
<i>Air Conditioning:</i>	6.00	9.00	12.00	15.00	19.00	21.00	25.00
<i>Water &amp; Sewer</i>	36.00	45.00	63.00	89.00	116.00	142.00	169.00
<i>Range</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00
<i>Trash Collection:</i>	12.00	12.00	12.00	12.00	12.00	12.00	12.00
<i>Refrigerator</i>	7.00	7.00	7.00	7.00	7.00	7.00	7.00



# APPENDIX D: EXECUTIVE ORDER NO. 2016-1

## EXECUTIVE ORDER 2016-1

**TO:** ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS, CITY CLERK, DEVELOPERS, CONTRACTORS, AND DETROIT ECONOMIC GROWTH CORPORATION (DEGC).

**FROM:** MICHAEL E. DUGGAN, MAYOR

**SUBJECT:** UTILIZATION OF DETROIT RESIDENTS ON PUBLICLY-FUNDED CONSTRUCTION PROJECTS

**DATE:** December 16, 2016

**WHEREAS**, it is the policy of this Administration to encourage and maximize the utilization of Detroit residents on all City contracts and all projects benefited by City subsidies. An important component of the economic revitalization of Detroit is the employment of Detroit residents. Accordingly, this Executive Order directs any entity entering into a publicly-funded construction project to implement specific residency targets for its workforce, as follows:

1. A "publicly-funded construction project," for purposes of this Executive Order, means (a) any construction contract for more than \$3,000,000.00 (Three Million Dollars) made by the City with any person or entity; and (b) any construction project for which the City, affiliated public or quasi-public entities of the City, or any of their agents or contractors provides funds or financial assistance via any of the following methods, where total assistance from the City or its affiliated entities is over \$3,000,000.00 (Three Million Dollars):

- (1) The sale or transfer of land below its appraised value;
- (2) Direct monetary support;
- (3) Public contributions originated by the State of Michigan or its agencies, the United States government or its agencies, or any other non-City government entity, and for which City approval is required and obtained; or
- (4) Tax increment financing. For purposes of calculating the total assistance directly provided through tax increment financing, tax revenue that would have accrued to all government entities shall be counted.

Other persons or entities doing business with the City, but not covered by this section, may voluntarily agree to be bound by some or all of the substantive requirements of this Executive Order.



2. A "bona-fide Detroit resident," for purposes of this Executive order, means an individual who can demonstrate residency in the City of Detroit as of a date at least thirty (30) days prior to the date the person seeks to be employed for work on a publicly-funded construction project. Residency shall be established by the address listed on (a) any one of the following: State of Michigan identification card, State of Michigan driver's license, or Detroit municipal ID; plus (b) any one of the following: Voter Registration Card, Motor Vehicle Registration, most recent federal, state, or City of Detroit tax returns, Lease/Rental agreement, the most recent utility bill (or utility affidavit signed by a landlord with respect to a leased residence), or most recent municipal water bill. Other forms of proof-of-residence may be accepted under certain circumstances.

3. All publicly-funded construction contracts shall include a provision providing that at least 51% of the workforce on the publicly-funded construction project shall be bona-fide Detroit residents. This requirement shall be referred to as the "Workforce Target." The Workforce Target shall be measured by the hours worked by bona-fide Detroit residents on the publicly-funded construction project.

4. Developers, general contractors, prime contractors and subcontractors are all required to comply with the terms of this Executive Order. Collectively, these entities are hereinafter referred to as "contractors." It is, however, the sole responsibility of the person or entity contracting with the City of Detroit to require all of its subcontractors either to (a) meet the Workforce Target; or (b) make the required contribution to the City's Workforce Training Fund, as provided in Paragraph 6 of this Executive Order. Contractors may utilize local unions, Detroit Employment Solutions Corporation, or other entities to help meet the Workforce Target. Failure to satisfy the requirements of this Executive Order shall constitute a breach of contract and may result in the immediate termination of the contract.

5. Upon execution of a publicly-funded construction contract, the City of Detroit's Civil Rights, Inclusion and Opportunity Department ("CRIO") shall determine whether the Workforce Target in the contract shall be measured periodically either (a) monthly or (b) quarterly. This period shall be referred to as the "measurement period." Thereafter, for the duration of the construction project, the contractor shall, at the end of each measurement period, submit to CRIO a report indicating:

- (1) The total hours worked on the project during the preceding measurement period ("total work-hours");
- (2) The total hours worked on the project by bona-fide Detroit residents during the preceding measurement period; and
- (3) If applicable, the amount by which the contractor fell short of meeting the Workforce Target. A contractor falling short of the Workforce Target shall report both (a) the raw number of total work-hours by which the contractor fell short of the Workforce Target; and (b) the percentage of total work-hours by which the contractor fell short of the Workforce Target.

6. A contractor who does not meet the Workforce Target in any measurement period shall help strengthen Detroit's workforce by making a monetary contribution to the City's CRIO-administered Workforce Training Fund, thereby supporting the skill development of Detroit residents. The required contribution for any contractor who does not meet the Workforce Target shall be the sum of the following:

- (1) For each work-hour comprising the first 0-10% of total work-hours by which the contractor fell short of the Workforce Target, 5% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.
- (2) For each work-hour comprising the second 0-10% of total work-hours by which the contractor fell short of the Workforce Target (if applicable), 10% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.
- (3) For each work-hour comprising the remaining 0-31% of total work-hours by which the contractor fell short of the Workforce Target (if applicable), 15% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.<sup>1</sup>

7. If a contractor contracts for labor through a union which is meeting the goals set for it under the Detroit Skilled Trades Employment Program, that contractor will be deemed to have met the Workforce Target with respect to the employees for which it contracted through such a union.

Specifically: CRIO will make a periodic determination whether a union participating in the Detroit Skilled Trades Employment Program is meeting its established goals under that Program. For purposes of calculating a contractor's compliance with the Workforce Target, a union which, as of the date a contractor executes its publicly-funded construction contract or subcontract, is meeting its goals under the Program shall be deemed to have no less than 51% of the hours worked by its members on the publicly-funded construction project worked by bona-fide Detroit residents. If bona-fide Detroit residents actually account for more than 51% of the hours worked by union members on a publicly-funded construction project, that actual percentage may be used for purposes of calculating compliance with the Workforce Target.

8. If CRIO determines a contractor is in non-compliance with the requirements of this Order, CRIO will notify the contractor, in writing, of the contractor's non-compliance.

If a contractor wishes to challenge a finding of non-compliance, the contractor may, within fifteen (15) days of the notice of non-compliance, file with CRIO a written notice challenging the finding of non-compliance, and detailing the reasons for that challenge. The challenge will then be

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<sup>1</sup> Thus, for example, if 25% of the total work-hours performed on a publicly-funded construction project were performed by bona-fide Detroit residents, the contractor will have fallen short of the Workforce Target by 26% of the total work-hours. That contractor's minimum required contribution would be the sum of (1) 5% of the average hourly wage for 10% of the total work-hours; (2) 10% of the average hourly wage for 10% of the total work-hours; and (3) 15% of the average hourly wage for 6% of the total work-hours.

forwarded to a panel comprising of (1) the City's Corporation Counsel or his or her designee; (2) the head of the Department of Administrative Hearings or his or her designee; and (3) the Director of the Buildings, Safety, Engineering, and Environment Department, or his or her designee. The panel shall adjudicate the challenge and issue a written decision. The panel may, but need not, schedule an oral hearing on the challenge.

If following written notice of non-compliance and the adjudication of any challenge, the contractor fails or refuses to take corrective actions within thirty (30) days, the City of Detroit may do any of the following:

- (1) withhold from the contractor all future payments under the construction contract until it is determined that the contractor is in compliance;
- (2) refuse all future bids on city projects or applications for financial assistance in any form from the city or any of its departments, until such time as the contractor demonstrates that it has cured its previous non-compliance;
- (3) debar the contractor from doing business with the City of Detroit for a period of up to one year.

In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, or hire its own workforce to complete the work.

9. All applicable construction contracts, construction contract amendments, change orders and extensions shall include the terms of this Executive Order. CRIO shall have the responsibility for preparing administrative guidelines related to this Executive Order, and for monitoring and enforcing the provisions of this Executive Order.

\* \* \*

Pursuant to the powers vested in me by the 1963 Michigan Constitution and by the 2012 Detroit City Charter, I, Michael E. Duggan, Mayor of the City of Detroit, issue this Executive Order. This Executive Order is effective upon its execution and filing with the City Clerk and supersedes Executive Order No. 2014-4 issued by me on August 22, 2014. Provided, however, that this Executive Order shall not supersede the operation of any prior Executive Order with respect to any publicly-funded construction project on which construction activities have commenced as of the date of this Executive Order.

Michael E. Duggan  
Mayor, City of Detroit



## **APPENDIX E: INSTRUCTIONS ON COMPLETING THE ENVIRONMENTAL DETERMINATION REQUEST FORM**

The project sponsor or their designated representative (i.e. environmental consultant) must complete and submit an Environmental Review Request Form to the Environmental Review Officer before submitting any other environmental review documentation.

The project sponsor or designated representative must type the required information on the Request Form and submit an electronic copy of the Request Form to Penny Dwoinen, the Environmental Review Officer, via electronic mail at [dwoinenp@detroitmi.gov](mailto:dwoinenp@detroitmi.gov). The Housing & Revitalization Department will not accept handwritten or mailed Request Forms. The Housing & Revitalization Department will reject any incomplete Form.

The project sponsor or designated representative should complete the Request Form as follows:

### **General Project Information:**

**Project Name** – Type the name of the project as determined by the project sponsor and partners/affiliates (if applicable). The name of the project listed on the Request Form should match the name of the project listed on the application for HOME funds.

**Date Requested** – Identify the actual or intended date of application for assistance from the HOME Investment Partnership Program through the City of Detroit Housing & Revitalization Department.

**Project Addresses/Project Parcel IDs** – At a minimum, list the street number, street name and ZIP Code for every property or parcel included in the project. Include boundaries for the project by street name and boundary direction (i.e. First Street to the North, Second Street to the East, Third Street to the South, and Fourth Street to the West). Include as “Attachment A” a map of the project area that identifies the specific properties or parcels included in the project.

**Funding Program, Year** – input “HOME Investment Partnerships Program” and input the appropriate funding year for the HOME Program.

**Project Contact Name:** Type the legal name of the Sponsor that applied for or was awarded HOME funds

**Project Contact Information:** Type the name and title of the person who will serve as the primary point of contact for the project. This person does not have to be the head of the entity or organization. However, this person should hold primary responsibility for project administration and management, and this person should possess the most knowledge of the project.

### **Project Description:**

Type a detailed description of the project that includes the scope of work (new construction or rehabilitation) and the number and type (single-family, two-family, apartment, condominium, etc.) of residential units. In the case of a multi-family structure, identify the number of stories in the building.

If a project includes two or more multi-family structures, clearly delineate the number and type of units in each structure. Indicate the number and type of residential units that will receive assistance from the HOME Program. If a project includes a mixed-use structure, list the total square footage of non-residential space within the structure and the proposed use of the space (i.e. retail, recreation, educational services, health



care services, social services, etc.). Identify the number of stories in each structure, and identify which floors are reserved for residential and commercial space, respectively.

If a project includes demolition of an existing structure in order to accommodate project amenities or features, then the project description must clearly identify the address of the structure(s) slated for demolition and the intended use of the site(s).

If a project will convert an existing, non-residential structure into a residential structure, then the project description must identify the previous land use classification and zoning designation and the desired land use classification and zoning designation.

**Purpose and Need:**

Describe what is being done and why it is necessary, trends that may happen in the absence of the project.

**Funding Sources and Amounts:**

**Funding Amount** – Type the total amount of HOME funds sought for or awarded to the project.

**Total Project Costs** – Include the total development costs for all aspects of the project outlined in the “Project Description.” Include as “Attachment B” a preliminary Sources and Uses Statement for the project. The Housing & Revitalization Department understands that the sources and uses, as well as the amounts associated with those sources and uses, are subject to change. However, the project sponsor must still provide the best available information regarding the financing for the project.

**Timing Requirements:**

Please include a projected timeline for the project. Including anticipated Site acquisition, construction start, and any other choice limiting activities.

**Environmental Consultant**

Should an environmental consultant be chosen for the project, please include the following information in “Attachment C”

**Environmental Consultant** – Type the name of the legal entity that will provide primary or lead environmental consulting services to the project.

**Consultant Contact** – Type the name and title of the individual who will serve as the primary point of contact for environmental issues concerning the project.

**Consultant Contact Information** - Type the direct phone number and e-mail address of the Consultant Contact.

The project sponsor is responsible for providing complete and current information. Incomplete or inaccurate information may result in significant delays that can jeopardize the provision of HOME funds to a project. If the Environmental Review Officer finds the Form deficient in any way, then the Environmental Officer will return the Form to the project sponsor and request clarification or additional or updated information.



## **APPENDIX F: COMMUNITY HOUSING DEVELOPMENT ORGANIZATION QUALIFICATIONS AND CERTIFICATION PROCESS**

To pursue certification, the CHDO certification application must be completed and submitted with the project application. The application is available in **hard copy format** at the Housing & Revitalization Department.

To qualify for Community Housing Development Organization (CHDO) certification, all of the following criteria must be met:

1. Must be a non-profit entity organized under State or local laws; has no part of its net earning inure to the benefit of any member, founder, contributor, or individual; has a tax exempt ruling under Section 501 (c)(3) or (4) of the Internal Revenue Code; and has among its purposes the provision of affordable housing to low- and moderate-income persons.
2. At least 1/3 of the entity's governing board membership is for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. No more than one-third of the governing board members may be public officials (including City employees) or appointed thereby, and government-appointed board members may not, in turn, appoint any of the remaining board members.
3. If the entity is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members.
4. The entity is not controlled, nor receives directions from individuals, or entities seeking profit from the organization.
5. If the entity is sponsored or created by a for-profit entity, the for-profit entity's primary purpose does not include the development or management of housing, and the entity is free to contract for goods and services from vendor(s) of its own choosing.
6. The entity (or its parent) has a history of serving the community within which housing to be assisted with HOME funds is to be located and provides a formal process for low-income program beneficiaries to advise the organization in affordable housing development decisions.
7. The entity conforms to the financial accountability standards of 24 CFR 84.21 "Standards for Financial Management Systems."
8. The entity has a demonstrated capacity for carrying out activities assisted with HOME funds.





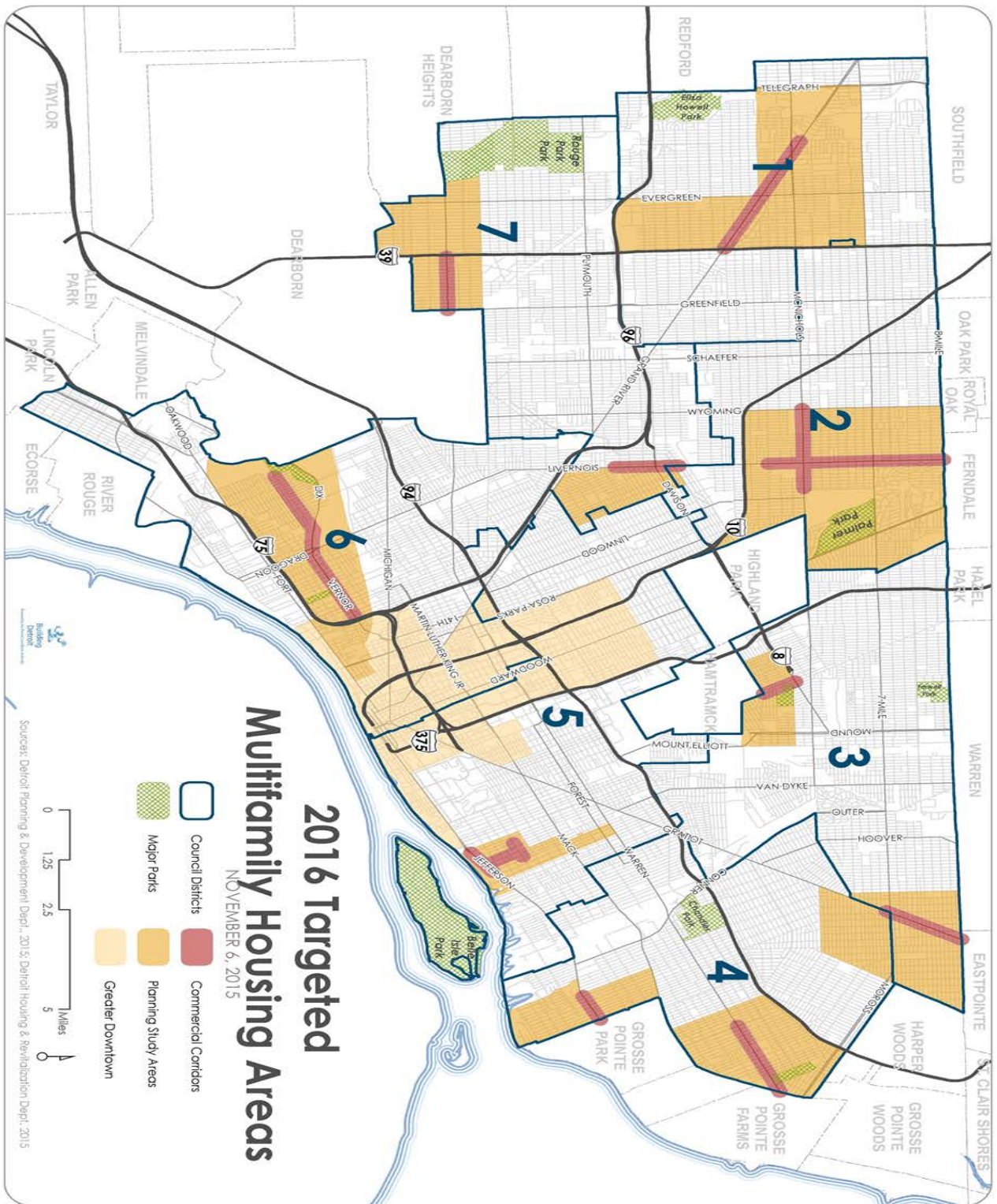
## **APPENDIX G: INCLUSIONARY HOUSING ORDINANCE**

The Inclusionary Housing Ordinance may be found online at:

<http://www.detroitmi.gov/Portals/0/docs/HousingAndRev/ORDINANCE%20Inclusionary%20FINAL%20Adopted%202017%20Sept%202019.pdf.pdf?ver=2017-10-19-181310-850>



# APPENDIX H: 2016 TARGETED MULTIFAMILY HOUSING AREA



# APPENDIX I: 2017 HUD HOME INCOME LIMITS

U.S. DEPARTMENT OF HUD 04/11/2017  
STATE: MICHIGAN

		----- 2017 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
<b>Ann Arbor, MI MSA</b>									
	30% LIMITS	18550	21200	23850	26500	28650	30750	32900	35000
	VERY LOW INCOME	30950	35350	39750	44150	47700	51250	54750	58300
	60% LIMITS	37140	42420	47700	52980	57240	61500	65700	69960
	LOW INCOME	47600	54400	61200	68000	73450	78900	84350	89800
<b>Battle Creek, MI MSA</b>									
	30% LIMITS	11750	13400	15100	16750	18100	19450	20800	22150
	VERY LOW INCOME	19550	22350	25150	27900	30150	32400	34600	36850
	60% LIMITS	23460	26820	30180	33480	36180	38880	41520	44220
	LOW INCOME	31300	35750	40200	44650	48250	51800	55400	58950
<b>Bay City, MI MSA</b>									
	30% LIMITS	12650	14450	16250	18050	19500	20950	22400	23850
	VERY LOW INCOME	21050	24050	27050	30050	32500	34900	37300	39700
	60% LIMITS	25260	28860	32460	36060	39000	41880	44760	47640
	LOW INCOME	33650	38450	43250	48050	51900	55750	59600	63450
<b>Detroit-Warren-Livonia, MI HUD Metro FMR Ar</b>									
	30% LIMITS	14450	16500	18550	20600	22250	23900	25550	27200
	VERY LOW INCOME	24050	27450	30900	34300	37050	39800	42550	45300
	60% LIMITS	28860	32940	37080	41160	44460	47760	51060	54360
	LOW INCOME	38450	43950	49450	54900	59300	63700	68100	72500
<b>Livingston County, MI HUD Metro FMR Area</b>									
	30% LIMITS	17950	20500	23050	25600	27650	29700	31750	33800
	VERY LOW INCOME	29900	34150	38400	42650	46100	49500	52900	56300
	60% LIMITS	35880	40980	46080	51180	55320	59400	63480	67560
	LOW INCOME	47600	54400	61200	68000	73450	78900	84350	89800
<b>Flint, MI MSA</b>									
	30% LIMITS	11750	13400	15100	16750	18100	19450	20800	22150
	VERY LOW INCOME	19550	22350	25150	27900	30150	32400	34600	36850
	60% LIMITS	23460	26820	30180	33480	36180	38880	41520	44220
	LOW INCOME	31300	35750	40200	44650	48250	51800	55400	58950
<b>Grand Rapids-Wyoming, MI HUD Metro FMR Area</b>									
	30% LIMITS	13950	15950	17950	19900	21500	23100	24700	26300
	VERY LOW INCOME	23250	26550	29850	33150	35850	38500	41150	43800
	60% LIMITS	27900	31860	35820	39780	43020	46200	49380	52560
	LOW INCOME	37150	42450	47750	53050	57300	61550	65800	70050



## APPENDIX J: 2017 HUD HOME RENT LIMITS

U.S. DEPARTMENT OF HUD 04/2017  
STATE: MICHIGAN

PROGRAM	----- 2017 HOME PROGRAM RENTS -----						
	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<b>Ann Arbor, MI MSA</b>							
LOW HOME RENT LIMIT	775	830	996	1150	1283	1416	1548
HIGH HOME RENT LIMIT	797	850	1025	1407	1765	1940	2104
For Information Only:							
FAIR MARKET RENT	797	850	1025	1407	1765	2030	2295
50% RENT LIMIT	775	830	996	1150	1283	1416	1548
65% RENT LIMIT	1086	1165	1399	1609	1775	1940	2104
<b>Battle Creek, MI MSA</b>							
LOW HOME RENT LIMIT	488	523	628	725	810	893	976
HIGH HOME RENT LIMIT	514	642	806	1026	1125	1222	1320
For Information Only:							
FAIR MARKET RENT	514	642	806	1051	1139	1310	1481
50% RENT LIMIT	488	523	628	725	810	893	976
65% RENT LIMIT	694	744	896	1026	1125	1222	1320
<b>Bay City, MI MSA</b>							
LOW HOME RENT LIMIT	461	546	676	781	872	962	1051
HIGH HOME RENT LIMIT	461	546	726	955	1001	1151	1301
For Information Only:							
FAIR MARKET RENT	461	546	726	955	1001	1151	1301
50% RENT LIMIT	526	563	676	781	872	962	1051
65% RENT LIMIT	691	742	892	1022	1120	1217	1315
<b>Detroit-Warren-Livonia, MI HUD Metro FMR Ar</b>							
LOW HOME RENT LIMIT	578	643	772	891	995	1098	1200
HIGH HOME RENT LIMIT	578	701	911	1207	1300	1495	1641
For Information Only:							
FAIR MARKET RENT	578	701	911	1207	1300	1495	1690
50% RENT LIMIT	601	643	772	891	995	1098	1200
65% RENT LIMIT	854	916	1102	1264	1390	1516	1641
<b>Livingston County, MI HUD Metro FMR Area</b>							
LOW HOME RENT LIMIT	626	698	922	1109	1237	1365	1492
HIGH HOME RENT LIMIT	626	698	922	1288	1625	1869	2040
For Information Only:							
FAIR MARKET RENT	626	698	922	1288	1625	1869	2113
50% RENT LIMIT	747	800	960	1109	1237	1365	1492
65% RENT LIMIT	1054	1130	1358	1560	1721	1881	2040

