

**CITY OF DETROIT**  
**Housing & Revitalization Department**

**Housing Rehabilitation and Development Program**  
(2017 HOME/CDBG Development Program NOFA)



**NOTICE OF FUNDING AVAILABILITY (NOFA)**  
**AND**  
**REQUEST FOR PROPOSALS (RFP)**

**INFORMATION AND APPLICATION PACKAGE**

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## SECTION 1: INTRODUCTION TO AVAILABLE FUNDS AND PROGRAM GOALS

The City of Detroit is making available up to \$7,000,000 through this NOFA to support (1) the rehabilitation or development of housing units for eligible households, and (2) to develop a quality pipeline of multifamily housing. These funds will be available primarily through U.S. Department of Housing and Urban Development (HUD) programs. Specifically, the sources of funding are as follows:

- HOME Investment Partnerships (HOME) Program - \$5,000,000
- Community Development Block Grant (CDBG) Program – ( based on availability)
- NSP 1, 3 Program Income - ( based on availability)
- Unexpended City Bond Funds - ( based on availability)

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

1. Produce mixed-use, mixed-income multifamily housing developments in the city's neighborhoods through both new construction and adaptive reuse of existing structures.
2. Preserve current affordable housing stock in both public and private sector control and thereby reduce loss of existing well-located affordable housing.
3. Develop supportive housing for homeless families, individuals and veterans.
4. Produce infrastructure to support housing, including entitlement-eligible public improvements such as open space landscaped areas and related infrastructure near areas of concentrated housing, and
5. Create a reliable pipeline of these projects for future funding rounds.

Developers are invited to submit proposals that leverage Housing Rehabilitation and Development Program dollars for projects that create "place" and support "walkability." Developments that advance placemaking contribute to the livability of a neighborhood and create greater demand to live within a neighborhood. Proposals for aesthetically pleasing, mixed-use and mixed-income developments near commercial corridors help to accomplish this and will be given preference.

Those proposals that build on areas of current residential and commercial strength will be the most successful applications. The 2016 Targeted Multifamily Housing Areas Map can be found in **Appendix N** and will provide guidance on the areas of strength mentioned above. This map will guide funding allocation decisions made by the City. To demonstrate market support for a specific project site, all applicants will be asked to submit a market analysis that follows the scoring and evaluation criteria described in **Sections 8 and 9**.

### **Subsection 1.1: Preferred Projects**

The City of Detroit will prioritize projects that are located in the target areas identified in the 2016 Targeted Multifamily Housing Areas Map (priority single family projects may also be located in these areas). The City will use Federal funds to support the rehabilitation or construction of housing units that are available to moderate-income households, eighty percent (80%) of Area Median Income (AMI) and low-income households, sixty percent (60%) of AMI. The City encourages proposals for mixed-use and/or mixed-income projects. However, these proposals must fund the non-residential uses and “market rate” residential units (for households with incomes above 80% AMI), from other sources. The City of Detroit prefers to fund rental housing projects through this NOFA. However, the City will also consider homebuyer housing projects that meet the following criteria:

- Meet the City’s goals described above;
- Projects which have transformational elements (scale, design, environmental) which enable follow-on collateral mixed-income development;
- Have strong financial commitments from other sources and minimal need for gap financing from the City; and,
- Are located in select neighborhoods with demonstrable market demand.

### **Subsection 1.2: CHDO Applications**

A non-profit organization that qualifies for certification as a Community Housing Development Organization (“CHDO”), but has not received certification as a CHDO, may receive funding under the HOME CHDO set-aside. An organization that seeks funding from this set-aside must submit an application for CHDO certification along with the response to this Request for Proposals. Applicants may find the requirements for CHDO certification and the CHDO certification application on the Housing and Revitalization Department website. Certified CHDOs may compete for set-aside funds or general HOME funds. Non-CHDO applicants may only compete for general HOME funds.

*The City will set aside at least fifteen (15%) percent of the HOME Program allocation for projects sponsored by Community Housing Development Organizations (“CHDOs”).*

### **Subsection 1.3: Pre-Submission Meeting January 17th, 2017**

**The City will conduct an informal pre-submission meeting to discuss program requirements and answer questions on Tuesday, January 17, 2017, 2:00 p.m. – 4:00 p.m., 2 Woodward Avenue, Suite 908, Detroit, Michigan 48226.**

## SECTION 2: AVAILABILITY OF THE REQUEST FOR PROPOSALS

The City of Detroit will issue the Request for Proposals (RFP) for this Program on Sunday, December 18, 2016. Interested parties may download an electronic copy of the RFP and related documentation from the City of Detroit website.

*The Housing Revitalization staff will answer questions regarding the Request for Proposals: The City of Detroit will accept questions regarding this RFP until 5:00 p.m. on Monday, February 20th, 2017.*

### **Subsection 2.1: Submission Information Summary**

Submission Period	Submission Dates	Review Begins on	Determination Made by	Aggregate Award Amount
Fast Track Review	January 3, – January 27th, 2017	Rolling, as received	February 3rd, 2017	Up to 40% of total allocation or \$2,800,000 Whichever is Greater
Regular Review	February 6 – March 3rd, 2017	March 6th, 2017	May 12th, 2017	Balance of Funds

### **Subsection 2.2: Application Submission**

The City will accept complete applications during regular business days and office hours. **The City will begin to accept complete applications on Tuesday January 3rd, 2017, at 9:00 a.m.** (See Fast Track Review and Consideration Process).

**Applicants must submit one (1) paper copy, which must contain original signatures. Along with three (3) electronic USB flash drive copies of the application to the Housing and Revitalization Department, located at Two Woodward Ave., Suite 908 Coleman A. Young Municipal Center. Applicants should include the paper copy in a separate, three-ring binder with a clearly labeled cover sheet on the outside of the binder. The cover sheet must identify the name of the project and the name and address of the developer/applicant.**

### **APPLICATION SUBMISSION DEADLINE:**

***Applicants responding to this RFP must submit all required documentation to the City of Detroit no later than 5:00 p.m. on Friday, March 3rd, 2017.***

*The City 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. The City also 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.*

### **Subsection 2.3: Fast Track Review and Consideration Process**

**The City will expedite the review and consideration of complete applications that are received from January 3rd through January 27th, 2017.**

- **The City will begin to review and consider these applications on a rolling basis as the City receives the applications, and the City of Detroit may issue an award letter to the projects after the “fast track” review period.**
- **In the aggregate, the City may award up to forty (40%) percent or two million eight hundred thousand (\$2,800,000) dollars of the total allocation, whichever is greater, to projects that submitted complete applications during this “fast track” submission period.**
- **If the City does not award funds to a project with an application that was submitted during the “fast track” review period, then the City will continue to consider that application along with all other applications that were received during the “regular” submission period from February 6th through March 3rd, 2017.**

## **SECTION 3: KEY HOME PROGRAM REQUIREMENTS**

### **Subsection 3.1: HOME Eligible Activities**

HOME funds will be used under this RFP to support the following activities related to the purchase, improvement, and rental of property as affordable housing to households at or below sixty percent (60%) of the Area Median Income (AMI) adjusted by household size, with at least twenty percent (20%) of the HOME assisted units provided as affordable rental housing to households at or below fifty percent (50%) of the AMI, or acquisition and rehabilitation, and sale of property affordable to households at or below eighty percent (80%) of the Area Median Income (AMI) without restrictions on project unit mix:

- **Acquisition of Vacant Properties** – Acquisition of existing properties in need of rehabilitation is eligible, subject to the property meeting HOME requirements. Occupied properties require written approval of a relocation plan concurrent with the submission of an application for City HOME funds for acquisition to ensure that relocation rules are followed. All properties acquired with HOME funds must be environmentally cleared by the City prior to acquisition (See environmental review section). For units where HOME funds are not used for the acquisition of the property, the Developer must provide proof that relocation requirements were met and must submit a relocation plan to the City regardless of the source of acquisition funding.
- **Rehabilitation** – Rehabilitation includes the alteration, improvement, or modification of an existing structure. Rehabilitation may include adding rooms outside the existing walls of a structure.

- New Construction – New construction includes site preparation for, and construction of, entirely new structures and/or significant extensions to existing structures or replacement of structures on demolished sites. Please note that HOME funded new construction is limited to areas with demonstrated functioning markets, please refer to Target Area Map.

Key HOME Compliance Requirements and/or Events	Timeline or Amount
Responses due for RFP	(60) day response period
Construction start deadline*	Within (6) months of initial commitment letter
Construction completion deadline**	Within (18) months of initial project closing.
Minimum project size	(15) HOME funded multi-family rental units or (10) HOME funded single-family rental or homebuyer units
Maximum HOME funding Rental project	The maximum amount of HOME subsidy per unit cannot exceed the 221 (d) (3) (ii) limits per 92.250 (a) of the HOME regulations. The HOME award will be based on the project’s documented need for HOME financing.
Maximum HOME funding Homebuyer project	The maximum amount of HOME subsidy per unit cannot exceed \$75,000 without permission from Department. Total development cost may not exceed twice the appraised value of property. Only projects with demonstrated demand will be approved through market study and or pre-sales. Please refer to HOME regulations for current sales price limit. The HOME award will be based on the project’s documented need for HOME financing.

*\*At its sole discretion, the City may provide an extension of up to (90) days if there are unavoidable delays.*

*\*\*At its sole discretion, the City may provide an extension of up to (120) days if there are unavoidable delays.*



## **SECTION 4: THRESHOLD/FEASIBILITY REVIEW AND OTHER REQUIREMENTS**

### **Subsection 4.1: Threshold/Feasibility Review**

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

- A. A Cover letter must be included that states the reasons for pursuing this RFP and the reasons the City should seriously consider this project/organization for funding.
- B. Application and attachments must be complete.
- C. Application must be received by the application submission deadline.
- D. All HOME funded projects under this RFP may be in 'Eligible Areas' as designated by the City based on new construction or acquisition and/or "Hardest Hit Area" Map. Maps of these areas are included as Exhibit A (acquisition and/or rehabilitation) and Exhibit B (new construction) and Exhibit C Hardest Hit Area Map.
- E. Site control must be evident. Evidence of site control must be provided and can include an executed option to buy, a purchase agreement, or a deed, and must be legally binding on the seller throughout the application review period.
- F. Per the new 2013 HOME Final Rule, an assessment of the market conditions of the neighborhood in which the project will be located must be submitted in the form of a third party market study or other data/studies mutually accepted by the City and other lenders.
- G. The proposed activity must be eligible under the City's HOME Program and this RFP. All outlined requirements must be met.
- H. Projects must comply with HOME income targeting requirements.
- I. Applications that do not meet the above threshold requirements will be deemed ineligible for further consideration. Ineligible applications will be returned to the applicant at the end of the review period.
- J. Projects meeting the threshold/feasibility review requirements will be scored. Eligible applications will be evaluated by City staff based on information provided under the "Submission Contents and Instructions" section below and according to the selection criteria contained therein.

### **Subsection 4.2: HOME Financing Requirements\***

**HOME funding may be offered in the form of two types of project financing loans to successful respondents of this RFP. 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, which is incorporated as a part of this RFP, the HOME affordability period will not terminate upon the repayment of the HOME funds or transfer of the property during the affordability period.**

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

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

The following terms apply to homebuyer projects only:

*\*HOME Funds used for single-family homebuyer projects may not be used as a permanent mortgage for the property, or to refinance existing debt.*

- *When the total cost of development (acquisition, construction, soft costs) exceeds the after-construction appraised value of the property, the difference between the development cost and the after-construction appraised value shall be considered a grant and not be repaid to the City of Detroit's HOME Program, and is considered "development subsidy".*
- *When properties are sold for a price greater than the after-construction appraised value, the difference between the appraised value and the sales price must be repaid to the City of Detroit's HOME Program, and is considered "development surplus".*

- *The appraised value of the property after construction cannot exceed most current FHA Maximum Mortgage Limits for Wayne County.*
- The HOME Affordability 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 HOME Affordability Restriction Agreement shall survive foreclosure and the HOME compliance obligation will be binding on the foreclosing lender.

**All projects supported by HOME funds must comply with the associated statutory and regulatory requirements for the HOME program. The City of Detroit strongly encourages interested parties to review the authorizing legislation, and the implementing regulations or alternative requirements for the HOME program before applying for assistance. See the following reference for additional information:**

The HOME Program was authorized under Title II of the Cranston–Gonzalez National Affordable Housing Act, as amended, and the implementing regulations are found in Title 24, Part 92, of the Code of Federal Regulations.

### **Subsection 4.3: CDBG Financing Requirements and Eligible Costs\***

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

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

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

Subject to all City approvals, the City of Detroit may utilize CDBG funds to reimburse applicants for expenses incurred on any of the soft costs listed in Section I. Threshold/Feasibility Review and Other Requirements, “Eligible Costs.” The applicant must submit an official request to the Department for soft cost reimbursement, and the applicant must provide all necessary documentation to support the reimbursement request. At its sole discretion, the City will determine the soft costs for which the applicant may seek reimbursement. The City will provide financing in the form of a deferred and/or forgivable loan. See Section 4.3.” CDBG Financing Requirements” for more information. Although limited, these funds may be used as a supplement or substitute for HOME funds. Additionally, applicants with other funding sources may simply apply for pre-development soft cost financing.

\*The City May substitute NSP1 and/or NSP 3 funds for CDBG funds for projects in the respective NSP program target area.

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

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

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

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

#### **Subsection 4.4: City Bond Fund Requirements and Eligible Activities**

Subject to all City approvals, the City may award bond funds to support the infrastructure surrounding a *housing project approved for other City financing*. At its sole discretion, the City will determine the total amount of bond funds that the City may award. The City will base the award of bond funds upon the particular infrastructure needs of the project.

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

#### **Subsection 4.5: Definition of Development Entities**

Under this RFP, the following definitions will apply to the Developer and related parties:

- “Capitalized entity” is defined as “every individual affiliate, plus all corporations/partnerships/LLC in the affiliate pool that have any assets other than the project.”
- “Affiliate” is defined based on definitions used in various HUD programs:
  - “Affiliate”: any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust, or individual controlled by, under common control with, or which has a controlling interest in the borrower.
  - “Controlled by,” “under Common Control with,” or “Controlling Interest”:

- The direct or indirect power (under contract, equity ownership, the right to vote or determine a vote, or otherwise) to direct the financial, legal, beneficial or other interests of a company (or other entity) and includes the definition of “control” in 24 CFR 401.310(a)(2); or
- The power to vote, directly or indirectly, 25 percent or more of any class of the voting stock of a company; or
- The ability to direct in any manner the election of a majority of a company (or other entity’s) directors, trustees or members; or
- The ability to exercise a controlling influence over the company or entity’s management and policies.
- Note: For purposes of this definition, a general partner of a limited partnership is presumed to be in control of that limited partnership, and a managing member of a limited liability company is presumed to be in control of that limited liability company.

**Subsection 4.6: Affordability Period**

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

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

*\*The minimum affordability for homebuyer projects with rehabilitation or new construction assistance over \$40,000.00 per unit, is (15) years.*

## **Subsection 4.7: Eligible HOME Costs**

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

- Acquisition costs – Acquisition and related costs of securing vacant lots or existing buildings for the development of housing under this RFP are eligible. Acquisition costs are subject to a Uniform Relocation Act (URA) compliant appraisal and related costs must be reasonable and necessary.
- Construction/Rehabilitation costs – Reasonable and necessary new construction or rehabilitation costs are eligible under this RFP.
- Soft costs – Reasonable and necessary soft costs are eligible for reimbursement. Please note that funding for soft costs is only eligible in collaboration with an eligible hard cost, and must be approved by the City. Examples of eligible soft costs could include the following project related costs:
  - Financing fees
  - Title commitments and insurance
  - Surety fees
  - Title and recording fees
  - Legal and accounting fees, including cost certification
  - Environmental reviews
  - Appraisal
  - Architectural and engineering fees
- City legal fees – The City requires Developers of HOME assisted projects to pay the City's legal fees, which are currently estimated at \$30,000.00 - \$40,000.00 per project. The legal fees are an eligible HOME cost that can be paid out of the HOME award.
- Developer fees – Developer fees on the project must be approved by the City, and the Developer fees in aggregate for the entire project will not exceed 15% of the total development costs less the Developer fees. The Developer fee disbursement schedule will be negotiated with the Developer based on the City's review of the project pro forma and requirements of other funding sources. A portion of the Developer fee may be deferred, if required by the project budget.
- Contractor fees – The contractor will be governed by the following maximum ratios: Contractor profit-6%, Overhead -2%, and General Conditions -6%. The City of Detroit may consider higher percentages for these fees if MSHDA or other funder approves higher percentages, such as in the case of less than 50 units, for which MSHDA allows a combined fee up to 20%.

- Initial operating deficit reserves – In order to facilitate project viability, HOME funds may be used to cover the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up. This reserve is limited to the reasonably projected deficits for a period not to exceed the first 18 months of project rent-up after completion. The reserve may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve account that remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the City. The Developer is required to provide an estimate of initial operating deficits in the development income operating pro forma as part of the application submission for to this RFP. City staff shall review and approve (and, if appropriate, reduce) the proposed reserve amount.
- Lead-based paint inspection – Unless the City’s award letter expressly states that the City will reimburse the Developer for certain pre-award development costs, the Developer will be responsible for all costs incurred prior to obtaining an award for HOME funds from the City.
- Down payment and closing costs assistance - For HOME-assisted units.

#### **Subsection 4.8: Ineligible Activities and Costs**

In accordance with 24 CFR Part 92.214 of the HOME regulations, applicable Office of Management and Budget (OMB) Circulars, and the City’s own local requirements, the following activities and costs are prohibited under this RFP:

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

#### **Subsection 4.9: Minimum Unit Sizes and Minimum Numbers of Bedrooms**

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

Apartments for rental to seniors or special needs populations:

Efficiency - 450 sq. ft., 1 bathroom minimum  
1 bedroom - 625 sq. ft., 1 bathroom minimum  
2 bedrooms - 750 sq. ft., 1 bathroom minimum

Apartments for rental to families:

1 bedroom - 625 sq. ft., 1 bathroom minimum  
2 bedrooms - 850 sq. ft., 1 bathroom minimum  
3 bedrooms - 1100 sq. ft., 1½ bathroom minimum  
4 bedrooms - 1150 sq. ft., 2 bathroom minimum

Single-Family/Duplex/Town Homes for rental:

2 bedrooms - 1050 sq. ft., 2 bathroom minimum  
3 bedrooms - 1220 sq. ft., 2 bathroom minimum  
4 or more bedrooms - 1420 sq. ft., 2 bathroom minimum

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

**Subsection 4.10: Minimum and Maximum HOME Funding per Project**

Projects are subject to the HOME mandated minimum investment of \$1,000 per unit and maximum per unit subsidy limits under Section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the City of Detroit.

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

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

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

**Subsection 4.11: Minimum Number of Units**

Projects must include a minimum of fifteen (15) completed eligible multi-family housing units or ten (10) single-family housing units.



## **Subsection 4.12: Project Costs and Other Requirements**

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

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

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

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

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

Lease-up Costs: The development budget must include lease-up costs and adequate reserves as outlined in the section on initial operating deficit reserves on page 9. The City is willing to include these costs as a part of the HOME funding award.

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

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

## **Subsection 4.13: Compliance With Applicable State and Local Laws**

- **Construction/Rehabilitation** – In all work under this RFP, Developers must adhere to all applicable state and local laws, codes, zoning, and other requirements relating to construction, rehabilitation, and housing safety, quality, and habitability. Developers must incorporate the “**Required Green Building and Energy Efficiency Practices**” as detailed below. Construction must not have started prior to the approval of HOME funding and the receipt of environmental clearance from HUD.

- **New Construction** – All new construction must meet Housing & Revitalization Department Contractor’s Performance Standards Revised November 2008 (which include the City’s Housing Rehabilitation and new Construction Standards) and local building codes. The project should also meet FHA requirements for new construction, when applicable.
- **Rehabilitated Units** – All rehabilitated units must meet Housing & Revitalization Department Contractor’s Performance Standards (which include the City’s Housing Rehabilitation and new Construction Standards) and local building codes, lead-based paint requirements, and other environmental standards. Rehabilitation supported with HOME funds will be required to conform to 24 CFR 92.251 (UPSC) of the HOME regulations, as applicable.
- **Minimum Rehabilitation Budget** - All HOME assisted units must be rehabilitated to the requirements of the Housing & Revitalization Department Contractor’s Performance Standards and local building codes as noted above, which are incorporated as a part of this RFP and will be provided to each Developer in the form of hard copies and placed on P&DD’s website for download. The HOME assisted project must provide decent, safe, and affordable housing with quality materials and labor as dictated by the rehabilitation standards. The per unit rehabilitation budget for each HOME assisted unit will be subject to a City approved rehabilitation work write-up and specifications.
- **Lead-Based Paint** - If a rehabilitated unit in this program was originally placed into service prior to January 1, 1978, rehabilitation must comply with HUD lead-based paint rules (24 CFR Part 35 and 24 CFR Section 570.608). A lead-based paint inspection and lead-based paint risk assessment for lead-based paint hazards shall be conducted, and rehabilitation work must be done by contractors meeting the requirements of the HUD lead-based paint rule and the EPA Renovation, Repair, and Painting rule. All purchasers and tenants of HOME assisted structures constructed prior to 1978 must be notified of the hazards of lead-based paint poisoning in accordance with requirements at 24 CFR Part 35.
- **Zoning** - Appropriate zoning for the site(s) must be evident and documentation must be submitted with the application. Evidence may include items such as a City zoning verification letter or a letter from the City approving the rezoning of the site(s).
- **Required Green Building and Energy Efficiency Practices** – All new construction or substantial rehabilitation of residential buildings under 3 stories receiving HOME funding must be designed to meet the standard for ENERGY STAR Version 3 for new construction. All procedures used for this rating shall comply with National Home Energy Rating System guidelines. All new or substantial rehabilitation in buildings above 3 stories receiving HOME funding must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G, plus 20 percent.

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

#### **Subsection 4.14: Developer Financial Capacity**

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

- The company is financially stable at the time of application and is not overleveraged in terms of its ability to meet its debt obligations.
- The company has the working capital to meet its operating needs and complete all open projects in its development pipeline.
- The Developer must demonstrate that it has adequate financing available to maintain the property over the length of the affordability period.
- **Completion Guaranty:** The Developer must provide a completion guaranty to the City using the City provided template in which the Developer shall guarantee payment of liabilities and cost over runs of up to 10% of the construction contract. The Developer will provide reassurance to the City that the project will be completed on time and on budget. The RFP response shall indicate which Capitalized Entity (i.e.) will provide the Completion Guaranty. The proposed guarantor(s) must be acceptable to the City, in the City's sole and absolute discretion the Developer shall be responsible for covering any shortfalls and shall be contractually obligated to pay for said shortfalls pursuant to the Development and Loan Agreement.

#### **Subsection 4.15: Pro Forma and Cash Flow Requirements**

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

Other items to consider in completing the pro forma include:

- Leveraging of private or HOME funded long term debt as a source of funds will be subject to the project's ability to support such financing as demonstrated by the project's operating pro forma. Using standard underwriting criteria and cost reasonableness, the Developer must clearly demonstrate through the project's operating pro forma that the repayment of this debt will not be a burden on the long term viability and affordability of the project.
- Debt service coverage ratio requirements outlined on page 21.
- All funding and associated requirements are clear and adequately reflected in the pro forma.
- The pro forma must be based on sound, appropriate information, convincing data, and realistic inflators as well as operating cash flows that are realistic and adequate.
- The project demonstrates financial feasibility over the term of the pro forma and the project is not unduly enriched.
- There is no project pro forma submission for homebuyer projects. In lieu of a pro forma, homebuyer applicants must provide a discussion of how HOME funds will be used in conjunction with other funding, to make units more affordable to income eligible households.
- Affordable Rent Restrictions – Developers must propose rents for the HOME assisted units that may not exceed the lesser of comparable market rents or the HOME rents minus utility

allowances. See attached maximum rent standards for the City of Detroit. 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 (use the attached utility schedule or provide actual historic data on utility usage).

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

The rent standards must be reduced if the tenant pays for utilities because the calculation of these rent standards includes all utilities excluding telephone. However, in practice many utilities (water, heat, air conditioning, cooking gas, etc.) are not included in rents.

Utility allowances provide a mechanism for adjusting the maximum allowable HOME rents when the tenant pays some or all utilities. See attached utility charts by housing type.

- 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:
  - a. 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.
  - b. For new construction projects, the Developer must deposit at least \$600 PUPA. The City may consider a lower amount only if the Developer submits evidence acceptable to the City establishing that a lower deposit amount will cover 100% of likely long term capital needs over the HOME affordability period.

#### **Subsection 4.16: Market Study**

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

### **SECTION 5: SELECTION PREFERENCES**

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

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

The City’s objective is to prioritize funding projects located in targeted geographic areas of the City. This approach will ultimately result in more effective neighborhood stabilization and revitalization throughout the City.

1. **Geographic Alignment** – All HOME and/or CDBG funded projects under this RFP may be in ‘Eligible Areas’ as designated by the “2016 Targeted Multifamily Housing Areas Map.” (Single Family Projects may also be located in one of the shaded areas targeted on the Map.)

**B. Maximize Leverage of HOME Funds**

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

As required by the HOME regulations governing this RFP, the HOME assisted project should not receive any more HOME funds than what is necessary to make the project affordable, taking into consideration long term viability. However, leveraging of private or HOME funded long term debt as a source of funds will be subject to the project’s ability to support such financing as demonstrated by the project’s operating pro forma. The Developer must clearly demonstrate through the project’s operating pro forma that the repayment of this debt will not be a burden on the long term viability and affordability of the project.

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

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

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

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

- i. Preference for Rental Renovation/Rehabilitation Projects:** In this funding round a strong preference is being given to funding the acquisition and/or rehabilitation of vacant properties. New construction may be considered, but only in limited areas of the City with strong market demand for proposed housing. Applicants can also propose a mix of new construction and acquisition/rehabilitation in eligible target areas.
- ii. Preference for Mixed Use Projects:** HOME funds through this RFP can be used for rental housing development for low- and moderate-income households in projects that include mixed uses such as office and retail below residential units. HOME funds can be used to develop the housing but the office and retail components of the project must be developed with other sources of funding. Non-housing related costs are ineligible through HOME.
- iii. Preference for Mixed Income Projects:** HOME funds through this RFP can be used for rental housing development for low- and moderate-income households in projects that contain market rate housing units for households with incomes above 80% of AMI. However, the market rate housing units at or above 80% AMI housing units must be developed with other sources of funding because the costs related to those units are ineligible through HOME.

## **SECTION 6: PROGRAM LEGAL DOCUMENTS AND REPORTING REQUIREMENTS**

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

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

The legal documents are incorporated as a part of the RFP and shall be available in hard copy from Housing & Revitalization Department or can be downloaded from the Department's website.

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

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

- Annual certified rent-roll within 30 days of the project's fiscal year end;
- Operating budget comparing actual to projected income/expenses prepared by Developer and property manager 60 days prior to the project's fiscal year end;
- Annual Division 8 (UPCS 92.251.B) Inspection Report;

- Annual re-certification of tenant income;
- Lease status and rental amount for each property;
- Other data needed to support HUD reporting requirements and performance measures; and
- Tenant income, household composition, and other information required to document eligibility.

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

Additional project/program requirements will be outlined in the Development and Loan Agreement following the selection of projects. All documents are available in hard copy format and on P&DD's website for download.

## **SECTION 7: HOME PROGRAM REQUIREMENTS**

- The proposed project and the Developer must satisfy all HOME program requirements, not just those that are specifically listed in this RFP. HUD published a Final Rule in the *Federal Register* on July 24, 2013 to amend the HOME Investment Partnerships (HOME) Program regulations. These amendments to the HOME regulations represent the most significant changes to the HOME Program in 17 years. This Final Rule will provide the legislative oversight under this RFP. Please refer to the link below for a summary of these changes at <https://www.onecpd.info/home/home-final-rule/>
- **Income Targeting: Occupancy by Low- or Moderate-Income Households** – For the purposes of this RFP, all units assisted with HOME funds must serve households with incomes at or below 60% of AMI, adjusted by household size, as defined below. At least 20% of all properties must be rented to households at or below 50% of AMI. See attached HOME Income Limits for 2013. Homebuyer units are targeted for households at or below 80% AMI.
- **Accessibility** – Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973.
- **Bonding** – The contractor completing the rehabilitation/new construction work will be required to secure a 100% Payment and Performance Bond on a rehabilitation/new construction project with an estimated rehabilitation/new construction cost of \$100,000 or more in the aggregate. The surety (the provider of the bond) must be authorized to do business in the State of Michigan.
- **Construction/Rehabilitation** – In all work under this RFP, Developers must adhere to all applicable state and local laws, codes, zoning, and other requirements relating to construction, rehabilitation, and housing safety, quality, and habitability. Developers must meet Housing & Revitalization Department Contractor's Performance Standards. Developers must incorporate "**Required Green Building and Energy Efficiency Practices**". Additionally, Developers are encouraged to use HOME funds to incorporate modern, green building, and energy-efficiency improvements as described on that same page. Construction must not have started prior to the approval of HOME funding and the receipt of environmental clearance from HUD.

- **Rehabilitated Units** – All rehabilitated units must conform to the City’s Housing Rehabilitation Standards, which are included in the Housing & Revitalization Department Contractor’s Performance and local building codes, lead-based paint requirements, and other environmental standards. Rehabilitation supported with HOME funds will be required to conform to 24 CFR 92.251 of the HOME regulations, as applicable.
- **Davis-Bacon** – For properties of 12 units or more, construction will be subject to Federal Labor Standards including Davis-Bacon wage and record-keeping requirements. The Davis-Bacon “Commercial” wage scale will be applicable to buildings with more than three stories.
- **Section 3** – The Developer must agree to comply with the provisions of Section 3 of the Housing and Urban Development Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued thereunder prior to the execution of any construction contract and shall be a condition of any HOME funds awarded as a result of the RFP. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to low- and very low-income residents of the project area, and that contracts for work in connection with the project be awarded to business concerns that provide economic opportunities for low- and very low-income persons residing in the metropolitan area in which the project is located. Any Developer that receives a HOME award of at least \$250,000 and any contractor or subcontractor that receives at least \$100,000 shall be subject to the Section 3 provisions. The Developer must certify that no contractual or other disability exists that would prevent compliance with the requirements.

The Developer must also agree to include Section 3 language contained in the HOME Development and Loan Agreement in all construction contracts and subcontracts using HOME funds.

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

- **Debarred, Suspended or Ineligible Contractors** – The Developer must ensure that no member or contracting entity or affiliate of the development team is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from any entity from a federally funded transaction. Any contractor that remains on a debarred or suspended condition shall be prohibited from participation in the City’s HOME program as long as the contractor is classified in this manner. The Developer must register on the HUD SAMs website



to allow for confirmation that neither the developer, selected contractor nor any subcontractors are on the Federal or other debarred lists.

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

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

The findings of the environmental review may identify environmental concerns that necessitate an alteration, a change, or a modification to the proposed project. The City may require alterations, changes, or modifications to the project based upon the findings of the environmental review, and the Developer and all project participants must implement any alterations, changes, or modifications required by the City.

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

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

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

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

Following approval of all environmental documentation, the City shall prepare and submit for publication a notice that is consistent with applicable Federal regulations. Following the expiration of the public comment period identified in the notice, the City shall prepare and submit the Request for Release of Funds (form HUD 7015.15) to the U.S. Department of HUD. The City shall inform the Developer when HUD has issued the Authority to Use Grant Funds (form HUD 7015.16). Once HUD has issued the Authority to Use Grant Funds, the environmental review process is complete. The City may then execute the development and loan agreements for the project and issue a notice to proceed. Timing for completion of the environmental review process may vary depending upon site conditions and the affected environment.

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

- **Excess Funds/Subsidy Layering Reviews** – The City of Detroit shall conduct a subsidy layering analysis in accordance with the HOME regulations upon receipt of an application to ensure that it will not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide affordable housing. In order to avoid undue enrichment, as required by program rules, excess HOME funds including any budgeted and unused hard cost and soft cost contingencies shall be retained by the City after all approved costs and approved Developer fees are paid. In addition, HOME funds set aside for initial operating deficit reserves are **not** included in the “unused” cost categories. As projects will have multiple funding sources, the Development and Loan Agreement will detail the uses of each funding source, and outline how excess funding is to be managed. A post completion subsidy layering analysis may also be done using a final cost certification and financing certification from the Developer to determine the disposition of any unused funds and to verify all costs. Unused HOME funds may not be used for initial operating deficit reserves as these would be included in the initial financing budget.
- **Cost Certification** – A Cost Certification Report must be prepared by an independent public accountant, based on an audit of the Developer’s accounting records at the time of completion and submitted to City staff. If there is an identity of interest between the Developer and the general contractor, then the accountant must review the general contractor’s accounting costs to see what the costs the general contractor actually paid. The standards for the City-required cost certification report are included in the HOME Development and Loan Agreement, which is incorporated as a part of this RFP. The Developer and the general contractor should not be the same entity.

- **Financing Certification** – A Financing Certification Report must be prepared by the Developer at the time of completion and must list and certify all actual sources of funds that were used for the project. The standards for the City-required financing certification report are included in the HOME Development and Loan Agreement, which is incorporated as a part of this RFP.
- **Limitation on Demolition** – Demolition of an existing structure may be funded through HOME only if construction will take place on the HOME project within (6) months. An extension may be granted at the sole discretion of the City.
- **Relocation** – All HOME assisted homes and properties acquired or rehabilitated through this RFP are subject to the Uniform Relocation Act and should be vacant prior to initiation of the project, as defined by the Uniform Relocation Act and prior to the City’s funding commitment. If occupied, the Developer **must** adhere to Federal requirements related to acquisition, displacement, and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act). The City must approve a relocation plan for the project prior to award and commitment of funding for the project.

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

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

## **SECTION 8: SUBMISSION CONTENTS & INSTRUCTIONS**

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

### **Subsection 8.1: Cover Letter**

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

### **Subsection 8.2: Target Area Map**

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

### **Subsection 8.3: Application and Required Forms**

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

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

### **Subsection 8.4: Organization Information and Developer Capacity**

- A. Provide a **narrative** overview of the organization's history and experience in developing market rate and affordable housing, and particularly rental housing. Provide details and locations about specific projects that you have completed. Identify your experience in working with Federal funding sources/programs, including NSP, CDBG or HOME program experience. If you have developed housing for entities other than the City of Detroit, provide **references**. Also indicate whether your organization has a current presence in the City of Detroit, and provide details about the nature of your involvement, including the location of your local office, if applicable, and the community development and affordable housing work in which you are presently engaged.
- B. Provide a full organizational chart showing all affiliates. Affiliate is defined in this RFP. Provide a full disclosure of the organizational structure of the applicant, shall identify Affiliates, and shall identify Capitalized Entities: Indicate which Capitalized Entity will provide the Completion Guaranty and disclose all guaranties (including, without limitation, guaranties of completion, operating deficit guaranties, and guaranties to tax credit investors) that the applicant (or any Affiliate) has agreed to provide or expects to provide in connection with the proposed project.
- C. Provide narrative describing your development team for the project. Describe the role, experience, and capacity of each person on the team. Include internal staff, project owner, project manager, specification writer, financial/accounting professionals, architects, engineers, contractors, construction manager, marketing professionals, property manager, asset manager, consultants, etc., as appropriate. Provide **resumes** for each staff person, partner, and development team member, along with **letters of commitment** from each entity with which you propose to partner or contract and a narrative description of each organization. If in place,

provide a copy of the **contract** between you and the primary building contractor for the project. The contract may be contingent upon project funding.

- D. Provide narrative describing any existing commitments and any other opportunities that you plan to pursue during the proposed development period for your project. Outline the start and completion dates, funders, and total budgets for all other projects with which you will be involved. Explain how you will manage these multiple obligations.
- E. Provide narrative showing proof that there is experience and a system in place to market the units and to comply with tenant requirements for affordable housing.
- F. Explain the systems you will have in place to manage the property and the assets. Outline how you will handle unit turnover, collection of rent payments, recordkeeping requirements, and evictions. Provide your plan for the provision of maintenance. Describe any services that you will offer to tenants.
- G. Provide copies of **current financial statements, recent financial audits**, and/or other information that establishes the financial capacity of the Developer to undertake and complete the proposed project. Recent audits must be within 12 months prior to the application. Current financial statements must be the Developer's monthly financials for the current year to date.
- H. Prior to the signing of the Development and Loan, the Developer must be prepared to provide evidence of insurability for the insurance standards listed below:
- The Developer shall maintain for the duration of the contract(s) and the affordability period, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Developer, its agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission. The Developer must also ensure that the project is covered by Builder's Risk insurance during the construction period.
  - Additional Insured Status: The City of Detroit must be listed as an additional insured for liability arising from activities performed by or on behalf of the contractor and the Developer across all required insurance policies.
  - Amounts: The Developer's certificate of liability insurance should provide the following coverage:
    - Commercial general liability: \$1,000,000 per occurrence, \$2,000,000 in the aggregate
    - Worker's compensation: \$500,000 per accident, disease, employee
    - Excess liability: \$1,000,000
    - Automotive public liability: \$1,000,000

All policies must provide that the City will receive 30 days prior written notice of cancellation.

The Developer's evidence of property insurance must be for full replacement value. Builder's Risk Insurance must not be for less than the amount of the Construction Contract. The Developer must be the named insured on the Developer's commercial Liability coverage, the property insurance, and the builder's risk insurance.

### **Subsection 8.5: Project/Property Information and Feasibility**

- A. Provide a detailed description of the proposed project for which funds are being requested. Also provide the following information:
1. Identify and describe the eligible activities for which you are applying
  2. Describe the work to be performed and method of approach.
  3. Describe the methods you will utilize to ensure cost effectiveness of the project.
  4. Identify the construction company you will employ to complete this project.
  5. Explain how you arrived at the projected rental amounts for each unit or house and how you will complete and rent the project within the prescribed timeframe.
  6. Describe the marketing and outreach strategy you will utilize to reach your target program participants, screen tenants, and comply with all fair housing and non-discrimination requirements.
- B. In the above narrative, indicate the HOME funding requested for development, plus any other types of funding to be used. Provide **letters of commitment** for these funds, including funding amounts, and specify all key business terms. Also identify any and all conditions that must be satisfied before each funder will be willing to close. If project funds are not available at the time of application submittal, please identify when you applied or will apply for the identified funds. Also, please identify when the commitment may be expected.
- C. Provide copies of the following documents, if applicable and available. The documents provided in this section serve primarily to support the narrative above and the submission of the documents themselves may not garner any points under this scoring criteria. If provided, *these documents must be complete, detailed, and acceptable to City staff and shall allow any or all factors below to contribute to the scoring of the full points available under Readiness to Proceed.*
1. A work write-up/**scope of work** (rehabilitation) or plans and specifications (new construction).
  2. A construction cost estimate prepared by the project's architect or qualified cost estimator as detailed starting on page 12 of the RFP.
  3. A **lead risk assessment and inspection report** (for all rehabilitation of pre-1979 structures). Refer to lead based paint requirements on page 13 of this RFP.
  4. **Evidence of site control.** This must be evidenced by submission of an executed option to buy, a purchase agreement, or a deed, and must be legally binding on the seller for at least 9 months past the deadline for application submission.

5. Evidence of proper **zoning** for the site(s), such as a City zoning verification letter or a letter from the City approving the rezoning of the site(s).
6. **Appraisals** for all project property (land and buildings).
7. Copies of all necessary building **permits** and any other necessary **permits** for the project.
8. A detailed **rehabilitation or new construction budget** with sources and uses and a breakdown of costs by trade.
9. A preliminary **construction schedule**.

- D. If Low Income Housing Tax Credits (LIHTCs) are proposed, provide a letter of commitment for the LIHTC reservation, a conditional commitment (not a letter of interest) from an investor, note when your carryover deadline occurs, and explain how you will meet carryover. If 4% LIHTCs, provide a copy of the inducement letter. *The above is necessary for this factor to go towards scoring the full points under the section Readiness to Proceed.*
- E. Identify any and all key milestones that must be completed prior to closing, including any needed permits to be obtained, contracts to be executed, environmental clearances to be obtained, etc.

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

### **Subsection 8.6: Location and Market Information**

- A. Provide **narrative** identifying the specific geographic location(s) in which you plan to develop your project, reflecting the eligible target area(s) noted above under the Section “City Investment Approach - Geographic Alignment and Prioritization of Investments”. Provide a **map of the proposed project area** showing the location of each specific property under consideration, and the boundaries of the eligible target area(s) in which the project falls. Scattered site projects are acceptable. Each unit in a scattered site project must be located in close proximity to every other unit in the project (clustering/concentration on the same block or adjacent blocks is ideal). Additionally, the Developer must outline consistency with the City’s targeting criteria.
- B. Provide a market study as previously described. The market study must demonstrate that there is a market and demand for the units in the project. The market study report for the project must meet the State of Michigan requirements for tax credits or similar third party market study. For HOME CHDOs and Developers of 5-10 unit scattered site single-family houses, a more limited scope market study may be used along with an existing verifiable pipeline of prospective renters.
- C. Describe in what ways the project is designed to have an impact on the surrounding neighborhood and market.

1. Provide information on the proximity of the project to each of the following (identify, describe, and provide distance at the tenth-mile unit to the nearest of each of the following):
  - a. Other community development efforts.
  - b. Other significant investments in the neighborhood or the project made by other private, non-profit, philanthropic, or City agencies.
  - c. Employment centers/neighborhood anchors.
  - d. Educational facilities.
  - e. Neighborhood retail.
  - f. Park, playground, or public open/recreational space.
  - g. Other amenities or services that may add value to the project and stabilize the community (identify and describe).
  - h. Community support for the project from stakeholders in the area of the proposed project.
2. Describe the income and use mix of the project, and how it will fit in with the fabric of the existing community. Explain whether there will be any market rate units, and if so, how these units compare and contrast with the rent assisted units. Market rate units must be comparable in size, location within the project, amenities, views, and finishes. Describe any commercial or other non-housing portions of the project, and portray how they will fit with the residential use.
3. 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.
4. Identify any mechanisms currently in place to assist with the rents for potential tenants.
5. Explain how homes are selected to meet the needs and tastes of the targeted market population, including house layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, etc.
6. Describe the building materials, design features, and amenities that will make the units energy efficient and marketable.
7. If a market study that meets the State of Michigan requirements for tax credits has been done for this project, please include it with your submission. A market study will be required at application or within eight (8) weeks after the application. The market study must show that the proposed project is marketable as structured. Points in this section will not be given for the submission of the market study, but rather for evidence of marketability, as described in the requested narrative in this section.



### **Subsection 8.7: Readiness to Proceed Information**

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

### **Subsection 8.8: Program Employment Goals Information**

- A. The Developer must also demonstrate the ability and willingness to employ low-and very low-income persons within the targeted area and community in which the project resides. Section 3 compliance is a required for all projects funded through this RFP.
- B. Evidence that the Developer is a Minority/Women-Owned Business or Minority/Women’s Business Enterprise, as applicable.

## **SECTION 9: SCORING CRITERIA**

### **Subsection 9.1: Organization Information and Developer Capacity**

*(Maximum of 20 points)*

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

- The staff and principals of the organization have adequate development skills and similar experience in developing housing of the type being proposed in the RFP.
- The development team has been identified and secured and has adequate development skills and similar experience in developing housing of the type proposed in the RFP
- The Developer must have adequate staffing levels with appropriate skills and qualifications to complete the proposed project within the stated timeframe. The Developer must also demonstrate that previous experience is similar in type, scale, and complexity to proposed HOME assisted project.
- The organization is fiscally sound and has the systems and financial resources to develop the proposed projects. Developer must provide evidence of organizational financial strength.
- Demonstrate that Developer’s current and projected non-HOME project workload will not interfere with the ability to complete the proposed HOME project in a timely manner.
- The project demonstrates financial feasibility over the term of the pro forma and the Developer is not unduly enriched.

- The Developer must have substantial experience and capacity in the successful lease-up and management of rental property, as well as experience in asset management, rental development activity, and ownership of projects of a similar type and size.

### **Subsection 9.2: Project/Property Information and Feasibility**

*(Maximum of 20 points)*

Scoring will not be based on the submission of documents under this section. The Developer must demonstrate the following through narrative and completed forms/templates:

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

### **Subsection 9.3: Location and Market Information**

*(Maximum of 20 points)*

- A. Beyond the geographical target threshold areas, projects will be scored more favorably if they are also located in one or more of the following targeted areas:
- Areas that are designated within acknowledged or approved Community Plans as delineated for housing development of the type proposed.
  - Projects that are within designated Historic Districts.
  - Areas that are in close proximity to community amenities and employment centers.
- B. The market demand for the project will be scored based on the results of the market study, which shows that the demand for the units exists and that the proposed units in the project compare with similar units in the area in terms of size and amenities.

C. The Developer shall provide evidence of the following:

- That the project will be marketable and involve properties that demonstrate the likelihood of having a stabilizing impact on the neighborhood. The following factor is considered under this section: mixed use projects or mixed income projects can positively contribute to neighborhood stabilization and will receive favorable consideration under this RFP, subject to the project's scoring under the remainder of RFP criteria and its ability to meet any threshold requirements.
- The project provides targeting for specific special populations as demonstrated by coordination with the local Continuum of Care, specific targeting for special populations, or if the Developer brings a Federal subsidy targeted to special populations. All of the units in the project must not be targeted to the special population.
- The project is a good fit for the proposed neighborhood, rental housing is needed in this area, and the project is of a significant size and density as to make an impact on the community.
- Homes are designed to meet the needs and tastes of the targeted market population, including house layout, size, number of bedrooms/bathrooms, architectural and aesthetic value, etc.
- Projected rehabilitation/construction includes materials, design, and amenities that will make the units efficient and marketable.

**Subsection 9.4: Readiness to Proceed Information**

*(Maximum of 40 points)*

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

**Subsection 9.5: Program Employment Goals Information**

*(Maximum points N/A)*

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

**Maximum Number of Total Points: 100**

# APPENDIX A1: HOME RENTAL PROJECT DEVELOPER RFP CHECKLIST

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

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

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

___ Cover Letter .....	27
___ Target Area Map denoting census block group where project located .....	27, 79
___ Completed Application .....	28, 56
___ Development Team Table .....	28, 61
___ Acquisition/Site Control Status Table .....	28, 62
___ Project Timeline Table .....	28, 63
___ Project Location/Target Area Table .....	28, 63
___ HOME Rental Development Pro Forma .....	28, 76-78
___ Development Budget .....	28, 75
___ Narrative on Organization Information and Developer Capacity .....	28
___ References from past clients .....	28
___ Organizational Chart .....	28
___ Resumes for staff and partners and development team members .....	28
___ Contract with building contractor .....	29
___ Copies of current financial statements and recent audits .....	29
___ Narrative on Project/Property Information and Feasibility .....	30
___ Scope of Work (rehab) or plans & specifications (new construction) .....	30
___ LBP Risk Assessment (for pre-1979 houses) .....	30
___ Evidence of Site Control .....	30
___ Evidence of proper zoning for the site .....	31
___ Appraisals for project property .....	31
___ Copies of all necessary permits for the project .....	31
___ Detailed rehabilitation or new construction budgets .....	31
___ A Preliminary Construction Schedule .....	31
___ Required Market Study or Market Feasibility justification narrative .....	20, 31
___ Letters of Commitment from non-HOME funded sources including LIHTCs .....	30, 31
___ If LIHTCs, conditional commitment from investor or Letter of Inducement .....	31
___ Narrative on Location and Market Information .....	31
___ Narrative on Readiness to Proceed .....	33, 35
___ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___ Narrative on Program Employment Goals Information .....	33, 35
___ Proof of Certification as a Minority/Women-owned business or enterprise .....	33, 35
___ Signed Lobbying Certification .....	70
___ Signed Conflict of Interest .....	71
___ Signed Executive Order 2007-1 35-36 .....	72-73

**Acknowledgement by Authorized Person:**

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

Authorized Representative:

\_\_\_\_\_

(Signature of Authorized Representative)

\_\_\_\_\_

Date

\_\_\_\_\_

(Print Name & Title of Authorized Representative)

# APPENDIX A2: HRD Homebuyer Project Developer RFP Checklist

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

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

## Requests for Proposal (For Developer identified projects)

___ Cover Letter .....	27
___ Target Area Map denoting census block group where project located .....	27, 79
___ Completed Application .....	28, 56
___ Development Team Table .....	28, 61
___ Acquisition/Site Control Status Table .....	28, 62
___ Project Timeline Table .....	28, 63
___ Project Location/Target Area Table .....	28, 63
___ Development Budget (Please provide a project summary sheet plus complete one additional sheet for each unit) .....	28, 75
___ Narrative on Organization Information and Developer Capacity .....	28
___ References from past clients .....	28
___ Organizational Chart .....	28
___ Resumes for staff and partners and development team members .....	28
___ Contract with building contractor .....	29
___ Copies of current financial statements and recent audits .....	29
___ Narrative on Project/Property Information and Feasibility .....	30
___ Scope of Work (rehab) or plans & specifications (new construction) .....	30
___ LBP Risk Assessment (for pre-1979 houses) .....	30
___ Evidence of Site Control .....	30
___ Evidence of proper zoning for the site .....	31
___ Appraisals for project property .....	31
___ Copies of all necessary permits for the project .....	31
___ Detailed rehabilitation or new construction budgets .....	31
___ A Preliminary Construction Schedule .....	31
___ Letters of Commitment from non-HOME funded sources .....	30
___ Narrative on Location and Market Information .....	31-32
___ Required Market study and/or market feasibility justification narrative with letter indicating when Market Study will be completed .....	20, 31
___ Narrative on Readiness to Proceed .....	33, 35
___ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___ Narrative on Program Employment Goals Information .....	33, 35
___ Proof of Certification as a Minority/Women owned business or enterprise (if applicable) .....	33, 35
___ Signed Lobbying Certification .....	70
___ Signed Conflict of Interest .....	71
___ Signed Executive Order 2007-1 .....	72-73

**Acknowledgement by Authorized Person:**

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

Authorized Representative:

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

\_\_\_\_\_  
Date

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

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

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

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

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

___	Cover Letter (Threshold) .....	27
___	Target Area Map denoting census block group where project located .....	27, 79
___	Completed Application (Threshold) .....	28, 56
___	Development Team Table .....	28, 61
___	Acquisition/Site Control Status Table .....	28, 62
___	Project Timeline Table .....	28, 63
___	Project Location/Target Area Table .....	28, 63
___	HOME Rental Development Pro Forma (Threshold) .....	28, 76-78
___	Development Budget (Threshold) .....	28, 75
___	Narrative on Organization Information and Developer Capacity .....	28
___	References from past clients .....	28
___	Resumes for staff and partners and development team members .....	28
___	Contract with building contractor .....	29
___	Copies of current financial statements and recent audits .....	29
___	Narrative on Project/Property Information and Feasibility .....	30
___	Scope of Work (rehab) or plans & specifications (new construction) .....	30
___	LBP Risk Assessment (for pre-1979 houses) .....	30
___	Evidence of Site Control (Threshold) .....	30
___	Evidence of proper zoning for the site .....	31
___	Appraisals for project property .....	31
___	Copies of all necessary permits for the project .....	31
___	Detailed rehabilitation or new construction budgets .....	31
___	A Preliminary Construction Schedule .....	31
___	Required Market Study or Market Feasibility justification narrative .....	20, 31
___	Letters of Commitment from non-HOME funded sources including LIHTCs .....	30, 31
___	If LIHTCs, conditional commitment from investor or letter of inducement .....	30, 31
___	Narrative on Location and Market Information .....	31, 34
___	Narrative on Readiness to Proceed .....	33, 35
___	If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___	Narrative on Program Employment Goals Information .....	33, 35
___	Proof of certification as a Minority/Women owned business or enterprise .....	33, 35
___	Signed Lobbying Certification .....	70
___	Signed Conflict of Interest .....	71
___	Signed Executive Order 2007-1 35-36 .....	72, 73



**Acknowledgement by Authorized Person:**

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

Authorized Representative:

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

\_\_\_\_\_  
Date

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

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

Occupancy by Low-, Moderate-, Middle-Income Households – 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. The Area Median Income for the Detroit—Warren—Livonia metro area is \$64,400 for 2013.

### *Income Limits [Source: 2015 HUD Income Limits]*

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>80% AMI</b>	\$37,950	\$43,350	\$48,750	\$54,150	\$58,500	\$62,850	\$67,150	\$71,500
<b>60% AMI</b>	\$28,440	\$32,520	\$36,600	\$40,620	\$43,920	\$47,160	\$50,400	\$53,640
<b>50% AMI</b>	\$23,700	\$27,100	\$30,500	\$33,850	\$36,600	\$39,300	\$42,000	\$44,700

### *HOME Maximum Rents [Source: 2014 HUD HOME Program Rent Limits]*

<b>MAXIMUM RENT STANDARDS</b> <i>(Subtract Utility Allowance to Determine Maximum Actual Rents)</i>						
Unit Size	0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
<b>Low Home Rent Limit</b>	\$510	\$635*	\$762*	\$880*	\$982*	\$1,083*
<b>High Home Rent</b>	\$510*	\$648*	\$846	\$1,122	\$1,233	\$1,341
<b>For Information Only: Fair Market Rent</b>	\$510	\$648	\$846	\$1,128	\$1,233	\$1,418
<b>50% Rent Limit</b>	\$592	\$635	\$762	\$880	\$982	\$1,083
<b>65% Rent Limit</b>	\$759	\$814	\$979	\$1,122	\$1,233	\$1,341

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

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

### **Maximum Rent Example:**

1 Bedroom Apartment:	\$646
Allowance for heat:	-\$ 53
Maximum Allowable HOME:	\$593

**APPENDIX C: CITY OF DETROIT UTILITY SCHEDULE**  
*Monthly Allowances for Tenant-Paid Utilities*

<b>LOW RISE/GARDEN APARTMENTS</b>							
<b>Utility</b>	<b>0 Bedroom</b>	<b>1 Bedroom</b>	<b>2 Bedrooms</b>	<b>3 Bedrooms</b>	<b>4 Bedrooms</b>	<b>5 Bedrooms</b>	<b>6 Bedrooms</b>
<i>Heating: Natural Gas</i>	\$42.00	\$53.00	\$70.00	\$83.00	\$99.00	\$114.00	\$120.00
<i>Heating: Oil/Electric</i>	60.00/35.00	80.00/43.00	110.00/44.00	134.00/53.00	164.00/65.00	190.00/75.00	201.00/80.00
<i>Cooking: Natural Gas</i>	4.00	6.00	8.00	10.00	13.00	14.00	16.00
<i>Cooking: Electric</i>	3.00	4.00	5.00	6.00	8.00	12.00	14.00
<i>Hot Water: Gas</i>	5.00	7.00	10.00	11.00	13.00	15.00	16.00
<i>Hot Water: Electric</i>	16.00	22.00	27.00	33.00	41.00	45.00	48.00
<i>Other Electric</i>	14.00	18.00	25.00	29.00	33.00	35.00	39.00
<i>Water</i>	5.00	7.00	11.00	15.00	19.00	23.00	27.00
<i>Sewer</i>	12.00	15.00	22.00	28.00	35.00	42.00	48.00
<i>Range</i>	2.00	2.00	2.00	3.00	3.00	3.00	3.00
<i>Refrigerator</i>	3.00	3.00	3.00	3.00	4.00	4.00	4.00
<i>Natural Gas Customer Charge</i>	9.00	9.00	9.00	9.00	9.00	9.00	9.00

**APPENDIX D: CITY OF DETROIT UTILITY SCHEDULE**  
*Monthly Allowances for Tenant-Paid Utilities*

<b>DUPLEX OR TWO FAMILY</b>							
<b>Utility</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
<i>Heating: Gas</i>	\$49.00	\$63.00	\$83.00	\$100.00	\$120.00	\$138.00	\$145.00
<i>Heating: Oil/Electric</i>	73.00/40.00	98.00/50.00	134.00/53.00	165.00/65.00	201.00/80.00	234.00/93.00	247.00/98.00
<i>Cooking: Gas</i>	4.00	6.00	8.00	10.00	13.00	14.00	16.00
<i>Cooking: Electric</i>	3.00	4.00	5.00	6.00	8.00	12.00	14.00
<i>Hot Water: Natural Gas</i>	12.00	16.00	21.00	26.00	33.00	38.00	42.00
<i>Hot Water: Oil/Electric</i>	21.00/15.00	29.00/17.00	37.00/29.00	46.00/34.00	58.00/42.00	67.00/41.00	63.00/46.00
<i>Electricity</i>	14.00	18.00	25.00	29.00	33.00	35.00	39.00
<i>Water</i>	5.00	7.00	11.00	15.00	19.00	23.00	27.00
<i>Sewer</i>	12.00	15.00	22.00	28.00	35.00	42.00	48.00
<i>Range/Microwave</i>	2.00	2.00	2.00	3.00	3.00	3.00	3.00
<i>Refrigerator</i>	3.00	3.00	3.00	3.00	4.00	4.00	4.00
<i>Natural Gas Customer Charge</i>	9.00	9.00	9.00	9.00	9.00	9.00	9.00

**APPENDIX E: CITY OF DETROIT UTILITY SCHEDULE**  
*Monthly Allowances for Tenant-Paid Utilities*

<b>SINGLE-FAMILY DETACHED HOUSE</b>							
<b>UTILITY</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
Heating: Natural Gas	\$56.00	\$72.00	\$96.00	\$116.00	\$139.00	\$161.00	\$169.00
Heating: Oil/Electric	86.00/45.00	115.00/57.00	158.00/63.00	194.00/77	237.00/94.00	276.00/109.00	291.00/115.00
Cooking: Natural Gas	4.00	6.00	8.00	10.00	13.00	14.00	16.00
Cooking: Electric	3.00	4.00	5.00	6.00	8.00	12.00	14.00
Hot Water: Natural Gas	12.00	16.00	21.00	26.00	33.00	38.00	42.00
Hot Water: Oil/Electric	21.00/15.00	29.00/17.00	37.00/29.00	46.00/34.00	58.00/42.00	67.00/41.00	63.00/46.00
Other Electric	14.00	18.00	25.00	29.00	33.00	35.00	39.00
Water	5.00	7.00	11.00	15.00	19.00	23.00	27.00
Sewer	12.00	15.00	22.00	28.00	35.00	42.00	48.00
Range	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Refrigerator	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Natural Gas Customer Charge	9.00	9.00	9.00	9.00	9.00	9.00	9.00

**APPENDIX F: CITY OF DETROIT UTILITY SCHEDULE**  
*Monthly Allowances for Tenant-Paid Utilities*

<b>ROW HOUSE OR TOWN HOUSE</b>							
<b>UTILITY</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
Heating: Natural Gas	\$43.00	\$55.00	\$72.00	\$86.00	\$103.00	\$118.00	\$125.00
Heating: Oil/Electric	62.00/36.00	83.00/44.00	114.00/45.00	140.00/56.00	177.00/68.00	199.00/179.00	210.00/83.00
Cooking: Natural Gas	4.00	6.00	8.00	10.00	13.00	14.00	16.00
Cooking: Electric	3.00	4.00	5.00	6.00	8.00	12.00	14.00
Hot Water: Natural Gas	12.00	16.00	21.00	26.00	33.00	38.00	42.00
Hot Water: Oil/Electric	21.00/15.00	29.00/17.00	37.00/29.00	46.00/34.00	58.00/42.00	67.00/41.00	63.00/46.00
Other Electric	14.00	18.00	25.00	29.00	33.00	35.00	39.00
Water	5.00	7.00	11.00	15.00	19.00	23.00	27.00
Sewer	12.00	15.00	22.00	28.00	35.00	42.00	48.00
Range	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Refrigerator	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Natural Gas Customer Charge	9.00	9.00	9.00	9.00	9.00	9.00	9.00

**APPENDIX G: CITY OF DETROIT UTILITY SCHEDULE**  
*Monthly Allowances for Tenant-Paid Utilities*

<b>HIGH RISE: 5 OR MORE STORIES</b>							
<b>UTILITY</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>6 BR</b>
Heating: Natural Gas	\$37.00	\$47.00	\$61.00	\$72.00	\$86.00	\$98.00	\$103.00
Heating: Oil/Electric	51.00/31.00	68.00/38.00	94.00/37.00	114.00/45.00	139.00/55.00	162.00/64.00	171.00/68.00
Cooking: Natural Gas	4.00	6.00	8.00	10.00	13.00	14.00	16.00
Cooking: Electric	3.00	4.00	5.00	6.00	8.00	12.00	14.00
Hot Water: Natural Gas	12.00	16.00	21.00	26.00	33.00	38.00	42.00
Hot Water: Oil/Electric	21.00/15.00	29.00/17.00	37.00/29.00	46.00/34.00	58.00/42.00	67.00/41.00	63.00/46.00
Other Electric	14.00	18.00	25.00	29.00	33.00	35.00	39.00
Water	5.00	7.00	11.00	15.00	19.00	23.00	27.00
Sewer	12.00	15.00	22.00	28.00	35.00	42.00	48.00
Range	2.00	2.00	2.00	3.00	3.00	3.00	3.00
Refrigerator	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Natural Gas Customer Charge	9.00	9.00	9.00	9.00	9.00	9.00	9.00

# APPENDIX H: HOME PROGRAM MANDATORY ACKNOWLEDGEMENT

## “LOBBYING CERTIFICATION”

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

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

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

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

**Witnesses:**

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

**Sub-recipient, Contractor or Subcontractor:**

BY: \_\_\_\_\_  
ITS: \_\_\_\_\_  
DATE: \_\_\_\_\_



# APPENDIX I: HOME PROGRAM MANDATORY ACKNOWLEDGEMENT

## “CONFLICT OF INTEREST”

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

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

**Witnesses:**

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

**Sub-recipient, Contractor, or Subcontractor:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Date: \_\_\_\_\_

## APPENDIX J: EXECUTIVE ORDER NO. 2007-1

**TO: ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS, AND THE CITY CLERK**

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

**DATE: SEPTEMBER 10, 2007**

It is the policy of this Administration to encourage and maximize the utilization of Detroit residents on publicly funded construction projects. An important component of the economic revitalization of Detroit is the employment of Detroit residents.

This Executive Order directs City departments and agencies to implement specific residency requirements on all construction projects funded, in whole or in part, by the City and applies to those funded by state or Federal funds to the extent permitted by law.

All City of Detroit project construction contracts shall provide that at least **fifty-one percent (51%)** of the workforce be bona-fide Detroit residents. In addition, Detroit residents shall perform **fifty-one percent (51%)** of the hours worked on the project. Workforce and project hours shall include work performed by Detroit residents in the various job categories: officials and managers; supervisors and forepersons, professionals, technicians, sales workers, office and clerical, skilled trades, craft workers, operators, laborers, service workers, apprentices, and on-the-job training positions.

Failure to meet the Detroit resident workforce requirement, including project hours, will result in the following monthly financial penalties.

### **Financial Penalties**

<b>Detroit Resident Hours</b>	<b>Monthly Recruitment Fee</b>
45%-50%	3%
40%-44%	7%
30%-39%	10%
0% - 29%	15%

Developers, general contractors, prime contractors and sub-contractors are required to pass the requirements of this Executive Order down to all lower-tier contractors. However, it is the sole responsibility of the entity contracting with the City of Detroit to require all of their contractors to comply with the City of Detroit requirement to utilize fifty-one percent (51%) of Detroit residents on construction projects. In reaching the Detroit residency requirement, local union halls may be utilized, however, the City of Detroit Workforce Development Department and/or its designee shall be the first source utilized to recruit and hire Detroit residents; where Detroit residents are unavailable at the local union halls. **Failure to meet the requirements of this Executive Order will constitute a breach of contract and may result in immediate termination of the contract.**

At the option of the City of Detroit, any Developer, general contractor, prime contractor, sub-contractor, or lower-tier contractor that is deficient in the utilization of Detroit residents may be barred from doing business with the City of Detroit for one (1) year. In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, and/or hire its own workforce to complete the work.

All construction contracts, construction contract amendments, change orders, and extensions shall include the terms of this Executive Order. The Human Rights Department shall have the responsibility for preparing administrative guidelines, monitoring, and enforcing the provisions of this Executive Order.

**This Executive Order supersedes Executive Order No. 22 issued by Mayor Coleman A. Young on August 29, 1983.** This executive order is effective November 1, 2007.

By signature in the space provided below, the Contractor acknowledges receipt of a copy of Executive Order No. 2007-1 regarding City of Detroit Residency Requirements for all publicly funded construction projects. A copy of Executive Order No. 2007-1 is attached and made a part of this contract and the Contractor affirms that it will comply with this Executive Order in all respects.

The Contractor affirms that a minimum of 51% of the workforce on this project are bona-fide residents of Detroit and that Detroit Residents shall perform fifty-one percent (51%) of the hours worked by the Contractor and all Sub-contractors on the project.

Company Name: \_\_\_\_\_

Authorized Signature/Title: \_\_\_\_\_

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



## APPENDIX K: INSTRUCTIONS ON COMPLETING THE ENVIRONMENTAL DETERMINATION REQUEST FORM

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

The project sponsor or designated representative must type the required information on the Request Form and submit an electronic copy (.pdf or .doc) of the Request Form to the Environmental Officer via electronic mail at [pddeo@detroitmi.gov](mailto:pddeo@detroitmi.gov). The name of the attached file should read "EDRF Project Name XX.XX.XX," where "XX.XX.XX" is the two-digit month, day, and year that the Form is submitted to the Housing & Revitalization Department. The Housing & Revitalization Department will not accept handwritten or mailed Request Forms.

The Environmental Determination Request Form has fourteen (14) sections. The project sponsor or designated representative must complete each and every section of the Request Form. The Housing & Revitalization Department will reject any incomplete Form.

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

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

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

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

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

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

If a project includes two or more multi-family structures, clearly delineate the number and type of units in each structure. Indicate the number and type of residential units that will receive assistance from the HOME Program. If a project includes a mixed-use structure, list the total square footage of non-residential space within the structure and the proposed use of the space (i.e. retail, recreation, educational services, health care services, social services, etc.). Identify the number of stories in each structure, and identify which floors are reserved for residential and commercial space, respectively.

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

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

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

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

**Project Sponsor** – Type the legal name of the entity or organization that applied for or was awarded HOME funds.

**Sponsor Address** – Type the main address of the legal entity that applied for or was awarded HOME funds. Provide the street number, street name, city, state and ZIP Code.

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

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

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

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

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

The project sponsor is responsible for providing complete and current information. Incomplete or inaccurate information may result in significant delays that can jeopardize the provision of HOME funds to a project. If the Environmental Officer finds the Form deficient in any way, then the Environmental Officer will return the Form to the project sponsor within five (5) business days of receipt and request clarification or additional or updated information.

If the Environmental Officer finds that the Request Form is complete and sufficient, then the Environmental Officer will issue an Environmental Determination for the project within ten (10) business days of receipt of the Request Form.



## **APPENDIX L: ENVIRONMENTAL DETERMINATION REQUEST FORM**

*For Activities or Projects Seeking Financial Assistance from a Funding Program Administered by the  
U.S. Department of Housing and Urban Development Department, Subject to 24 CFR 58*

**Funding Program, Year:** HOME Investment Partnerships Program, 2015

**Date of Application for Assistance:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_

**Project Name:**

**Project Location:**

**Project Description:**

**Funding Amount Requested:**

**Estimated Total Project Costs:**

**Project Sponsor:**

**Sponsor Address:**

**Sponsor Contact:**

**Sponsor Contact Information:**

**Environmental Consultant:**

**Consultant Contact:**

**Consultant Contact Information:**

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

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

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

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

**APPENDIX N: APPLICATION AND REQUIRED FORMS**

**City of Detroit  
Housing and Revitalization Department**



**Housing Rehabilitation and Development Program**

**REQUEST FOR PROPOSALS (“RFP”)**

**December 2016**

**APPLICATION AND REQUIRED FORMS**



## LIST OF DOCUMENTS

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

1. Housing Rehabilitation and Development (HRD) Program Application
2. Appendix A1, A2 or A3 to the HRD Program Application (as applicable): HRD Program Checklist
3. Appendix H to the HRD Program Application: HRD Program Mandatory Acknowledgement - Lobbying Certification
4. Appendix I to the HRD Program Application: HRD Mandatory Acknowledgement – Conflict of Interest
5. Appendix J to the HRD Program Application: Executive Order No. 2007-1
6. Environmental Determination Request Form
7. Housing Rehabilitation and Development Program Total Development Budget
8. Housing Rehabilitation and Development Program Income Operating Pro Forma (Omit for Homebuyer Project Submission)
9. Target Area Map

## CITY OF DETROIT HOUSING AND REHABILITATION PROGRAM APPLICATION

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

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

11. Are any persons employed or contracting with your organization debarred by HUD or the State of Michigan?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
--	--------------------------	-----	--------------------------	----

12. Are there any other contracting restrictions on the Applicant or Contractor for your development team with any federal or state agency or with the City of Detroit?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---	--------------------------	-----	--------------------------	----

If yes, please explain: \_\_\_\_\_

13. Has your organization or one of its principals filed for bankruptcy within the past 10 years?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No
---	--------------------------	-----	--------------------------	----

14. TOTAL number of units you propose to develop:		No. of proposed Program assisted units:		No. of Market rate units (over 80% AMI), if applicable:	
---	--	---	--	---	--

TOTAL proposed development budget for Project:	\$
--	----

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

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

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

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

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

Authorized Representative:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Please Print Name and Title)

\_\_\_\_\_  
(Date)

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

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



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

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

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

## APPENDIX A1: HOME Rental Project Developer RFP Checklist

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

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

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

___ Cover Letter .....	27
___ Target Area Map denoting census block group where project located .....	27, 80
___ Completed Application .....	28, 57
___ Development Team Table .....	28, 62
___ Acquisition/Site Control Status Table .....	28, 63
___ Project Timeline Table .....	28, 64
___ Project Location/Target Area Table .....	28, 64
___ HOME Rental Development Pro Forma .....	28, 77-79
___ Development Budget .....	28, 76
___ Narrative on Organization Information and Developer Capacity .....	28
___ References from past clients .....	28
___ Organizational Chart .....	28
___ Resumes for staff and partners and development team members .....	28
___ Contract with building contractor .....	29
___ Copies of current financial statements and recent audits .....	29
___ Narrative on Project/Property Information and Feasibility .....	30
___ Scope of Work (rehab) or plans & specifications (new construction) .....	30
___ LBP Risk Assessment (for pre-1979 houses) .....	30
___ Evidence of Site Control .....	30
___ Evidence of proper zoning for the site .....	31
___ Appraisals for project property .....	31
___ Copies of all necessary permits for the project .....	31
___ Detailed rehabilitation or new construction budgets .....	31
___ A Preliminary Construction Schedule .....	31
___ Required Market Study or Market Feasibility justification narrative .....	20, 31
___ Letters of Commitment from non-HOME funded sources including LIHTCs .....	30, 31
___ If LIHTCs, conditional commitment from investor or Letter of Inducement .....	30, 31
___ Narrative on Location and Market Information .....	31, 34
___ Narrative on Readiness to Proceed .....	33, 35
___ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___ Narrative on Program Employment Goals Information .....	33, 35
___ Proof of Certification as a Minority/Women-owned business or enterprise .....	33, 36
___ Signed Lobbying Certification .....	71
___ Signed Conflict of Interest .....	72
___ Signed Executive Order 2007-1 35-36 .....	73, 74



**Acknowledgement by Authorized Person:**

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

Authorized Representative:

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

\_\_\_\_\_  
Date

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

## APPENDIX A2: HRD Homebuyer Project Developer RFP Checklist

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

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

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

___ Cover Letter .....	27
___ Target Area Map denoting census block group where project located .....	27, 80
___ Completed Application .....	28, 57
___ Development Team Table .....	28, 62
___ Acquisition/Site Control Status Table .....	28, 63
___ Project Timeline Table .....	28, 64
___ Project Location/Target Area Table .....	28, 64
___ Development Budget (Please provide a project summary sheet plus complete one additional sheet for each unit) .....	28, 76
___ Narrative on Organization Information and Developer Capacity .....	28
___ References from past clients .....	28
___ Organizational Chart .....	28
___ Resumes for staff and partners and development team members .....	28
___ Contract with building contractor .....	29
___ Copies of current financial statements and recent audits .....	29
___ Narrative on Project/Property Information and Feasibility .....	30
___ Scope of Work (rehab) or plans & specifications (new construction) .....	30
___ LBP Risk Assessment (for pre-1979 houses) .....	30
___ Evidence of Site Control .....	30
___ Evidence of proper zoning for the site .....	31
___ Appraisals for project property .....	31
___ Copies of all necessary permits for the project .....	31
___ Detailed rehabilitation or new construction budgets .....	31
___ A Preliminary Construction Schedule .....	31
___ Letters of Commitment from non-HOME funded sources .....	20, 31
___ Narrative on Location and Market Information .....	31, 34
___ Required Market study and/or market feasibility justification narrative with letter indicating when Market Study will be completed .....	20, 34
___ Narrative on Readiness to Proceed .....	33, 35
___ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___ Narrative on Program Employment Goals Information .....	33-35
___ Proof of Certification as a Minority/Women owned business or enterprise (if applicable) .....	33, 36
___ Signed Lobbying Certification .....	71
___ Signed Conflict of Interest .....	72
___ Signed Executive Order 2007-1 .....	73, 74

**Acknowledgement by Authorized Person:**

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

Authorized Representative:

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

\_\_\_\_\_  
Date

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

## APPENDIX A3: CDBG “Soft Costs Only” Project RFP Checklist

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

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

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

___ Cover Letter (Threshold) .....	27
___ Target Area Map denoting census block group where project located .....	27, 80
___ Completed Application (Threshold) .....	28, 57
___ Development Team Table .....	28, 62
___ Acquisition/Site Control Status Table .....	28, 63
___ Project Timeline Table .....	28, 64
___ Project Location/Target Area Table .....	28, 64
___ HOME Rental Development Pro Forma (Threshold) .....	28, 77-79
___ Development Budget (Threshold) .....	28, 76
___ Narrative on Organization Information and Developer Capacity .....	28
___ References from past clients .....	28
___ Resumes for staff and partners and development team members .....	28
___ Contract with building contractor .....	29
___ Copies of current financial statements and recent audits .....	29
___ Narrative on Project/Property Information and Feasibility .....	30
___ Scope of Work (rehab) or plans & specifications (new construction) .....	30
___ LBP Risk Assessment (for pre-1979 houses) .....	31
___ Evidence of Site Control (Threshold) .....	31
___ Evidence of proper zoning for the site .....	31
___ Appraisals for project property .....	31
___ Copies of all necessary permits for the project .....	31
___ Detailed rehabilitation or new construction budgets .....	31
___ A Preliminary Construction Schedule .....	31
___ Required Market Study or Market Feasibility justification narrative .....	20, 32
___ Letters of Commitment from non-HOME funded sources including LIHTCs .....	29, 31
___ If LIHTCs, conditional commitment from investor or letter of inducement .....	29, 31
___ Narrative on Location and Market Information .....	32
___ Narrative on Readiness to Proceed .....	33, 36
___ If available, a Phase I or Phase II Environmental Site Assessment and/or site specific environmental statutory checklist .....	25, 26
___ Narrative on Program Employment Goals Information .....	33, 36
___ Proof of certification as a Minority/Women owned business or enterprise .....	33, 36
___ Signed Lobbying Certification .....	71
___ Signed Conflict of Interest .....	72
___ Signed Executive Order 2007-1 35-36 .....	73

**Acknowledgement by Authorized Person:**

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

Authorized Representative:

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

\_\_\_\_\_  
Date

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

## APPENDIX H: HRD Program Mandatory Acknowledgement

### “Lobbying Certification”

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

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

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

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

WITNESSES:

SUBRECIPIENT, CONTRACTOR OR SUBCONTRACTOR:

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

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

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

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

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

## **APPENDIX I: HRD Program Mandatory Acknowledgement – Conflict of Interest**

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

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

**Witnesses:**

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

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

**Sub-recipient, Contractor, or Subcontractor:**

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

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

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

## APPENDIX J: EXECUTIVE ORDER NO 2007-1

**TO: ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS, AND THE CITY CLERK**

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

**DATE: SEPTEMBER 10, 2007**

It is the policy of this Administration to encourage and maximize the utilization of Detroit residents on publicly funded construction projects. An important component of the economic revitalization of Detroit is the employment of Detroit residents.

This Executive Order directs City departments and agencies to implement specific residency requirements on all construction projects funded, in whole or in part, by the City, and applies to those funded by State or Federal funds to the extent permitted by law.

All City of Detroit project construction contracts shall provide that at least **fifty-one percent (51%)** of the workforce be bona-fide Detroit residents. In addition, Detroit residents shall perform **fifty-one percent (51%)** of the hours worked on the project. Workforce and project hours shall include work performed by Detroit residents in the various job categories: officials and managers; supervisors and forepersons, professionals, technicians, sales workers, office and clerical, skilled trades, craft workers, operators, laborers, service workers, apprentices, and on-the-job training positions.

Failure to meet the Detroit resident workforce requirement, including project hours, will result in the following monthly financial penalties.

### **Financial Penalties**

<b>Detroit Resident Hours</b>	<b>Monthly Recruitment Fee</b>
45%-50%	3%
40%-44%	7%
30%-39%	10%
0% - 29%	15%

Developers, general contractors, prime contractors and sub-contractors are required to pass the requirements of this Executive Order down to all lower-tier contractors. However, it is the sole responsibility of the entity contracting with the City of Detroit to require all of their contractors to comply with the City of Detroit requirement to utilize fifty-one percent (51%) of Detroit residents on construction projects. In reaching the Detroit residency requirement, local union halls may be utilized, however, the City of Detroit Workforce Development Department and/or its designee shall be the first source utilized to recruit and hire Detroit residents; where Detroit residents are unavailable at the local union halls. **Failure to meet the requirements of this Executive Order will constitute a breach of contract and may result in immediate termination of the contract.**



At the option of the City of Detroit, any Developer, general contractor, prime contractor, sub-contractor, or lower-tier contractor that is deficient in the utilization of Detroit residents may be barred from doing business with the City of Detroit for one (1) year. In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, and/or hire its own workforce to complete the work.

All construction contracts, construction contract amendments, change orders, and extensions shall include the terms of this Executive Order. The Human Rights Department shall have the responsibility for preparing administrative guidelines, monitoring, and enforcing the provisions of this Executive Order.

**This Executive Order supersedes Executive Order No. 22 issued by Mayor Coleman A. Young on August 29, 1983.** This executive order is effective November 1, 2007.

By signature in the space provided below, the Contractor acknowledges receipt of a copy of Executive Order No. 2007-1 regarding City of Detroit Residency Requirements for all publicly funded construction projects. A copy of Executive Order No. 2007-1 is attached and made a part of this contract and the Contractor affirms that it will comply with this Executive Order in all respects.

The Contractor affirms that a minimum of 51% of the workforce on this project are bona-fide residents of Detroit and that Detroit Residents shall perform fifty-one percent (51%) of the hours worked by the Contractor and all Sub-contractors on the project.

Company Name: \_\_\_\_\_

Authorized Signature/Title: \_\_\_\_\_

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

**CITY OF DETROIT  
HOUSING AND REVITALIZATION DEPARTMENT  
ENVIRONMENTAL DETERMINATION REQUEST FORM**

For Activities or Projects Seeking Financial Assistance from a Funding Program Administered by the U.S. Department of Housing and Urban Development Department, Subject to 24 CFR 58

**Funding Program, Year:** Housing and Rehabilitation Program, 2016-17

**Date of Application for Assistance:**

Project Name:

Location:

Description:

**Funding Amount Requested:**

**Estimated Total Project Costs:**

**Project Sponsor:**

**Sponsor Address:**

**Sponsor Contact:**

**Sponsor Contact Information:**

**Environmental Consultant:**

**Consultant Contact:**

**Consultant Contact Information:**

## HOME INVESTOR LOAN PROGRAM TOTAL DEVELOPMENT BUDGET

(Project Name)  
 (Name of Developer)  
 (Date)  
 (Project Address)

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

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

Green Cells are User Input

White Cells are Calculated Values

Total HOME Units Serving Households below 50% AMI:

30

**Income:**

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

**Expenses:**

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

Repairs (per unit per year)	\$ 500	\$ 15,000
Security		\$ 5,000
Grounds (landscaping, snow removal)		\$ 7,500
Building supplies		\$ 1,500
Service contracts (elevator, HVAC)		\$ 3,500
* Other		\$ -
<b>Total Maintenance:</b>		<b>\$ 33,500</b>
<b>Operating:</b>		
Fuel (heating & hot water)		\$ 10,000
Electric		\$ 500
Water/Sewer		\$ 3,000
Trash removal		\$ 7,000
Janitorial		\$ 2,000
Exterminating		\$ 3,000
Telephone		\$ 1,200
* Other		\$ 150
<b>Total Operating Costs:</b>		<b>\$ 26,850</b>
<b>Taxes &amp; Insurance:</b>		
Real Estate Taxes or PILOT		\$ 5,000
Insurance		\$ 6,000
Other Taxes, Licenses, Fees		\$ 500
<b>Total Taxes:</b>		<b>\$ 11,500</b>
<b>Total Annual Operating Expenses:</b>		<b>\$ 90,238</b>

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

**Reserves:**

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

**Maximum Supportable Debt Service Calculation:**

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

<b>Maximum Supportable Hard Debt on Terms Above:</b>	<b>\$ 582,100</b>
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# HOUSING REHABILITATION AND DEVELOPMENT PROGRAM INCOME OPERATING PRO FORMA

## HOME 20 YEAR PROJECTION

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

