



NOTICE OF FUNDING AVAILABILITY (NOFA)

January 2022

Program Compliance Information Meeting
February 8, 2022



JULY 2021 NOFA ROUND FUNDING AMOUNTS

❖	Pre-Development Loan Program	\$1,000,000
❖	Affordable Housing Development Program	
	A. Multifamily Development	\$3,000,000
	B. Supportive Housing Category	\$5,000,000
	C. Homebuyer Initiatives	\$1,000,000
		Total: \$10,000,000



FUNDING LIMITS & RESTRICTIONS

- ❖ Pre-Development Loan Program Maximum Award / Developer: \$250,000
- ❖ Affordable Housing Development Program
 - ❖ NOFA Maximum Award / Project
 - ❖ 9% LIHTC - \$1,000,000
 - ❖ All Others - \$3,000,000
 - ❖ Maximum Award / Developer, Per Round: \$3,000,000



APPLICATION & AWARD TIMELINE

EVENT

DATE*

NOFA Published

January 10, 2022

Pre-Submission Public Meeting

January 24, 2022

Pre-Application Project Review Meetings

January 31– February 18, 2022

Program Compliance Information Meeting

February 8, 2022

Final Submission Deadline

February 21, 2022

Letters of Interest Issued

March 23, 2022

Commitment Level Documents Due

April 8, 2022

Conditional Award Letters Issued

June 10, 2022

*Tentative Schedule Proposed and is Subject to Change



AGENDA

Welcome	10:00 am	Larry Catrinar
Meeting Overview	10:05 am	Larry Catrinar
Environmental Requirements	10:10 am	Penny Dwoinen, Kim Siegel, Tiffany Ciavattone
Labor Standards, Davis Bacon, & Prevailing Wage Requirements	10:20 am	Jacqueline Jackson
Section 3 Requirements	10:30 am	Patricia Ford
Q & A	10:45 am	
Uniform Relocation Act & Section 104	10:55 am	Rebecca Labov, Kyle Ofori
Supportive Housing	11:05 am	Terra Linzner
Construction & Rehabilitation Requirements	11:15 am	Michael Neil
Construction Draw Submission Process	11:25 am	Michael Neil
Asset Management & Continued Obligations	11:35am	Corey Feldpausch
DocuSign Application	11:45 am	Naomi Beasley-Porter
Pre-Development NOFA	11:55 am	Larry Catrinar
Q & A	12:05 am	
Thank You & Closing	12:30 pm	

ENVIRONMENTAL REQUIREMENTS

Penny Dwoinen, Kim Siegel, Tiffany Ciavattone





City of Detroit HUD Federal Allocation Environmental Compliance Quick Pointers

NOFA Program Compliance

February 8, 2022

Partners to the Environmental Review Process

➤ **City of Detroit - HRD Team Members**

- ❖ Environmental Review Officer – Penny Dwoinen
- ❖ Leadership – Mayor's Office
- ❖ Program Staff
- ❖ Project Managers

➤ **Other Federal Funders**

- ❖ MSHDA (HOME and Project Based Vouchers)
- ❖ Detroit Housing Commission Project Based Vouchers

➤ **Developers**

- ❖ Consultants/Attorneys
- ❖ Environmental Consultants/Cultural Resource Managers
- ❖ Michigan Department of Environment Great Lakes and Energy

Who is required to comply?

- All Federal Agencies (NEPA)
- All HUD Entitlement Communities (HUD)
- All Projects using a City of Detroit HUD allocation
 - ❖ CDBG
 - ❖ HOME
 - ❖ ESG
 - ❖ HOPWA
 - ❖ CDBG - DDR
 - ❖ EDI
 - ❖ NSP
 - ❖ CoCs
 - ❖ PBVs (DHC)
 - ❖ MSHDA HOME
 - ❖ MSHDA PBVs
 - ❖ HUD Loans

What laws do we comply with?

- ▶ Airport Accident Potential Zone
- ▶ Clean Air Act
- ▶ Coastal Zone Management Act
- ▶ Contamination and Toxic Substances (HUD reg) – **This is where environmental due diligence (Phase I ESA through an approved Response Activity Plan) are required.**
- ▶ Endangered Species Act
- ▶ Explosive & Flammable Hazards (HUD reg)
- ▶ Farmlands Protection Policy Act
- ▶ Floodplain Management (E.O. 11988)
- ▶ National Historic Preservation Act
- ▶ Noise Control Act
- ▶ Safe Drinking Water Act (Sole Source Aquifers)
- ▶ Wetlands Protection (E.O. 11990)
- ▶ Wild & Scenic Rivers Act
- ▶ Environmental Justice (E.O. 12898)

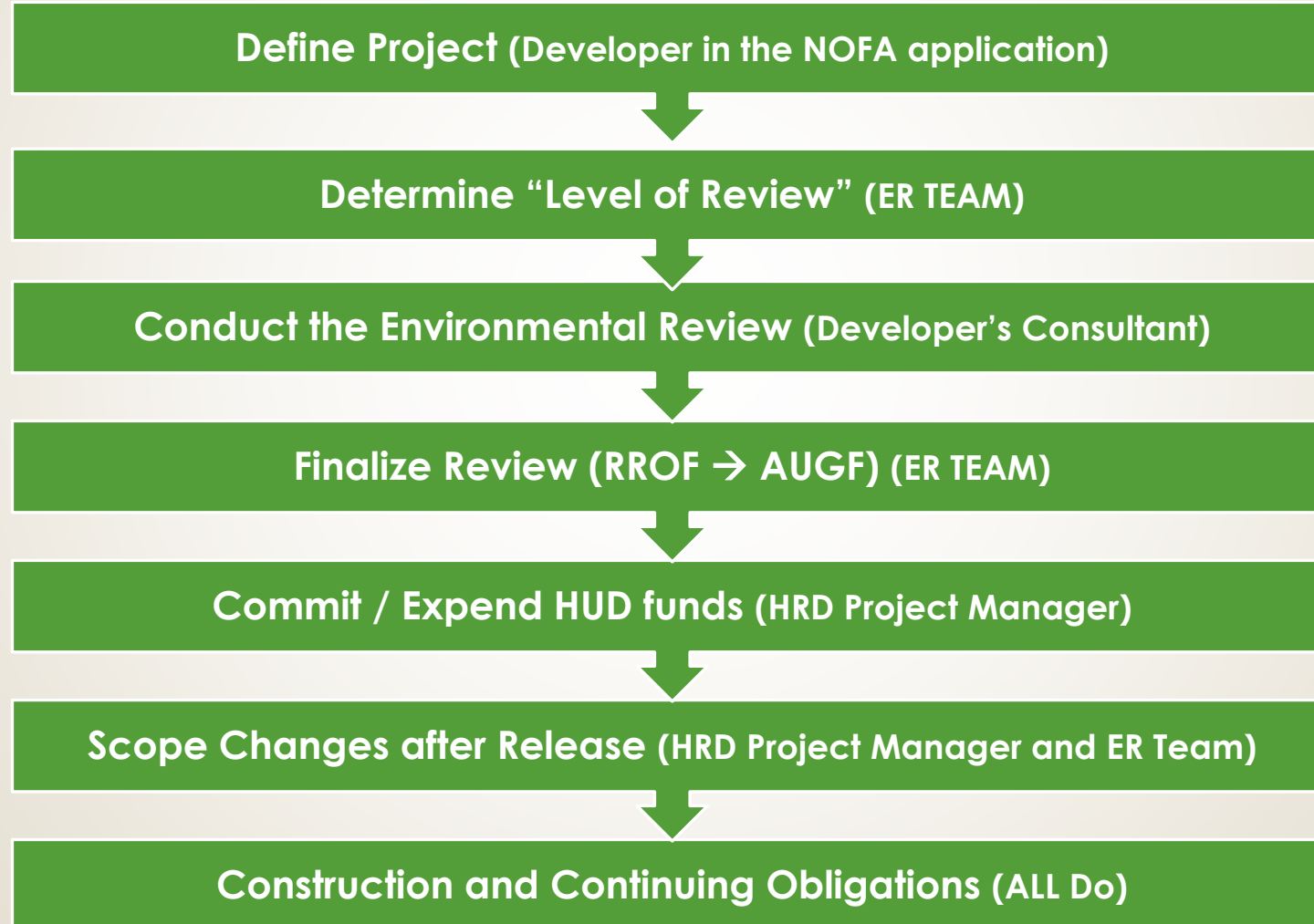
HOW do we comply?

Environmental Review Process

- Project Begins with City of Detroit
 - ❖ Application to NOFA for Federal Funding
 - ❖ Application to the DHC for PBVs
 - ❖ Pre-Application work (HRD teams)
- HUD Federal Funding Award
- Environmental Review Process begins
- HUD Environmental Approval
- Construction/NEPA Compliance Commitments

HOW do we comply?

The Environmental Review Process



§ 58.22 Limitations on activities pending clearance.

(a) Neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in § 58.1(b) on an activity or project until HUD or the state has approved the recipient's RROF and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in § 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

(b) If a project or activity is exempt under § 58.34, or is categorically excluded (except in extraordinary circumstances) under § 58.35(b), no RROF is required and the recipient may undertake the activity immediately after the responsible entity has documented its determination as required in § 58.34(b) and § 58.35(d), but the recipient must comply with applicable requirements under § 58.6.

(c) If a recipient is considering an application from a prospective subrecipient or beneficiary and is aware that the prospective subrecipient or beneficiary is about to take an action within the jurisdiction of the recipient that is prohibited by paragraph (a) of this section, then the recipient will take appropriate action to ensure that the objectives and procedures of NEPA are achieved.

(d) An option agreement on a proposed site or property is allowable prior to the completion of the environmental review if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with this part and the cost of the option is a nominal portion of the purchase price. There is no constraint on the purchase of an option by third parties that have not been selected for HUD funding, have no responsibility for the environmental review and have no say in the approval or disapproval of the project.

§ 58.22: Limitation of Action

Choice-Limiting Action

- ▶ Examples: real property acquisition, leasing, bidding, disposition, demolition, rehabilitation, repair, renovation, construction, conversion and site improvements

Affirmative Responsibility

- ▶ If RE is considering an application and is aware a party is about to take action prohibited by § 58.22(a), RE must take “appropriate action” to ensure NEPA is followed
- ▶ Difference of Application for funds –vs- Intent for funds
 - RE must make determination
 - Must be defensible and documented

The City of Detroit has determined that the NOFA application date is the intent for use of HUD funding. No Choice Limiting Action can be taken after your application is submitted.

Choice Limiting Actions

Is a Choice Limiting Action:

- Real property acquisition
- Leasing
- Bidding
- Disposition
- Demolition
- Rehabilitation
- Repair
- Renovation
- Construction
- Conversion
- Site Improvements

Is NOT a Choice Limiting Action:

- ▶ Bidding with NEPA rewind language
- ▶ Development Agreement with NEPA rewind language
- ▶ Option Contract with NEPA rewind language

Consequences of Violating §58.22

➤ Regulatory violation:

- Results from a commitment of Non-HUD funds
Contract, agreement, expenditure of funds
- Can result in loss of all HUD assistance for the project and repayment

➤ Statutory violation:

- Results from a commitment of HUD funds
Contract, agreement, expenditure of funds
- “Taints” the project: HUD funds from the same appropriation can never be used at site where violation occurred. Possible repayment.

Responsible Entity Choice Limiting Actions

Prior to environmental approval / clearance, the RE may not:

- Commit HUD funds – Close on loans or sign contracts
- Commit non-HUD funds where the activity would
 - ❖ Have an adverse environmental impact or
 - ❖ Limit the choice of reasonable alternatives
- **Extends to third parties including:**
 - ❖ **Recipients, and**
 - ❖ **Participants in the development process**
 - Public or private nonprofit
 - For-profit entities
 - Contractors

Do not take action before environmental clearance!!

Meaningful Project Descriptions Include:

- **Location:** describe so the public can locate (i.e. street address, cross streets)
- **Purpose and Need:** describe what is being done and why it is necessary, trends likely in the absence of the project
- **Description:** provide complete details about the project and what will be done
 - ❖ Type of project (i.e. new construction of single family home, roof replacement of community center, etc.)
 - ❖ Capture the maximum anticipated scope of the proposal, even if it isn't solidified yet
 - ❖ Physical description of existing and/or proposed new buildings
 - ❖ Timeframe for implementation
 - ❖ Size of the project (area coverage, number of units, population served, etc.)
- **All funding sources**
- **All development partners**

Defining the Project - Aggregation

- Who, what, when, where, why of the project
- **Project Aggregation (§58.32)**
 - **Evaluate as a single project** all individual activities that are related either on a geographical or functional basis, or are logical parts of a composite or contemplated actions
 - Must include **both** HUD and non-HUD funds



Acquisition



Demolition



Construction



**Aggregate
Project**

Environmental Assessment [§58.36]

- New construction or substantial rehabilitation structures (multifamily) or of 5+ clustered homes
- Conversion from one type of land use to another (adaptive reuse)

- The purpose is to ***evaluate the project as a whole***
 - ❖ Determine existing conditions and trends
 - ❖ Identify all impacts (direct, indirect, cumulative)
 - ❖ Examine and recommend feasible ways to eliminate or minimize adverse environmental impacts
 - ❖ Examine alternatives to project itself, if applicable

Environmental Review Hurdles

➤ Floodplain

- ❖ No new construction in Floodplain
- ❖ Rehabilitation and other projects in the floodplain will need further consultation and assessment
- ❖ Work with ER TEAM early in the development process if you are in or near a floodplain

Environmental Review Hurdles

➤ Contamination

- ❖ Most multi-family projects will encounter contamination
- ❖ Developer Team will conduct ER and work with ER TEAM to work through the approval process
 - Identify contamination levels and types
 - Response Activity Plan approval from EGLE
 - Follow up of Response Activities through construction
 - Documentation of Due Care Compliance approval from EGLE is closeout

Environmental Review Hurdles

➤ Section 106 Hurdles

- ❖ Timing
- ❖ Confusion over funding source/lack of information (City vs. DHC vs. private funds)
- ❖ Incomplete Information
- ❖ Lack of well-defined project description
- ❖ Archeology
- ❖ Project segmentation
- ❖ Foreclosure

NOFA Environmental Review and Scoring

- ER Team will review environmental reports submitted with the NOFA application
 - ❖ Phase I ESA
 - ❖ Phase II ESA
 - ❖ Etc.
- ER Team will provide a readiness for construction score
 - ❖ 0-5 points
 - ❖ Based on the known environmental conditions at the time of the application
 - ❖ More points awarded to projects with fewer NEPA compliance approvals needed

In Conclusion...

We are a Team for Environmental Compliance

- HUD
- HRD Management
- HRD Project Managers
- Developers
- Developer's Environmental Consultant
- HRD ER Team

The HRD ER Team is charged with ensuring environmental compliance with the HUD Rules. We will always try to provide options to make your deal work within the environmental review requirements.



LABOR STANDARDS, DAVIS BACON, & PREVAILING WAGES REQUIREMENTS

Jacqueline Jackson



LABOR STANDARDS AND THE DAVIS-BACON ACT

Monitoring and Compliance Requirements

THE DAVIS-BACON ACT (DBA)

Enacted in 1931 and amended in 1935 & 1964.

Applies to Federal construction contracts over \$2,000.

Covers alterations, repairs, painting & decorating activities on federally funded construction projects.

Applies to laborers & mechanics.

Requires WEEKLY payment of prevailing wages.

Federal Labor Standards

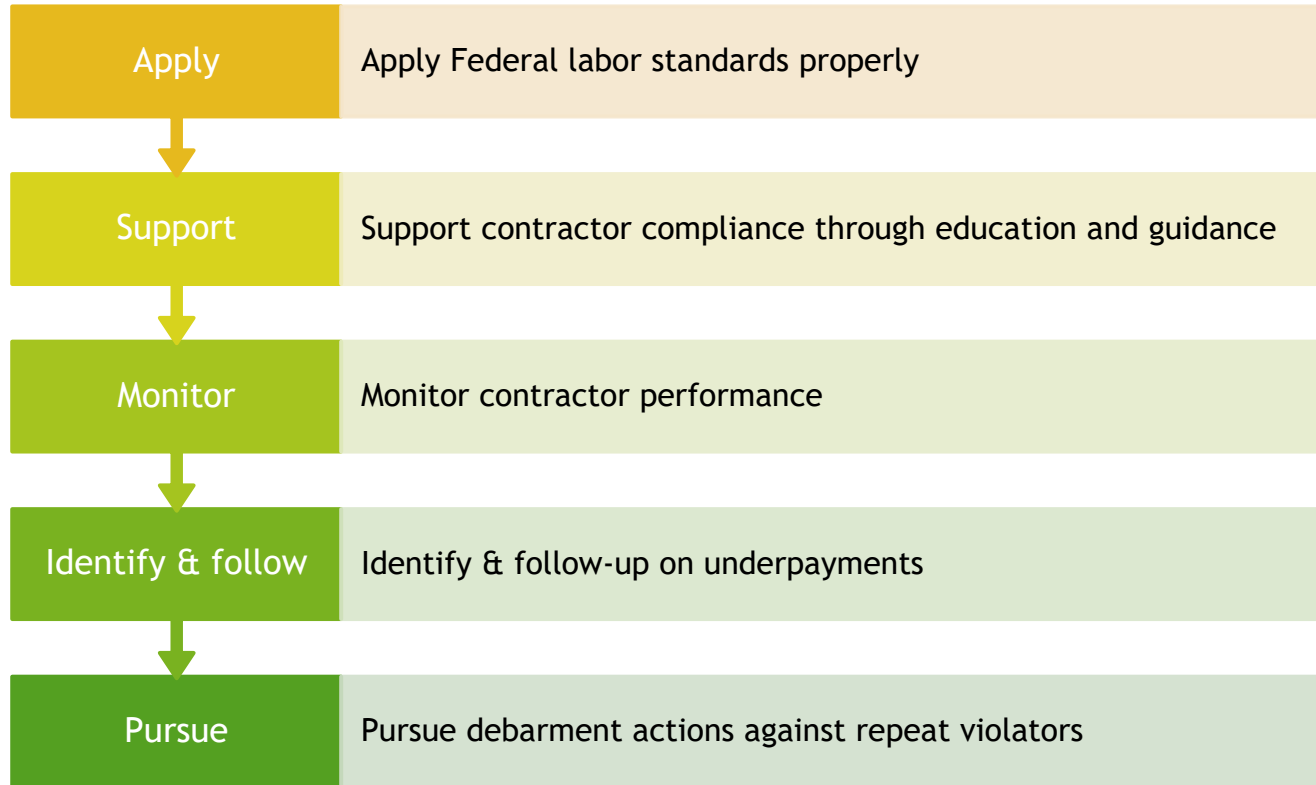
General purpose:

- To ensure proper payment of wages to laborers and mechanics working on federally funded construction projects.

Summary of requirements:

- Prevailing wages must be paid at least once per week
- Premium pay for overtime hours worked
- Unauthorized payroll deductions are prohibited

Labor Standards' Key Objectives



Labor Standards' Responsibilities

Designate	Designate appropriate staff to monitor for compliance
Ensure	Ensure bid documents, contracts & subcontracts contain Federal labor provisions & the applicable wage determination
Review	Review certified payroll reports & identify discrepancies through employee interviews
Maintain	Maintain Labor Standards documentation as required
Submit	Submit enforcement reports to HUD

Additional Labor Regulations

Contract Work Hours & Safety Standards Act (CWHSSA)

- Workers shall be paid 1.5 times their basic rate of pay for all hour worked over 40 hours in a work week.

Copeland Anti-Kickback Act

- Requires payment of wages at least once a week
- Prohibits unauthorized payroll deductions

Fair Labor Standards Act (FLSA)

- Establishes minimum wage, overtime pay, recordkeeping, and youth employment standards affecting employees in the private sector and in Federal, State, and local governments.

Subrecipient's Responsibilities

Attend	Attend Pre-performance conference
Submit	Submit Labor Standards documentation in a timely manner: <ul style="list-style-type: none">•Weekly certified payrolls•One-time submission documents•Other supplemental L/S documents
Request	Request technical assistance as needed
Submit	Submit payment requests in an accurate and timely manner to insure prompt reimbursement

Payment Requests

Labor Standards signs off on the following payments requests;

Applicable CDBG funded construction payment requests;

Applicable HOME funded construction payments;

Payments to service companies i.e., architects, environmental companies and cleaning companies;

Payments to suppliers;

Acquisition (*when construction is included as a part of the contract*).

Required Documents for Payment Approval



SUBMISSION OF ALL
REQUIRED LABOR
STANDARDS
DOCUMENTS



CURRENT WEEKLY
CERTIFIED PAYROLLS



AIA DOCUMENTS



SWORN STATEMENTS



WAIVERS OF LIENS (IF
APPLICABLE)



INVOICES AND
RECEIPTS



LETTER FROM
SUBRECIPIENT/OWNER

Payment Approval Delays



Restitution is owed to employee(s).



Current payrolls have not been submitted.



Payment package missing required documentation.



Contractors fails to resolve outstanding issues.



Outstanding liens on the project.

Labor Standards Team

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SECTION 3 REQUIREMENTS

Patricia Ford



Section 3 Program

- ▶ A provision of the Housing and Urban Development (HUD) Section 3 Act of 1968, federal regulation 24 CFR Part 75 (formerly regulation 24 CFR Part 135).
- ▶ Regulation Part 75 was release in the fall 2020 and became effective July 1, 2021.
- ▶ The goal is to create more effective incentives for employers to retain and invest in their low- and very low-income employees, streamline reporting requirements by aligning them with typical business practices, and provide for program-specific oversight.
- ▶ Recipients of certain HUD financial assistance (i.e. HOME, CDBG, LEAD, CDBG-CV, NSP, HOPWA, ESG, Healthy Homes & Choice Neighborhoods).
 - ▶ Type of projects - housing rehab, new housing construction, and other public construction.
 - ▶ To provide employment and job training for low- and very low-income persons (Section 3 Workers and Targeted Section 3 Workers) and contracting opportunities to businesses which provides economic opportunities to Section 3 Residents (Section 3 Business Concerns) in connection with projects receiving HUD financial assistance funding.

Section 3 - Threshold & Benchmarks

HUD financial assistance threshold amount exceeds \$200,000 per housing and community development project.

The commitment is to at least meet the HUD Section 3 benchmarks (§75.23 (b)):

▶ **Section 3 workers benchmark**

Twenty-five (25) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and

▶ **Targeted Section 3 workers benchmark**

Five (5) percent or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers.

$$\frac{\text{Section 3 Labor Hours}}{\text{Total Labor Hours}} = 25\% \quad \text{and} \quad \frac{\text{Targeted Section 3 Labor Hours}}{\text{Total Labor Hours}} = 5\%$$

- ▶ The labor hours reported must include the total number of labor hours worked on a Section 3 project, including labor hours worked by any subrecipients/developers, contractors and subcontractors to report (75.25 (3)).
- ▶ HUD created the Section 3 worker and Targeted Section 3 worker concepts so that HUD could track and set benchmarks to target selected categories of workers and to recognize the statutory requirements pertaining to contracting opportunities for business concerns employing low- and very-low income persons.

Section 3 & Targeted Section 3 Workers

- ▶ A Section 3 worker means (**§75.5**):
 - ▶ Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented (note - the published date was 11/30/2020, therefore the look-back date is 11/30/2020 instead of 5 years):
 - ▶ The worker's income for the previous or annualized calendar year is below the income limit established by HUD.
 - ▶ The worker is employed by a Section 3 business concern.
 - ▶ The worker is a Youthbuild participant.
 - ▶ The status of a Section 3 worker shall not be negatively affected by a prior arrest or conviction.
 - ▶ Nothing in this part shall be construed to require the employment of someone who meets this definition of a Section 3 worker. Section 3 workers are not exempt from meeting the qualifications of the position to be filled.
- ▶ A Targeted Section 3 worker means (**§75.21**):
 - ▶ A Section 3 worker who is:
 - ▶ A worker employed by a Section 3 business concern; or
 - ▶ A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years (note - the published date was 11/30/2020, therefore the look-back date is 11/30/2020 instead of 5 years):
 - ▶ Living within the service area or the neighborhood of the project, as defined in § 75.5; or
 - ▶ A Youthbuild participant.

(Note - *Service area or the neighborhood of the project* means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census. (**§75.5**))

- ▶ ***The Section 3 worker must also be a Detroit resident.***

Section 3 Business Concerns

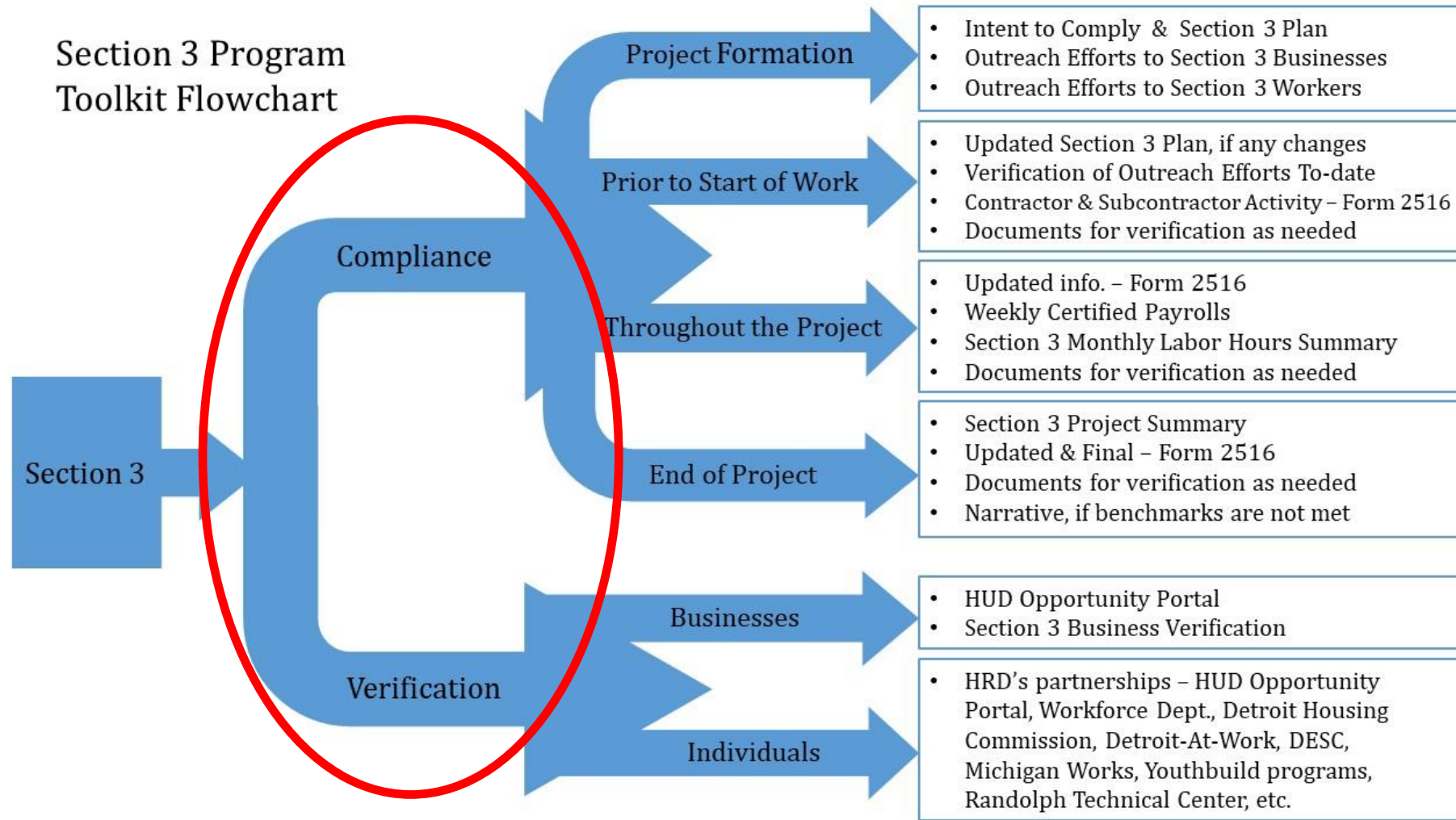
- ▶ A Section 3 business concern means (§75.5):
 - ▶ A business concern meeting at least one of the following criteria, documented within the last six-month period:
 - ▶ It is at least 51 percent owned and controlled by low- or very low-income persons;
 - ▶ Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or
 - ▶ It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted housing.
 - ▶ The status of a Section 3 business concern shall not be negatively affected by a prior arrest or conviction of its owner(s) or employees.
 - ▶ Nothing in this part shall be construed to require the contracting or subcontracting of a Section 3 business concern. Section 3 business concerns are not exempt from meeting the specifications of the contract.

(Note - *Service area or the neighborhood of the project* means an area within one mile of the Section 3 project or, if fewer than 5,000 people live within one mile of a Section 3 project, within a circle centered on the Section 3 project that is sufficient to encompass a population of 5,000 people according to the most recent U.S. Census. (§75.5))

- ▶ ***The Section 3 worker must also be a Detroit resident.***

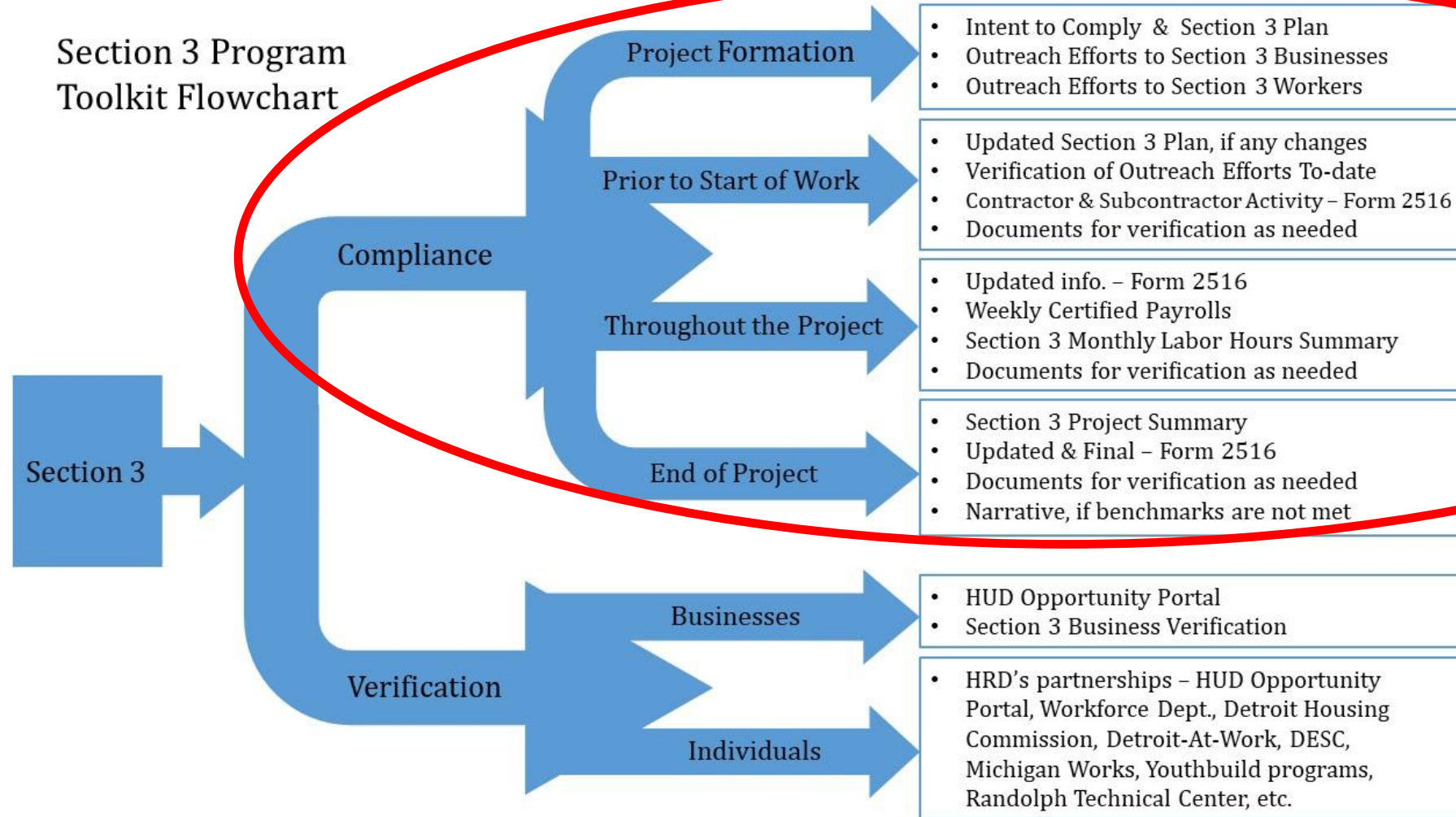
Section 3 Program

- ▶ There are two components of the Section 3 Program - Compliance and Certification.



Section 3 Program

- ▶ There are two components of the Section 3 Program - Compliance and Certification.



Thank You

Labor Compliance Unit

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For more information - visit web page

Housing and Revitalization Department (HRD)

Section 3 Program

<https://detroitmi.gov/departments/housing-and-revitalization-department/hud-programs-and-information/section-3-program>

UNIFORM RELOCATION ACT & SECTION 104

Rebecca Labov, Kyle Ofori



Occupied Redevelopments, Uniform Relocation Act & Section 104(d)

Kyle Ofori, Affordable Housing Preservation Manager
Rebecca Labov, Director of Strategic Initiatives



Outline

- City of Detroit Requirements
- Introduction to URA, Section 104(d), and Relocation
- Assistance Required
- Important Notices to Share
- Reminders & Resources

City of Detroit Requirements



City of Detroit Requirements

GOAL: No permanent displacement resulting from City-supported redevelopments of occupied projects.

- 1) Tenant Retention Standards & Required Plan*
- 2) URA & Section 104d Compliance

**Summary can be shared via email with attendees*

Tenant Retention Standards

- Limit initial rent increases for returning residents (5% or set at 30% of monthly income)
- Limit ongoing rental increases to lesser of 2% per year or max set by HUD/MSHDA as applicable
- Minimum communication standards (URA + meeting with City rep.)
- Right to return with 12-month lease offer
- Phased construction to limit temporary relocation, where possible
- Assistance with relocation and payment of temporary relocation costs
- All other requirements per URA

Tenant Retention Plan (AKA “Relocation Plan”)

- Content
 - Summary of redevelopment strategy & plan for preventing displacement
 - Affordability plan
 - Tenant communication plan
 - Tenant habitability plan (construction scope & timeline, plan for residents, temporary relocation plan where applicable, service interruptions)
 - Contact Information
- Timing
 - If you have an existing plan, submit with NOFA application
 - Plan must be **submitted and reviewed** prior to conditional award letter
 - Plan must be **finalized and approved** prior to closing

Intro. to URA, Section 104(d), and Relocation



What is URA?

- “Uniform Relocation Act”
- full name is **Uniform Relocation** Assistance and Real Property Acquisition Policies **Act** of 1970
- “The URA establishes minimum federal requirements for real property acquisition and relocation assistance for federally-funded projects.”

When do you have to follow URA?

- ANY TIME you are receiving federal funds for use in a property that will be acquired, rehabbed, or demolished
 - Low-Income Housing Tax Credits by themselves don't count as federal assistance

What about Section 104(d)?

Are CDBG/HOME funds used in connection with the project?

Does the project involve demolition of any dwelling or conversion of lower-income dwellings?

Is a lower-income person being displaced?

If YES to all, offer displaced lower-income persons 104(d) relocation assistance.

Disclaimer: This flowchart is intended to convey basic concepts for training purposes. Section 104(d) determinations can be complex and require the full application of governing federal requirements and guidance referenced in this training module.

Two types of relocation

- There are two types of relocation when it comes to URA: **temporary relocation** and **permanent relocation**.
- Temporary relocation lasts for under 12 months.
- Any relocation that lasts longer than 12 months is considered permanent relocation.

Permanent Relocation Options

- Tenants who would be displaced for over 12 months may:
 - Continue to remain temporarily relocated for an agreed to period;
 - Permanently relocate to the unit which has been their temporary unit if it is available to do so; or
 - Choose to permanently relocate elsewhere with URA advisory services.

Comparing Types of Relocation

	Temporary relocation	Permanent relocation
Duration	shorter than 12 months	12 months or longer
Assistance required	<ul style="list-style-type: none"> -relocation advisory services -comparable replacement housing -moving expense payments 	<ul style="list-style-type: none"> -relocation advisory services -comparable replacement housing -moving expense payments -Replacement Housing Payments (RHPs) -housing of last resort when necessary
Notices required	<ul style="list-style-type: none"> General Information Notice Notice of Non-Displacement Reasonable Advance Notice to Vacate 	<ul style="list-style-type: none"> General Information Notice Notice of Relocation Eligibility 90-Day Notice to Vacate

Assistance Required



Relocation Advisory Services

- “**Advisory services** are the single most important part of a successful relocation program. The displacing Agency must minimize adverse impacts to displaced persons by assisting in any way possible.
- The URA requires a personal interview with all displaced persons.”

Replacement Housing Payments

- Eligible displaced tenants must be informed of all their options regarding their payments. This includes receiving a lump sum amount for a down payment to purchase a replacement dwelling.
- Rental assistance payment: statutory limit is \$7,200. (It is possible and often necessary to pay more—this is called **housing of last resort**)
- Replacement housing payment: displaced owner-occupant can receive up to \$31,000 to purchase comparable, decent, safe, sanitary replacement dwelling

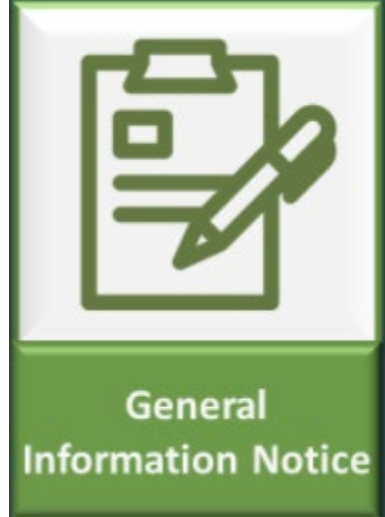
Comparable Replacement Dwelling

- “Agencies must offer residential displaced persons **comparable replacement dwelling** before they can be required to move. Comparable replacement housing must be **decent, safe, and sanitary.**”
 - Decent, safe, and sanitary is defined in the Code of Federal Regulations – 49 CFR Pt 24.2(a)(8)(vii)

Important Notices to Share



General Information Notice (GIN)



- **WHAT:** “The GIN is issued as soon as feasible to both owners and tenants to provide preliminary information on the proposed project and potential rights and protections.”
- **WHEN:** Send to residents as soon as feasible (e.g. when you apply for federal assistance, i.e. now)

(date)

Dear _____:

(City, County, State, Public Housing Authority (PHA), other) _____, is interested in rehabilitating the property you currently occupy at _____ (address) _____ for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the _____ program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project.

Notice of Non-Displacement (for temporary)

- **WHAT:** “NONDs are to be issued to persons within a HUD-assisted acquisition, rehabilitation or demolition project who do not qualify as permanently displaced. The NOND should advise such persons of the Agency’s determination that they do not qualify as displaced and inform them of their right to appeal.”
- **WHEN:** At “initiation of negotiations” (ION) date
 - ION for CDBG: the execution of the grant or loan agreement between the grantee and the person owning or controlling the real property.
 - ION for HOME: the execution of the agreement covering the acquisition, rehabilitation, or demolition



Notice of Non-
Displacement

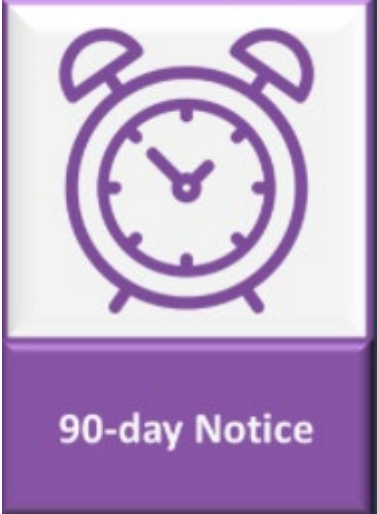
Notice of Relocation Eligibility (NOE) (for permanent)



- **WHAT:** “The NOE informs occupants that will be permanently displaced of
 - their eligibility for relocation assistance,
 - the estimated amount of assistance based on individual circumstances and needs, and
 - the procedures for obtaining the assistance.”
- **WHEN:** Send to residents at “initiation of negotiations” (ION) or when property is acquired, whichever is earlier
 - ION for CDBG: the execution of the grant or loan agreement between the grantee and the person owning or controlling the real property.
 - ION for HOME: the execution of the agreement covering the acquisition, rehabilitation, or demolition

90-Day Notice (for permanent)

- **WHAT:** Permanently displaced households must be provided with a minimum of 90 days written notice prior to being *required* to move (unless the urgent need provisions in 49 CFR 24.203(c)(4) are met).
- **WHEN:** Send to residents to give notice that they have 90 days to move to a comparable replacement unit
- **Note:** you must have made the comparable replacement unit available by this date. The 90 days doesn't begin until there is another place for them to go.



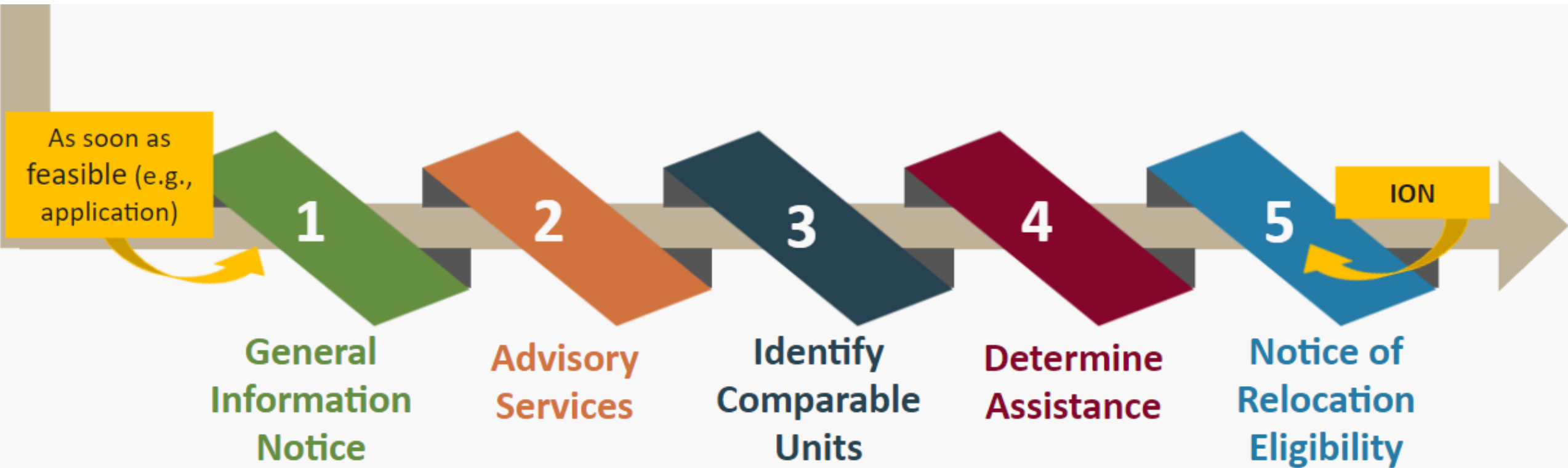
Reasonable Advance Notice to Vacate (for temporary)

- **WHAT:** “If a tenant will be temporarily relocated, the Agency must provide reasonable advance (recommend a minimum of 30 days) written notice of the move out date and approximate duration of the temporary relocation (not to exceed 1 year).”
- **WHEN:** Minimum 30 days written notice recommended
- Should also include:
 - Address of the temporary location resident can stay that’s decent, safe, and sanitary
 - Costs that will be reimbursed
 - Available advisory services

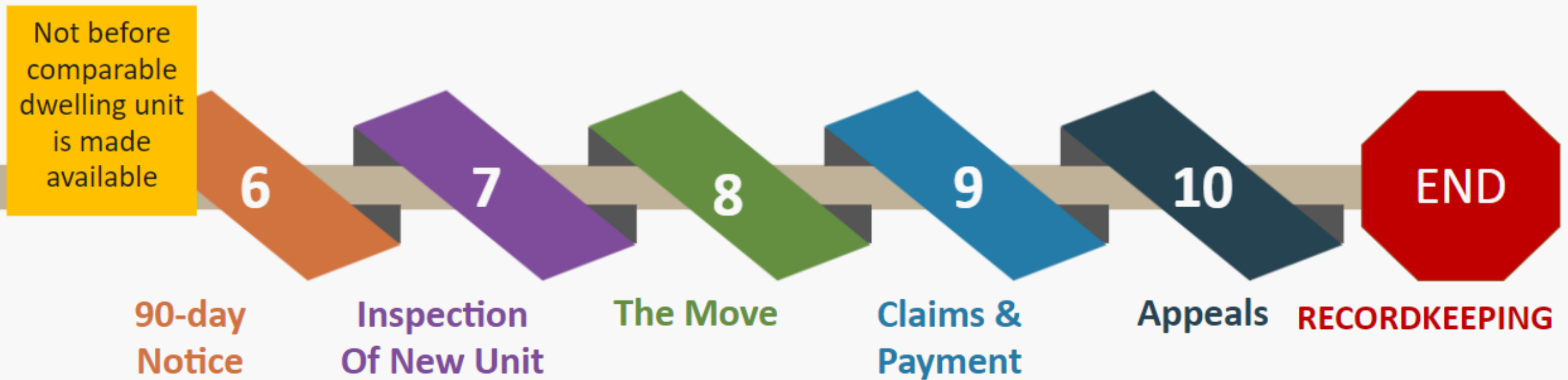


Reasonable
Advance Notice to
Vacate

Timeline (Approximate)



Timeline (Approximate)



Reminder & Resources



Recordkeeping is Critical!

- Even if nobody is displaced, you should still keep records on acquisition or occupancy if receiving HUD funds.
- It's a good idea to keep written project relocation plans. (URA doesn't require it, but some HUD-funded projects do.)

From HUD

- Online training called [URA the HUD Way](https://www.hudexchange.info/) on the HUD Exchange website (<https://www.hudexchange.info/>)
 - Very helpful video called [Introduction to the Uniform Act](#)
- HUD Handbook 1378— “Tenant Assistance, Relocation and Real Property Acquisition Handbook”
 - Has a lot of examples of the forms you’d need (“guideforms”) in the appendix
- We can also help point you to the right places.

Thank you!

Kyle Ofori

(539) 302-3521

kyle.ofori@detroitmi.gov

Rebecca Labov

(313) 224-3152

labovr@detroitmi.gov



Appendix



Your current unit determines where you can go

Similar Government Housing Assistance

Displacement Dwelling Type	Comparable Housing Options			
	Public Housing Unit	Project-Based Unit	Tenant-Based Unit	Unassisted Unit
Public Housing Unit	✓	✓	✓	✓
Project-Based Unit		✓	✓	✓
Tenant-Based Unit			✓	✓
Unassisted Unit				✓

Notice of Intent to Acquire

- Send to residents if you want to establish their eligibility for relocation assistance before initiation of negotiations (ION)
- Not recommended



Notice of Intent to
Acquire

SUPPORTIVE HOUSING

Terra Linzner



Housing and Revitalization

Supportive Housing

Homelessness Solutions Division



TAKE PART
Opportunity Rising



What is Supportive Housing?

- Combination of housing and services
- Services are flexible and focused on housing stability
- Cost effective
- Housing First model
- Residency is not contingent on tenants meeting certain behavioral requirements for access to housing
- Minimum funder screening criteria

Housing First



23% of our overall homeless population are chronically homeless

71% of the chronically homeless population are male

36% of the chronically homeless are seniors 55+

Who lives in supportive housing?

- Chronically homeless
 - >90% single adults
- In 2020 there were **1,817** chronically homeless households
- Accepts all referrals through Detroit's Coordinated Assessment Model (CAM)
- Medical, mental health and/or substance use issues

Source- [2020 State of Homelessness](#)

CSH Dimension of Quality Supportive Housing

\$7,500 per tenant per year, support services ONLY

To learn more about how to implement a high quality project visit [Corporation for Supportive Housing \(CSH\)](#)



To learn more...

- [Detroit Continuum of Care \(CoC\) Homeless Action Network of Detroit](#)
- [Coordinated Assessment Model \(CAM\) website](#)
- [Detroit CoC LIHTC Letter of Support Policy](#)



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Terra Linzner-
linznert@detroitmi.gov



<https://detroitmi.gov/departments/housing-and-revitalization-department>



TAKE PART
Opportunity Rising



CONSTRUCTION & REHABILITATION REQUIREMENTS

Mike Neil



Construction Management Overview/Requirements

Program Compliance Information Meeting
February 8, 2022



Welcome

The City of Detroit Housing and revitalization Construction Management team is responsible for managing construction projects from “Cradle to grave”, application thru completion and beyond. Some, but not all these responsibilities include:

1. NOFA – Construction documentation- Review and scoring
2. Underwriting - Construction cost analysis, Accessibility requirements, Green Energy Standards and ensuring HRD construction specific compliance requirements (Materials & Methods) are met
3. Manages projects through construction phase (Construction Draws, Change order requests etc.)
4. Collect and or approve construction close out documentation
5. Perform post construction compliance inspections and certifications - Uniform Physical Condition Standard (UPCS)



Meet the Construction Management Team

Michael Neil
Supervising Construction Manager
mneil@detroitmi.gov
2 Woodward Avenue
Suite 908
Detroit, Mi. 48226
Office 313-224-6637
Cell 313-610-7224

Eric Light
Construction Manager
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2 Woodward Avenue
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Office 313-628-1121

Denesha Stephens
Construction Manager
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Detroit, Mi.48226
Cell 313-498-4902



Construction Management NOFA review – Documents list

- ❖ Project Summary
- ❖ Project Plans & Specifications
- ❖ Trade Payment Breakdown
- ❖ Contractor's Qualification Statement
- ❖ Total Development Budget (Contingency)
- ❖ Construction Schedule
- ❖ Third Party Cost Estimate



Project Summary

- ❖ Sell your project!
- ❖ Type of Construction
- ❖ Number of units, type and size
- ❖ Amenities



Project Plans & Specifications

- ❖ Cover page details
 - ❖ List Applicable Building and Mechanical Codes
 - ❖ List Applicable Green Energy Design Standard Unit Size and configuration details – Include Accessible and Visual/Hearing Impaired Unit count and location
 - ❖ Parking details – Number, type and location
 - ❖ Project specification book
 - ❖ Single Family Rehabilitation projects – Detailed Scope of Work



Trade Payment Breakdown

- ❖ HRD Template - Preferred format
- ❖ MSHDA format is an acceptable alternative
- ❖ TPB must be signed and dated by General Contractor
- ❖ Maximum General Contractor Fees
 - ❖ GC Profit – 6%
 - ❖ Overhead – 2%
 - ❖ General Conditions – 6%
 - ❖ City of Detroit may consider higher percentages for these fees if MSHDA or other funder approves a higher percentage
 - ❖ Application must state whether the Developer has solicited or received any proposals (bids) from general contractors



Total Development Budget

- ❖ Must list contingency amount
- ❖ Minimum Contingency Requirements
 - ❖ New Construction – 5%
 - ❖ Non-Historic Rehabilitation – 12.5%
 - ❖ Historic Rehabilitation – 15%



Contractor's Qualification Statement

- ❖ Must be signed and complete
- ❖ Affordable projects/experience should be highlighted
 - ❖ This information is a frequently omitted detail. Points depend on this detail make sure it's included.



Contractor's Qualification Statement

- ❖ Must be signed and complete
- ❖ Affordable projects/experience should be highlighted
 - ❖ This information is a frequently omitted. Points depend on this detail make sure it's included.



Additional Notes (Post Award)

- ❖ Before a project can begin the closing process, the developer must provide a third party cost estimate of the construction budget
 - ❖ Class I (Detailed – based on Bid Specification stage documents) – Preferred
 - ❖ Class II (Semi-Detailed – based on Design Standard documents) – Minimum expectation
 - ❖ Moderate Rehabilitation projects can meet the 3rd Party Cost Estimate minimum standard by providing an appropriate and properly detailed Capital Needs Assessment report
 - ❖ Reduction in required contingency amount may be considered based on strength of Third Party Cost Estimate
 - ❖ Typical sources for Third Party estimates: Architects, Cost Estimating Consultants, Professional engineers etc

<https://www.aspenational.org/page/Consultants>

- ❖ Moderate Rehabilitation Projects may be able to fulfill the Third Party Cost Estimate requirement by providing an appropriately detailed Capital Needs Assessment report.



Additional Notes - continued

❖ Cost Certification Requirements

- ❖ A 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. Additionally, the City reserves the right to require a Cost Certification report prepared by an independent public accountant, or to request a copy of reports required by other project funders.



Construction Draw Meeting & Schedule

- ❖ Construction Draw Meeting will be scheduled Monthly
 - ❖ Expected attendees, Owner, Architect, General Contractor, HRD Construction Manager
 - ❖ Review construction progress, quality of work in place and completion percentage in comparison to General Contractor Payment Application – Request for Payment
 - ❖ Draw will be approved or rejected subject to revision
 - ❖ Approved Draw payment Request package including all fully executed documentation may/should be submitted electronically to Construction Manager and Assigned Project Manager
 - ❖ Change order request are subject to that same expectations as general draw documentation request/submittals. No change order should be submitted as part of a current draw request that hasn't already been approved in principal by Construction Manager



General Contractor Pay Application – Request for Payment

- ❖ Required Documentation
 - ❖ Contractor's Invoice
 - ❖ Signed Waiver of Lien for each Sub-Contractor or Supplier who invoiced for and received payment on previous month's Pay Application
 - ❖ Contractor, Sub-Contractor Award Form for each sub listed on Sworn Statement
 - ❖ Form must be legible and complete
 - ❖ Copy of all approved Change Orders included in billing request
 - ❖ Environmental clearances, reports and other supporting documentation must accompany payment for service request



General Contractor Pay Application – Request for Payment

❖ Special Notes

- ❖ City of Detroit HRD must approve all change order requests in writing, regardless of funding source
- ❖ City of Detroit HRD must receive and approve each draw request regardless of funding source
- ❖ City of Detroit HRD specific draw documentation is required for all draw requests, wait for it...Regardless of funding source



THANK YOU

Housing Underwriting Construction Management Team

Michael Neil
Supervising Construction Manager
mneil@detroitmi.gov
2 Woodward Avenue
Suite 908
Detroit, Mi. 48226
Office 313-224-6637
Cell 313-610-7224 (Preferred)



ASSET MANAGEMENT & CONTINUED OBLIGATIONS

Corey Feldpausch



NOFA Applicants with Existing City Funded Projects

The City of Detroit Housing and Revitalization Department's (HRD's) Asset Management Team monitors all housing and mixed-use projects funded with proceeds from the following HUD programs:

- ❖ HOME Investment Partnerships
- ❖ Community Development Block Grant
- ❖ Neighborhood Stabilization
- ❖ Section 108 Loan Guarantee

The City of Detroit Housing and Revitalization Department's (HRD's) Asset Management Team also reviews Community Housing Development Organizations (CHDO's) that have existing City funded projects, to ensure that they have been performing well financially over the last couple years, with the liquidity, reserves and future financial commitments (i.e. donations) to continue to operate successfully in the future.



NOFA Applicants with Existing City Funded Projects

All housing projects funded by the City with proceeds from HUD programs must meet the following in order to be considered in good standing with HRD's Asset Management Team:

- ❖ Must maintain all requirements during its compliance period with HUD, which includes:
 - ❖ Annual income certifications, verifying that all HOME/NSP/CDBG units are leased to households that are low-to-moderate income as defined by HUD (typically no greater than 50% - 80% of area median income).
 - ❖ All units must pass physical inspections, including meeting all emergency, health and safety standards.
- ❖ Must meet all requirements as stated in the fully executed documents between the City and the Developer/Borrowing Entity:
 - ❖ Development and Loan Agreement
 - ❖ Mortgage
 - ❖ Assignment of Leases and Rents
 - ❖ Payment Notes
 - ❖ Affordable Housing Restrictions
- ❖ For Community Development Housing Organizations (CHDO's), they must continue to meet all CHDO requirements as described in 24 CFR 92 Subpart G.



NOFA Applicants with Existing City Funded Projects

Helpful Tools for Existing Borrowers of City-Funded projects:

- ❖ Payments of HOME and NSP funded projects should be sent to the City's Loan Servicer: Community Reinvestment Fund, USA (CRF).
 - ❖ Phone Number: 1-800-475-3050
- ❖ Documentation verifying household incomes of each HOME/NSP/CDBG assisted unit should be sent to National Consulting Services, Inc.
 - ❖ Email: ncsdetroit@gmail.com
- ❖ Questions regarding CHDO recertifications can be sent to:
 - ❖ Anthony Smith, Program Analyst IV : asmith@detroitmi.gov
- ❖ Questions regarding the existing Loan docs between the City & Borrowing Entities can be sent to:
 - ❖ Noor Al-Khafaji, Asset Manager II: noor.al-khafaji@detroitmi.gov
 - ❖ Brenden Austin, Asset Manager II: brenden.austin@detroitmi.gov
 - ❖ Hilda Cyars, Asset Manager II: hilda.cyars@detroitmi.gov
 - ❖ Isaac Wolf, Asset Manager II: isaac.wolf@detroitmi.gov
- ❖ Any and all other questions can be sent to:
 - ❖ Corey Feldpausch, Asset Management Supervisory Program Analyst
 - ❖ Email: feldpauschc@detroitmi.gov



DOCUSIGN APPLICATION

Naomi Beasley-Porter



APPLICATION PROCESS

1. Visit: <https://detroitmi.gov/departments/housing-and-revitalization-department>
2. Scroll & Select "[For Developers And Contractors](#)"
3. Scroll & Select "[DocuSign Application Form](#)"

January 2022 Affordable Housing Notice of Funding Availability

- **NOFA and Application Package**
- **DocuSign Application Form**
- **HRD Pro Forma**

Special Projects Notice of Funding Availability (Open)

- **Special Projects NOFA and Application Package**
- **Special Projects NOFA Presentation**



APPLICATION PROCESS

4. Read the Instructions, Agree to Terms, CONTINUE, and **START** Application
5. Read & Initial/Sign where Required. Fill out “City of Detroit Housing and Rehabilitation Program Application” (Ref. p. 41 of [NOFA and Application Package](#))

NOTE: ALL RED FIELDS ARE REQUIRED

6. Read & Initial and/or Sign
all of ATTACHMENTS 1 - 3

START

APPLICATION SUBMISSION

HRD will accept completed electronically submitted applications via DocuSign in compliance with the NOFA. In addition to the primary application form, all applicable Checklist Items in **Attachments 1-10** must be included at the time of final submission of the application. The aforementioned is **due by 11:59pm on February 21, 2022**.

Please note, **for the Affordable Housing Program**, each checklist item requested is required to pass the threshold process. A substantial portion of these requested materials will also be strongly considered during the feasibility and scoring phase of the application review process.

Attachment 11 - Commitment Level Documents Checklist - This attachment is provided for **INFORMATION ONLY**. Projects that receive a Letter of Interest from the City of Detroit will submit these items through a subsequent submission process, and **will be due by April 8, 2022**.

For the Affordable Housing Program, Attachments 1-3 and 5-10 are applicable for this submission and are required to pass the threshold review process.

For the Pre-development Loan Program, only Attachments 1-4 are applicable.

File Name Format Requirements
For each document that correlates to an Attachment, please use the following naming system:
Attachment #_Item #_Project Name_2022
(Example: For the Executive Summary, the File Name would read: 5_A_Orange Grove Heights_2022)
Project Name should NOT exceed 20 Characters (Including Spaces).
Initial:

File Size Limitations
Each individual document uploaded is not to exceed 25 MB; with the ability to upload multiple files at a time per attachment. For documents that exceed 25 MB and/or are not in PDF format (i.e. Excel, Word, etc.), please use the File Upload link in **Appendix H** to upload using the same File Name Format required.
Initial:

Communications with the City of Detroit HRD Team
All inquiries, project updates, and other communications are to be conducted via email, and sent to HRDNOFA@detroitmi.gov. Any messages sent to individual City of Detroit HRD Team members will not be acknowledged or responded to.
Initial:



APPLICATION PROCESS

PLEASE NOTE: If you are a CONSULTANT submitting on behalf of an Applying Entity, please put their Name and Email under "Project Owner". This will ensure that the "Resolution of Certificate of Authority" is signed as it is now a part of the Application.

Name & Email of Individual Submitting Application

Your Name: *

Your Email: *

Please provide information for any other signers needed for this document.

Project Owner: Name & Email of the Manager, Member or Owner of the Applying Entity

Name:

Email:

Witness #1 - Optional

Name:

Email:

Witness #2 - Optional

Name:

Email:



APPLICATION PROCESS

For PRE-DEVELOPMENT, Only ATTACHMENTS 1-4 are Required


For the AFFORDABLE HOUSING PROGRAM, Only ATTACHMENTS 1-3 AND 5-10 are Required

7. Starting at ATTACHMENT 4 OR 5 Checklists (program pending), Select the Check Box for

ALL Required Items

	ITEM	DESCRIPTION
	<input type="checkbox"/> Required - Executive Summary (Required)	Include development narrative and timeline for acquisition financial packaging, design development, construction start/end dates, and lease-up

8. Once checked, the Icon to Attach Supporting Documents will Appear.

	ITEM	DESCRIPTION
	<input checked="" type="checkbox"/> Executive Summary (Required)	Include development narrative and timeline for acquisition financial packaging, design development, construction start/end dates, and lease-up

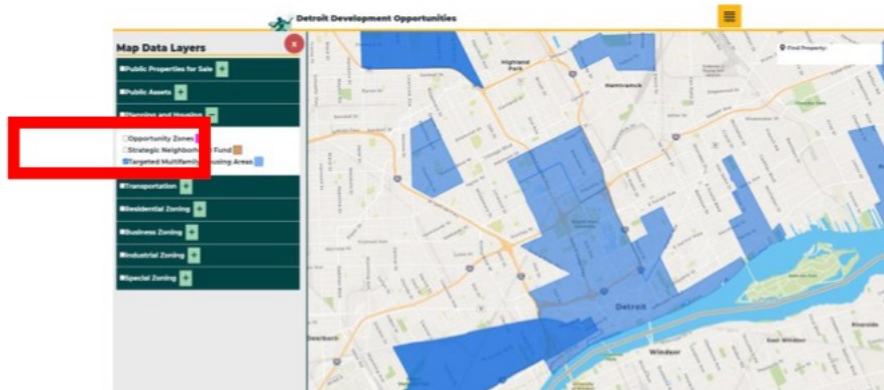


APPLICATION PROCESS

9. For files LARGER than 25MG, Upload via the Link Provided in **Appendix H (Ref. p. 41 of [NOFA and Application Package](#))**

APPENDIX H – FORMS AND DOCUMENTS REFERENCE LINKS

- [DETROIT PROPERTY MAP](#) – Use this map to determine if your project is within the 2016 Targeted Multifamily Housing Area. Navigate to the Map Data Layers and select the Targeted Multifamily Housing Area layer.



- [PRE-APPLICATION PROJECT REVIEW MEETING SIGN-UP](#) – Use this link to sign-up for the required Pre-Application Project Review Meeting
- [CENSUS TRACT PDF](#) – Use this PDF tool to determine the Census Tract of your project
- [FILE UPLOAD](#) – Use this link to upload files that are larger than 25MB and/or file types that are not in PDF format (i.e. Excel, Word, etc.). Please use a Zip Folder to consolidate these files; labeling your Zip Folder with your project name. All individual files must use File Name Format required per the NOFA Application,



APPLICATION PROCESS

10. Ensure that **ALL** of your Attached Files Follow the “File Name Format Requirements” (Ref. p. 42 of [NOFA and Application Package](#))

File Name Format Requirements

For each document that correlates to an Attachment, please use the following naming system:

Attachment #_Item #_Project Name_2022

(Example: For the Executive Summary, the File Name would read: 5_A_Orange Grove Heights_2022)

Project Name should NOT exceed 20 Characters (Including Spaces).



APPLICATION PROCESS

11. Once **ALL** Required Checklist Items have been Completed, Read & Initial the “Development Proforma Instructions”

DEVELOPMENT PROFORMA INSTRUCTIONS

As mentioned above, developers are strongly encouraged to use the HRD Rental Development Proforma template. If a development proforma is required by MSHDA for Low Income Housing Tax Credits, the Developer may submit that proforma. Links to both of these templates are provided in the NOFA and on the HRD website. Otherwise, the Developer must include all of the following elements in excel format:

- Sources and Uses
- Schedule of Rents by Unit Type (including utility allowances)
- Stabilized Operating Income & Expenses
- Rent Roll (if applicable)
- 20-year Operating Projection
- Construction and Lease-Up Period Cash Flow

Homebuyer projects proformas should provide a project budget by house that includes the project costs and project sources including the projected sale price of the home that is supported by a market analysis. Homebuyer project applicants may email HRDNOFA@detroitmi.gov to request a homebuyer project budget template.

Sources and Uses

The Developer is responsible to ensure that all project development costs are accounted for in the submitted development budget, and that proposed sources of funding are adequate. Failure to provide adequate development costs and sources may result in the proposed project not receiving funding upon review. The project costs must comply with the following:

Construction Costs

At the time of application, the Developer must submit itemized cost estimates from the project architect or other qualified cost estimator to substantiate the construction costs in the development budget and indicate if it is expected that Davis Bacon requirements will apply to the project. The application must also state whether the Developer has solicited or received any proposals (bids) from general contractors.

Initial: _____

12. Review your Submission and Select **FINISH**”.

An Email Confirmation will be sent to the Applicant Email Address Once Completed.



PRE-DEVELOPMENT NOFA

Larry Catrinar



PRE-DEVELOPMENT PROGRAM GUIDELINES

OBJECTIVE: To support developers with pre-development costs and technical assistance for multifamily and mixed-use projects.

LOAN MAX: \$250,000

INTEREST RATE & TERMS: 0% interest with principal and payments are deferred until maturity. A covenant running with the land will be recorded restricting the use of the property as described below. Upon closing on construction financing, the loan may be repaid or converted into permanent financing.

FUNDING: HRD set aside \$1 million of CDBG funding to support pre-development activities



APPLICATION RESPONSIBILITIES

Applicants to this Notice of Funding Availability are responsible for all aspects of project management and development activities necessary to complete the rehabilitation or construction of an affordable or mixed-income housing development including, but not limited to:

- ❖ Identify an appropriate site for development
- ❖ Work with a general contractor to develop a scope of work and budget;
- ❖ Create a development pro-forma using market data to justify rents, expenses, and financing terms;
- ❖ Obtain all necessary entitlements, and permits;
- ❖ Finalize plans, zoning and specifications;
- ❖ Obtain all necessary financial commitments;
- ❖ Completion of rehabilitation and/or construction within an agreed upon timeline and within the defined budget;
- ❖ Lease up, and property management of the building post rehab.



QUESTIONS?



THANK YOU

HRD Multi-Family Underwriting Team

For further inquiries, please contact us at HRDNOFA@detroitmi.gov.

