

CITY OF DETROIT
Housing & Revitalization Department

Housing Rehabilitation and Development Program



NOTICE OF FUNDING AVAILABILITY (NOFA)

AND

APPLICATION PACKAGE

July 2021 NOFA

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INTRODUCTION

The City of Detroit's Housing and Revitalization Department (HRD) is pleased to release this Notice of Funding Availability (NOFA) to provide affordable housing developers and owners the opportunity to apply for financial support for projects that address housing challenges in Detroit neighborhoods. Through this NOFA, HRD is making up to \$13,000,000 of funding available to support the preservation, rehabilitation and/or development of affordable housing units in the city of Detroit.

This notice specifically relates to the availability of financing tools made available through the City of Detroit's Affordable Housing Development Program (AHDP) and through funding received from the U.S Department of Housing and Urban Development (HUD) including:

- the HOME Investment Partnership Program (HOME),
- and the Community Development Block Grant Program (CDBG).

Through the Affordable Housing Leverage Fund partnership, HRD works closely with Detroit LISC and MSHDA to leverage these finite resources to maximize production and preservation of affordable units.

This NOFA round includes the following programs, categories, and available funding amounts:

1. Pre-development Loan Program **\$1,000,000**

The Pre-Development loan program is a newly created category in this NOFA round. The objective of the program is to support developers with pre-development costs and technical assistance for affordable multifamily and mixed-use projects. Community Housing Development Organizations (CHDO), Community-Based Development Organizations (CBDO), For-Profit/Start-up developers, Nonprofit developers, and/or emerging Detroit-based developers are encouraged to apply. CDBG funding will be the source of funds to support this program. Special consideration will be given to Detroit based developers.

2. Affordable Housing Development Program

a. Multifamily Development Category **\$6,000,000**

Multifamily Development funds are available to support projects that will construct new multifamily housing and projects that will rehabilitate and preserve existing multifamily housing projects in Detroit that include affordable units. HOME funds are the primary source used to fund awards in this category.

b. Supportive Housing Category **\$5,000,000**

Supportive Housing funds are available to support projects that will construct new multifamily supportive housing and projects that will rehabilitate and preserve existing multifamily supportive housing projects in Detroit that include the availability of services for the residents. HOME and AHDP funds are the primary sources used to fund awards in this category.

c. Homebuyer Initiatives Category \$1,000,000

Homebuyer Initiatives funds are available to support projects that will construct or rehabilitate for-sale housing for low to moderate income households or facilitate home sales to current occupants of affordable rental homes, including those that are nearing or have passed HOME/LIHTC compliance periods.

Submissions under this set-aside can receive assistance for projects benefitting low to moderate income homebuyers with incomes up to 80% AMI. If the total amount of awards for this set-aside is less than the amount established for this category, the remaining balance will be used for rental development projects. CDBG funds are the primary source used to fund awards in this category.

HOUSING REHABILITATION AND DEVELOPMENT PROGRAM APPLICATION AWARD PROCESS

Tentative Schedule (Dates Subject to Change)

EVENT	DATE
NOFA Published	July 12, 2021
HRD Pre-Submission Public Meeting*	July 26, 2021 at 11 am (See meeting information below)*
Pre-Application Project Review Meetings**	July 19 – August 6, 2021 August 16 – August 20, 2021
Program Compliance Information Meeting***	August 17, 2021 (See meeting information below)***
Final Submission Deadline	August 23, 2021
Letters of Interest Issued	September 20, 2021
City Support & PILOT Letters Issued (9% & 4% LIHTC)	September 20 – September 28, 2021
Commitment Level Documents Due****	October 8, 2021****
Conditional Award Letters Issued (9% LIHTC and Homebuyer Initiatives projects)	December 10, 2021
Conditional Award Letters Issued (4% LIHTC)	TBD

***THE HRD NOFA PUBLIC MEETING WILL BE HELD VIA ZOOM ON JULY 26, 2021 at 11:00 am**

Please use the following link to join the Zoom Meeting:

<https://cityofdetroit.zoom.us/j/86763011255>.

** The project team must provide the documents shown on page 18 no later than 5 business days prior to the [Pre-Application Project Review Meeting](#) using this Smartsheet link

*** A **Program Compliance Information Meeting** to review compliance requirements of the HOME, CDBG, CDBG-CV and other funding sources awarded through the NOFA and to explain the application submission process. **WILL BE HELD VIA ZOOM ON AUGUST 17, 2021 AT 10:00 am. Development teams applying for funding through this NOFA must register to attend the meeting [HERE](#). POINTS ARE AWARDED FOR ATTENDING THE MEETING.**

****Commitment Level Documents are not required for Pre-development loan applicants.

DESCRIPTION OF FUNDING SOURCES USED IN THIS NOFA

HOME Investment Partnerships Program (HOME) through HUD

The majority of projects funded through this NOFA will receive HOME dollars. The general purposes of the Federal HOME program are: expanding the supply of decent and affordable housing, particularly rental housing, for low- and very low-income households. All federal requirements for the HOME program are listed in [Title 42, Chapter 130 and CFR Title 24 Part 92](#) and the [Final Rule](#). All projects supported by HOME funds must comply with the associated statutory and regulatory requirements for the HOME program. Please note the HOME guidelines and restrictions reference in this NOFA are not exhaustive and all requirements listed within the HOME regulations and subsequent award documents will need to be met.

Community Development Block Grant Program (CDBG) through HUD

Subject to all City approvals, the City of Detroit may utilize CDBG funds to reimburse applicants for reasonable and necessary soft costs incurred on the project and costs associated with the rehabilitation of a building. A Community-Based Development Organization (CBDO) may use CDBG funds to pay for eligible new construction costs associated with a project. Although limited, these funds may be used as a supplement or substitute for HOME funds. CDBG funds may also be the source of funding for Homebuyer Initiatives projects. Any project supported by CDBG must comply with the associated statutory and regulatory requirements outlined in in [Title 24, Part 570](#), of the Code of Federal Regulations.

Community Development Block Grant Cares Act Funds (CDBG-CV) through HUD

Subject to all City approvals, the City of Detroit may utilize CDBG-CV to support projects costs that are eligible for CDBG funds and that also prepare for, prevent, and respond to coronavirus. Although limited, these funds may be used as a supplement or substitute for HOME or CDBG funds.

Affordable Housing Development and Preservation Fund (AHDP) through the City of Detroit

The City of Detroit dedicates annually at least 20% of net receipts of all city-owned commercial property sales to the Affordable Housing Development and Preservation Fund. The funds are to be used to create and preserve affordable homes for households with incomes up to 50%, with a directive that not less than 70% of the funding serve households at or below 30% AMI. Although limited, these funds may be used as a supplement or substitute for HOME or CDBG funds.

PROGRAM GOALS AND GUIDELINES

General Program Goals

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 both new construction and adaptive reuse or rehabilitation of existing structures.
- Preserve affordability in both rent restricted and naturally occurring affordable multifamily housing stock.
- Preserve affordability in both rent restricted and naturally occurring affordable single-family housing stock through homebuyer assistance.
- Develop supportive housing for homeless individuals and families.
- Prevent homelessness through non-profit initiatives.
- Prepare for, prevent, and respond to coronavirus.
- Provide opportunities for and support development to first-time, small-scale, community-based organizations/entities.

Funds awarded through this NOFA can only be used for the development of housing that includes units for extremely low-income, very low-income, low-income, and moderate-income households. The City of Detroit requires that all new production projects (new construction, adaptive reuse, vacant building rehabilitation) be located in the target areas identified in the [2016 Targeted Multifamily Housing Area](#) (Multifamily Target Areas). In contrast, preservation projects can be located throughout the city of Detroit. City funds are only available to be used as part of the permanent financing sources of a development. Support for pre-development soft costs are available through the Pre-development Loan Program.

Development Priorities

City funds are a limited resource, and the City seeks to maximize the leveraging of non-City funds in each project to fund the maximum number of eligible projects within this NOFA round. Therefore, a strong preference will be given to projects that demonstrate appropriate total development costs with strong financial commitments from other sources and a minimal need for gap financing.

As demonstrated through the NOFA's application scoring process, the City will prioritize the following types of projects to ensure the City reaches the goals outlined above:

- Mixed Income Projects that contain market rate housing units for households with incomes above 80% of AMI.
- Mixed Use Projects that include mixed uses such as office and retail below residential units.
- Preservation Projects that extend expiring affordability requirements for existing occupied affordable housing development projects.

- Historic Preservation of buildings that are either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.
- Permanent Supportive Housing for those that experience chronic homelessness. This type of housing should include well-managed wraparound services and reduce tenant screening criteria to the HUD minimum.
- Projects of all types that support neighborhood transformation through program, site, and design elements, and incorporate smart growth principals.

Community Housing Development Organization (CHDO) Certification

The City will give special consideration 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 [HERE](#). Additional information on the CHDO process can be found in Appendix A.

Community-Based Development Organization (CBDO) Certification

A Community-Based Development Organization (CBDO) must meet certain requirements pertaining to their legal status, organizational structure, geographic area of work, and mission. For regulatory information on Community Based Development Organizations, see 24 CFR 570.204. A CBDO may use CDBG funds to pay for eligible new construction costs associated with a project.

PRE-DEVELOPMENT LOAN PROGRAM DETAILS AND REQUIREMENTS

Background

The Pre-Development loan program is a newly created category in this NOFA round.

The objective of the pre-development program is to support developers with pre-development costs and technical assistance for affordable multifamily and mixed-use projects. The goal of this program is to support Community Housing Development Organizations (CHDO), Community-Based Development Organizations (CBDO), For-Profit/Start-up developers, Nonprofit developers and emerging Detroit-based developers that typically have less access to capital, so they can be better prepared to apply to future rounds of the HRD Notice of Funding Availability (NOFA) for HOME/CDBG funding sources.

This program is designed to provide financial and technical assistance for common pre-development activities. Eligible activities include acquisition, environmental testing and cleanup, professional services (ex. architecture, engineering, legal), and technical assistance. Please note that eligible activities are subject to CDBG national objective and eligible activity qualifications.

Emerging developers in Detroit face challenges with identifying funding for pre-development activities. Therefore, special consideration will be given to Detroit based developers.

Minimum Qualifications

Applicants will be required to demonstrate that they possess the capacity to complete the specific project as proposed, and must break ground within two (2) years of closing on the pre-development financing. Capacity may be demonstrated by evidence of prior work of similar scale and complexity being successfully completed; participation in capacity building program deemed acceptable to HRD; and/or through a member who possess the required capacity.

The proposals will also be reviewed for feasibility. Close attention will be paid to the requirements of any and all proposed financing sources and subsidies, and compared to the proposed programming and uses.

Special consideration will be made for Detroit based developers.

Financing Terms And Conditions Of Assistance

Assistance under this program is structured as a loan with a two-year term, 0% interest, and payments 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. A minimum of 15% of residential units shall be rent and income restricted to tenants at or below 60% AMI, and additionally 5% of residential units shall be restricted at 50% AMI. Additionally, 51% of the units have to be affordable at 80% AMI or lower.

Note, for for-profit developers, failure to close on the proposed project could be a taxable event, consult your tax professionals and legal team for additional details

Maximum Loan Amount: \$250,000

Project must be located within the boundaries of the [2016 Targeted Multifamily Housing Area](#) (Multifamily Target Areas).

Applicant 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;
- Develop a proposal for affordable or mixed-income housing, and work with a general contractor to develop a scope of work and budget;
- Create a development pro-forma including a 15-year cash flow, using market data to justify rents, expenses, and financing terms;
- Obtain all necessary entitlements, and permits;
- Finalize plans and specifications;
- Obtain all necessary financial commitments;
- Completion of rehabilitation and/or construction within an agreed upon timeline and within the defined budget;
- Successful lease up, and property management of the building post rehab.

Upon award, the applicant will enter into a Development and Loan Agreement that will outline the terms of the award, and establish milestones that must be met to remain in compliance, such as:

- Obtain financial commitments for all debt, equity, and required subsidies within 12 months of award;
- Close on Construction Financing within 24 months;
- Complete Construction and lease up units to qualified tenants within 48 months.

Details of these requirements are outlined in **Attachments 1-4** in the application of this NOFA.

AFFORDABLE HOUSING DEVELOPMENT PROGRAM DETAILS AND REQUIREMENTS

Funding Limits and Restrictions

Effective at the release of this NOFA, the following restrictions will be placed on funding allocations for the Affordable Housing Development Program:

- Maximum award per project: \$1,000,000 for 9% LIHTC, \$3,000,000 for all others
- Maximum award per developer, per round: \$3,000,000
- Maximum outstanding awards per developer: Applicants are eligible to apply to this NOFA round regardless of the number of outstanding awards they may have from previous NOFA rounds provided all of the projects are considered to be on schedule at the sole discretion of HRD.

For projects involving multiple phases or building units involving different financing structures, the maximum award amount cannot exceed \$3,000,000 in the aggregate, and any phase or unit financed in part with 9% LIHTC cannot exceed \$1,000,000.

The maximum amount of City subsidy per eligible rental unit cannot exceed the Section 234-Condominium Housing basic mortgage limits as determined by the local HUD Field office. The award will be based on the project's documented need for financing.

Total City funding in any one project shall not exceed per unit maximums, and will be limited by the total amount of funding available. 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.

For the per developer limitations indicated above, projects with co-developers will count against the per-Developer limit based upon the percentage of interest in the cash-paid (non-deferred) portion of the developer fee. For example, if co-developers retain a fifty percent (50%) interest each in the cash-paid (non-deferred) portion of the developer fee, fifty percent (50%) of the project will be counted against each of the developer's per-Developer limits. Parties that have an identity of interest may be treated as a single developer for purposes of the limitations at the sole discretion of HRD.

Eligible Costs and Activities

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 of properties in need of rehabilitation and vacant land for new construction are eligible subject to the property meeting HOME requirements. HOME funds from this NOFA may not be used to purchase properties from the City of Detroit. Acquisition costs are subject to a [Uniform Relocation Act \(URA\)](#) compliant appraisal and related costs must be reasonable and necessary. If requesting funds for acquisition, the Developer must provide documentation evidencing through appraisals or other market studies that the acquisition price was reasonable.

- Construction/Rehabilitation costs – Reasonable and necessary new construction or rehabilitation costs are eligible under this NOFA.
- Demolition – Demolition of an existing structure may be funded only if construction will take place on the project within (6) months. An extension may be granted at the sole discretion of the City.
- Developer fees – The City prefers not to fund developer fees with City dollars, but will consider it on a case by case basis.
- City legal fees – The City requires Developers of City assisted projects to pay the City’s legal fees, which are currently estimated at \$20,000 per project. More complex projects may incur additional fees. The legal fees are an eligible cost that can be paid out of the City award.
- Initial operating deficit reserves – In order to facilitate project viability, 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 NOFA. City staff shall review and approve (and, if appropriate, reduce) the proposed reserve amount.
- Additional 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 financing fees, title commitments and insurance, surety fees, title and recording fees, legal and accounting fees including cost certification, environmental reviews, appraisals, and architectural and engineering fees.
- Down payment and closing costs assistance - For homebuyer-assisted units.

Ineligible 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 under this NOFA:

- General planning
- Relocation costs (unless specifically approved by the City)
- Refinancing of pre-existing debt on property
- The payment of delinquent property taxes or utilities
- Purchase of equipment, furniture, and fixtures
- Entertainment costs
- Other ineligible costs per the OMB Cost Principles ([2 CFR Part 200](#)) are specified in the Development and Loan Agreement
- City funding may not be used as a permanent mortgage on a property for homebuyer projects
- Lead-based paint inspection (Unless the City’s award letter explicitly 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 City funding).

Financing Terms

City funding may be offered in the form of project financing loans to successful applicants of this NOFA. A mortgage agreement shall be signed at closing and a lien shall remain on the property for the full term of the Affordability Period. As detailed in the development and loan agreement, the Affordability Period will not terminate upon the repayment of the funds or transfer of the property during the Affordability Period. Prior to execution of the Development and Loan agreements the City of Detroit shall conduct a subsidy layering analysis to ensure that it will not invest any more City funds, alone or in combination with other governmental assistance, than is necessary to provide affordable housing.

Rental Project Loans will have a fixed interest rate of 1%, or higher if required by first position lender. Based on a review of the rental pro forma and the needs of the project, financing terms will be determined on a project-by-project basis, but will generally be structured as a cash-flow contingent loan of up to 50% of net cash flow with a 30-50 year term. The minimum annual repayment is \$2,500.

Loans that mature at the end of the Affordability Period, or a longer period specified by other project lenders, may be required to pay a balloon payment. The 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 compliance obligation will be binding on the foreclosing lender.

Homebuyer Program funding may not be used as a permanent mortgage for the property, or to refinance existing debt. When 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, and is considered "development subsidy". The appraised value of the property after construction cannot exceed most current FHA Maximum Mortgage Limits for Wayne County. As with a Rental Project Loan, 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). As with a Rental Project Loan, the affordability period in the Restriction Agreement shall survive foreclosure and the compliance obligation will be binding on the foreclosing lender.

REQUIREMENTS TO RECEIVE FUNDING THROUGH THIS NOFA

Household Income and Rent Restrictions

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. Please see Appendix B for more information on both rental and for-sale income, rental, and utility restrictions.

Applicants must also comply with the City of Detroit's [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*, where the project includes 20 or more units, must comply with the City of Detroit's Inclusionary Housing Ordinance. The Inclusionary Housing Ordinance requires that projects with City 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. Additionally, at least 5% of the total dwelling units are required to be leased to households earning up to 50% AMI.

Income limits and maximum rents are further charted in **Appendix B**. Due to the regulations outlined in the [Inclusionary Housing Ordinance](#) (Section 1. Chapter 14 of the 1984 Detroit City Code, 14-12-1 through 14-12-16), **these restrictions will be imposed for a 30 year period of time following the project construction completion**. 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.

*Please note, the Developer will be required to follow whichever regulation is more restrictive between HUD regulations, the Affordable Housing Development and Preservation Fund, and the Inclusionary Housing Ordinance.

Environmental Review Requirements

All projects which receive funding through this NOFA are subject to the HUD environmental review requirements and all properties acquired with HOME funds must be environmentally cleared by the City prior to acquisition. The HUD environmental review requirements are found in [24 CFR 58](#). 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 NOFA, 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. Neither the Developer nor any project participant may undertake any "choice**

limiting action" between the date of application and the date of the notice to proceed from the City. Please see Appendix C: Environmental Review for a full description and additional HOME requirements.

If a rehabilitated unit in this program was originally placed into service prior to January 1, 1978, rehabilitation must also 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.

Note that this is an eligible expense for the Pre-development loan program.

Davis Bacon and Related Acts (DBRA) Requirements

Federal labor laws will be applicable to projects that have/are: (a) awarded CDBG funds to build or rehab eight (8) or more units; (b) consists of twelve (12) or more HOME-assisted units; or (c) include eight (8) or more federal project based vouchers. Applicable labor laws include the Davis-Bacon Act (DBA), the Contract Work Hours and Safety Standards Act (CWSHA), and the Copeland Anti-Kickback Act.

Construction will be subject to all federal and local prevailing wages and record-keeping requirements. The DOL "residential" wage decision will be applicable to residential properties that contain four (4) or less floors of living space. The DOL "building" wage determination will be applicable to residential properties with more than four (4) floors of living space. Additional information regarding factors of applicability and contractor's monitoring requirements can be found [HERE](#) and [HERE](#).

Section 3 Requirements

In order to meet the Section 3 requirements, the applicant agrees to comply with HUD's regulation, 24 CFR Part 75 and Housing and Revitalization Department (HRD) Section 3 policy and guidelines. The applicant must submit a completed and signed (1) Section 3 Intent to Comply and (2) Section 3 Plan.

If the applicant has Section 3 experience, a detailed explanation of *past verifiable strategies* used for hiring and training low- and very low-income individuals and contracting with Section 3 businesses and if the strategies were successful or not.

Please see **Appendix D: Section 3 Information** for more information.

Construction and Rehabilitation Requirements

In all work under this NOFA, Developers must adhere to all applicable state and local laws, building 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"). Rehabilitation and new construction supported with City funds are required to

conform to [24 CFR 92.251](#) of the HOME regulations, as applicable. Projects will also be subject to accessibility requirements under [Section 504 of the Rehabilitation Act of 1973](#).

Energy Standard Requirements

HUD's energy codes can be found here. All new or substantial rehabilitation in buildings above 3 stories receiving City funding must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, plus 20 percent. As developers are also encouraged to use City funds to incorporate modern, green building, and energy-efficiency elements, points will be awarded for projects that meet the standards outlined in the ENERGY STAR Version 3 for new construction. Construction plans must detail governing design standard and certifications requirements.

Relocation Requirements and Restrictions

All City-assisted homes and properties acquired or rehabilitated through this NOFA are subject to the [Uniform Relocation Act \(URA\)](#). Tenants of occupied properties receiving City funds cannot be permanently relocated. Occupied properties require written approval of a relocation plan concurrent with the submission of an application for City funds for acquisition to ensure that relocation rules are followed. If a Relocation Plan is required for the project, the City must approve it prior to award and commitment of funding for the project. For units where City 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. Projects seeking City funds under this NOFA should not result in the permanent involuntary displacement of tenants.

Project/Construction Cost Requirements

This requirement does not apply to the Pre-development Loan Program. At the time of application to the Affordable Housing Development Program, the Developer must submit a trade payment breakdown for the project from the general contractor. The application must also state whether the Developer has solicited or received any proposals (bids) from general contractors. The following contingency standards will need to be included in the hard cost projections: Five percent (5%) contingency for new construction projects; Twelve and a half percent (12.5%) contingency for rehabilitation projects; and Fifteen percent (15%) contingency for historic rehabilitation projects. The contractor's fee 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 another funder approves higher percentages.

Pre-Closing Construction Requirements

This requirement does not apply to the Pre-development Loan Program. Before a project can start the closing process for funds awarded through the Affordable Housing Development Program, the Developer must provide a third party cost estimate of the construction budget. As

a condition of closing, the Developer must also 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 program as long as the contractor is classified in this manner. The Developer must register on the HUD SAMs website to allow for confirmation that neither the developer, selected contractor nor any subcontractors are on the Federal or other debarred lists. The contractor completing the rehabilitation/new construction work will also 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.

Acquisition and Construction Schedule

This requirement does not apply to the Pre-development Loan Program. Developers that receive Affordable Housing Development Program funds must take title of 100% of the properties at the closing of the funds if the designated use of the funds is for the property acquisition. If other financing sources are used for acquisition, the 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 City funding. Construction must not have started prior to the approval of funding and the receipt of environmental review and clearance from HUD.

Cost Certification Requirements

A Certification Report must be prepared by the Developer at the time of project 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.

APPLICATION, HRD REVIEW, AND AWARD PROCESS

APPLICATION PROCESS

Pre-Application Project Review Meeting

For any project that is applying to this NOFA, a Pre-Application Project Review Meeting must be scheduled with the Housing Underwriting Multifamily team between July 19 – August 6, 2021 or August 16 – August 20, 2021. In preparation for the meeting, Developers should upload the following documents on this [Smartsheet Form](#). File names of the documents must include the project name and document type:

- Draft Executive Summary
- Draft Proforma in Excel Format ([HRD Template](#) or [MSHDA Template](#))
- LIHTC Self-Score (9% LIHTC Only)
- Draft Neighborhood Investment Criteria List/Map (9% LIHTC Only) – Please note that HRD is not responsible for creating this list, nor does the department have the capacity to do so. If the project team has questions or needs guidance, HRD can review the drafted list and suggest additional criteria.

To schedule a meeting please email Denise Jackson, Administrative Assistant, at jacksonde@detroitmi.gov with your availability. The project team must provide ALL requested documents no later than 5 business days prior to the scheduled meeting.

Program Compliance Information Meeting

A Program Compliance Information Meeting to review compliance requirements of the HOME, CDBG, CDBG-CV and other funding sources awarded through the NOFA and to explain the application submission process will be held **VIA ZOOM ON AUGUST 17, 2021 AT 10:00 am**. This meeting will provide an overview of Davis-Bacon and Related Acts prevailing wage requirements, HUD Section 3 requirements, environmental compliance requirements, the City construction draw process, and the application submission process. Members of the development teams that will be applying for funding through this NOFA must register to attend the meeting using the link below. **POINTS ARE AWARDED IN THE NOFA SCORING PROCESS FOR ATTENDING THE MEETING.**

[PLEASE REGISTER HERE.](#)

Application Submission

All applications must be completed and submitted per the instructions included in this NOFA and the NOFA Application, Instructions, and Required Forms section that begins on page 42 of this NOFA. The application must contain all applicable required documents. The City expects to receive more proposals than can be funded with its limited funding allocations, and reserves the right to reject any and all submissions. The City also reserves the right to request additional information or documentation at any stage during the application review process, to request that changes be made to a proposal, to fund portions of any given proposal, and/or to choose not to fund any or all proposals. Additionally, the City reserves the right to change the funding

amount of a given proposal prior to closing, at its sole discretion. Applicant Developers will be expected to respond and comply with any additional requests in a timely manner. Failure to provide requested information on a timely basis will result in a proposal being deemed non-responsive and ineligible for further consideration.

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 1-11** must be included at the time the application is submitted. The DocuSign application can be found [HERE](#); by using the link on the HRD website at:

<https://detroitmi.gov/departments/housing-and-revitalization-department>; or by using the link provided in **Appendix I**.

For the Pre-Development Loan Program, the application form and **Attachments 1-4** are applicable.

For the Affordable Housing Program, the application form and **Attachments 1-3 and Attachments 5-10** are applicable. **Attachment 11** – Affordable Housing Program Commitment Level Checklist - is optional at the time of the initial application submission, but will be required to be submitted by October 8, 2021 for applications that pass the threshold review and receive a Letter of Interest from the City. Each checklist item on **Attachments 5-10** that is applicable to the project is required to be submitted to pass the threshold review process. A substantial portion of these requested materials will also be strongly considered during the feasibility and scoring phase of the application review process.

Completing Attachment 4-11 Checklists

Developers must check the box for each item on the checklist that is applicable to the project and attach a comprehensive document that provides the information indicated in the item description on the checklist. **Failing to check a box for an item that applies to the project may result in the application not passing the threshold review and not receiving a Letter of Interest from the City.**

File Name Format Requirements

The following naming system must be used for files attached to the checklists:

Project Name_Attachment #_Item_2021

(Example: Orange Grove_Attachment 5_Executive Summary_2021)

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 non-PDF files (i.e. Excel, Word, etc.), please use the [File Upload](#) link (also listed in **Appendix I**) to upload using the same File Name Format required.

PRE-DEVELOPMENT LOAN PROGRAM APPLICATION REVIEW AND AWARD PROCESS

Application Review

An application review will be conducted to ensure that every item required per the NOFA Application, Instructions, and Required Forms section that begins on page 42 of this NOFA is both included and of quality.

Please note that the application form and only **Attachments 1 – 4** of the application apply to the Pre-Development Loan Program and they are due at the time of the application submission.

HRD staff will prepare and present a project summary to the HRD Award Committee. The HRD Award Committee determines if the project application meets the pre-development loan requirements.

AFFORDABLE HOUSING DEVELOPMENT PROGRAM APPLICATION REVIEW, SCORING , AND AWARD PROCESS

Threshold Review

A threshold review will be conducted on applications received to ensure that every item required per the NOFA Application, Instructions, and Required Forms section that begins on page 42 of this NOFA is both included and of quality. Please note that the application form and only **the Attachments 1 – 3** and **Attachments 5 – 10** are due at the time of the Affordable Housing Development Program application submission. **Attachment 11** – Affordable Housing Program Commitment Level Checklist - is optional at the time of the initial application submission and is only required to be submitted for applications that pass the threshold review and receive a Letter of Interest from the City. HRD staff will prepare and present a project summary and threshold review report to the HRD Award Committee. The HRD Award Committee determines if the project application meets the threshold requirements. Applications that do not pass the threshold review will not continue on to the scoring review phase.

Letter of Interest

A Letter of Interest from the City will be issued for all projects that pass threshold review, align with City goals, and are financially viable with the inclusion of financial support from the City. The Letter of Interest will state the City's intent to further evaluate the project, but does not constitute a conditional award. Projects that receive a Letter of Interest will proceed to the scoring and commitment phase of the NOFA process and are required to submit the **Attachment 11** – Affordable Housing Program Commitment Level Checklist - items on or before October 8, 2021.

Scoring Review

Projects that receive a Letter of Interest will be thoroughly evaluated by HRD staff using a standardized scoring process. The HRD staff may contact the project team to clarify items included in the application or request additional or updated information. Failure by the project

team to respond timely or to not provide requested items may result in the application not receiving points for the scoring criteria item. Please see **Appendix H: Affordable Housing Program Application Scoring Criteria** for a full description of the point system and items evaluated during the scoring process.

After completing the scoring process, HRD staff present a project summary and scoring report to the HRD Award Committee. The HRD Award Committee verifies the accuracy of the scoring and determines the final score for each project.

Ranking of the Projects and Issuance of Conditional Award Letters

Upon the determination of the final score for each project by the Award Committee, the projects will be ranked by category and the highest ranking projects up to the amount of available funds in each category will be issued a Conditional Award Letter from the City. The Conditional Award Letter includes:

- the amount of the conditional award and the conditions that must be satisfied for the project to receive the award,
- the source of the funds being conditionally awarded to the project and what type of costs may be paid from the award,
- the responsibility of the development team to provide items to underwrite the loan,
- the date the award will expire,
- and the requirement to receive final Award Committee and City Council approval prior to proceeding to a closing of the financing for the project.

Conditional Awards are made on an “up to” basis. As developments progress through the underwriting process, and budgets become clearer, HRD may find that a lesser award is warranted. If additional funds are requested from the City, the request will be considered on a competitive basis. Finalized expiration dates on conditional awards will be firm. The City has far more applications for funding than it has resources available, so any project that is unable to move forward in a timely manner will be subject to award expiration. Such projects will be allowed to reapply, but will have to compete for the award again.

In the City’s sole discretion, if a project changes substantially from its application package or is unresponsive to requests for additional information, the Conditional Award will be revoked. Substantial changes could include, but are not limited to, the following: changes to the site plan, number of units, and/or types of financing as well as changes to the request for assistance greater than 10% of the award amount. These changes do not reflect a complete list, and the City reserves the right to revoke a Conditional Award for any reason.

HRD will work with the development team to underwrite the loan, obtain final approval by City Council and HRD’s Award Committee. Following final approval and a finalized award amount, the Closing Phase will begin.

Closing Phase

Upon completion of the underwriting process, receipt of authorization to proceed from the City’s environmental compliance team, and having received the final approval from the HRD

Award Committee and City Council, the City will assign the project to an attorney that will begin drafting documents, and working through a closing checklist with the other parties involved in the project. The project is responsible for paying the City's legal costs relating to the project. The Awardee will have (90) days from the date of final approval to close on construction financing.

Payment In Lieu of Taxes (PILOT) Preliminary Letter of Support

For all projects that receive Conditional Award Letters, HRD will also issue a preliminary letter of support for the project to qualify for a Payment in Lieu of Taxes (PILOT). Each project is still required to apply through the formal PILOT application process with the City of Detroit's Tax Assessors Office, but this letter will be recognized and considered by the Tax Assessors Office. For projects also applying to MSHDA for an award of 9% LIHTCs, this PILOT preliminary letter of support will be recognized and considered by MSHDA in their scoring process.

9% LIHTC Support Letters for Projects Not Applying for City Funds

Projects applying for 9% LIHTCs from MSHDA that are not applying for City funds, may request a letter of support and PILOT preliminary letter of support to include with their LIHTC application. The development team must request a meeting with HRD and provide information regarding the project that complies with the details described above. If the project developer complies with the meeting request and the project aligns with City goals, a City of Detroit support letter will be issued.

**APPENDIX A: COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION QUALIFICATIONS
AND CERTIFICATION PROCESS**

To pursue certification, the CHDO certification application must be completed and submitted with the project application. 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 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.

Income Limits [Source: [2021 HUD Income Limits](#)]

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	44,800	51,200	57,600	64,000	69,150	74,250	79,400	84,500
60% AMI	33,600	38,400	43,200	48,000	51,840	55,680	59,520	63,360
50% AMI	28,000	32,000	36,000	40,000	43,200	46,400	49,600	52,800

HOME Maximum Rents [Source: [2021 HUD HOME Program Rent Limits](#)]

MAXIMUM RENT STANDARDS						
<i>(Subtract Utility Allowance to Determine Maximum Actual Rents)</i>						
Unit Size	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Low Home Rent Limit	697	750	900	1040	1160	1280
High Home Rent	697	821	1049	1319	1451	1582
For Information Only: Fair Market Rent	697	821	1049	1344	1458	1677
50% Rent Limit	700	750	900	1040	1160	1280
65% Rent Limit	890	955	1148	1319	1451	1582

*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 B:

2021 HUD HOME INCOME LIMITS

U.S. DEPARTMENT OF HUD
STATE:MICHIGAN

		----- 2021 ADJUSTED HOME INCOME LIMITS -----							
PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Detroit-Warren-Livonia, MI	HUD Metro FMR Ar								
	30% LIMITS	16800	19200	21600	24000	25950	27850	29800	31700
	VERY LOW INCOME	28000	32000	36000	40000	43200	46400	49600	52800
	60% LIMITS	33600	38400	43200	48000	51840	55680	59520	63360
	LOW INCOME	44800	51200	57600	64000	69150	74250	79400	84500

APPENDIX B: CITY OF DETROIT UTILITY SCHEDULE

As of July 2021

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: 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: 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	28.00
<i>Water & 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 B: CITY OF DETROIT UTILITY SCHEDULE

As of July 2021

Monthly Allowances for Tenant-Paid Utilities

DUPLEX OR TWO FAMILY							
Utility	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<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 & 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 B: CITY OF DETROIT UTILITY SCHEDULE

As of July 2021

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 & 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 B: CITY OF DETROIT UTILITY SCHEDULE

As of July 2021

Monthly Allowances for Tenant-Paid Utilities

ROW HOUSE OR TOWN HOUSE							
UTILITY	OBR	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 & 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 B: CITY OF DETROIT UTILITY SCHEDULE

As of July 2021

Monthly Allowances for Tenant-Paid Utilities

HIGH RISE: 5 OR MORE STORIES							
UTILITY	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
<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 & 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 C: ENVIRONMENTAL REVIEW

All projects which receive funding through this NOFA 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 NOFA, 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. Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of issuance of this NOFA and the date of the notice to proceed from the City.

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 as a condition of funding.

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 (5) 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 NOFA 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 an 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 there is compliance with the HUD environmental requirements.

APPENDIX D: SECTION 3 INFORMATION **(HUD 24 CFR Part 75)**

Applicability

Section 3 is a provision of the Housing and Urban Development (HUD) Act of 1968, federal regulation formerly 24 CFR Part 135. HUD released a final rule in the fall of 2020 changing the regulation to 24 CFR Part 75. The final rule moved from tracking the number of qualified new hires (Section 3 residents) in Section 3 projects to tracking the total labor hours worked (by Section 3 workers and Targeted Section 3 workers). In connection with the final rule, 24 CFR Part 75, HUD published a document citation via the federal register, 85 FR 60907, Section 3 Benchmarks for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses. The citation includes benchmark numbers and the methodology for determining the benchmarks.

The new Section 3 regulation, 24 CFR Part 75 still aiming to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income persons, particularly those who are residents of the community in which the federal assistance is spent. Requiring recipients of certain HUD housing and community development financial assistance, to the greatest extent feasible, to provide employment and job training for low- and very low-income persons and contracting opportunities to business concerns which provides economic opportunities to low- and very low-income persons in connection with projects and activities in their neighborhoods. HUD believes the final rule makes Section 3 goals and reporting more meaningful and more aligned with statutory requirements.

Successful compliance with HUD Section 3, federal regulation 24 CFR Part 75, by the subrecipient, developer, general contractor, and subcontractor will be a factor in determining future awards of Section 3 covered assistance.

Documentation

Two documents must be completed and submitted with your NOFA package – (1) Section 3 Intent to Comply and (2) Section 3 Plan. If awarded HUD funds for a covered Section 3 project, your Section 3 Plan is your baseline for meeting at least the minimum Section 3 requirements. All parties associated with your project must maintain documentation for a time period required for record retention or in the absence of applicable program regulations in accordance with 2 CFR Part 200.

For your future reference, the following are Section 3 documents required throughout the life of the project:
(the list of documents may change as needed)

- Intent to Comply *(including the required Section 3 language for all contracts)*
- Section 3 Plan *(including the required Section 3 language for all contracts)*
- Section 3 Worker and Targeted Section 3 Worker Certification
- Section 3 Business Concern Certification
- List of All businesses on Project (Contractor and Subcontractor Activity, HUD form 2516)
- Project Workforce Lists (list of employees working on the project from each company)
- Weekly Certified Payrolls
- Monthly Labor Hours Summary Report (modified HUD 60002, same as final summary report)
- Final Project Total Labor Hours 3 Summary Report (modified HUD 60002, same as monthly summary report)

For more information and ALL documents

Housing and Revitalization Department (HRD) Section 3 Information, Documents, and Forms
<https://detroitmi.gov/departments/housing-and-revitalization-department/hud-programs-and-information/section-3-program>

Housing and Urban Development (HUD) Section 3 Regulation
<https://ecfr.federalregister.gov/current/title-24/subtitle-A/part-75#section-75>

HUD Section 3 Benchmarks (Section 3 Projects)
<https://www.federalregister.gov/documents/2020/09/29/2020-19183/section-3-benchmarks-for-creating-economic-opportunities-for-low--and-very-low-income-persons-and#h-13>

APPENDIX E: BLANK

THIS APPENDIX SECTION WAS INTENTIONALLY LEFT BLANK.

APPENDIX F: 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.¹

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

¹ 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 H – AFFORDABLE HOUSING PROGRAM APPLICATION SCORING CRITERIA

Attendance at the Program Compliance Information Meeting – 2 Points

Developer and General Contractor (2 Points): The project can earn up to 2 points if the Developer and General Contractor attend the Program Compliance Information Meeting. 1 point will be awarded for the Developer attending and one point will be awarded for the general contractor attending.

Development Team Experience and Capacity – 23 Points

Developer Experience and Capacity (9 Points): The project can earn up to 9 points if the Developer demonstrates it can meet its debt obligations, has sufficient working capital to meet its operating needs, and has adequate financing available to maintain the property over the length of the affordability period. The Developer must provide a completion guaranty acceptable to the City in which the Developer shall guarantee payment of liabilities, shortfalls, 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. Bank references will also be considered.

The developer must also demonstrate that it has a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on budget. The developer must demonstrate that previous experience is similar in type, scale, and complexity to the proposed project. The Developer should also have a reasonable amount of current development projects to ensure that the organization is not overextended in either staffing or financial capacity.

General Contractor Experience and Capacity (9 points): The project can earn up to 9 points if the general contractor has demonstrated recent and successful experience in projects that are similar in type, scale, and complexity to the proposed project.

Experienced Management Agent (5 Points): The project can earn up to 5 points if the developer has identified and secured a management agent for the project with experience managing comparable properties with similar compliance expectations and tenant populations.

Project Financing - 23 Points

Quality Financial Commitments (10 Points): Projects can earn up to 10 points if all additional necessary project financing/leveraged funds are identified and secured to complete the project(s) with letters of commitment from recognized community development lenders and funders, or reasonable dates are provided by the Developer on when the letters will be provided.

Financial Leverage (10 Points): Projects can earn up to 10 points if it is efficient in its use of City funds and in its leveraging of other funds, as applicable. All funding and associated requirements must be clearly and adequately reflected in the budget and pro forma.

Creative Approach to Financing (3 Points): Projects can earn up to 3 points if the developer uses a creative approach to financing or cost containment to meet affordable housing needs. Combining multiple forms of federal and/or state tax credits, securing grants from outside sources such as a Federal Home Loan Bank or a foundation or innovative building techniques that reduce cost are examples of financing and cost containment that would qualify for points in this category.

Readiness to Proceed – 21 Points

City Approvals and Permits (5 Points): Projects can receive up to 5 points if they inherently require fewer City approvals through being zoned properly or not requiring variances. Additionally, projects can also receive points if they have already passed through required City approval processes such as the Planning & Development Department's Concept Plan Review.

Construction Plans / Trade Payment Breakdown (11 Points): Projects can earn up to 11 points if estimated development and construction costs are well researched and detailed. Scope of work [for rehab] or plans and specifications [for new construction] are comprehensive, includes trade payment breakdown, and substantially complies with the requirements outlined in the HRD's technical review. Additional points will be awarded if developer provides a third party cost estimator report delineating construction costs by trade breakdown.

Phase I Environmental Site Assessment Review (5 Points): Projects can earn up to 5 points if the Phase I Environmental Site Assessment (ESA) confirms that the site is not contaminated. For sites that are contaminated as noted in the Phase I, projects can also earn points if additional environmental due diligence documents are submitted such as a Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA).

Alignment with City Goals – 23 Points

Targeted Multifamily Housing Area (5 Points): New construction projects can earn up to 5 points if located in targeted multi-family housing areas outside of the Greater Downtown area (please review detailed maps [here](#)). Preservation projects can earn up to 5 points if located in targeted multi-family housing areas within the Greater Downtown area.

Priority Projects (8 Points): The project can earn up to 8 points if it 1) is an initiative tied to a City planning study, 2) is a preservation of current affordability (regulated or naturally occurring), 3) is designated as permanent supportive housing, or 4) is either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.

Mixed-income neighborhood (5 Points): Projects are eligible for up to 5 points if the majority of units are income-restricted and the project is located within a Primary Market Area (as defined by the market study) with average rents at 80% AMI or above. Likewise, projects are eligible for up to 5 points if the majority of units are market-rate and the project is located within a Primary Market Area with average rents at 60% AMI or below.

Green building initiatives (3 Points): The project can earn up to 3 points if it incorporates measures to improve energy efficiency and sustainability. For points, projects must identify the standard used (Enterprise Green Building Criteria, LEED, etc.) and describe the project's adherence to the chosen standard.

Broadband Access (2 Points): Projects can earn up to 2 points if they commit to providing complimentary, high-speed internet access in common areas and/or dedicated computers with complimentary high-speed internet access. To ensure compliance, commitments will become a loan covenant.

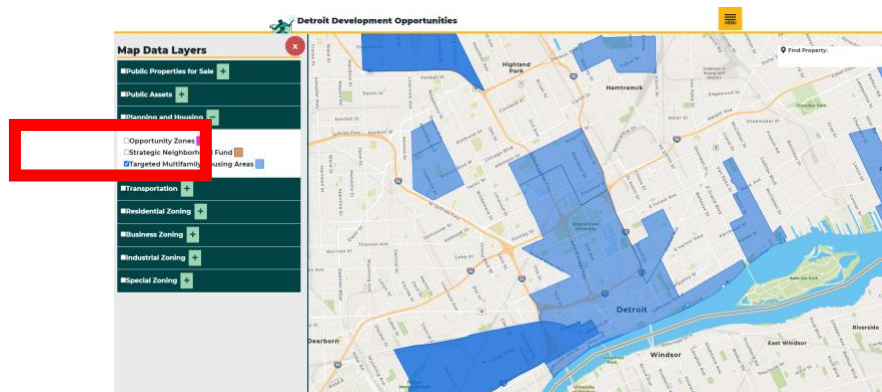
Program Employment Goals - 8 Points

Section 3 Experience (4 Points): The project can earn up to 4 points if the Developer and general contractor has experience in complying with Section 3 requirements. The Developer must include a clear plan as to how they will satisfy Section 3 requirements. 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.

MBE/WBE (4 Points): The project can earn up to 4 points if the primary Developer is a Minority/Women-Owned Business or Minority/Women's Business Enterprise, as applicable.

APPENDIX I – FORMS AND DOCUMENTS REFERENCE LINKS

- [DETROIT PROPERTY MAP](#) – Use this map to determine if the 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-SUBMISSION SIGN-UP](#) – Use this link to sign-up for the required Pre-Submission 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, Instructions, and Required Forms section that begins on page 42 of this NOFA.
- [MSHDA PROFORMA](#) – The Michigan State Housing Development Authority (MSHDA) Proforma is one of two proforma templates that are accepted for this NOFA.
- [HRD PROFORMA](#) – The City of Detroit Housing and Revitalization Department (HRD) Proforma is one of two proforma templates that are accepted for this NOFA
- [2016 TARGETED MULTIFAMILY MAP](#) – Use this PDF map to determine if your project is within a City Priority Area.
- [SECTION 3 INTENT TO COMPLY](#) - Complete this form for the Affordable Housing Program NOFA
- [SECTION 3 PLAN APPLICATION](#) - Complete this form for the Affordable Housing Program NOFA
- [CITY OF DETROIT APPLICATION FOR MINORITY/WOMAN OWNED BUSINESS ENTERPRISE](#) – The Civil Rights and Inclusion Office (CRIO) leads the process for Minority/Women owned business certificates
- [CITY OF DETROIT COMMUNITY HOUSING DEVELOPMENT ORGANIZATION \(CHDO\) APPLICATION](#) – Complete this application to register as a CHDO
- [CITY OF DETROIT PLANNING AND DEVELOPMENT DEPARTMENT](#) – Explore the Planning and Development Department (PDD) to learn more about the City of Detroit’s planning initiatives and strategies.
- [HUD AFFIRMATIVE FAIR HOUSING MARKETING PLAN FORM](#) – Use this form to submit a draft marketing plan.
- [UNIFORM RELOCATION ACT \(URA\)](#) - HUD’s URA requirements
- [2021 HUD HOME RENT LIMITS](#) – HUD Reference to determine Rent
- [2021 HUD HOME INCOME LIMITS](#) - HUD Reference to determine Rent
- [NOFA APPLICATION](#) – Please fill out and submit application no later than August 23, 2021.

**City of Detroit
Housing and Revitalization Department**



Housing Rehabilitation and Development Program

**Notice of Funding Availability (“NOFA”)
Application, Instructions, and Required Forms**

July 2021

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 1-11** must be included at the time of final submission of the application.

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 - is optional at the time of the initial application submission; but will be required to be submitted by October 8, 2021 for applications that pass the threshold review and receive a Letter of Interest from the City.

For the Affordable Housing Program, **Attachments 1-3 and 5-11** are applicable and are required to be submitted to pass the threshold review process.

For the pre-development loan program, Attachments 1-4 are applicable.

File Name Format Requirements

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

Project Name_Attachment #_Item_2021

(**Example:** Orange Grove_Attachment 5_Executive Summary_2021)

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 I** to upload using the same File Name Format required.

Initial: _____

CITY OF DETROIT HOUSING AND REHABILITATION PROGRAM APPLICATION

1. Application Date:		2. Resubmittal? Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Original Application Date(s):	
3. Name of Project:			
4. Enter the Full Legal Name of Your Organization:			
5. Federal Tax Identification Number:		6. Organization's DUNS number (if applicable):	
7. Name of Organization Lead Contact:			
8. Phone Number and Email Address:			
9. Mailing Address of the Organization:			
10. City:		11. State:	12. Zip:
13. Street Address of the Organization, if Different from Above:			
14. Please indicate the program you are applying for: <input type="checkbox"/> Affordable Housing Program <input type="checkbox"/> Pre-Development Loan Program			
15. Is the project within a 2016 Targeted Multifamily Housing Area (TMFHA)? See Appendix I for link to map. Yes <input type="checkbox"/> No <input type="checkbox"/>		15b. Census Tract Number:	
16a. Is the project either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District. 16b. If so, please identify the Historic District name.		Yes <input type="checkbox"/> No <input type="checkbox"/> _____	
17. Project Boundary Streets/Physical Address of the Project:			
18. What is the legal structure of the Applicant?		19. Is the Applicant any of the following?	
<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
20a. Is the borrower a designated Community Housing Development Org. (CHDO) per HOME regulations? Yes <input type="checkbox"/> No <input type="checkbox"/>			

20b. 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.		Date: _____	
21. Evidence of Site Control:	<input type="checkbox"/>	Deed	
	<input type="checkbox"/>	Purchase/Development Agreement	
	<input type="checkbox"/>	Lease Agreement	
	<input type="checkbox"/>	Option to Purchase	
	<input type="checkbox"/>	Other:	
22. What type of development is being proposed by your organization with proposed program funding? <i>(Check all applicable boxes)</i>	<input type="checkbox"/>	New construction of multi-family units (4+)	
	<input type="checkbox"/>	Purchase/Rehabilitation of Occupied Multi-Family Units (4+)	
	<input type="checkbox"/>	Mixed-Use Project Including Office and/or Retail Space	
	<input type="checkbox"/>	Preservation Project that Extends Affordability Requirements for Existing Occupied Affordable Housing (Regulated or Naturally Occurring)	
	<input type="checkbox"/>	Permanent Supportive Housing for those Experiencing Chronic Homelessness (PSH)	
	<input type="checkbox"/>	Adaptive Reuse/ Historic Preservation	
	<input type="checkbox"/>	Scattered Site	
23a. TOTAL No. of Units Proposing to Develop:		23b. No. of Proposed Affordable Units:	
		23c. No. of Market Rate Units (If Applicable):	
23d. Please indicate Levels of Affordability (Check All that Apply)	<input type="checkbox"/>	Up to 30% AMI	
	<input type="checkbox"/>	40% AMI	
	<input type="checkbox"/>	50% AMI	
	<input type="checkbox"/>	60% AMI	
	<input type="checkbox"/>	70% AMI	
	<input type="checkbox"/>	80% AMI	
	<input type="checkbox"/>	Market Rate	
24. TOTAL Proposed Development Budget for Project:			\$ _____
25a. AMOUNT of Funding Requested :	\$ _____	25b. Low Income Housing Tax Credits (LIHTC) project: 4% <input type="checkbox"/> 9% <input type="checkbox"/> N/A <input type="checkbox"/> 25c. If a LIHTC project, Qualified Census Tract? Yes <input type="checkbox"/> No <input type="checkbox"/>	
26a. Will the project seek Rental Assistance: Yes <input type="checkbox"/> No <input type="checkbox"/>			

26b. If yes, which Agency will provide Voucher(s)?	
26c. How many Voucher(s) will the project have?	
27. Other Funding Sources Beyond LIHTC and Rental Assistance <i>(Check all applicable boxes)</i>	<input type="checkbox"/> AHP
	<input type="checkbox"/> Historic Tax Credits (HTC)
	<input type="checkbox"/> Sponsor Equity
	<input type="checkbox"/> Sponsor Loan
	<input type="checkbox"/> HUD/MSHDA Mortgage
	<input type="checkbox"/> Conventional Mortgage
	<input type="checkbox"/> Income from Operations
	<input type="checkbox"/> Tax Abatement
	<input type="checkbox"/> Other Grant:
	<input type="checkbox"/> Other Source:
28. Type of Units to be developed <i>(Check all boxes that are applicable)</i>	
<input type="checkbox"/> Apartment	<input type="checkbox"/> Duplex
<input type="checkbox"/> Townhome	<input type="checkbox"/> Detached Single Family
29a. Does the present zoning allow the proposed development? Yes <input type="checkbox"/> No <input type="checkbox"/>	
29b. Is the proposed use considered a conditional use, a regulated use or a controlled use? Yes <input type="checkbox"/> No <input type="checkbox"/>	
29c. What is the present use of the property? _____	
30. Are all necessary utilities available on the site? Yes <input type="checkbox"/> No <input type="checkbox"/>	
31. Will project require relocation of existing residents? Yes <input type="checkbox"/> No <input type="checkbox"/>	
32. Is a relocation plan included in your full application? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>	
33. Is Davis Bacon Applicable to this project? Yes <input type="checkbox"/> No <input type="checkbox"/>	
34. Are any persons employed or contracting with your organization debarred by HUD or the State of Michigan? Yes <input type="checkbox"/> No <input type="checkbox"/>	
35. 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? Yes <input type="checkbox"/> No <input type="checkbox"/>	
36. Has your organization or one of its principals filed for bankruptcy within the past 10 years? Yes <input type="checkbox"/> No <input type="checkbox"/>	

37. 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.

Initial: _____

38. The undersigned authorizes Housing and Revitalization Department'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.

Initial: _____

39. 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.

Initial: _____

Authorized Representative:

(Signature)

(Please Print Name and Title)

(Date)

ATTACHMENT 1: HUD ENTITLEMENT PROGRAMS 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.

Initial: _____

(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.

Initial: _____

(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.

Initial: _____

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 2: 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 all applicable HOME regulations including Sections 84.42, 85.36 and 570.611 of Title 24 of the Code of Federal Regulations, and further warrants that such participation will not result in any organizational conflict of interest. Organizational Conflict of Interest is defined as a situation in which the nature of work under this contract and the Contractor’s organizational, financial, contractual or other interests are such that:

- a. Award of the contract may result in an unfair competitive advantage; or The Contractor’s objectivity in performing the contract work may be impaired. Initial: _____
- 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. Initial: _____
- 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. Initial: _____
- 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. Initial: _____
- e. The provisions of this clause shall be included in all subcontracts and consulting agreements. Initial: _____
- 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. Initial: _____
- 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. Initial: _____
- h. The Housing & Revitalization Department reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision. Initial: _____

Witnesses:

1. _____

2. _____

Developer/Owner:

By: _____

Its: _____

Date: _____

ATTACHMENT 3: NO CHOICE-LIMITING ACTION ACKNOWLEDGEMENT

The undersigned acknowledges, understands, and agrees to the following:

1. A "choice limiting action" shall include any of the following: (1) acquisition of any real property associated with the project, (2) entering into a binding purchase agreement for any real property associated with the project, (3) any improvements to the property or properties associated with a project, (4) any rehabilitation of an existing structure located on property associated with the project, (5) any construction of a new structure located on property associated with the project, or (6) demolition of any existing structure located on property associated with the project.

Initial: _____

2. Upon application for assistance through this NOFA, the Developer and all project participants (i.e. public or private non-profit or for-profit entities, or any of their contractors) agree that neither the Developer nor any project participant shall undertake any "choice limiting action" 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.

Initial: _____

3. Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of issuance of this NOFA 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" and the project may not qualify to apply to any future NOFA or receive support from the City from a federal funding source.

Initial: _____

4. A "choice limiting action" shall NOT include 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 an 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 there is compliance with the HUD environmental requirements.

Initial: _____

Witnesses:

1. _____

2. _____

Developer/Owner:

By: _____

Its: _____

Date: _____

ATTACHMENT 4 – PRE-DEVELOPMENT LOAN PROGRAM REQUIRED DOCUMENTS

Affordable Housing Program Applicants Should Go To.

“Attachment 5 – Affordable Housing Program General Requirements Checklist”

	ITEM	DESCRIPTION
<input type="checkbox"/>	Executive Summary (Required)	Include development narrative and timeline for acquisition financial packaging, design development, construction start/end dates, and lease-up
<input type="checkbox"/>	Developer Experience Narrative (Required)	<p>Please provide a narrative that includes the following:</p> <p>Developer organizational overview – Provide an overview of the developer’s organization and if the organization has any presence within Detroit including the nature of any work in Detroit. <i>(2 paragraph max.)</i></p> <p>Developer project staff – Provide a brief list of internal staff who will be directly involved in the project with their title and role for the proposed project and their relevant experience, and capacity to take on such a role. <i>(1 paragraph max per internal staff member)</i></p> <p>Current scope of work – Provide a list of all of the Developer’s current development projects including each project’s name, location, number of units, projected completion dates, sources of financing and total development budgets. If the Developer is currently managing development projects, please describe how the Developer will manage the proposed project in addition to its current obligations <i>(1 paragraph max.)</i></p> <p>Project experience – Provide a list of all of the comparable rental housing projects the Developer has completed in the last 5 years including the projects’ name, location, completion date, number of units, sources of financing, high-level timelines, and total development budget. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG or HOME funds.</p> <p>If the Developer has not completed a rental housing development in the last 5 years, please describe the most relevant activities the organization has completed and how exactly these activities have prepared the Developer for the proposed project. <i>(1 paragraph max.)</i></p>
<input type="checkbox"/>	Development Team Experience Narrative (Required)	<p>The Development Team includes but is not limited to the Co-Developer, General Contractor, Owner’s Rep, Architect, Engineer(s), Development Consultant, Property Management Company, and Borrower’s Attorney (if applicable).</p> <p>For each entity secured, please provide the following:</p> <p>Organizational overview – Provide an overview of the organization and if the organization has any presence within Detroit including the nature of any work in Detroit. <i>(2 paragraph max.)</i> Provide contact information and a resume for the individuals of the organization that will be responsible for the work to be performed on the project.</p>

			<p>Project experience: Provide a list of all of the comparable rental housing projects the entity has completed in the last 3 years including the projects' name, location, completion date, and number of units. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG or HOME funds. Please indicate whether or not a management agent has been secured for the proposed project. If a management agent has been secured, please provide a brief description on the agent's experience in managing restricted units and maintaining ongoing compliance.</p>
	<input type="checkbox"/>	Board of Directors Information (Required If Applicable)	Provide brief bios, including current occupation, of the developer's Board of Directors.
	<input type="checkbox"/>	REO Schedule (Required)	Schedule of real estate including value (and how it is determined), real estate debt, borrower's share of equity, NOI, debt service, cash flow, borrower's share of cash flow and current occupancy levels. If the developer does not currently own any real estate, attach a schedule indicating "None".
	<input type="checkbox"/>	Evidence of Site Control / Plan For Site Control (Required)	<p>Site control must be demonstrated for every parcel of land proposed within the project definition.</p> <p>For developers that do not have site control yet, outline the timeline and process for acquisition and estimated costs for acquisition</p>
	<input type="checkbox"/>	Survey (Optional)	
	<input type="checkbox"/>	Zoning Documents (Optional)	Evidence of proper zoning or application for rezoning
	<input type="checkbox"/>	Site Utility Plan (Optional)	
	<input type="checkbox"/>	Detailed Scope of Work or Plans & Specs (Optional)	
	<input type="checkbox"/>	Photos / Renderings / Images (Required)	High quality photos of the building's exterior and interior (if rehab) or high-quality renderings / precedent images (new construction)
	<input type="checkbox"/>	Tentative Construction Schedule (Required)	Draft to be completed by General Contractor
	<input type="checkbox"/>	Project Timeline (Required)	Must include the projected dates of acquisition, construction start, certificate of occupancy, 100% occupancy of City assisted units, stabilized occupancy.

<input type="checkbox"/>	Evidence of Application for all Sources of Financing (Optional)	Letters of Intent and/or term sheets are preferable. Market study requests are sufficient evidence for applicants applying for MSHDA 9% LIHTC.
<input type="checkbox"/>	Section 3 Intent to Comply (Required)	Please see Appendix E for additional information.
<input type="checkbox"/>	Section 3 Plan Application (Required)	Attach the Section 3 Plan Application, if available. A link to this document is included in the NOFA (Appendix I). Please see Appendix E for additional information.
<input type="checkbox"/>	Proof of Certificate as a Minority/Women Owned Business Enterprise (Optional)	Provide documentation showing the developer is certified as a Minority/Woman Owned Business Enterprise. A link to this the certification process is included in the NOFA (Appendix I).
<input type="checkbox"/>	City of Detroit approval as a Community Housing Development Organization (CHDO) (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community Housing Development Organization (CHDO). See Appendix I for link.
<input type="checkbox"/>	Community-Based Development Organization (CBDO) Certification (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community-Based Development Organization (CBDO). Please email HRDNOFA@detroitmi.gov to learn more about the CBDO Certification Process.
<input type="checkbox"/>	Evidence of Historic designation (Optional)	
<input type="checkbox"/>	Targeted Multifamily Housing Area (TMFHA) (Required If Applicable)	If this is a new construction and/or a rehab project, provide a detailed map outlining the Multifamily Housing Area that the project is located within .
<input type="checkbox"/>	Alignment with City Goals: Priority Projects (Optional)	Provide information on how the project qualifies for one of the City priority project categories. For projects that are considered an initiative tied to a City planning study, please provide a brief summary of the City planning study and how the project is formally considered an initiative of said study. Please provide any relevant and available hyperlinks to further outline these details. <i>(1 paragraph max)</i>
<input type="checkbox"/>	Development Proforma (Required)	Developers are strongly encouraged to use the HRD Rental Development Proforma or the MSHDA LIHTC application proforma templates. Links to templates for the proformas are provided in Appendix I of the NOFA and on the HRD website. The proforma will only be accepted in excel format with formulas. The Development Proforma Instructions included at the end this application provide additional guidance on how to prepare a proforma for the development.

	<input type="checkbox"/>	Letters of Intent From All Equity Funding Sources & Grant Award Notifications Included In the Proforma (Required)	Provide Letters of Intent from all equity funding sources and grant award notifications for grant funding included in the proforma (if applicable). In lieu of Letters of Intent, proof of application for funding should be supplied.
	<input type="checkbox"/>	List of Potential Expenses for Pre-Development Loan Funds (Required)	Depending on the nature of the project, eligible expenses can include: Environmental Testing Technical Assistance (i.e. Development Consultants, Environmental Consultants) Architectural fees Engineering Fees Surveying Legal Fees Acquisition (for Non-Publicly Owned Land)

ATTACHMENT 5 – AFFORDABLE HOUSING PROGRAM GENERAL REQUIREMENTS CHECKLIST

		ITEM	DESCRIPTION
	<input type="checkbox"/>	Executive Summary (Required)	Provide a one-page executive summary stating the reasons for pursuing this NOFA and the reason the City should seriously consider this project/organization for funding. Include a development narrative and a concise summary of the acquisition, design and construction timeline including projected lease-up and/or sales dates.
	<input type="checkbox"/>	Developer Experience Narrative (Required)	Please provide a narrative that includes the following: Developer organizational overview – Provide an overview of the developer’s organization and if the organization has any presence within Detroit including the nature of any work in Detroit. <i>(2 paragraph max.)</i> Developer project staff – Provide a brief list of internal staff who will be directly involved in the project with their title and role for the proposed project and their relevant experience, and capacity to take on such a role. <i>(1 paragraph max per internal staff member)</i> Current scope of work – Provide a list of all of the Developer’s current development projects including each project’s name, location, number of units, projected completion dates, sources of financing and total development budgets. If the Developer is currently managing development projects, please describe how the Developer will manage the proposed project in addition to its current obligations <i>(1 paragraph max.)</i> Project experience – Provide a list of all of the comparable rental housing projects the Developer has completed in the last 5 years including the projects’ name, location, completion date, number of units, sources of

			<p>financing, high-level timelines, and total development budget. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG or HOME funds.</p> <p>If the Developer has not completed a rental housing development in the last 5 years, please describe the most relevant activities the organization has completed and how exactly these activities have prepared the Developer for the proposed project. <i>(1 paragraph max.)</i></p>
	<input type="checkbox"/>	<p>Development Team Experience Narrative (Required)</p>	<p>The Development Team includes but is not limited to the Co-Developer, General Contractor, Owner’s Rep, Architect, Engineer(s), Development Consultant, Property Management Company, and Borrower’s Attorney (if applicable).</p> <p>For each entity secured, please provide the following:</p> <p>Organizational overview – Provide an overview of the organization and if the organization has any presence within Detroit including the nature of any work in Detroit. <i>(2 paragraph max.)</i> Provide contact information and a resume for the individuals of the organization that will be responsible for the work to be performed on the project.</p> <p>Project experience: Provide a list of all of the comparable rental housing projects the entity has completed in the last 3 years including the projects’ name, location, completion date, and number of units. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG or HOME funds. Please indicate whether or not a management agent has been secured for the proposed project. If a management agent has been secured, please provide a brief description on the agent’s experience in managing restricted units and maintaining ongoing compliance.</p>

	<input type="checkbox"/>	<p>Program Scope and Feasibility Narrative (Required)</p>	<p>Program Scope – Provide an overall description of the project including the number of floors, common space, and/or commercial space as well as the overall rental composition including the number of units, bedroom types, amenities, rents, and anticipated income restrictions. If this is a project that is part of a larger initiative (by building, block, or neighborhood), please describe the larger initiative in detail.</p> <p>List of Funding Sources – provide a list of all other sources of financing. For each additional source of financing, please include funding amounts, key business terms, and conditions that must be satisfied before each funder is willing to close.</p> <p>Methods to Ensure Cost Effectiveness – Provide a brief overview as to how the developer uses a creative approach to financing or cost containment to meet affordable housing needs. <i>(1 paragraph max)</i></p> <p>Explanation of projected rents – Provide a brief synopsis of the market study (if available) and how it relates to the projected rents within the proposal. If the market study has not been completed, describe how the proposed rents have been determined. <i>(1 paragraph max)</i></p>
	<input type="checkbox"/>	<p>Board of Directors Information (Required If Applicable)</p>	<p>Provide brief bios, including current occupation, of the developer’s Board of Directors.</p>

ATTACHMENT 6 – AFFORDABLE HOUSING PROGRAM DEVELOPER FINANCES CHECKLIST

	ITEM	DESCRIPTION
	<input type="checkbox"/>	<p>Financial Statements of Sponsor/Guarantor - For Profit (Required)</p> <p>Provide audited, unconsolidated financial statements that present the “parent-only” (i.e., borrower) financial position for the past 3 years; Include consolidating schedule. Financials that are at least 90 days within application date including statement of financial position; statement of activities; statement of cash flows. Board approved budget for current fiscal year. Cash flow projections for 2 years.</p>
	<input type="checkbox"/>	<p>Financial Statements of Sponsor/Guarantor – Nonprofit (Required)</p> <p>Provide tax returns for the last 3 years (990s or personal tax returns for each party with 20% or greater ownership). Signed, current PFS statement for each party with 20% or greater ownership. Required for personal guarantees and allows pulling of credit report</p>
	<input type="checkbox"/>	<p>Real Estate Owned (REO) Schedule (Required)</p> <p>Schedule of real estate owned by the developer including value (and how it is determined), real estate debt, borrower’s share of equity, NOI, debt service, cash flow, borrower’s share of cash flow and current occupancy levels.</p>

			NOTE: Email HRDNOFA@detroitmi.gov if you would like a template to use.
	<input type="checkbox"/>	Development Financial Statements (Required)	For currently occupied and operating projects only, provide operating financial statements for the most recent 3 years.

ATTACHMENT 7 – AFFORDABLE HOUSING PROGRAM READINESS TO PROCEED CHECKLIST

	ITEM	DESCRIPTION
	<input type="checkbox"/>	Project Timeline (Required) Must include the projected dates of acquisition, construction start, certificate of occupancy, 100% occupancy of City assisted units, stabilized occupancy.
	<input type="checkbox"/>	Evidence of Site Control (Required) Site control must be demonstrated for every parcel of land proposed within the project definition.
	<input type="checkbox"/>	Site Plan Approval - For New Construction Only (Optional) Provide evidence of the Planning & Development Department’s Concept Plan Review approval.
	<input type="checkbox"/>	Evidence of Historic Designation (Optional) Provide evidence of the historic designation of the property.

ATTACHMENT 8 – AFFORDABLE HOUSING PROGRAM GOALS & REQUIREMENTS CHECKLIST

	ITEM	DESCRIPTION
	<input type="checkbox"/>	Section 3 Experience (Required) If the developer has had experience in complying with Section 3 requirements, please provide a list of each project and their respective address, number of units, total development costs, and the overall ways in which they complied. If the developer does not have previous experience complying with Section 3 requirements, attach a statement indicating “None” and indicate if other members of the development team have experience complying with Section 3 requirements.
	<input type="checkbox"/>	Section 3 Plan (Required) Provide a detailed description as to how the proposed project will comply with Section 3 requirements. <i>(1 paragraph max)</i>
	<input type="checkbox"/>	Section 3 Intent to Comply (Required) Attach the Section 3 Intent to Comply document. A link to this document is included in the NOFA (Appendix I). Please see Appendix E for additional information.
	<input type="checkbox"/>	Section 3 Plan Application (Optional) Attach the Section 3 Plan Application, if available. A link to this document is included in the NOFA (Appendix I). Please see Appendix E for additional information.

	<input type="checkbox"/>	Proof of certificate as a Minority/Women Owned Business Enterprise (Optional)	Provide documentation showing the developer is certified as a Minority/Woman Owned Business Enterprise. A link to this the certification process is included in the NOFA (Appendix I).
	<input type="checkbox"/>	City of Detroit approval as a Community Housing Development Organization (CHDO) (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community Housing Development Organization (CHDO). See Appendix I for link.
	<input type="checkbox"/>	Community-Based Development Organization (CBDO) Certification (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community-Based Development Organization (CBDO). Please email HRDNOFA@detroitmi.gov to learn more about the CBDO Certification Process.
	<input type="checkbox"/>	Targeted Multifamily Housing Area (TMFHA) (Required If Applicable)	If this is a new construction and/or a rehab project, provide a detailed map outlining the Multifamily Housing Area that the project is located within
	<input type="checkbox"/>	Alignment with City Goals: Priority Projects (Optional)	<p>Provide information on how the project qualifies for one of the City priority project categories.</p> <p>For projects that are considered an initiative tied to a City planning study, please provide a brief summary of the City planning study and how the project is formally considered an initiative of said study. Please provide any relevant and available hyperlinks to further outline these details. <i>(1 paragraph max)</i></p> <p>For projects that are considered a preservation of current affordability (NOAH or income restricted), describe how exactly the project qualifies as NOAH and how exactly this proposed project will protect and preserve its current affordability. For income-restricted projects, describe the current sources of funding, their related income restrictions, and potential expirations. <i>(2 paragraphs max)</i></p> <p>For projects that are considered permanent supportive housing, 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. <i>(1 paragraph max)</i></p>
	<input type="checkbox"/>	Green Building Initiatives (Optional)	<p>For projects that meet either of the below green standards, describe the project’s adherence to the chosen standard and the related potential long term cost savings.</p> <ul style="list-style-type: none"> • Enterprise Green Communities: New Construction Mandatory +35 Optional; Moderate Rehabilitation Mandatory +30 Optional; Substantial Rehabilitation Mandatory +30 Optional • U.S. Green Building Council LEED: Certified, Silver, Gold, or Platinum.

	<input type="checkbox"/>	Broadband Access (Optional)	If interested in being considered for points for providing broadband access, provide a written agreement to commit to providing complimentary, high-speed internet access in common areas. If interested, please also provide a written agreement to commit to providing dedicated computers (a ratio of 1 computer per 10 units) with complimentary high-speed internet access. To ensure compliance, commitments will become a loan covenant.
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ATTACHMENT 9 – AFFORDABLE HOUSING PROGRAM PROJECT FINANCING CHECKLIST

		ITEM	DESCRIPTION
	<input type="checkbox"/>	Development Proforma (Required)	Developers are strongly encouraged to use the HRD Rental Development Proforma or the MSHDA LIHTC application proforma templates. Links to templates for the proformas are provided in Appendix I of the NOFA and on the HRD website. The proforma will only be accepted in excel format with formulas. The Development Proforma Instructions included at the end this application provide additional guidance on how to prepare a proforma for the development.
	<input type="checkbox"/>	Letters of Intent From All Equity Funding Sources and Grant Award Notifications Included In the Proforma (Required)	Provide Letters of Intent from all equity funding sources and grant award notifications for grant funding included in the proforma.
	<input type="checkbox"/>	Evidence of Application for All Sources of Financing (Required)	Lender Letters of Intent and/or term sheets are preferable for all sources of financing included in the proforma. Market study requests are sufficient evidence for applicants applying for MSHDA 9% LIHTC.
	<input type="checkbox"/>	Project Based Vouchers (PBV) Award Letter or Evidence of Application (Required If Applicable)	Provide award letters or evidence of application for any project based rental assistance vouchers included in the proforma.
	<input type="checkbox"/>	Rent Roll (Currently Occupied and Operating Projects Only) (Required if Applicable)	The rent roll must include affordability restriction, lease terms and tenant annual income by unit. Please remove any sensitive information such as tenants’ social security numbers, etc.
	<input type="checkbox"/>	Utility Allowance Calculation (Required)	Attach schedules showing how the utility allowance for each unit type was calculated. Indicate which utility table was used, which utilities the tenant is responsible for paying, and each applicable utility item.

ATTACHMENT 10 – AFFORDABLE HOUSING PROGRAM CONSTRUCTION AND ENVIRONMENTAL CHECKLIST

	ITEM	DESCRIPTION
<input type="checkbox"/>	AIA Document A305-1986 Contractor’s Qualification Statement (Required)	
<input type="checkbox"/>	Detailed Scope of Work or Plans & Specs (Required)	
<input type="checkbox"/>	Zoning Documents (Required)	Provide evidence of proper zoning or application for rezoning to confirm that variances will not be required.
<input type="checkbox"/>	Letter of Confirmation of City Approvals and Permits (Optional)	
<input type="checkbox"/>	Site Survey (Required)	Provide the site survey for the development.
<input type="checkbox"/>	Site Utility Plan (Required)	Provide the site utility plan for the development.
<input type="checkbox"/>	Building/Site Images (Required)	Provide high-quality photos of building/site’s exterior and interior (Rehab or Preservation) OR high-quality renderings (New Construction)
<input type="checkbox"/>	Trade Payment Breakdown (TPB) (Required)	Provide a draft Trade Payment Breakdown (TPB) that has been completed by the general contractor
<input type="checkbox"/>	Tentative Construction Schedule (Required)	Provide a draft tentative construction schedule that has been completed by the general contractor

**ATTACHMENT 11 - AFFORDABLE HOUSING PROGRAM COMMITMENT LEVEL CHECKLIST – DUE OCTOBER 8, 2021
(ATTACHMENT IS OPTIONAL AT THE TIME OF INITIAL APPLICATION BUT WILL BE REQUIRED IF THE PROJECT RECEIVES A LETTER OF INTEREST FROM THE CITY OF DETROIT)**

	ITEM	DESCRIPTION
<input type="checkbox"/>	Market Study (Required)	The market study should be both site and project specific, and no less than one year old.
<input type="checkbox"/>	ASTM Phase I - Environmental Site Assessment (ESA) (Required)	MSHDA Phase I preferred, if available. Phase I ESA does not need to be printed.
<input type="checkbox"/>	Additional Environmental Due Diligence Documents (Optional)	Including Phase II ESA, BEA, Response Activity Plan, etc.

	<input type="checkbox"/>	Capital Needs Assessment (Required)	Provide a capital needs assessment for preservation/rehab projects. A detailed scope of work may be used for for-sale homebuyer rehab projects.
	<input type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Required)	Applicants will need to submit a draft Affirmative Fair Housing Marketing Plan. A link to the HUD form is included in Appendix I of the NOFA.
	<input type="checkbox"/>	Relocation Plan - Occupied Only (Required if Applicable)	A draft relocation plan must be submitted that meets both the requirements of the Uniform Relocation Act (URA) as well as the City standards as discussed in the NOFA. See Appendix I in the NOFA for a link to Uniform Relocation Act (URA).

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

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: _____

Builder Overhead and Profit and General Requirements

The contractor will be governed by the following maximum ratios: Contractor Fee/ 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. The application narrative must state how the estimated amounts for builder fee / profit, general requirements, and general overhead in the construction budget were determined. The City of Detroit may also consider an exception to these percentage amounts for developments with a small number of units.

Initial: _____

Owner's Hard Cost Construction Contingency Requirements

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

- Use a five percent (5%) contingency for new construction projects
- Use a twelve and a half percent (12.5%) contingency for rehabilitation projects
- Use a fifteen percent (15%) contingency for historic rehabilitation projects

Initial: _____

City Legal Fees

The City requires Developers of HOME assisted projects to pay the City's

legal fees, which are currently estimated at \$20,000 per entity receiving City funds as part of the project. Fees may be higher for projects with additional complexity. The legal fees are an eligible HOME cost that can be paid out of the HOME award.

Initial: _____

Lease-up Costs

The development budget must include lease-up costs and adequate reserves.

Initial: _____

Operating Cash Flow

The Developer must demonstrate through an operating cash flow projection that the project remains solvent over a 20-year period. The developer must provide support to the project over time, including adequate operating and replacement reserves. Other items to consider in completing the operating projections include:

The proforma must be based on sound, appropriate information, convincing data, and realistic inflators as well as operating cash flows that are realistic and adequate.

Initial: _____

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 proforma. Using standard underwriting criteria and cost reasonableness, the Developer must clearly demonstrate through the project's operating proforma 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 target a minimum of 1.10 and a maximum of 1.25.

Initial: _____

Affordable Rent Restrictions – Developers must propose rents for the HOME assisted units that do not exceed the lesser of comparable market rents or the HOME rent limits minus utility allowances. Please see the maximum rent standards for the City of Detroit provided in **Appendix B** of the NOFA. Although a project's rents may be lower than the rents listed, they cannot be more than the amounts listed. All rents listed must be adjusted for any utilities paid by the tenant using the appropriate amounts from the utility allowance charts included in **Appendix B** of the NOFA or the utility allowance amounts applicable to any project based vouchers included in the proforma.

Initial: _____

If a project receives Federal or State project-based subsidies and the household pays no more than 30% of the household income, the maximum rent may be the rent allowable under the project-based subsidy program.

Initial: _____

Rents must be supported by the submitted market study. The rent must be reduced if the tenant pays for utilities because the calculation of these rent standards includes all utilities excluding telephone. Utility allowances provide a mechanism for adjusting the maximum allowable HOME rents when the tenant pays some or all utilities. Please see the utility allowance charts by housing type included in **Appendix B** the NOFA.

Initial: _____

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.

Initial: _____

For new construction projects, the Developer must deposit at least \$300 PUPA annually into a Replacement Reserve. 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 .

Initial: _____