



# Islandview Greater Villages

## Two-Family Duplex Rehabilitation Project Request for Qualifications

Release Date: November 14, 2018

Pre-Submission Conference: November 30, 2018

Proposal Submission Deadline: December 21, 2018





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## I. PROJECT OVERVIEW

The City of Detroit's Housing and Revitalization Department (HRD), the City of Detroit Planning & Development Department (P&DD), and the Detroit Land Bank Authority (DLBA) seek a qualified development team to complete the rehabilitation of eight (8) existing two-family duplex homes in the Islandview Greater Villages (IVGV) neighborhood.

The City recently completed an 18-month neighborhood framework planning initiative for the IVGV and West Village area, which is also designated as the first of ten Strategic Neighborhood Fund (SNF) investment areas. SNF is a \$300M effort to leverage public and private funds, which will result in over \$34M in comprehensive improvements to parks and open space, street and streetscapes, greenways, housing stabilization, and mixed-use development along Kercheval Avenue in the IVGV neighborhood and directly adjacent to the proposed duplex rehabilitation sites and will result in several additional RFP/Q's over the next three years.

The proposed eight (8) two-family duplex rehabilitation sites are located on the two (2) blocks directly north of these investments and are expected to create approximately sixteen (16) mixed-income rental units.

The City seeks a well-qualified development team complete all stages of this project from due diligence to management of completed units.

The successful respondent will:

1. Demonstrate a strong track record of delivering high quality housing projects on time.
2. Have significant experience completing full rehabilitation of historic single-family or duplex type housing, coupled with a commitment to creating quality, well-designed mixed-income housing.
3. Have significant experience operating scattered-site rental housing developments.
4. Provide an affordable housing program that includes a minimum 20% rent set aside for households earning 80% of area median income (AMI). The City will give preference to deeper affordability targets.

*Respondents are asked to submit the following:*

1. Letter of intent, which includes a narrative of the Respondent's approach to rehabilitating the duplexes, including unit mix and proposed affordability.
2. Detailed experience of development team (including current resumes)
3. Graphic representation, financial details, and references for a minimum of three (3) past projects of similar size.
4. Detailed and vetted sources and uses for the proposed project (including operating income proforma)
5. Example scope of services and itemized construction budget for similar single-family or duplex type homes that were completed by the team.
6. Preliminary project schedule, construction timeline, and strategy for developing the site.





## II. CONTEXT/AREA SUMMARY

The Islandview Greater Villages (IVGV) area is a remarkably rich collection of neighborhoods, corridors, open spaces, institutions, and commercial enterprises. Like many parts of the city, segments of the district are experiencing rapid growth and investment, while others are beginning a larger transformation from industrial activity to mixed-use development and recreation. Even still, other areas continue to struggle with long-term disinvestment and depopulation.

Moving forward on Mayor Duggan's commitment to neighborhoods, the City of Detroit's Planning and Development Department (P&DD) and Housing & Revitalization Department (HRD) have recently completed an 18-month long neighborhood framework initiative in Islandview, West Village, Indian Village, and East Village.

The West Village neighborhood was the first of 10 areas of the city designated for investment by the Strategic Neighborhood Fund (SNF), a \$300M effort to leverage public and private funds to create inclusive neighborhoods throughout the city. This investment will supplement and build on the work the City is already pushing forward in its neighborhoods.

On June 7, 2018, The City of Detroit announced a series of near term implementation projects to begin this fall. The City will be investing public dollars in public spaces and infrastructure as a comprehensive neighborhood approach so residents can see real projects working together to strengthen the neighborhood.

The City of Detroit will begin implementation of various neighborhood components in the next 1-3 years. Near-term projects include the following:

*Butzel Playfield:* Currently Butzel playfield sees limited activity. The City has released an RFP seeking a landscape architect to redesign the park to become a hub and center piece and to create greater accessibility and connections the neighborhood. \$1.5M in improvements are expected to be completed in 2019.

*Streetscape Improvements:* The City plans to invest \$10M in streetscape improvements including wider sidewalks, protected bike lanes, improved parking, and landscaping along Kercheval from Bellevue to Fischer.

*Street Improvements:* Traffic calming and new pedestrian crossings will be installed around the perimeter of Butzel Playfield and on Van Dyke at Agnes and Lafayette.

*Housing Rehabilitation:* The City and the Detroit Land Bank Authority (DLBA), through the Rehabbed & Ready Program will rehabilitate 16 homes over the next 18 months. There is also a significant number of single-family and duplex rehabilitation projects being completed by private owners in the surrounding area.

*Mixed-use Development:* Invest Detroit and the Roxbury Group expect to begin the construction of a \$23.1M mixed-use infill development spring 2019. The proposed development includes 92 units of residential apartments and 6,000 sq ft of retail, at the Northeast corner of Kercheval and Van Dyke, bringing a high level of affordable housing including 50% of the rental units at 120% AMI or below, 30% at 80% AMI or below, and 20% at 50% AMI or below. The commercial space also helps bring much needed neighborhood retail back to the area by rebuilding the traditional main street.

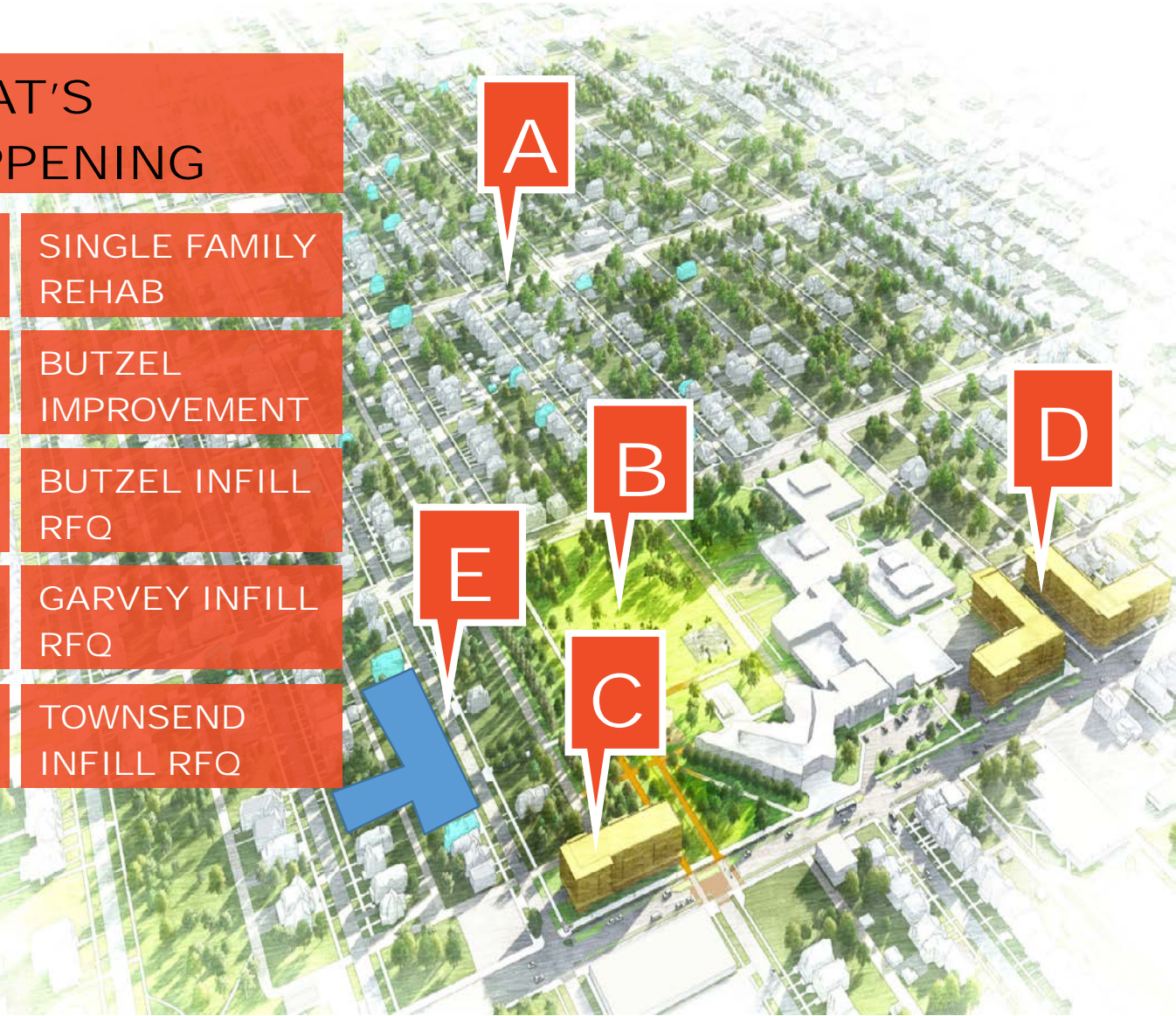
The City will also be releasing an RFQ to create new mixed-use housing on the vacant parking lots in front of Butzel Playfield (48 units and 5,000 sq ft of retail) and at the Northwest corner of Kercheval and Van Dyke in front of Marcus Garvey Academy (54 units and 10,000 sq ft of retail) in winter and spring of 2019.



The proposed project presents the unique opportunity to build off of the momentum of these strategic improvements.

WHAT'S HAPPENING

|   |                     |
|---|---------------------|
| A | SINGLE FAMILY REHAB |
| B | BUTZEL IMPROVEMENT  |
| C | BUTZEL INFILL RFQ   |
| D | GARVEY INFILL RFQ   |
| F | TOWNSEND INFILL RFQ |







### III. AREA RETAIL DEVELOPMENT

As the area grows, the West Village neighborhood has seen several new retail and services open up in existing buildings clustered near the intersection of Kercheval and Van Dyke including:

- Sister Pie – a bright corner bakery with non-traditional flavor combinations reflecting the local Michigan Agriculture.
- Detroit Body Garage – a neighborhood gym focusing on group fitness classes where people gather, work out and share their goals without competition or ego.
- Metropolis Bike Shop – a bicycle shop committed to providing the best possible customer service to help people find the right bicycle / accessory / service to match their style.



- The Village Parlor – a high end salon and apothecary where anyone is welcome.
- Heavyweights Barber Shop – an old school neighborhood barber shop.
- Hawkins Real Estate – a locally owned real estate sales office specializing in neighborhood sales.
- Craft Work – a restaurant and bar serving New American food using quality ingredients.
- Detroit Vegan Soul – a restaurant providing great-tasting, high-quality, nutritious vegan food.
- Red Hook Coffee – a charming neighborhood coffee and bake shop.
- Live Cycle Delight – with two locations in the neighborhood, this gym aims to transform mind, body and spirit through TRX, cycle and yoga classes.
- Marrow - steakhouse and butcher shop.

As neighborhood momentum continues to build there has been a steady stream of announcements of new businesses “Coming Soon!” such as Gabriel Hall (New Orleans style food and music), Destination 1905 (corner sports bar), and Brudder’s (pizza shop) which have all secured leases and are currently building out their spaces within two blocks of the intersection of Van Dyke and Kercheval and less than a five minute walk from the proposed duplex sites.



#### IV. THE PROPOSED DEVELOPMENT – TWO-FAMILY DUPLEX REHABILITATION

Directly adjacent to the collection of investments being made by the City, the proposed eight (8) two-family duplex rehabilitation sites are located on the blocks directly to the north between Vernor and Charlevoix and are expected to create approximately sixteen (16) mixed-income rental units.

The City seeks a highly qualified and experienced developer (and/or development team) to submit a rehabilitation development proposal that supports a complete and high quality rehabilitation of each of the eight (8) vacant duplexes. Many of the duplexes are adjacent to vacant DLBA owned parcels which may be assembled to provide larger side lots where appropriate.

The City sees the proposed project as an opportunity to preserve density, add to the diversity of housing types, and the opportunity to increase affordability in an area with rapidly raising rental rates and home values. In the last 24 months, the average rent for a 1,300 square foot flat has increased from \$700-\$750 per month to \$1,400-\$1,500 per month confirming the need for the City to intervene to ensure more affordable options.

The City expects that most respondents will propose a rental program, however, responses that propose a for-sale development may be considered as well.





V. PROPERTY DESCRIPTION

Addressed:                      *Two-Family Duplexes to be Rehabilitated Fronting Sheridan:*  
   2251  
*Two-Family Duplexes to be Rehabilitated Fronting Baldwin:*  
   2406  
*Two-Family Duplexes to be Rehabilitated Fronting Seyburn:*  
   2463  
*Two-Family Duplexes to be Rehabilitated Fronting Beals:*  
   2419, 2551  
*Two-Family Duplexes to be Rehabilitated Fronting Van Dyke:*  
   2544\*, 3000  
*Two-Family Duplex to be Rehabilitated Fronting Charlevoix*  
   7716  
*\*Duplex includes adjacent parcel*

Location:                      Northwest of Kercheval and Van Dyke (Islandview)

City/County:                      Detroit/Wayne

Land size:                      Land with Duplexes:        24,000 sq ft or 0.55 acres  
   Vacant Land:                3,000 sq ft or 0.07 acres

Zoning:                        The site is currently zoned R-2 Residential. The City will support any zoning changes or variances required to accomplish the selected development scheme.

Asking Price:                      \$188,000.00





VI. LOCATION MAP/AERIAL PHOTOGRAPH

Proposed Site Location







Site Photograph



Site Photograph





## **VII. AFFORDABILITY REQUIREMENTS**

The proposed project, at a minimum, must make at least 20% of the total unit count available to residents earning 80% or less of the area median income (AMI) for the current fiscal year as set by the United States Department of Housing & Urban Development (HUD).

The proposed project may also trigger greater affordability requirements as outlined in the City's Inclusionary Housing Ordinance and/or the City's Community Benefits Ordinance.

In addition to the minimum requirements, the City may favor projects that propose and show evidence of the ability to provide a greater range of affordability.

### **Potential Incentives**

The City of Detroit Housing and Revitalization Department (HRD) releases a Notice of Funding Availability (NOFA) annually each December. The NOFA accepts development proposals and requests for use of United States Housing & Urban Development (HUD) HOME Partnership, Community Development Block Grant (CDBG), and Michigan State Housing Development Authority (MSHDA) funds, as well as City General Fund and Bond funds.

The City of Detroit is currently raising funds through the Affordable Housing Leverage Fund (AHLF) to provide low cost capital for housing development projects that offer deep affordability.

The Detroit Housing Commission (DHC) manages rental subsidy programs including Project Based Vouchers (PBVs).

The Michigan State Housing Development Authority (MSHDA) manages the State's 9% and 4% Low Income Housing Tax Credit (LIHTC) Program. MSHDA also funds projects with state bond financing, HUD HOME Partnership funds and other financing and grant programs.

Several low cost financing and grant programs are offered through Community Development Financial Institutions (CDFI).

The City of Detroit offers many tax abatement programs and incentives. More information can be found here:

<http://www.detroitmi.gov/Detroit-Opportunities/Detroit-Development/Detroit-Development-Financing>

## **VIII. EVALUATION AND SELECTION PROCESS**

A Selection Committee (the "Committee") will be established to review submissions. The Committee will consist of representative from HRD, P&DD, DLBA, the Detroit Economic Growth Corporation, and one community stakeholder representative. 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.

**Submission Process and Timeline**

**SCHEDULE**

Release Date:  
Pre-Submission Conference:  
Proposal Submission Deadline:  
Selection of Preferred Developer List:  
Shortlist Interviews:  
Final Selection/Recommendation:

**DATE**

November 14, 2018  
November 30, 2018  
December 21, 2018  
January 11, 2019  
January 14-18, 2019  
February 1, 2019

**Pre-Submission Conference**

A Pre-Submission Conference for the RFQ will be held at **1:00 P.M. EST on November 30, 2018** at the City of Detroit Housing and Revitalization Department, located in Suite 908 (9<sup>th</sup> Floor), CAYMC, 2 Woodward, Detroit, Michigan 48226.

**Direction for Submissions**

To be considered, all RFQ responses must be received by **5:00 P.M. EST on December 21, 2018**. The responsibility of submitting the RFQ response rests entirely with the Respondent to the RFQ.

Submissions shall be limited to 20 pages and must be made electronically with a 8.5x11 page size (plans/renderings may be up to 11x17) PDF via email to [ivgvduplexrfq@detroitmi.gov](mailto:ivgvduplexrfq@detroitmi.gov) or by USB thumb drive delivered to the City of Detroit Housing and Revitalization Department, located in Suite 908 (9<sup>th</sup> Floor), CAYMC, 2 Woodward, Detroit, Michigan 48226.

Proposals sent by overnight delivery service will be considered timely if the delivery date stamped is at least one (1) day before the due date set for receipt of the RFQ. 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 location, in the required form, by the required submission time will be ineligible for consideration. **Hard copies and faxed submissions will not be accepted.**

Once received by HRD, submission will not be returned. Formal communication, such as requests for clarification and/or information concerning this solicitation shall be submitted by email to [ivgvduplexrfq@detroitmi.gov](mailto:ivgvduplexrfq@detroitmi.gov). Response will be provided to all inquiries and answers to frequently asked questions will be available. 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 RFQ to the City of Detroit and any work performed in connection therewith shall be assumed by the Respondent. 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 Respondent 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 (commonly known as the Freedom of Information Act FOIA).