

# 10100 Harper Avenue, Detroit, MI

PERMANENT SUPPORTIVE HOUSING AND SHELTER FACILITY



Release Date: 8/15/2024

Pre-Submission Conference: 8/26/2024

Proposal Submission Deadline: 9/20/2024

Selection of Preferred Developer List: 9/27/2024

Shortlist Interviews: 10/4/2024

Final Selection/Recommendation: 10/8/2024

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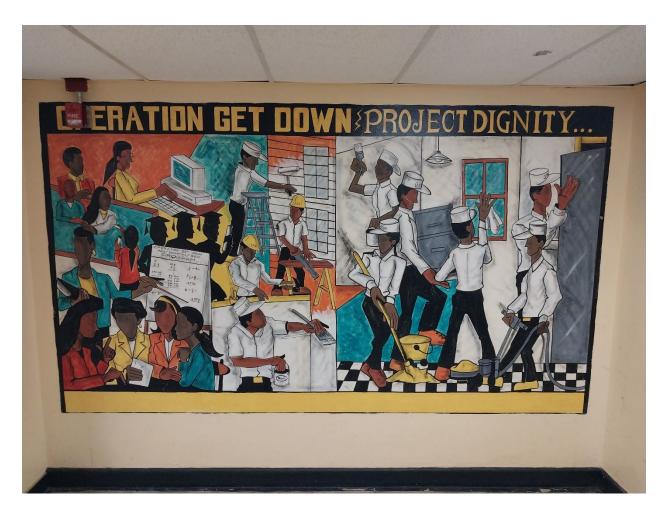
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## I. INTRODUCTION

The City of Detroit's Housing and Revitalization Department ("HRD") is seeking proposals from qualified affordable housing development entities and operators to acquire, renovate and manage an affordable, mixed-income development. The city of Detroit's preferred building use would include and provide Single Room Occupancy (SRO), Permanent Supportive Housing (PSH) units, Emergency Housing (Shelter) accommodations, or any combination thereof.

The building is located at 10100 Harper Ave, Detroit, MI 48213. This structure was built in 1931 by the **Young Men's Christian Association (YMCA)**. The building is approximately 70,500 square feet and is comprised of 5 floors above grade and a basement. As such, the renovation of the structure will be a formidable undertaking. In recent history and for more than 25 years, it was the home of **Operation Get Down ("OGD")**, a non-profit organization which served men reentering society after incarceration and those facing homelessness. The organization offered a wide array of support services including literacy training, job placement assistance, and substance abuse counselling.



The intent of this Request for Proposals ("RFP") is to attract an experienced and qualified developer that is capable of delivering Permanent Supportive Housing for individuals requiring long-term housing and/or Emergency Shelter beds for those experiencing homelessness or housing insecurity. While the aforementioned (PSH and Shelter) are the preferred uses of the City of Detroit, as it continues to combat housing insecurity and promote affordable housing solutions, we are open to considering feasible alternative proposals. Further, development proposals that may feature a "phased" approach will not be negatively impacted during the evaluation process. Should proposals include PSH and/or Shelter housing, the developer will be further required to provide the residents with wraparound services that will aid them with long-term stabilization. This provider will need to self-perform or partner with a service provider with a proven track record to ensure that all regulatory compliance matters are adhered to and that supportive services are administered.

### Permanent Supportive Housing (PSH) Units -

The chosen developer will need to submit a financially feasible plan to reconfigure the building's existing floor plan for the purpose of building out single occupancy units. The apartments must include individual kitchens and baths. Developers are welcome to present varying design iterations, in order to maximize space and unit count.

### Shelter and Emergency Housing Accommodations –

Should the developer elect to provide shelter/emergency housing, said developer will provide individual beds and meals for temporary stays. While the previous use of the building saw group sleeping arrangements for the shelter component, there is a strong preference for a shelter concept that utilizes non-congregate space.

Proposals that do not include either of the preferred uses should provide details on the proposed use of the site such as configuration, number of units, population that will use/be served in building, affordability breakdown, financial feasibility, proposed financing sources, etc. **No funding for acquisition will be provided through this RFP for proposals that do not include either use.** 

**Note to Respondents** - This RFP is <u>only</u> for acquisition of this site and does not include any funding commitments for services or rent subsidy. It is important that a potential developer has the ability to self-perform or partner with a wraparound service provider that is proficient in procuring funding for residents' supportive services. (e.g. Medicaid billing, Annual Continuum Of Care – NOFO funding round submissions, Private Grants and/or Internal Fundraising.) Further, the proposal's financial analysis should include COMMERCIAL PREVAILING WAGES calculations and the securing of housing choice vouchers.



## II. BUILDING OVERVIEW

**10100 HARPER DEVELOPMENT SITE** is located at the southeast corner of Harper Ave and Cadillac Blvd, wedged between Gratiot Ave and I-94 Edsel Ford Freeway in the Airport Subdivision – West End neighborhood.

The location of the primary parcel is specifically defined as the following:

Parcel ID: 19001796.

### Legal Description -

S HARPER 4 THRU 1 EXC HARPER AVE AS WD BLK 2 CHRISTYS SUB L23 P47 PLATS, W C R 19/421 ALSO THE W 41.25 FT OF N 120 FT 7 W 123.32 FT 8 EXC HARPER AVE AS WD TOMS & BUTLERS SUB L3 P22 PLATS, W C R 19/97 195.52 IRREG

The following addresses will also be included in the acquisition:

10146 HARPER and 10152 HARPER – (Building adjacent, fenced, paved parking)
6115 HURLBUT and 6100 CADILLAC – (Vacant undeveloped land, to the south of building, opposite the alley)

The land on which the site is located is approximately .52 acres.

**10100 HARPER DEVELOPMENT SITE** – Encompassed within its five (5) stories and basement, this massive and masterfully crafted building features executive offices; several multi-purpose rooms ideal for meetings, classes and counselling; two gymnasiums; two racquet ball courts; a fitness center; along with two outdoor courtyards, one at ground-level and the other accessible from the 2<sup>nd</sup> floor. Further, the building boasts a fully functioning commercial kitchen with two walk-in freezers. The basement houses the boiler and electrical systems. The boiler is purported to be approximately 5 years old. It sits adjacent to the original boiler which has been decommissioned. Additionally, numerous windows have been replaced and significant portions of the flat roof have also been replaced in recent years. The building is <u>not</u> currently historically designated.



Floors 3 through 5 are currently configured almost identically with dormitory-styled rooms oriented around the periphery of the structure and communal shower and lavatory accommodations centered in the floor plan. The current room count is approximately 200.

In its previous use by **Operation Get Down**, the former pool area accommodated 65 beds and an additional 30 beds were established in the smaller of two gymnasiums. If the developer and development strategy were to include this use, the larger gym along with two racquet ball courts and other auxiliary spaces could yield yet higher numbers. The pool area has existing (dated) communal showering functionality.

#### Note to Respondents -

Shelter strategies that decrease communal living and place higher priority on non-congregate arrangements are more in line with the overall long-term objectives of HRD.



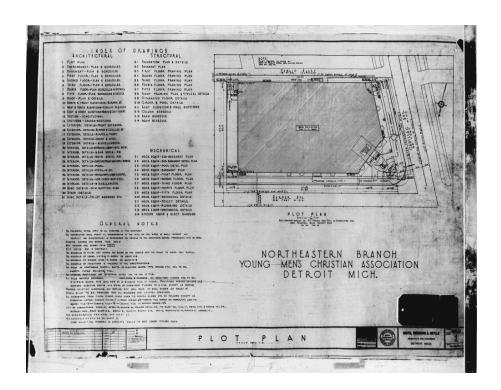


### \*\*\*VERIZON TELECOM'S UNIT – (Note to Developer)

The global telecommunications company has leasehold rights to and occupies one room on the 5<sup>th</sup> floor. The current leasehold period runs through December 31, 2046. It is secured by an easement that provided exclusive and unencumber 24/7 access. The unit is not accessible to building occupants. It is secured and marked with contact information and warning signs. Additionally, it is presumed that the Generac emergency backup power generator located on the roof is owned by the company as well. The city is continuing to work with the current owners to determine what, if any, income is being generated or still due to current or future property owner(s).

A copy of the original floor plans for the building is provided as Attachment A.

Respondents will have an opportunity to take their own measurements of the building during the pre-bid meeting and open house.

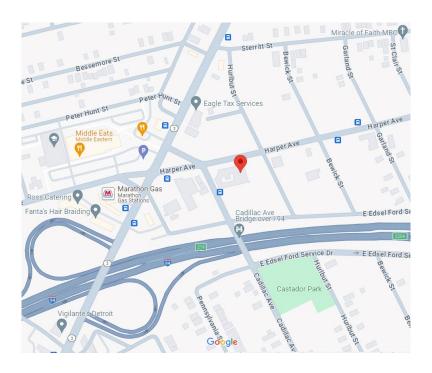


### III. AREA OVERVIEW

#### **AIRPORT SUBDIVISION**

**10100 HARPER DEVELOPMENT SITE** – The subject property benefits greatly from its proximity to I-94, as well as both Harper and Gratiot avenues' access to public transportation. Additionally, the area is bolstered by recent investments to Chandler Park's recreational and aquatic center, current and planned improvements to and expansion of Detroit's City Airport; long-tenured institutional pillars like The Samaritan Center, The Capuchin Soup Kitchen, The Salvation Army, Eastside Community Network "ECN" and is further anchored by Stellantis' manufacturing plant as a major job center.





## IV. PROGRAM REQUIREMENTS AND GUIDING PRINCIPLES

### **Desired Program Requirements**

The City requests a PSH/SHELTER facility that will execute an adaptive reuse of the existing structure with the following components (the "Project"):

### Single Room Occupancy:

 Developers shall identify the number of single occupancy residential units that will be 100% Permanent Supportive Housing; affordable to those households at 30% of area median income (AMI) or lower.

### Emergency Shelter Housing:

 Developers shall identify the number of beds and dedicated staffing level sufficient to temporarily house and feed individuals and families, as referred through the CAM/Detroit's CoC system.

### • Preservation of Historic Architecture:

o The project is not influenced by historic guidelines, at this time.

### Surface Parking:

The sale includes adjacent parcels that are currently used for staff parking. Developer shall adhere to parking requirements and prescribed through the appropriate development plan reviews. (See guidance below.) Vacant land included with sale, opposite alley, can serve as additional parking for residents. (Additionally, DLBA controls multiple parcels in the immediate vicinity of the site. Developers are encouraged to explore additional acquisitions.)



Again, while there is a preference for the above-described programming for a redevelopment of the building, the City is open to considering feasible alternative development concepts. **No** funding for acquisition will be provided through this RFP for proposals that do not include either preferred use.

### **Guiding Development Principles**

The City of Detroit is committed to advancing design excellence in all projects, which will produce equity, sustainability, resilience, and healthy living for those who live, work, and play within and around Airport Sub-West End neighborhood. Accordingly, proposals shall exhibit walkable urban design principles and sustainable neighborhood development strategies, as follows:

- Community-Oriented Development Process: The selected development team must be transparent with residents of the community and maintain an open dialogue with stakeholders throughout the development. This includes (but is not limited to) incorporating community members' values and desires in the developer selection process, construction issues, site plan/design decisions, and marketing any residential units during the lease up
- Neighborhood Scale Development: The design, scale, and quality of the proposed residential units will enhance the existing housing typologies found within the surrounding neighborhood. The structures will allow observation of the street and provide pedestrians with a sense of walkability
- Growing Detroit's Development Talent: The City of Detroit is committed to the expansion
  of new local developer, architect, and builder talent through the real estate projects in
  the Strategic Neighborhood Framework Plan. While not required for all participants, at
  least some of the partners participating in the project should be locally based and new
  emerging talent in the real estate sector.
- Sustainable and Equitable Development: The project will support neighborhood investment and job opportunities, while also incorporating design elements that promote environmental sustainability both in the natural (i.e., natural plant species) and built environment (i.e. storm water management, LED lighting, renewable energies) and an array of alternatives that promote healthy design development.

## V. REGULATORY REQUIREMENTS

The 10100 HARPER DEVELOPMENT SITE is currently zoned a General Business District - The B4 General Business District provides for business and commercial uses of a thoroughfare-oriented nature. In addition to these uses, other businesses, which may benefit by drawing part of their clientele from passing traffic are permitted. Additional uses, which may be successfully blended with permitted by-right uses, are conditional. The selected developer must receive site plan approval through the City's Building, Safety Engineering & Environmental Department (BSEED), and any other approvals deemed necessary. Respondents will be responsible for conducting their own due diligence on what additional zoning and permitting approvals, if any, may be required. Please see the zoning map below.





## VI. ACQUISITION BID & FINANCIAL INFORMATION

Acquisition and Bid Price – (The city of Detroit will provide respondents with access to appraisal and all environmental reporting.)

OPERATION GET DOWN currently has the property privately listed for sale at: \$650,000. Potential developers are encouraged to negotiate the final acquisition price directly with OGD. The selected developer will be responsible for all infrastructure costs related to the project, including but not limited to electrical, street, water, and sewerage. The city of Detroit has initiated a commercial appraisal of the site, to include a valuation analysis of the cell tower and easement. Further, the city has submitted an application to obtain a Brownfield Assessment Grant through the Wayne County Economic Development Corporation. The application is pending at the time of this RFP release. Upon approval and execution of the assessments, all

pertinent reports will be shared with the developer(s). Additionally, a BEA/Due Care plan will be

#### Available Public Subsidies -

completed.

HRD may make City grant funds available to the developer selected, such as but not limited to;

- I. City of Detroit may provide additional funds earmarked for ACQUISITION ONLY. Specific funding source(s) and amounts to be determined. Federal requirements will govern access to said funding. Appraised value shall govern the amount of federal funds that can be applied toward acquisition.
- II. HOME Funding to implement local housing strategies designed to increase homeownership and affordable housing opportunities for low and very lowincome. Potential gap funding. Affordable Housing HOME Program
- III. HOME ARP Funding to develop Permanent Supportive Housing HOME-ARP Program - HUD Exchange (https://www.hudexchange.info/programs/home-arp/)
- IV. CDBG Funding for public infrastructure or façade improvement Community
   Development Block Grants

While acquisition funds will be made available to the chosen applicant, the other funding sources described above will need to be applied for through HRD's competitive funding rounds.

The City may also support the selected developer in seeking certain incentives, such as but not limited to:

I. CRP – MEDC Community Revitalization Program

http://www.michiganbusiness.org/cm/files/fact-sheets/communityrevitalizationprogram.pdf

II. LIHTC – Low Income Housing Tax Credit Program

http://www.michigan.gov/mshda/0,4641,7-141-5587 5601---,00.html

III. HUD – Notice of Funding Opportunity (NOFO)

https://www.hud.gov/sites/dfiles/CFO/documents/Foa\_Content\_of\_FR-6800-N-25A.pdf

## **VII. SUBMISSION REQUIREMENTS**

Proposals shall not exceed twenty (20) double-sided pages in length, including maps, renderings, and plans. Each section of the proposal must be clearly identified with the appropriate headings. Up to ten (10) additional pages of financial information and/or personnel resumes may be attached as appendices. To be considered responsive to this RFP, Respondents must provide all of the information requested. The specifications within the RFP represent the minimum performance necessary for response.

Respondents are asked to submit the following:

- 1. Project Description: Letter of intent, which includes a narrative of the Respondent's approach to developing the site, scenario selection and programming, and anticipated outcome
- 2. Project Team Experience: Detailed professional experience/history of the development team including current resumes & Bios, respective roles and responsibilities of team members, examples of similar completed projects, and references for a minimum of three (3) past projects of similar size
- 3. Project Financing: Developer equity, development budget, ten-year proforma (including operating budget), preliminary construction costs, market and financial assumptions, financial details, and detailed and vetted sources and uses for the proposed project clearly outlining any city and state funding/abatement opportunities
- 4. Project Design: graphic representation and basic schematic design. (The applicant should provide graphic representation of the proposed updated floor plan for the project; however, the City prefers that applicants invest their time and resources in the development of detailed financial analysis for this project rather than upfront design work.)
- 5. Project Timeline: Preliminary project schedule, predevelopment timeline, construction timeline, lease-up timeline (if applicable), and strategy for developing the site should be clearly outlined

## VIII. EVALUATION AND SELECTION PROCESS

#### **Evaluation Process**

A Selection Committee (the "Committee") will be established to review submissions. Committees typically consist of representatives from HRD, P&DD, NED, DLBA, and community stakeholders. Additionally, the Committee may seek assistance from selected consultants. The Committee reserves the right to contact references and verify material submitted in any proposal.

The submission of a proposal with all the requested information does not guarantee the respondent will be a candidate for an interview. The Committee may elect to schedule interviews with a short list of submitters. The Respondent(s) interviewed will be given the opportunity to discuss in more detail their qualifications, experience, and redevelopment proposal during the interview process. Following the interview phase, and assuming the Committee elects to pursue a specific proposal, a Respondent may be selected. The City intends to negotiate the terms and conditions of the sale and development through a Development Agreement.

The major criteria for selecting a developer will be the submission of qualifications that meet with criteria stated in Section VII of this RFP, titled <u>Submission Requirements</u>. A qualified developer is an individual or development team that, in the opinion of the Committee, possesses the experience, design acumen, and financial resources necessary to undertake and successfully complete the development of the 10100 HARPER DEVELOPMENT SITE within the requirements of federal and local laws and regulations in a timely fashion.

#### **Evaluation Criteria**

Respondent's submission will be evaluated based on the following:

Respondent and Proposed Team Experience

- Successful experience in the planning, redevelopment, construction, and management of development projects of comparable size and complexity
- Cohesion of the team, as demonstrated by previous experience working together
- Demonstrate a strong track record in delivering quality projects on time
- Have significant commercial or mixed-use development expertise
- The degree to which the team demonstrates successful experience with ownership and management of multifamily developments of similar size

### Local Hiring and Participation

 Detroit-based project team, minority or women owned business, and/or significant partnerships with local firms and community organizations, and evidence of previous local hiring experience

### **Preliminary Program Strategy**

- The proposed development and methodology provided by the Respondent is logical, feasible, and clearly understandable, and indicates an understanding of realistic sources and uses of funds required for the project.
- Preliminary programming strategy of commercial space, parking, and amenities reflects an understanding of local market conditions
- The extent to which the developer intends to engage the community within their development timeline
- The budgets provided indicate the Respondent's commitment to ensuring the pricing proposed is reasonable
- The proposed timeline and phasing ensures timely completion of the project

### Financial and Leverage Capacity

- Ability to obtain, structure, and implement financing for the Project, including demonstrated ability to procure financing and complete projects on schedule and within budgetary assumptions
- Depth and credibility of financial pro forma, ability to deliver identified financial sources, and capacity of development principles
- Consider the percentage of equity the developer intends to put towards this project

### Project Design Standards

- Any work that was done in the preparation for submission by the Respondent will be taken into consideration
- Extent to which preliminary site plan proposed and design adheres to the Guiding Development Principles
- The degree to which the proposed construction budget is realistic and implementable

## IX. SUBMISSION PROCESS AND TIMELINE

### **Directions for Submissions**

To be considered, all RFPs must be received by <u>5:00pm EST on Friday, September 20th</u>. The responsibility of submitting the RFP rests entirely with the Respondent to the RFP.

Submissions may be made electronically in an 8.5x11 PDF format via email to publicprivatepartnerships@detroitmi.gov, or delivered to the Housing and Revitalization Department, Attn: Jason Friedmann, located at 2 Woodward Avenue, Suite 908, Detroit, Michigan 48226. Hardcopy submissions must include three copies of the submission.

Proposals sent by overnight delivery service will be considered timely if the date stamped is at least one (1) day before the date set for receipt of the RFP. The burden of proof to establish timely filing of a proposal by overnight delivery service shall be solely upon the entity or person submitting the proposal. It is the Respondent's obligation to ensure the required submission arrives in a timely manner at the specified location. Any submission that is not properly marked, addressed, or delivered to the submission place, in the required form, by the required submission time will be ineligible for consideration. Faxed submissions will not be accepted.

Once received by HRD, submissions will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted by email to publicprivatepartnerships@detroitmi.gov. Responses will be provided to all inquiries and answers to frequently asked questions will be available. Responses to questions will be emailed to all Respondents on a weekly basis. No information concerning this solicitation or request for clarification will be provided in response to telephone calls.

All expenses involved in the preparation and submission of the RFP to the City of Detroit or any work performed in connection therewith shall be assumed by the Respondents. No payment will be made by the City of Detroit for any responses received, nor for any other effort required of or made by the developer prior to the commencement of work. All information in a Respondent's proposal is subject to disclosure under the provisions of Public Act No. 442 of 1976, as amended (known as the Freedom of Information Act).

#### Pre-Submission Conference & Timeline

On Monday, August 26th, HRD will conduct an optional Pre-Submission Conference and Building Open House at the 10100 HARPER DEVELOPMENT SITE starting at 1:00 p.m. Additional walkthroughs can be requested at and any additional questions can be directed to publicprivatepartnerships@detroitmi.gov.

ACTIVITIES

Release Date: 8/15/2024

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Proposal Submission Deadline: 9/20/2024

Selection of Preferred Developer List: 9/27/2024

Shortlist Interviews: 10/4/2024

Final Selection/Recommendation: 10/8/2024

For any questions regarding the submission of qualification statements, please contact publicprivatepartnerships@detroitmi.gov.

## X. RESERVATION OF RIGHTS

The City of Detroit reserves the right to reject any and all proposals and to select the proposal it deems is in the best interests of the City, even if it is not the highest purchase price.

The City of Detroit reserves and may exercise the right to request one or more of the developers to provide additional material, clarification, confirmation, or modification of any information in the submission, and can supplement, amend, substitute, cancel, or otherwise modify this Request for Proposal at any time prior to the selection of one or more developers.

In the event that the process outlined in Section VI does not result in the execution of a definitive selection, the City of Detroit, at its sole option, may choose to initiate negotiations with any other qualified developer, reopen the entire RFP process, or pursue any other avenues for the sale of the property deemed appropriate by the City of Detroit.

### Please Note: All Property will be sold "AS IS"

Respondents are hereby notified that the City has not investigated the environmental condition of the 10100 HARPER DEVELOPMENT SITE School Development Site. Various Federal, State, or other City agencies may have information regarding the environmental condition of the site. Each Respondent is encouraged to conduct its own due diligence regarding the environmental condition of the 10100 HARPER DEVELOPMENT SITE. The City of Detroit makes absolutely no warranty or representation regarding the environmental condition of any of the 10100 HARPER DEVELOPMENT SITE offered within this RFP.

## XI. LIST OF ATTACHMENTS

A. Original Floor Plans for 10100 Harper