

NOTICE OF FUNDING AVAILABILITY

AND

NOTICE OF REQUEST FOR PROPOSALS

Housing Rehabilitation and Development Program

February 18, 2015

City of Detroit
Housing and Revitalization Department
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan, 48226

Michael E. Duggan, Mayor
Arthur Jemison, Director

PROGRAM OVERVIEW

The City of Detroit will utilize Federal funds from the U.S. Department of Housing and Urban Development to support the rehabilitation or development of quality housing units for rent or for purchase by eligible households. The Housing Rehabilitation and Development Program aims to strengthen public-private partnerships in order to achieve the following goals:

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

In each of these efforts, proposals that create "place" and support walkability, building on areas of current residential and commercial strength will be the most successful applications.

A map of the Federal Hardest Hit Funds (HHF) areas will be attached to the NOFA. This map will be used as a guide for the City in making funding allocation decisions. Where proposals may diverge from these plans, proposers will be asked to identify market support for their developments.

Renewed focus in the evaluations will be placed on 1) the quality of property management; 2) the long-term environmental and financial sustainability in design; and 3) the ability of the project to attract state and private capital to the project.

AVAILABLE FUNDS

The City of Detroit may utilize the following funding sources to support the Housing Rehabilitation and Development Program:

- Community Development Block Grant (CDBG) Program
- HOME Investment Partnerships (HOME) Program
- Neighborhood Stabilization Program (NSP) I
- Unexpended City Bond Funds

In total, the City of Detroit may award up to twelve million dollars (\$12,000,000) to support selected projects. The additional awards are designed to 1) support “shovel-ready” developments and 2) create a reliable pipeline of multifamily housing for the City. This total includes:

- An allocation of \$4,200,000 to the City of Detroit under the HOME Program in FY 2014;
- A projected allocation of \$4,200,000 to the City of Detroit under the HOME Program in FY 2015;
- This total may also include approximately \$1,500,000 in project-related program income from the HOME Program and/or the NSP I program;
- Unexpended City Bond Funds to support infrastructure and public improvements around the associated housing project
- Finally, this allocation may include reprogrammed funds from the CDBG Program.

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

A project supported by any of the funding programs listed above must comply with the associated statutory and regulatory requirements for each funding program. The City of Detroit strongly encourages interested parties to review the authorizing legislation and the implementing regulations or alternative requirements for each funding program before applying for assistance. See the following references and links:

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.

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.

The NSP I was authorized under Section 2301(b) of the Housing and Economic Recovery Act of 2008 (Public Law 110–289), and the alternative requirements are found in the Federal Register (Volume 75, No. 201) of October 19, 2010.

PREFERRED PROJECTS

The City of Detroit will prioritize projects that are located in the target areas identified in the Request for Proposals. The City will use Federal funds to support the rehabilitation or construction of housing units that are available to moderate–income (80% of Area Median Income, AMI) and low–income (60% of AMI) households. The City encourages proposals for mixed–use, 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 rental housing projects. However, the City will 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;
- Are located in select neighborhoods with demonstrable market demand.

AVAILABILITY OF THE REQUEST FOR PROPOSALS

The City of Detroit will issue the Request for Proposals (RFP) for this Program on Monday, February 23rd, 2015. Interested parties may download an electronic copy of the RFP and related documentation from the Planning and Development Department website at:

<http://www.detroitmi.gov/DepartmentsandAgencies/PlanningDevelopmentDepartment/RequestforProposalsQualifications.aspx>

Interested parties may obtain a paper copy of the RFP and related documentation from the Housing and Revitalization Department at:

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan, 48226

QUESTIONS REGARDING THE REQUEST FOR PROPOSALS

Interested applicants may submit questions electronically to dheard@detroitmi.gov. The City of Detroit will accept questions regarding this RFP until 5:00 p.m. on Friday, March 13th, 2015. The City will respond through e-mail to each question individually as each question is received.

APPLICATION SUBMISSION

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 27th, 2015.

Applicants must submit all documentation, by mail or in person, to:

City of Detroit
Housing and Revitalization Department
Attention: Darwin Heard
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan, 48226

The City will accept complete applications during regular business days and office hours. The offices of the City of Detroit Housing and Revitalization Department are open on Monday through Friday from 9:00 A.M. until 5:00 P.M. The City will begin to accept complete applications on Friday, February 27th, 2015, at 9:00 A.M.

Applicants must submit one (1) electronic copy of the application on a USB flash drive and three (3) paper copies of the application. One copy must contain original signatures. Applicants should place each 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. The applicant must place the word "Original" in the top left corner of the cover sheet for the application that contains the original signatures. Applicants must submit the electronic copy and the paper copies of the application at the same time.

FAST TRACK REVIEW AND CONSIDERATION

The City will expedite the review and consideration of complete applications that are received from February 27th through March 13th, 2015. 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 four million (\$4,000,000) 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 March 16th through March 27th, 2015.

| Submission Period | Submission Dates | Review Begins on | Determination Made by | Aggregate Award Amount |
|--------------------------|--------------------------------|-------------------------|------------------------------|--|
| Fast Track Review | February 27 – March 13th, 2015 | Rolling, as received | March 27th, 2015 | Up to 40% of total allocation or \$4 Million, Whichever is Greater |
| Regular Review | March 16 – March 27th, 2015 | March 30th, 2015 | May 29 th , 2015 | Balance of Funds |

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 in Appendix G. Certified CHDOs may compete for set-aside funds or general HOME funds. Non-CHDO applicants may only compete for general HOME funds.

RIGHTS/DISCLAIMERS

The City reserves the right to take any of the following actions:

- request additional information or documentation at any stage during this process;
- request an applicant to change or modify a proposal;
- fund portions of any given proposal and/or choose not to fund any or all proposals;
- at its sole discretion and prior to closing, change or modify the funding amount awarded to a selected project;
- issue a subsequent Request for Proposals for HOME CHDO projects if the City does not meet its HOME CHDO set-aside requirements under this RFP.

The City expects applicants to respond to and comply with any and all requests in a timely manner. Failure to respond to or comply with any and all requests may result in a determination of ineligibility.

NOTICE OF NON-DISCRIMINATION

The City of Detroit does not discriminate on the basis of age, color, creed, handicap, national origin, race, sex or sexual orientation. Persons or groups with discrimination complaints may file those complaints with the City of Detroit Human Rights Department, 2 Woodward Avenue, Suite 1240, Detroit, Michigan, 48226.