



Notice Of Funding Availability Conditional Award Housing Rehabilitation and Development Program

City of Detroit

Housing & Revitalization Department

Division(s)	Housing Underwriting
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PURPOSE:

The City of Detroit Housing and Revitalization Department (HRD) releases a Housing Rehabilitation and Development Program Notice of Funding Availability (NOFA) to provide affordable housing developers and owners the opportunity to apply for financial support for projects that address housing challenges in Detroit neighborhoods. The NOFA specifically relates to the availability of financing tools made available through funding received from the U.S. Department of Housing and Urban Development (HUD) and other sources (including but not limited to funds from the United States Department of the Treasury pursuant to the Coronavirus State and Local Fiscal Recovery Fund under CFDA 21.027, under Section 602 and 603 of Title VI the Social Security Act, as amended by Section 9901 of the American Rescue Plan Act of 2021 (“ARPA”) (Subtitle M of Title IX of Public Law 117-2).

SCOPE:

This Policy and Procedure identifies the process to announce the NOFA, the process used to evaluate applications received, and the process to select proposed projects that will receive a conditional award of funding from the City of Detroit NOFA.

ROLES & RESPONSIBILITIES:

1. **Housing and Revitalization Department:** Determines when a NOFA will be issued, the categories of project types that will be included in the NOFA, and the amount of funding available for each project type category. Issues a public notice of the NOFA, establishes application submission deadline dates, uses a scoring and committee review process to evaluate the alignment of applications received with city development priorities, and issues conditional awards to the highest scoring projects in each project type category until all of the funds available for the category have been awarded.

POLICY:

A. Housing Rehabilitation and Development Program Notice of Funding Availability Conditional Award

Affordable Housing Notice of Funding Availability Conditional Awards are approved by the Housing & Revitalization Department Award Committee. The Director of Housing & Revitalization has formed and commissioned an Award Committee to provide structured feedback and senior management approval of HOME, CDBG, ARPA, and other funding awards to multi-family projects applying through the department’s Notice of Funding Availability (NOFA). The Award Committee is vested with the authority to determine

whether applications meet the requisite conditions necessary for consideration through the Department's NOFA; authorize exceptions to NOFA policy; and make formal recommendations to Detroit City Council for the award of funds.

PROCEDURE:

The NOFA process includes a public announcement of the NOFA, the presentation of information at public meetings, a threshold review of applications received, an evaluation of applications using a scoring process, a presentation of the proposed projects to the Award Committee, and a determination of conditional awards by the Award Committee.

1. Public Notice of the Notice of Funding Availability
 - a. Throughout the City of Detroit website (detroitmi.gov) members of the general public are provided the opportunity to indicate an interest in receiving updated information from the Housing and Revitalization Department by providing an email address to subscribe to newsletters and selecting the Housing and Revitalization Department from a list of subscription topics. When HRD issues a NOFA to provide affordable housing developers and owners the opportunity to apply for financial support for projects that address housing challenges in Detroit neighborhoods, an announcement of the NOFA is distributed via email to all email addresses that have indicated an interest in receiving updates from HRD.
 - b. HRD may also include an announcement of the NOFA via social media platforms and/or place an advertisement in a newspaper of general circulation (i.e., Detroit Free Press) indicating how interested parties may obtain a copy of the NOFA .
 - c. At the time a NOFA is released, information on the NOFA is immediately posted to the Housing and Revitalization Department – Housing Development page of the City of Detroit website.
 - d. If an advertisement is placed in a newspaper of general circulation, HRD staff prepare a Procurement Request Submission Form to request a Standard Purchase Order for the payment of the HRD advertisement request. Once completed, this information, including supporting documentation is submitted into an Office of the Chief Financial Officer – Office of Departmental Services (OCFO – ODFS) Smartsheet Web Form by HRD's Advertisement Liaison for a requisition to be created in Oracle for the Public Notice.
 - e. The NOFA will include the following information:
 - i. A funding opportunity title page that includes the month and year of the NOFA

- ii. A Table of Contents
- iii. An Introduction that indicates the total amount of funding available; the source of the funding being made available; and the programs, categories, and available funding amounts
- iv. The application award process schedule with key dates and how to sign up for meetings
- v. A description of the funding sources used in the NOFA
- vi. The program goals and guidelines
- vii. The requirements to receive funding through the NOFA
- viii. An explanation of the application, HRD review, and award process
- ix. Appendices with applicable reference materials
- x. The NOFA application, instructions and required attachments
- xi. Instructions on how to prepare a development proforma
- xii. A Certificate of Authority that is required if a consultant is submitting an application on behalf of a developer.

2. HRD Pre-Submission Public Meeting

- a. A pre-submission public meeting is held to announce the NOFA with an agenda that includes an overview of the following items:
 - i. NOFA objective
 - ii. Funding amounts for the current NOFA round
 - iii. Application and award timeline with key dates
 - iv. Funding limits and restrictions
 - v. Funding sources
 - vi. Overview of the program requirements
 - vii. Summary of the compliance requirements

- viii. Application process
- ix. Instructions for next steps:
 - 1. Schedule pre-application project review meeting and upload information prior to the meeting
 - 2. Sign-up to attend the program compliance information meeting
 - 3. Start the application as soon as possible

3. Pre-Application Project Review Meetings

- a. For any project that is applying to the NOFA, the developer must request a Pre-Application Project Review Meeting with the HRD Housing Underwriting team. The meeting provides an opportunity for the developer to ask questions and HRD staff to learn about and provide feedback on the proposed project.
- b. No later than 5 days prior to the scheduled meeting, the project team must upload the following documents to a Smartsheet Form via a link included in the NOFA:
 - i. Draft Executive Summary
 - ii. Draft Proforma in Excel format
 - iii. 9% LIHTC self-score (for all LIHTC projects)
 - iv. Draft Neighborhood Investment Criteria List/Map (9% LIHTC Only)
 - v. Preliminary Plan Review (PPR) Summary or Date of Scheduled Meeting (when applicable)

4. Program Compliance Information Meeting

- a. A Program Compliance Information Meeting is held to review the compliance requirements of the HOME, CDBG, and other funding sources awarded through the NOFA and to explain the NOFA application submission process. Development teams (developer and general contractor representatives) must register to attend the meeting. Attendance is monitored during the meeting. Points are awarded in the application scoring process for the project developer and general contractor attending the meeting.
- b. The agenda for the meeting includes presentations on the following topics:

- i. Funding amounts for the current NOFA round
- ii. Funding limits and restrictions
- iii. Application and Award Timeline
- iv. Updates to the NOFA from the previous NOFA
- v. Environmental Compliance Requirements
- vi. Labor Standards, Davis Bacon & Prevailing Wage Compliance Requirements
- vii. Section 3 Compliance Requirements
- viii. Preliminary Plan Review Process
- ix. Uniform Relocation Act & Section 104 Compliance Requirements
- x. Supportive Housing Category Compliance Requirements
- xi. Construction & Rehabilitation Compliance Requirements
- xii. Asset Management & Continued Obligations requirements
- xiii. NOFA Application Submission Process

5. Submission and Receipt of Applications

- a. Applications are submitted and received via a DocuSign software process (Note: HRD will be converting to use the Neighborly software program during 2025 for the submission and receipt of applications after the software is fully implemented)
- b. The application package includes an application form and attachments including checklists of required items to be submitted with the application form. The attachments include:
 - i. HUD Entitlement Programs Mandatory Acknowledgement
 - ii. HOME Program Mandatory Acknowledgement

- iii. No Choice-Limiting Action and Required NEPA Rewind Language Acknowledgement
 - iv. Permanent Supportive Housing Required Documents Checklist (for PSH projects)
 - v. Acknowledgement of Other City of Detroit NOFA Requirements
 - vi. Affordable Housing Program General Requirements Checklist
 - vii. Affordable Housing Program Developer Finances Checklist
 - viii. Affordable Housing Program Readiness To Proceed Checklist
 - ix. Affordable Housing Program Goals & Requirements Checklist
 - x. Affordable Housing Program Project Financing Checklist
 - xi. Affordable Housing Program Construction and Environmental Checklist
- c. Application packages received are organized and the documents are electronically filed by project

6. Threshold Review of Applications

- a. HRD staff review the applications for completeness and prepare a Threshold Memo for each project application that includes:
 - i. A project overview and a unit overview table
 - ii. A recommendation whether or not the project should pass threshold and advance to the scoring phase of the NOFA process
 - iii. An executive summary with a description of the project and the development team.
 - iv. Building and unit configuration tables
 - v. Tables showing the proposed project permanent financial sources and permanent uses.

- vi. A narrative analysis of the financial feasibility of the project with a description of which funding sources have been secured with a letter of interest from the funder.
 - vii. Narrative information including the capacity and experience of the development team including the developer, consultant (if applicable), general contractor, architect, and property management entity.
 - viii. Narrative description of the site suitability
 - ix. The financial proforma submitted with the application is included as an attachment.
- b. The Threshold Memo is presented to the HRD Award Committee and the Award Committee determines if the project passes threshold and advances to the scoring phase of the NOFA
 - c. A Threshold Approval Letter (formerly called a Letter of Interest) is issued to projects that pass threshold review indicating HRD has completed a threshold review of the project and determined the project has met the threshold review requirements, aligns with City goals, is financially viable with the inclusion of the financial support from the City requested in the application, the city is interested in continuing to evaluate the project, and HRD will proceed to the scoring and commitment phase of the NOFA for the project. The Threshold Approval Letter notifies the developer they must submit items via DocuSign (or Neighborly) that are included on a Commitment Level Documents Checklist and identifies any items from the original submission that require updating.
 - d. Threshold Denial letters are issued for projects that do not pass threshold review.

7. Scoring and Ranking of Project Applications

- a. After the due date for the submission of commitment level documents and items noted in the Letter of Interest, each project is reviewed using a scoring matrix.
- b. The scoring matrix includes the following categories of evaluation that are completed by various HRD team members:
 - i. Attendance at the Program Compliance Information Meeting
 - ii. Development Team Experience and Capacity

- iii. Project Financing
 - iv. Readiness to Proceed
 - v. Alignment with City Goals
 - vi. Program Employment Goals
- c. A Scoring Memo is prepared for each proposed project that indicates the overall proposed score for the project and includes details of the score determined for each of the categories of evaluation listed above.
- d. The Scoring Memo is presented to the HRD Award Committee and the Award Committee determines the final score for each project.
- e. The projects are ranked by project type category and final score and Conditional Award Letters are issued to the highest ranked projects in each category until all of the funds available for the category have been awarded.
- f. The Conditional Award Letter:
- i. Includes a description of the project receiving the award
 - ii. Indicates an “up to” award amount, what the award may pay for, the funding source used for the award, and that the number of assisted units required by the award will be determined by the city.
 - iii. Notes the other funding sources the city may choose, in its sole discretion, to use to fund the project.
 - iv. States the borrower’s responsibilities regarding the loan underwriting process
 - v. Clarifies the project will also need to obtain final approval of the award by City Council and HRD’s Award Committee.
 - vi. Indicates the award is a conditional award and may be rescinded if the project capital stack changes significantly or the project does not receive a 9% LIHTC award if it is seeking this funding source.

- vii. Establishes a deadline date 180 days from the date the Conditional Award Letter is issued to close on the city loan. This deadline may be extended at the discretion of the city.
- viii. An Environmental Review Memo is attached outlining the next steps required in order to obtain environmental clearance.
- g. Scoring Denial letters are issued for the projects that did not receive a conditional award.

Attachments:

1. Exhibit A – Sample Email Issued Announcing the NOFA and Information Included on HRD Website
2. Exhibit B – Sample Procurement Request Submission Form & Sample Newspaper Advertisement (if advertised in a newspaper of general circulation)
3. Exhibit C – Sample Housing Rehabilitation and Development Program Notice of Funding Availability (NOFA)
4. Exhibit D – Sample Threshold Review Memo
5. Exhibit E – Sample Threshold Approval Letter
6. Exhibit F – Scoring Matrix
7. Exhibit G – Sample Scoring Memo
8. Exhibit H - Sample Conditional Award Letter

Exhibit A

Sample Email Issued
Announcing the NOFA

and

Information Included on HRD
Website

SAMPLE EMAIL ISSUED ANNOUNCING THE NOFA

AFFORDABLE HOUSING NOTICE OF FUNDING AVAILABILITY (NOFA)

The City of Detroit's Housing and Revitalization Department is pleased to announce the release of the February 2025 Affordable Housing Notice of Funding Availability (NOFA). Affordable housing developers and owners may apply to this NOFA for financial support for projects that will preserve, rehabilitate, and/or develop new affordable housing units in the city.

Further information about the program, including the application package, is available [here](#).

All developers applying through this NOFA, or who will be seeking support for a 9% LIHTC application, must submit a request to schedule a Pre-Application Review Meeting no later than February 18, with meetings held February 11 – 25, 2025. To schedule a meeting, please complete this [form](#) and upload the required documents. You will be contacted by an HRD team member for scheduling.

A Pre-Submission Meeting will be held on Monday, February 10 at 11:00 am. Please use the following link to join the Teams Meeting:

[Join the meeting now](#)

Meeting ID: 219 958 291 787

Passcode: yT7SU26s

Dial in by phone

[+1 469-998-6602,,615002010#](#) United States, Dallas

[Find a local number](#)

Phone conference ID: 615 002 010#

For organizers: [Meeting options](#) | [Reset dial-in PIN](#)

The HRD NOFA team encourages attendance of the Developer and General Contractor at the Program Compliance Information Meeting scheduled for February 18, 2025 – please use [this link](#) to register for the virtual meeting.

For questions regarding the Affordable Housing NOFA, please email HRDNOFA@detroitmi.gov.

Follow the City of Detroit on [Facebook](#), [Twitter](#), or [NextDoor](#) to get the latest news on what's happening across the city and in your neighborhood.

Update your subscriptions, modify your password or email address, or stop subscriptions at any time on your [Subscriber Preferences Page](#). You will need to use your email address to log in. If you have questions or problems with the subscription service, please visit subscriberhelp.govdelivery.com.

This service is provided to you at no charge by [City of Detroit, Michigan](#).

INFORMATION INCLUDED ON HRD WEBSITE

Housing Development

Notice of Funding Availability

The City of Detroit allocates funds through the U.S. Department of Housing and Urban Development 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 affordability in both rent restricted and naturally occurring affordable multifamily housing.
3. Develop supportive housing for homeless individuals and families.
4. Prepare for, prevent, and respond to coronavirus.
5. Provide opportunities for and support development to first-time, small-scale, community-based organizations/entities.

Affordable Housing Notice of Funding Availability - Released February 3, 2025, Due March 6, 2025

- [NOFA and Application Package](#) - Revised February 10, 2025
- [DocuSign Application Form](#)
- [HRD Pro Forma](#)
- [HRD Pre-Submission Public Meeting Presentation](#) - February 10, 2025
- [HRD Program Compliance Meeting Presentation](#) - February 18, 2025
- [NOFA Commitment Level Documents Application](#) - Due April 7, 2025
- [Commitment Level Documents Large Files Upload Link](#)

Exhibit B

Sample Procurement Request Submission Form and Sample Newspaper Advertisement

Procurement Request Submission Form

This form is to request a Standard Purchase Order for payments of all HRD advertisement requests. Once completed, this information, including supporting documentation will be submitted into ODFS Oracle Cloud System by HRD Procurement Liaison. Please complete this form in its entirety and return to Candance Alexander via email candance.alexander@detroitmi.gov and Karen Beaver via email kbeaver@detroitmi.gov. If you need any assistance in completing this form, contact our ODFS representative, Lisa Scarboro – lscarbor@detroitmi.gov

HRD Advertisement	HRD NOFA 2022	Ad#	#361076
Published Date	February 9, 2022	Price Quote	\$2,496.00
Requestor	Larry Catrinar	Division	D&I – Housing Underwriting

Requested Action*

New Procurement (PO or Contact)

Summary Description*

Write a brief, high-level summary description of what is in the SOW and what you are trying to procure, for what purpose (e.g., “Office supplies for XYZ department,” “# of XYZ software licenses,” or “XYZ services for this department’s program”).

HRD advertisement # 361076 – HRD NOFA ad to be published on Wednesday, February 9, 2022, in the Detroit News/Free Press (Detroit Media Partnership)

Is this an American Rescue Plan Act (ARPA) related request?* Yes No

Is this a sole source provider? Yes No

The reason is that the City has to advertise with Detroit Media Partnership since the Detroit News/Free Press are the publications that have the most distribution within the City of Detroit.

Grant Funded?*

Are you utilizing grant funds to support this procurement? Yes No

State and federal formula and competitive dollars are considered grants. If grant funded, note the title and year of the grant in the Procurement Request Form (PRF).

If Yes: Enter Grant Title and Fiscal or Program Year*

If there is more than one grant please put those names here. Please avoid acronyms.

HOME Investment Partnerships Program (Year: 2018-2019)

Is this a CDBG Funded Expense? Yes No Please select yes if the funding source is CDBG.

FEMA or State Reimbursable COVID Expense*

Select yes if the procurement is related to any of the following COVID activities: Testing (Project Code 997) Vaccinations (Project Code 998) Sanitation expenses (Project Code 999) Return to work activities
 If you're unsure whether your expense fits any of these grant reimbursements, please contact your ODFS representative. Also please note that all of these requests will go to ODG before ODFS to ensure compliance. This replaced another smartsheet process that ODFS had to complete before this process. Yes No

UTGO 4503*

Is the procurement using UTGO bonds fund 4503? Yes No

Total Dollar Amount*

Please enter like the following \$50,000.00. If you are requesting to create a new contract for an amount less than \$2000, attach any existing quotes that you have. A request for a time-only extension or scope change for a contract needs to be submitted as a request for \$1. No other submissions should be added as one dollar.

Price Quote of Advertisement: \$2,496.00

How many account strings are you adding?*

Contact your ODFS representative to confirm your account string. If you need to add more than 3 account strings, please write them in a separate document and upload as supporting documentation below. If you need to break out the costs into different fiscal years, please attach a breakout of that to this form.

Include complete accounting string

- 1 4620-13171-365160-626010-0-0-0
- 2
- 3
- 4

APPROVALS – Please enter Division Lead/Associate Director and then submit into DocuSign to obtain required signatures below:

FUNDS VERIFIED: _____ Date _____
 Lisa Scarboro, ODFS Accounting Manager

 Rebecca Labov
 Type Name Division Lead/Associate Director _____ Date _____

 Division Lead/Associate Director-Signature _____ Date _____

NOTICE OF REQUEST FOR PROPOSALS

January 10, 2022

City of Detroit
Housing and Revitalization Department
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan, 48226
Michael E. Duggan, Mayor
Julie Schneider, Director

AFFORDABLE HOUSING PROGRAM OVERVIEW

The City of Detroit is making up to \$10,000,000 of funding available through its Affordable Housing Notice of Funding Availability ("Affordable Housing NOFA") to support the rehabilitation and/or development of affordable housing units in the city of Detroit.

The funding source that will be available is from the HOME Investment Partnerships (HOME) Program through the U.S. Department of Housing and Urban Development (HUD).

In place of HOME funds, the City of Detroit in its sole discretion may choose to offer funding from the:

- Affordable Housing Development and Preservation Fund (AHDP)
- Community Development Block Grant (CDBG) funds through HUD
- American Recovery Plan Act (ARPA) funds through HUD

The City's Housing and Revitalization Department ("HRD") prefers to financially support development projects that:

1. Produce mixed-use, mixed-income multifamily housing developments in the city's neighborhoods through both new construction and adaptive reuse or rehabilitation of existing structures.
2. Preserve affordability in both rent restricted and naturally occurring affordable multifamily housing stock.
3. Preserve affordability in both rent restricted and naturally occurring affordable single-family housing stock through homebuyer assistance.
4. Develop supportive housing for chronically homeless individuals and families.
5. Prevent homelessness through non-profit initiatives.

HOME funds through this Affordable Housing NOFA can only be used for housing development for extremely low-, very low-, low-, and moderate-income households. The City of Detroit requires that all new production projects (new construction, adaptive reuse, vacant building rehabilitation) be located in the target areas identified in the 2016 Targeted Multifamily Housing Area (Multifamily Target Areas). In contrast, preservation projects can be located throughout the city of Detroit.

DEVELOPMENT PRIORITIES

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

Effective at the release of this Affordable Housing NOFA, the following caps will be placed on funding allocations:

- Maximum award per project: \$1,000,000 for 9% LIHTC; \$3,000,000 for all others (i.e., 4% LIHTC, NMTC, HTC, etc.)
- Maximum award per developer, per round: \$3,000,000
- Maximum outstanding awards per developer: Applicants are eligible to apply to this NOFA round regardless of the number of outstanding awards they may have from previous NOFA rounds provided all of the projects are considered to be on schedule at the sole discretion of HRD.

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

- Mixed Income Projects that contain market rate housing units for households with incomes above 80% of AMI.
- Mixed Use Projects that include mixed uses such as office and retail below residential units.
- Preservation Projects that extend expiring affordability requirements for existing occupied affordable housing development projects.
- Historic Preservation of residential buildings that are listed in the National Register of Historic Places or certified as contributing to the significance of a "registered historic district."
- Permanent Supportive Housing for those that experience chronic homelessness. This type of housing should include well-managed wraparound services and reduce tenant screening criteria to the HUD minimum.
- Projects of all types that support neighborhood transformation through program, site, and design elements, and incorporate smart growth principles.

AVAILABILITY OF THE REQUEST FOR PROPOSALS

The City of Detroit issued the Affordable Housing Notice of Funding Availability and Application Package on Monday, January 10, 2022. Interested parties may download an electronic copy of the Affordable Housing Notice of Funding Availability and submit the Affordable Housing DocuSign Application Form via the link provided on the Housing and Revitalization Department website at: <https://detroitmi.gov/departments/housing-and-revitalization-department/developers-and-contractors>. Interested parties may obtain a paper copy of the Affordable Housing Notice of Funding Availability from the Housing and Revitalization Department at:

City of Detroit
Housing and Revitalization Department
Attn: Housing Underwriting Division
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 HRDNOFA@detroitmi.gov. The City of Detroit will accept questions regarding this RFP until 5:00 p.m. on Friday, February 18, 2022. The City will respond through e-mail to each question individually as each question is received.

PRE-APPLICATION PROJECT REVIEW MEETING AND PROGRAM COMPLIANCE INFORMATION MEETING

Interested applicants must use the links provided in the Affordable Housing Notice of Funding Availability and Application Package to schedule a Pre-application Project Review Meeting and provide documents in advance of the meeting. Applicants should also use the link provided to register to attend the Program Compliance Information Meeting which will take place on February 8, 2022 at 10:00 am.

APPLICATION SUBMISSION

HRD will accept complete applications using the Affordable Housing DocuSign Application Form that can be found on the Housing and Revitalization Department website at: <https://detroitmi.gov/departments/housing-and-revitalization-department/developers-and-contractors>. Applicants responding to this RFP must submit a completed application form and all required documentation no later than 11:59 pm EST on Monday, February 21, 2022.

CHDO APPLICATIONS

The City will give special consideration for projects sponsored by a Community Housing Development Organization (CHDO). An organization that has not been certified and seeks funding from this set-aside must submit an application for both the CHDO certification and the response to this Affordable Housing NOFA.

RIGHTS/DISCLAIMERS

The City reserves the right to:

- Reject any and all submissions as the City expects to receive more proposals than can be funded with its limited HOME allocation.
- Request additional information or documentation at any stage during the application review process.
- Request that changes be made to a proposal.
- Fund or not fund any or all portions of any given proposal.
- Change the funding amount of a given proposal prior to closing, at its sole discretion.
- Have applicant developers respond and comply with any additional 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 with:

City of Detroit
Human Rights Department
2 Woodward Avenue, Suite 1240
Detroit, Michigan, 48226.

Exhibit C

Sample Housing Rehabilitation and Development Program Notice of Funding Availability (NOFA)

CITY OF DETROIT

Housing & Revitalization Department

Housing Rehabilitation and Development Program



NOTICE OF FUNDING AVAILABILITY (NOFA)

AND

APPLICATION PACKAGE

February 2025 NOFA

Michael E. Duggan, Mayor
Julie Schneider, Director

REVISED: February 10, 2025

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INTRODUCTION

The City of Detroit’s Housing and Revitalization Department (HRD) is pleased to release this Notice of Funding Availability (NOFA) to provide affordable housing developers and owners the opportunity to apply for financial support for projects that address housing challenges in Detroit neighborhoods. Through this NOFA, HRD is making up to **\$5,000,000** of funding available to support the preservation, rehabilitation and/or development of affordable housing units in the city of Detroit.

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

- the HOME Investment Partnership Program (HOME),
- the Community Development Block Grant Program (CDBG), and
- the Community Development Block Grant Disaster Recovery Funds (CDBG-DR) Program, and
- the HOME – American Rescue Plan (HOME-ARP) Program.

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

1. Affordable Housing Development Program

a) Multifamily Development Category \$3,000,000

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

b) Supportive Housing Category \$2,000,000

Permanent Supportive Housing (PSH) funds are available to support high-quality projects that will construct, rehabilitate, and/or preserve multifamily developments in Detroit that are deeply affordable and provide intensive tenant-centered services for the residents. PSH is an important intervention for a subset of households experiencing homelessness. The goal of PSH is to provide deeply affordable housing, with an array of services that are designed to foster housing stability and improve the health and quality of life of PSH tenants.

According to the 2022 State of Homelessness Annual Report for the Detroit Continuum of Care (CoC), 38% of people experiencing homelessness have a disabling condition that may require long term supportive services. The Detroit CoC, through the coordinated entry process, prioritizes people experiencing chronic homelessness for PSH units, meaning they have a disabling condition and have experience a year or more of homelessness. The population eligible for PSH are households experiencing literal homelessness, as defined by HUD, and have a disabling condition.

PSH project partners must bring a shared understanding of Housing First and Harm Reduction and that must be reflected within the Attachments and responses. The project must pay the cost of all utilities for the PSH units. High quality PSH ensures housing stability by engaging households in voluntary, flexible and coordinated supportive services, and

attending to households' connections to community. PSH projects are required to take all applicant referrals through the Continuum of Care's Coordinated Entry process and will be required to obtain a letter of support from the Continuum of Care. Additionally, projects will be required to enter PSH tenant level data into the Homeless Management Information System (HMIS). HOME, AHDPF, and HOME-ARP funds are the primary sources used to fund awards in this category.

HOUSING REHABILITATION AND DEVELOPMENT PROGRAM APPLICATION AWARD PROCESS SCHEDULE

Tentative Schedule (Dates Subject to Change)

EVENT	DATE
NOFA Published	Monday, February 3, 2025
HRD Pre-Submission Public Meeting*	Monday, February 10, 2025 at 11 am (See meeting information below) *
Pre-Application Project Review Meetings**	Tuesday, February 11 – Tuesday, February 25, 2025
Program Compliance Information Meeting***	Tuesday, February 18, 2025 (See meeting information below) ***
Final Submission Deadline	Thursday, March 6, 2025
Threshold Approval Letters Issued	Friday, March 21, 2025
City Support Letters Issued (9% & 4% LIHTC)	March 18-25, 2025
Commitment Level Documents Due****	April 7, 2025 ****
Conditional Award Letters Issued (9% LIHTC Projects) / Conditional Compliance Award Letters*****	June 2025 – Date TBD
Conditional Award Letters Issued (All Other Projects)	TBD

*THE HRD NOFA PUBLIC MEETING WILL BE HELD VIA TEAMS ON February 10, 2025 at 11:00 am
Please use the following information to join the Teams Meeting:

Join on your computer, mobile app or room device

Microsoft Teams [Need help?](#)

[Join the meeting now](#)

Meeting ID: 219 958 291 787

Passcode: yT7SU26s

OR Dial in by phone

+1 469-998-6602,,615002010# United States, Dallas

[Find a local number](#)

Phone conference ID: 615 002 010#

****** The project team must provide the documents shown on page 21 at the time a meeting is requested using the [Pre-Application Project Review Meeting](#) Smartsheet link.

******* A **Program Compliance Information Meeting** to review compliance requirements of the HOME, CDBG, and other funding sources awarded through the NOFA and to explain the application submission process. **WILL BE HELD VIA TEAMS ON February 18, 2025 AT 10:00 am. Development teams applying for funding through this NOFA must register to attend the meeting [HERE](#). POINTS ARE AWARDED FOR ATTENDING THE MEETING.**

********Commitment Level Documents ARE REQUIRED for ALL projects that receive a Threshold Approval Letter.

DESCRIPTION OF FUNDING SOURCES USED IN THIS NOFA

HOME Investment Partnerships Program (HOME) through HUD

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

Community Development Block Grant Program (CDBG) through HUD

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

Community Development Block Grant Disaster Recovery Program (CDBG-DR) through HUD

Subject to all City approvals, the City of Detroit may utilize CDBG-DR funds to reimburse applicants for reasonable and necessary costs incurred for eligible expenses that meet CDBG-DR requirements, aligned to the City of Detroit [CDBG-DR Action Plan](#) as amended and approved on June 17, 2024. Any project supported by CDBG-DR must comply with the associated statutory and regulatory requirements outlined in [87 FR 31636](#), [88 FR 319](#), and the [Universal Notice found at 90 FR 6489](#) as well as of the Code of Federal Regulations.

Affordable Housing Development and Preservation Fund (AHD&PF) through the City of Detroit

The City of Detroit's Affordable Housing Development and Preservation Fund is used to create and preserve affordable homes for households with incomes up to 50%, with a directive that not less than 70% of the funding serve households at or below 30% AMI. The fund is capitalized through at least 40% of net receipts of all City-owned commercial property sales as well as developer contributions committed to the fund through community benefits processes. Although limited, these funds may be used as a supplement or substitute for HOME or CDBG funds.

HOME-American Rescue Plan Program (HOME-ARP) through HUD

Permanent Supportive Housing projects funded through this NOFA may receive HOME-ARP funds. The purpose of the HOME-ARP funds is to address the need for homelessness assistance and supportive services. HOME-ARP funds awarded through this NOFA must be used for the development of affordable housing that primarily benefits qualifying individuals and families who are homeless, at risk of homelessness, or in other vulnerable populations.

Currently Detroit prioritizes permanent supportive housing for those experiencing chronic homelessness. As such, applicants should expect that if awarded, all units must be filled with this population.

PROGRAM GOALS AND GUIDELINES

General Program Goals

The Housing Rehabilitation and Development Program aims to strengthen public-private partnerships in order to achieve the following goals:

- Produce mixed-use, mixed-income multifamily housing developments in the City's neighborhoods through both new construction and adaptive reuse or rehabilitation of existing structures.
- Preserve affordability in both rent restricted and naturally occurring affordable multifamily housing.
- Develop supportive housing for homeless individuals and families.
- Prepare for, prevent, and respond to coronavirus.
- Provide opportunities for and support development to first-time, small-scale, community-based organizations/entities.

Funds awarded through this NOFA can only be used for the development of housing that includes units for extremely low-income, very low-income, low-income, and moderate-income households. All new production projects (new construction, adaptive reuse, vacant building rehabilitation) must be located in the target areas identified in the [2019 Targeted Multifamily Housing Area](#) (Multifamily Target Areas) unless a waiver is granted at the sole discretion of the City. In contrast, preservation projects can be located throughout the city of Detroit. City funds are only available to be used as part of the permanent financing sources of a development.

Development Priorities

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

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

- Preservation Projects that extend expiring affordability requirements for existing occupied affordable housing development projects.
- Historic Preservation of buildings that are either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.
- Permanent Supportive Housing for those that experience [chronic homelessness as defined by HUD](#). This type of housing should include well-managed supportive services and reduce tenant screening criteria to the HUD minimum.

Community Housing Development Organization (CHDO) Certification

The City will give special consideration for projects sponsored by a Community Housing Development Organization (CHDO). An organization that has not been certified and seeks funding from this set-aside must submit an application for CHDO certification along with the response to this NOFA. Applicants may find the requirements for the CHDO certification [HERE](#). Additional information on the CHDO process can be found in Appendix A.

Community-Based Development Organization (CBDO) Certification

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

Emerging LIHTC Developer Initiative

The City may award additional points in the “Development Team Experience and Capacity” category for projects that have established and promote a positive partnership between Experienced Developers and an Emerging LIHTC Developer. An Emerging LIHTC Developer is defined as:

- An organization with previous real estate development experience that is seeking to expand to develop affordable housing and/or an organization with limited LIHTC Development experience; having received and/or developed no more than three (3) LIHTC projects as either General Partner or a Managing Member.
- An organization that is not related to nor has a connection with any development entity that can qualify for “Development Team Experience and Capacity points”.
- An organization having insufficient financial capacity to support the development of a project independently contingent upon the City’s assessment of Financial Statements provided as a requirement of applying to this NOFA.

All applicants must provide an Emerging LIHTC Developer Narrative as instructed in this NOFA to be considered for qualifying points; inclusive of but not limited to:

- Providing a summary of the Emerging LIHTC Developer’s participation/role in the development process of the submitted project.
- Providing an overview detailing the Emerging Developer’s future plans for developing affordable housing in the City of Detroit. This should be inclusive of past, current, and future goals.
- An overview of the Developer’s organization structure identifying the Emerging Developer with no less than 25% interest in the General Partnership or as a Managing Member of the partnership (earning a percentage of the paid and deferred developer fee at least equal to their percentage of the ownership).

AFFORDABLE HOUSING DEVELOPMENT PROGRAM DETAILS AND REQUIREMENTS

Funding Limits and Restrictions

The following restrictions will be placed on funding allocations for the Affordable Housing Development Program:

- Maximum award per PSH project: maximum award based upon maximum subsidy limit per unit of PSH
- Maximum award per non-PSH project: \$1,000,000 for 9% LIHTC; \$3,000,000 for all others*
- Maximum award per developer per round: \$3,000,000*
- The maximum number of applications per developer per round may not exceed \$5,000,000
- At the sole discretion of the City of Detroit, developers with outstanding awards from previous NOFA rounds may be subject to a maximum cumulative award limit.

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

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

Total City funding in any one project shall not exceed per unit maximums, and will be limited by the total amount of funding available. The City encourages applicant Developers to seek additional funds from other State, Federal, and private sources. Whichever funding source—HOME or an alternate funding source—has the more stringent requirements, those must be met.

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

*Due to rising construction costs, HRD will consider on a case-by-case basis, requests above the \$1,000,000 limit for 9% LIHTC projects and a maximum award above \$3,000,000 per developer, per round if the applicant can demonstrate an increase in score through MSHDA's QAP as a direct result.

Eligible Costs and Activities

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

- Acquisition costs – Acquisition of properties in need of rehabilitation and vacant land for new construction are eligible subject to the property meeting HOME requirements.

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

- Construction/Rehabilitation costs – Reasonable and necessary new construction or rehabilitation costs are eligible under this NOFA.
- Demolition – Demolition of an existing structure may be funded only if construction will take place on the project within (6) months of closing of the City loan. An extension may be granted at the sole discretion of the City.
- City legal fees – The City requires Developers of City assisted projects to pay the City’s legal fees, which are currently estimated at \$40,000 per project. More complex projects may incur additional fees. The legal fees are an eligible cost that can be paid out of the City award.
- Initial operating deficit reserves – In order to facilitate project viability, funds may be used to cover the cost of funding an initial operating deficit reserve, which is a reserve to meet projected operating deficits of the project during the compliance period. The Developer is required to provide an estimate of initial operating deficits in the development pro forma as part of the application submission. City staff shall review and determine the appropriate amount of reserve required.
- Initial operating assurance reserves – In order to facilitate project viability, funds may be used to cover the cost of funding an initial operating assurance 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 eighteen (18) months of project operations after construction completion.
- Additional soft costs – Reasonable and necessary soft costs are eligible for reimbursement. Please note that funding for soft costs is only eligible in collaboration with an eligible hard cost, and must be approved by the City. Examples of eligible soft costs could include financing fees, title commitments and insurance, surety fees, title and recording fees, legal and accounting fees including cost certification, environmental reviews, appraisals, and architectural and engineering fees.

Ineligible Activities and Costs

In accordance with [24 CFR Part 92.214](#) of the HOME regulations, applicable Office of Management and Budget (OMB) Circulars at [2 CFR Part 200](#), and the City’s own local requirements, the following activities and costs are prohibited under this NOFA:

- General planning / Administrative costs (i.e. rental or other costs associated with project community events such as ground breakings or ribbon cutting ceremonies)
- Relocation costs (unless specifically approved by the City)
- Refinancing of pre-existing debt on property
- The payment of delinquent property taxes or utilities
- Purchase of equipment, furniture, and fixtures
- Entertainment costs
- Other ineligible costs per the OMB Cost Principles ([2 CFR Part 200](#))

- City funding may not be used as a permanent mortgage on a property for homebuyer projects
- Lead-based paint inspection (Unless the City's award letter explicitly states that the City will reimburse Lead-based paint inspections, the Developer will be responsible for these costs, and they will not be eligible for City funding)
- Payments to the City of Detroit for the purchase of City-owned real estate.
- Any additional items payable to the City of Detroit incurred by other departments (i.e. permit fees payable to BSEED).

For projects receiving CDBG-DR funding:

- Does not tie-back or correspond to an identified disaster-related impact
- Is restricted by the appropriate legislation
- Is ineligible according to the CDBG-DR requirement
- Is not identified as eligible in the approved Action Plan
- Is located in a floodplain
- Fails to meet an appropriate national objective (LMH).

Financing Terms

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

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

Loans that mature at the end of the Affordability Period, or a longer period specified by other project lenders, may be required to pay a balloon payment. The Affordability Restriction Agreement (Restriction Agreement) shall be a restrictive covenant against the property and the affordability obligations shall pass to subsequent owners during the affordability period (running with the land). The affordability period in the Restriction Agreement shall survive foreclosure and the compliance obligation will be binding on the foreclosing lender.

REQUIREMENTS TO RECEIVE FUNDING THROUGH THIS NOFA

Household Income and Rent Restrictions

The acquisition and improvement of property for affordable rental units assisted with HOME funds must be rented to households who are at or below sixty percent (60%) of the Area Median Income (AMI). At least 20% of those HOME-assisted units must be rented to households at or below fifty percent (50%) of the AMI.

Please see Appendix B for more information on rental and utility restrictions.

Applicants must also comply with the City of Detroit's [Inclusionary Housing Ordinance](#) (Section 1. Chapter 14 of the 1984 Detroit City Code, 14-12-1 through 14-12-16). Applicants requesting over \$500,000 of NOFA Funds for *rental projects only*, where the project includes 20 or more units, must comply with the City of Detroit's Inclusionary Housing Ordinance. The Inclusionary Housing Ordinance requires that projects with City funds over \$500,000 and 20 units or more provide at least 15% of its total dwelling units for lease to households earning up to 60% AMI. Additionally, at least 5% of the total dwelling units are required to be leased to households earning up to 50% AMI.

Income limits and maximum rents are further charted in **Appendix B**. Due to the regulations outlined in the [Inclusionary Housing Ordinance](#) (Section 1. Chapter 14 of the 1984 Detroit City Code, 14-12-1 through 14-12-16), **these restrictions will be imposed for a 30-year period of time following the project construction completion**. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. They will be imposed by the Restriction Agreement that runs with the land.

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

Environmental Review Requirements

All projects which receive funding through this NOFA are subject to the HUD environmental review requirements and all properties acquired with HOME funds must be environmentally cleared by the City prior to acquisition. The HUD environmental review requirements are found in [24 CFR 58](#). The project must satisfy the HUD environmental review requirements before the City may commit funds to the project. The City shall interpret "commit" as the submittal of the NOFA application. Upon application for assistance through this NOFA, the Developer and all project participants (i.e. public or private non-profit or for-profit entities, or any of their contractors) agree to the following stipulations: (1) that the provision of any funds to a project is subject to the findings of the environmental review, and (2) **that neither the Developer nor any project participant shall undertake any "choice limiting actions" until the environmental review process is complete, all parties have executed the development and loan agreements for the project, and the City has issued a notice to proceed. Neither the Developer nor any project participant may undertake any "choice**

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

Any purchase/option agreements executed prior to the submission of an Application to this NOFA that are used to demonstrate site control must include the following **HUD NEPA Rewind Language**:

Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchase may occur, unless and until the City of Detroit has provided Purchaser and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The City of Detroit shall use its best efforts to conclude the environmental review of the property expeditiously.

If a rehabilitated unit in this program was originally placed into service prior to January 1, 1978, rehabilitation must also comply with HUD lead-based paint rules ([24 CFR Part 35 and 24 CFR Section 570.608](#)). A lead-based paint inspection and lead-based paint risk assessment for lead-based paint hazards shall be conducted, and rehabilitation work must be done by contractors meeting the requirements of the HUD lead-based paint rule and the EPA Renovation, Repair, and Painting rule.

Davis Bacon and Related Acts (DBRA) Requirements

Federal labor laws will be applicable to projects that have/are: (a) awarded CDBG funds to build or rehab eight (8) or more units; (b) consists of twelve (12) or more HOME-assisted units; or (c) include nine (9) or more federal project based vouchers. Applicable labor laws include the Davis-Bacon Act (DBA), the Contract Work Hours and Safety Standards Act (CWSHA), and the Copeland Anti-Kickback Act.

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

Section 3 Requirements

In order to meet the Section 3 requirements, the applicant agrees to comply with HUD's regulation, 24 CFR Part 75 and Housing and Revitalization Department (HRD) Section 3 policy

and guidelines. The applicant must submit the following documents in its entirety and sign (1) Section 3 - Intent to Comply and (2) Section 3 Plan – Developer and General Contractor (see **Appendix K** for links to aforementioned documents).

If the applicant has Section 3 experience, submit UPDATED/NEW document(s) and information (**no older than 2020**), a detailed explanation of *past verifiable strategies* used for hiring and training low- and very low-income individuals and contracting with Section 3 businesses and if the strategies were successful or not.

Please see **Appendix D: Section 3 Information** for more information and the link to the above two documents.

Construction and Rehabilitation Requirements

In all work under this NOFA, Developers must adhere to all applicable state and local laws, building codes, zoning, and other requirements relating to construction, rehabilitation, and housing safety, quality, and habitability. Developers must meet the Housing & Revitalization Department’s Contractor’s Performance Standards November 2017 (“HRD Performance Standards”). Rehabilitation and new construction supported with City funds are required to conform to [24 CFR 92.251](#) of the HOME regulations, as applicable. Projects will also be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973 (“Section 504”. Information on Section 504 can be found [HERE](#) and [HERE](#). New construction projects receiving funding from this NOFA must have 10% of the units meet the accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. Rehabilitation projects receiving funding from this NOFA must have 5% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. New construction projects that have 15% and rehabilitation projects that have 10% of the units meet the accessibility requirements under Section 504 will be eligible to receive 2 additional points in the NOFA scoring process. The unit type mix of the accessible units must be representative of the overall project unit type mix.

Energy Standard Requirements

All new construction or substantial rehabilitation in buildings above 4 stories receiving City funding must be designed to meet American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2019. New single family and low-rise multi-family housing is subject to 2021 IECC code requirements. As developers are also encouraged to use City funds to incorporate modern, green building, and energy-efficiency elements, points will be awarded for projects that meet the standards outlined in the ENERGY STAR Version 3 for new construction. Construction plans must detail governing design standard and certifications requirements.

Tenant Retention Requirements and Relocation Restrictions

All City-assisted homes and properties acquired or rehabilitated through this NOFA are subject to the [Uniform Relocation Act \(URA\)](#). A copy of the required General Information Notice (GIN)

that was issued to the residents of an occupied property at the time the NOFA Application was submitted must be provided with the application. For any occupied property, the City must approve a Tenant Retention Plan (TRP) prior to a Conditional Award being issued for the project that demonstrates how the project will prevent displacement of existing residents, including the plan for any temporary relocation. This plan must comply with the City's Tenant Retention Standards, found in **Appendix J**, and the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) (link can be found in **Appendix K**). A link to a sample Tenant Retention Plan (TRP) can be found in **Appendix K**. Tenants of occupied properties receiving City funds through this NOFA cannot be required to permanently relocate without a written exemption granted by the City. Occupied or recently vacated properties in which occupants have been subject to mass evictions, non-renewals, rent increases or other displacement-triggering events resulting in high vacancy may be disqualified from funding through this NOFA. Developers seeking funds for occupied properties are encouraged to meet with the City's Preservation Team as soon as possible when planning an application, and to provide a draft TRP with initial submission of an application for City funds to ensure that relocation rules are followed. The TRP is required at the commitment stage.

Project/Construction Cost Requirements

At the time of application to the Affordable Housing Development Program, the Developer must submit a trade payment breakdown for the project from the general contractor. The application must also state whether the Developer has solicited or received any proposals (bids) from general contractors. The following contingency standards will need to be included in the hard cost projections: Five percent (5%) contingency for new construction projects; Twelve and a half percent (12.5%) contingency for rehabilitation projects; and Fifteen percent (15%) contingency for historic rehabilitation projects. The contractor's fee will be governed by the following maximum ratios: Contractor profit-6%, Overhead -2%, and General Conditions - 6%. The City of Detroit may consider higher percentages for these fees if MSHDA or another funder approves higher percentages.

Pre-Closing Construction Requirements

a project can start the closing process for funds awarded through the Affordable Housing Development Program, the Developer must provide a third-party cost estimate of the construction budget. As a condition of closing, the Developer must also attest and certify that no member or contracting entity or affiliate of the development team is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from any entity from a federally funded transaction. Any contractor that remains on a debarred or suspended condition shall be prohibited from participation in the City's program as long as the contractor is classified in this manner. The Developer must register on the HUD SAMs website to allow for confirmation that neither the developer, selected contractor nor any subcontractors are on the Federal or other debarred lists. The contractor completing the rehabilitation/new construction work will also be required to secure a 100% Payment and Performance Bond on a rehabilitation/new construction project with an estimated rehabilitation/new construction cost of \$100,000 or more in the aggregate. The surety (the provider of the bond) must be authorized to do business in the State of Michigan.

Acquisition and Construction Schedule

Developers that receive Affordable Housing Development Program funds must take title of 100% of the properties at the closing of the funds if the designated use of the funds is for the property acquisition. If other financing sources are used for acquisition, the assisted project may be closed “in escrow”. Construction is expected to begin within (6) months after the City’s issuance of a commitment letter. The City must approve a project completion schedule that includes all milestones associated with the acquisition, major elements of the development implementation process, schedule of project construction completion by trades, and sale or lease-up of the units prior to loan closing. Due to strict Federal deadlines, projects that do not reach milestones in a timely manner may be subject to rescission of City funding. Construction must not have started prior to the approval of funding and the receipt of the Authority to Use Grant Funds or Certification from HUD.

Cost Certification Requirements

A Certification Report must be prepared by the Developer at the time of project completion and must list and certify all actual sources of funds that were used for the project. Additionally, the City reserves the right to require a Cost Certification report prepared by an independent public accountant, or to request a copy of reports required by other project funders.

Marketing Requirements

The City of Detroit’s Detroit Home Connect is a web-based tool that tracks and promotes available affordable housing units in Detroit. Developers benefit from the Detroit Home Connect portal by gaining free marketing of their properties and any available affordable units, and prospective tenants benefit from the Detroit Home Connect portal by having one source to search and review information on affordable places to live. As a condition to receiving funds from the City of Detroit, applicant must agree to provide City staff with current property listing information to include in Detroit Home Connect, including property amenities, rent, and income eligibility information, property contact information, application information, and available affordable units. Further, applicant must agree to keep their Property Listing current by updating any changes in contact information and affordable units available for lease. As Applicants have immediate vacancies and/or have exhausted their tenant waitlists, Applicant must agree to periodically update their Property listing to market such vacancies. To use the Detroit Home Connect portal, City staff will provide developer and their property managers credentialed logins to post their property listings.

Acceptance of Housing Choice Vouchers

As a condition to receiving funds from the City of Detroit, the Developer must agree to accept prospective residents with Housing Choice Vouchers who would otherwise qualify for the Development, and will allow prospective residents to use a Housing Choice Voucher unless Project Based Rental Assistance is in place for the unit. The Developer understands a higher rent cannot be charged for units with Housing Choice Vouchers. Restricted AMI rents will apply to all affordable units.

Build America, Buy America (BABA) Act

As a condition to receiving funds from the City of Detroit, the Development Team – a “Non-Federal Entity” - hereby certifies that they will comply with the following BABA and the Buy American Preference (BAP) requirements unless they have obtained a waiver:

- The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee’s infrastructure project. Pursuant to HUD’s Notice, “Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance” (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates are subject to BABA requirements, unless excepted by a waiver.

When applicable, the BAP requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects be produced in the United States. Developers subject to the BAP must document compliance or the specifically applicable waiver of the BAP with:

- A copy of the applicable waiver(s),
- Certification(s) from the producer/manufacturer of Covered Materials,
- Certification(s) from the Contractor or entity performing the Covered Activities,
- Self-Certification(s) as to compliance, or
- A combination of one (1) or more of the aforementioned.

Future implementation of BABA will have additional forthcoming requirements – information on BABA can be found [HERE](#).

Site and Neighborhood Standards

As a condition to receiving funds from the City of Detroit, the Development Team must adhere to the following Site and Neighborhood Standards for HOME rental projects:

- Be adequate to accommodate the number and type of units proposed;
- Have sufficient utilities and streets to service the site;
- Be in full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, E.O. 11063;
- Promote greater choice of housing opportunities.

Additionally, new construction projects must:

- Avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services;
- Be accessible to municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents;
- Be so located to places of employment providing a range of jobs for lower income workers;

- The neighborhood must not be one which is seriously detrimental to family life or other undesirable conditions predominate unless there is actively in progress a concerted program to remedy the undesirable conditions;
- The site must not be located in an area of minority concentration, except as permitted below:
 - Sufficient, comparable opportunities exist for housing for minority families, in the income range to be served by the proposed project, outside areas of minority concentration; or
 - The project is necessary to meet overriding housing needs that cannot be met in that housing market area.

This requirement can be referenced in the Underwriting & Commitment of HOME Funds section: Site Selection: for new construction, an analysis of site selection and neighborhood standards review in accordance with 24 CFR 983.57(e)(2) and (3), as required per 24 CFR 92.2, 24 CFR 92.202(b) and 24 CFR 92.508.

APPLICATION, HRD REVIEW, AND AWARD PROCESS

APPLICATION PROCESS

Pre-Application Project Review Meeting

For any project that is applying to this NOFA, the Developer must request a Pre-Application Project Review Meeting with the Housing Underwriting Multifamily team between February 11 – 25, 2025 on a first come, first served basis. **To schedule, please submit the Pre- Application Project Review Meeting Form immediately, but no later than February 18, 2025.**

A member of the HRD Team will coordinate the meeting and provide a calendar invite confirming the date and time. The following items must be included when the meeting request is submitted using the [Smartsheet Form](#) or a meeting will not be scheduled:

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

File names of the documents must include the project name and document type.

Program Compliance Information Meeting

A Program Compliance Information Meeting to review compliance requirements of the HOME, CDBG, and other funding sources awarded through the NOFA and to explain the application submission process will be held **VIA TEAMS ON February 18, 2025 AT 10:00 am**. This meeting will provide an overview of Davis-Bacon and Related Acts prevailing wage requirements, HUD Section 3 requirements, environmental compliance requirements, the City construction draw process, tenant relocation requirements, the application submission process, the preliminary plan review process, and continuing compliance requirements. Members of the development teams that will be applying for funding through this NOFA must register to attend the meeting using the link below. **POINTS ARE AWARDED IN THE NOFA SCORING PROCESS FOR ATTENDING THE MEETING.**

[PLEASE REGISTER HERE.](#)

Application Submission

All applications must be completed and submitted per the instructions included in this NOFA and the NOFA Application, Instructions, and Required Forms section that begins on page 51 of this NOFA. The application must contain all applicable documents required. All questions regarding the NOFA must be emailed to HRDNOFA@detroitmi.gov. The City expects to receive more proposals than can be funded with its limited funding allocations and reserves the right to reject any and all submissions. The City also reserves the right to request additional information or documentation at any stage during the application review process, to request that changes

be made to a proposal, to fund portions of any given proposal, and/or to choose not to fund any or all proposals. Additionally, the City reserves the right to change the funding amount of a given proposal prior to closing, at its sole discretion. Applicant Developers will be expected to respond and comply with any additional requests in a timely manner. **Failure to provide requested information on a timely basis will result in a proposal being deemed non-responsive and ineligible for further consideration.**

HRD will accept completed electronically submitted applications via DocuSign in compliance with the NOFA. In addition to the primary application form, all applicable checklist Items in **Attachments 1-11** must be included at the time the application is submitted. **Attachment 12** is to be submitted when a project has received a Threshold Approval Letter from the City of Detroit through a subsequent submission process. The DocuSign application can be found **HERE**; by using the links provided on the HRD website at:

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

For the Affordable Housing Program - Multi-Family, the application form and **Attachments 1-3 and 5-11** are applicable and must be submitted by 11:59 pm on March 6, 2025

For the Affordable Housing Program - Permanent Supportive Housing Projects, the application form and **Attachments 1-11** are applicable and must be submitted by 11:59 pm on March 6, 2025.

Completing Attachment 4 and 6 - 11 Checklists

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

File Name Format Requirements

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

Attachment #_Item_Project Name_2025 (**Example:** 5_A_Orange Grove Heights_2025)

Project Name should NOT exceed 20 Characters (Including Spaces)

File Size Limitations

Each individual document uploaded is not to exceed 25 MB; with the ability to upload multiple files at a time per attachment. For documents that exceed 25 MB and/or are non-PDF files (i.e.

Excel, Word, etc.), please use the [File Upload](#) link (also listed in **Appendix K**) to upload using the same File Name Format required.

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

Threshold Review

A threshold review will be conducted on applications received to ensure that every item required per the NOFA Application, Instructions, and Required Forms section that begins on page 51 of this NOFA is both included and of quality. Please note that the application form and only **the Attachments 1 – 3 and 5-11** are due at the time of the Affordable Housing Development Program application submission. For Permanent Supportive Housing (PSH) projects, only **Attachments 1-11** are due at the time of the Affordable Housing Development Program application submission. **Attachment 12** – Affordable Housing Program Commitment Level Checklist - is required **to be submitted by March 6, 2025 at 11:59 pm** for applications that pass the threshold review and receive a Threshold Approval Letter from the City. HRD staff will prepare and present a project summary and threshold review report to the HRD Award Committee. The HRD Award Committee determines if the project application meets the threshold requirements. Applications that do not pass the threshold review will not continue on to the scoring review phase.

Threshold Approval Letter

A Threshold Approval Letter from the City will be issued for all projects that pass threshold review, align with City goals, and are financially viable with the inclusion of financial support from the City. The Threshold Approval Letter will state the City's intent to further evaluate the project but does not constitute a conditional award. Projects that receive a Threshold Approval Letter will proceed to the scoring and commitment phase of the NOFA process and are required to submit the **Attachment 12** – Affordable Housing Program Commitment Level Checklist - items **on or before April 7, 2025**.

Scoring Review

Projects that receive a Threshold Approval Letter will be thoroughly evaluated by HRD staff using a standardized scoring process. The HRD staff may contact the project team to clarify items included in the application or request additional or updated information. Failure by the project team to respond timely or to not provide requested items may result in the application not receiving points for the scoring criteria item. At the discretion of the HRD staff, a project may not be scored if the project is determined to not be viable after receipt of Commitment Level Documents. Please see **Appendix G: Affordable Housing Program Application Scoring Criteria** for a full description of the point system and items evaluated during the scoring process. After completing the scoring process, HRD staff present a project summary and scoring report to the HRD Award Committee. The HRD Award Committee verifies the accuracy of the scoring and determines the final score for each project.

Ranking of the Projects and Issuance of Conditional Award Letters

Upon the determination of the final score for each project by the Award Committee, the projects will be ranked by category and the highest ranking projects up to the amount of

available funds in each category will be issued a Conditional Award Letter from the City. The Conditional Award Letter includes:

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

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

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

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

Closing Phase

Upon completion of the underwriting process, receipt of authorization to proceed from the City’s environmental compliance team, and having received the final approval from the HRD Award Committee and City Council, the City will assign the project to an attorney that will begin drafting documents, and working through a closing checklist with the other parties involved in the project. The project is responsible for paying the City’s legal costs relating to the project. The Awardee will have (90) days from the date of final approval to close on construction financing.

Payment In Lieu of Taxes (PILOT)

In November of 2024, the City of Detroit updated its local Payment in Lieu of Taxes (PILOT) ordinance. The ordinance sets a standard PILOT rate for affordable housing developments per the table below and allows for administrative approval of the PILOT for all housing developments with affordability averaging at or below 80% of AMI. It also sets a standard rate and allows for administrative approval of the PILOT for rehabilitation of long-term vacant structures with average affordability at or below 120% of AMI.

Average Affordability	PILOT Rate	
	Standard	Long-term Vacant Rehab
81-120% of AMI	7.0 – 10.0%*	3.5%
61 – 80% of AMI	4.0%	2.0%
<= 60% of AMI	1.0%	0.5%

*Requires underwriting and City Council Approval

Applicants to MSHDA for 4% LIHTC gap financing or 9% LIHTC can request a letter confirming a project’s eligibility under the ordinance through the new PILOT application process, which is separate from this NOFA. The application will open in February 2025. Additional information can be found at www.detroitmi.gov/PILOT.

9% LIHTC Support Letters

Projects applying to this NOFA that are also applicants for the next 9% LIHTC round may request a support letter from the City to include with the LIHTC application. At the sole discretion of the City, a support letter may be issued if the project is determined to align with City goals. Projects applying for 9% LIHTCs from MSHDA that are not applying for City funds may request a letter of support to include with the LIHTC application. The development team must request a meeting with HRD and provide information regarding the project. If the project developer complies with the meeting request and the project is determined by the City to align with City goals, a support letter may be issued at the sole discretion of the City.

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

To pursue certification, the CHDO certification application must be completed and submitted with the project application. To qualify for Community Housing Development Organization (CHDO) certification, all of the following criteria must be met:

1. Must be a non-profit entity organized under State or local laws; has no part of its net earning inure to the benefit of any member, founder, contributor, or individual; has a tax exempt ruling under Section 501 (c)(3) or (4) of the Internal Revenue Code; and has among its purposes the provision of affordable housing to low- and moderate-income persons.
2. At least 1/3 of the entity's governing board membership is for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. No more than one-third of the governing board members may be public officials (including City employees) or appointed thereby, and government-appointed board members may not, in turn, appoint any of the remaining board members.
3. If the entity is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members.
4. The entity is not controlled, nor receives directions from individuals, or entities seeking profit from the organization.
5. If the entity is sponsored or created by a for-profit entity, the for-profit entity's primary purpose does not include the development or management of housing, and the entity is free to contract for goods and services from vendor(s) of its own choosing.
6. The entity (or its parent) has a history of serving the community within which housing to be assisted with HOME funds is to be located and provides a formal process for low-income program beneficiaries to advise the organization in affordable housing development decisions.
7. The entity must have financial accountability standards that conform to 2 CFR 200.302 "Financial Management" and 2 CFR 200.303 "Internal Controls".
8. The entity has a demonstrated capacity for carrying out activities assisted with HOME funds.

APPENDIX B: INCOME LIMITS, HOME RENTS AND SUBSIDY LIMITS, AND UTILITY ALLOWANCES

All units assisted with HOME funds must serve households with incomes at or below 60% of the Area Median Income (AMI), adjusted by household size, as defined below.

Income Limits [Source: [2024 MSHDA Income Limits](#)]

Household Size	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% AMI	53,760	61,440	69,120	76,720	82,880	89,040	95,200	101,280
60% AMI	40,320	46,080	51,840	57,540	62,160	66,780	71,400	75,960
50% AMI	33,600	38,400	43,200	47,950	51,800	55,650	59,500	63,300

HOME Maximum Rents [Source: [2024 HUD HOME Program Rent Limits](#)]

MAXIMUM RENT STANDARDS						
<i>(Subtract Utility Allowance to Determine Maximum Actual Rents)</i>						
Unit Size	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Low Home Rent Limit	840	900	1080	1246	1391	1535
High Home Rent	920	1019	1291	1587	1719	1914
For Information Only: Fair Market Rent	920	1019	1291	1595	1719	1977
50% Rent Limit	840	900	1080	1246	1391	1535
65% Rent Limit	1071	1149	1382	1587	1751	1914

*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:	\$900
Allowance for heat:	-\$ 39
Maximum Allowable HOME:	\$861

APPENDIX B:
2024 HUD HOME INCOME LIMITS

U.S. DEPARTMENT OF HUD
STATE: MICHIGAN

----- 2024 ADJUSTED HOME INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Detroit-Warren-Livonia, MI HUD Metro FMR Area								
30% LIMITS	20150	23000	25900	28750	31050	33350	35650	37950
VERY LOW INCOME	33600	38400	43200	47950	51800	55650	59500	63300
60% LIMITS	40320	46080	51840	57540	62160	66780	71400	75960
LOW INCOME	53700	61400	69050	76700	82850	89000	95150	101250

2024 HOME SUBSIDY LIMITS FOR DETROIT MSA

Elevator

Bedroom Size	Section 234 Limit	Section 234 Limit
0	75,620	204,174
1	86,687	234,055
2	105,414	284,618
3	136,372	368,204
4+	149,693	404,171

Detroit High Cost Area Multiplier: 270%

APPENDIX B: UTILITY SCHEDULE

As of February 2025 per MSHDA

Monthly Allowances for Tenant-Paid Utilities

APARTMENTS: High Rise, Low Rise							
	UTILITY	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<i>Heating</i>	<i>Natural Gas</i>	\$21	\$25	\$29	\$34	\$38	\$42
	<i>Bottle Gas</i>	\$72	\$85	\$100	\$114	\$128	\$143
	<i>Electric</i>	\$33	\$39	\$53	\$67	\$81	\$95
	<i>Fuel Oil</i>	\$96	\$112	\$131	\$150	\$169	\$188
<i>Cooking</i>	<i>Natural Gas</i>	\$2	\$3	\$4	\$5	\$6	\$8
	<i>Bottle Gas</i>	\$8	\$9	\$13	\$18	\$22	\$26
	<i>Electric</i>	\$8	\$9	\$13	\$17	\$21	\$25
<i>Hot Water</i>	<i>Natural Gas</i>	\$6	\$7	\$10	\$13	\$16	\$19
	<i>Bottle Gas</i>	\$19	\$23	\$33	\$43	\$53	\$63
	<i>Electric</i>	\$20	\$23	\$30	\$36	\$43	\$49
	<i>Fuel Oil</i>	\$26	\$30	\$43	\$57	\$70	\$83
<i>Other Electric</i>		\$28	\$34	\$47	\$60	\$73	\$86
<i>Water</i>		\$20	\$22	\$36	\$58	\$80	\$101
<i>Sewer</i>		\$34	\$37	\$62	\$100	\$137	\$175
<i>Trash</i>		\$21	\$21	\$21	\$21	\$21	\$21
<i>Natural Gas Service Charge *</i>		\$14	\$14	\$14	\$14	\$14	\$14
<i>Electric Service Charge</i>		\$10	\$10	\$10	\$10	\$10	\$10
<i>Range**</i>		\$4	\$4	\$4	\$4	\$4	\$4
<i>Refrigerator**</i>		\$6	\$6	\$6	\$6	\$6	\$6
<i>Air Conditioning***</i>		\$5	\$6	\$9	\$11	\$14	\$16

* Natural Gas Service Charge: Natural Gas service charge only allowed for Natural Gas utilities.

** Tenant Furnished Appliance Allowance: Only allowed if the tenant is responsible for supplying the range and/or refrigerator.

***Air Conditioning Allowance: Only allowed if windows are not operable.

APPENDIX B: UTILITY SCHEDULE

As of February 2025 per MSHDA

Monthly Allowances for Tenant-Paid Utilities

ATTACHED: Townhouse, Duplex, Triplex, Fourplex							
UTILITY		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	Natural Gas	\$37	\$44	\$47	\$51	\$54	\$57
	Bottle Gas	\$127	\$150	\$161	\$172	\$184	\$195
	Electric	\$48	\$56	\$74	\$91	\$108	\$125
	Fuel Oil	\$168	\$197	\$212	\$227	\$242	\$257
Cooking	Natural Gas	\$2	\$3	\$4	\$5	\$6	\$8
	Bottle Gas	\$8	\$9	\$13	\$18	\$22	\$26
	Electric	\$8	\$9	\$13	\$17	\$21	\$25
Hot Water	Natural Gas	\$7	\$8	\$12	\$16	\$20	\$23
	Bottle Gas	\$24	\$28	\$41	\$54	\$66	\$79
	Electric	\$25	\$29	\$37	\$45	\$53	\$62
	Fuel Oil	\$32	\$38	\$54	\$71	\$88	\$104
Other Electric		\$35	\$41	\$57	\$73	\$89	\$105
Water		\$20	\$22	\$36	\$58	\$80	\$101
Sewer		\$34	\$37	\$62	\$100	\$137	\$175
Trash		\$21	\$21	\$21	\$21	\$21	\$21
Natural Gas Service Charge *		\$14	\$14	\$14	\$14	\$14	\$14
Electric Service Charge		\$10	\$10	\$10	\$10	\$10	\$10
Range**		\$4	\$4	\$4	\$4	\$4	\$4
Refrigerator**		\$6	\$6	\$6	\$6	\$6	\$6
Air Conditioning***		\$6	\$7	\$10	\$13	\$15	\$18

* Natural Gas Service Charge: Natural Gas service charge only allowed for Natural Gas utilities.

** Tenant Furnished Appliance Allowance: Only allowed if the tenant is responsible for supplying the range and/or refrigerator.

***Air Conditioning Allowance: Only allowed if windows are not operable.

APPENDIX B: UTILITY SCHEDULE

As of February 2025 per MSHDA

Monthly Allowances for Tenant-Paid Utilities

DETACHED: Single Family Detached, Manufactured Home							
UTILITY		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
<i>Heating</i>	<i>Natural Gas</i>	\$30	\$36	\$42	\$48	\$54	\$60
	<i>Bottle Gas</i>	\$104	\$122	\$142	\$163	\$183	\$204
	<i>Electric</i>	\$78	\$92	\$108	\$124	\$139	\$155
	<i>Fuel Oil</i>	\$137	\$161	\$188	\$215	\$242	\$269
<i>Cooking</i>	<i>Natural Gas</i>	\$2	\$3	\$4	\$5	\$6	\$8
	<i>Bottle Gas</i>	\$8	\$9	\$13	\$18	\$22	\$26
	<i>Electric</i>	\$8	\$9	\$13	\$17	\$21	\$25
<i>Hot Water</i>	<i>Natural Gas</i>	\$7	\$8	\$12	\$16	\$20	\$23
	<i>Bottle Gas</i>	\$24	\$28	\$41	\$54	\$66	\$79
	<i>Electric</i>	\$25	\$29	\$37	\$45	\$53	\$62
	<i>Fuel Oil</i>	\$32	\$38	\$54	\$71	\$88	\$104
<i>Other Electric</i>		\$42	\$49	\$69	\$88	\$107	\$126
<i>Water</i>		\$20	\$22	\$36	\$58	\$80	\$101
<i>Sewer</i>		\$34	\$37	\$62	\$100	\$137	\$175
<i>Trash</i>		\$21	\$21	\$21	\$21	\$21	\$21
<i>Natural Gas Service Charge *</i>		\$14	\$14	\$14	\$14	\$14	\$14
<i>Electric Service Charge</i>		\$10	\$10	\$10	\$10	\$10	\$10
<i>Range**</i>		\$4	\$4	\$4	\$4	\$4	\$4
<i>Refrigerator**</i>		\$6	\$6	\$6	\$6	\$6	\$6
<i>Air Conditioning***</i>		\$4	\$5	\$11	\$17	\$23	\$30

* Natural Gas Service Charge: Natural Gas service charge only allowed for Natural Gas utilities.

** Tenant Furnished Appliance Allowance: Only allowed if the tenant is responsible for supplying the range and/or refrigerator.

***Air Conditioning Allowance: Only allowed if windows are not operable.

APPENDIX C: ENVIRONMENTAL REVIEW

All projects which receive funding through this NOFA are subject to the HUD environmental review requirements. The HUD environmental review requirements are found in Title 24, Part 58, of the Code of Federal Regulations. The project must satisfy the HUD environmental review requirements before the City may commit funds to the project. The City shall interpret “commit” as execution of the submittal of the NOFA application.

Upon application for assistance through this NOFA, the Developer and all project participants (i.e. public or private non-profit or for-profit entities, or any of their contractors) agree to the following stipulations:

- (1) that the provision of any funds to a project is subject to the findings of the environmental review, and
- (2) that **neither the Developer nor any project participant shall undertake any "choice limiting actions" until the environmental review process is complete**, all parties have executed the development and loan agreements for the project, and the City has issued a notice to proceed. Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of issuance of this NOFA and the date of the notice to proceed from the City.

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

The City shall define “choice limiting actions” as, including but not limited to, any of the following: (1) acquisition of any real property associated with the project, (2) any improvements to the property or properties associated with a project, (3) any rehabilitation of an existing structure located on property associated with the project, (4) any construction of a new structure located on property associated with the project, or (5) demolition of any existing structure located on property associated with the project. **Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of issuance of this NOFA and the date of the notice to proceed from the City.** If the City discovers that the Developer or any project participant committed a “choice limiting action” during this time period, then the City may deny funding to an entire project or may disqualify for reimbursement any cost associated with the particular “choice limiting action.”

The City shall NOT define “choice limiting actions” as either of the following: (1) an option agreement for the acquisition of real property, or (2) a non-binding purchase agreement. An option agreement is an exclusive right to purchase a property at a specific price within a specified time period without an obligation to purchase. A non-binding agreement establishes that there is no legal obligation on the part of the buyer to purchase the property; that acquisition will proceed only if there is compliance with the HUD environmental requirements.

HUD’s aggregation principles require aggregating all related known and reasonably foreseeable activities regardless of funding source. Reasonably foreseeable is defined as an activity or project

phase for which there is funding or contractual commitments in place or existing plans for reuse go beyond the preliminary or schematic plan phases. If a future activity is known or reasonably foreseeable at time of initial environmental review, it should be included in the aggregated scope.

APPENDIX D: SECTION 3 INFORMATION

(HUD 24 CFR Part 75)

Applicability

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

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

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

Documentation

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

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

- Intent to Comply *(includes the required Section 3 language for all contracts)*
- Section 3 Plan – Developer and General Contractor *(includes the required Section 3 language for all contracts)*
- List of All businesses on Project
- Section 3 Worker and Targeted Section 3 Worker Certification
- Section 3 Business Concern Certification
- Weekly Certified Payrolls
- Monthly Labor Hours Summary Report
- Final Project Total Labor Hours 3 Summary Report
- Verification of Outreach Efforts

For more information and ALL documents

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

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

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

APPENDIX E: EXECUTIVE ORDER NO. 2021-02

EXECUTIVE ORDER 2021-02

TO: ALL BOARDS, COMMISSIONS, DEPARTMENT DIRECTORS, CITY COUNCIL MEMBERS, CITY CLERK.

FROM: MICHAEL E. DUGGAN, MAYOR

SUBJECT: UTILIZATION OF DETROIT RESIDENTS ON PUBLICLY- FUNDED CONSTRUCTION AND DEMOLITION/REHAB PROJECTS

DATE: APRIL 14, 2021

WHEREAS, the economic revitalization of Detroit depends upon the employment of Detroit residents and the availability of a local skilled workforce; and

WHEREAS, it is the policy of this Administration to encourage and maximize employment opportunities for well-trained Detroit residents through contracts with the City contracts and in projects funded or financially assisted by the City;

THEREFORE, this Executive Order directs any person or entity entering into a publicly-funded construction project or a publicly-funded demolition/rehab project to implement specific residency targets for its workforce, as follows. Other persons or entities doing business with the City, but not subject to this Executive Order, may voluntarily agree to be bound by some or all of the substantive requirements set forth herein.

1. The term "publicly-funded construction project," for purposes of this Executive Order, means:
 - (a) any construction project performed under a contract, the value of which is more than \$3,000,000.00 (Three Million Dollars), made by the City with any person or entity; and
 - (b) any construction project for which the City, public or quasi-public entities affiliated with the City, or any of their agents or contractors provides funds or financial assistance via any of the following methods, where total value of such assistance is more than \$3,000,000.00 (Three Million Dollars):
 - (1) The sale or transfer of land below its appraised value;
 - (2) Direct monetary support;
 - (3) Public contributions originated by the State of Michigan or its agencies, the United States government or its agencies, or any other non-City government entity, for which City approval is required and obtained; or

- (4) Tax increment financing. For purposes of calculating the total assistance directly provided through tax increment financing, tax revenue that would have accrued to all government entities shall be counted.

2. The term "publicly-funded demolition/rehab project," for purposes of this Executive Order, means any demolition or rehabilitation of one or more residential buildings performed under the Proposal N Neighborhood Improvement Plan, under a contract, the value of which is more than \$50,000 (Fifty Thousand Dollars), made by the City with any person or entity.

3. A "bona-fide Detroit resident," for purposes of this Executive Order, means an individual who can demonstrate residency in the City of Detroit as of a date at least thirty (30) days prior to the date the individual seeks to be employed on a publicly-funded construction project or publicly-funded demolition/rehab project. An individual may demonstrate residency by producing at least one item from each of the two lists below that includes an address located in the City of Detroit. Other forms of proof-of-residency may be accepted under unique circumstances.

- (a) State of Michigan identification card, State of Michigan driver's license, or Detroit municipal ID; and
- (b) Voter Registration Card, Motor Vehicle Registration, most recent federal, state, or City of Detroit tax return, lease/rental agreement, most recent utility bill or utility affidavit signed by a landlord with respect to a leased residence, or most recent municipal water bill.

4. All contracts with the City, and all sub-contracts thereof, for a publicly-funded construction project or a publicly-funded demolition/rehab project shall require at least 51% of the workforce for such project to be bona-fide Detroit residents. This requirement shall be referred to as the "Workforce Target." The Workforce Target shall be measured by the hours worked by bona-fide Detroit residents on the publicly-funded construction project or publicly-funded demolition/rehab project.

5. Developers, general contractors, prime contractors and subcontractors on publicly-funded construction projects and publicly-funded demolition/rehab projects are all required to comply with the terms of this Executive Order. Collectively, these entities are hereinafter referred to as "contractors." It is, however, the sole responsibility of the person or entity contracting directly with the City of Detroit to require all of its subcontractors either to

(a) meet the Workforce Target; or (b) make the required contribution to the City's Workforce Training Fund, as provided in Paragraph 6 of this Executive Order. Contractors may utilize local unions, Detroit Employment Solutions Corporation, or other entities to help meet the Workforce Target. Failure to satisfy the requirements of this Executive Order shall constitute a material breach of contract and may result in the immediate termination of the contract.

6. Upon execution of a contract for a publicly-funded construction contract or publicly-funded demolition/rehab project, the City of Detroit's Civil Rights, Inclusion and Opportunity Department ("CRIO") shall determine whether the Workforce Target in the contract shall be measured periodically either (a) monthly or (b) quarterly. This period shall be referred to as the "measurement period." Thereafter, for the duration of the construction project, the contractor shall, at the end of each measurement period, submit to CRIO a report indicating:

- (a) The total hours worked on the project during the preceding measurement period ("total work-hours");
- (b) The total hours worked on the project by bona-fide Detroit residents during the preceding measurement period; and
- (c) If applicable, the amount by which the contractor fell short of meeting the Workforce Target. A contractor falling short of the Workforce Target shall report both (a) the raw number of total work-hours by which the contractor fell short of the Workforce Target; and (b) the percentage of total work-hours by which the contractor fell short of the Workforce Target.

7. A contractor who does not meet the Workforce Target in any measurement period shall help strengthen Detroit's workforce by making a monetary contribution to the City's CRIO-administered Workforce Training Fund, thereby supporting the skill development of Detroit residents. The required contribution for any contractor who does not meet the Workforce Target shall be the sum of the following¹:

- (a) For each work-hour comprising the first 10% of total work-hours by which the contractor fell short of the Workforce Target, 5% of the average hourly wage paid by the contractor during the preceding measurement period.
- (b) For each work-hour comprising the second 10% of total work-hours by which the contractor fell short of the Workforce Target, 10% of the average hourly wage paid by the contractor during the preceding measurement period.
- (c) For each work-hour comprising the remaining 31% of total work-hours by which the contractor fell short of the Workforce Target, 15% of the average hourly wage paid by the contractor during the preceding measurement period.

8. For a publicly-funded construction project, if a contractor contracts for labor through a union that is meeting the goals set for it under the Detroit Skilled Trades Employment Program, that contractor will be deemed to have met the Workforce Target with respect to the labor for which it contracted through such a union.

¹ Thus, for example, if 25% of the total work-hours performed on a publicly-funded construction project were performed by bona-fide Detroit residents, the contractor will have fallen short of the Workforce Target by 26% of the total work-hours. That contractor's minimum required contribution would be the sum of (1) 5% of the average hourly wage for 10% of the total work-hours; (2) 10% of the average hourly wage for 10% of the total work-hours; and (3) 15% of the average hourly wage for 6% of the total work-hours.

CRIO will make a periodic determination whether a union participating in the Detroit Skilled Trades Employment Program is meeting its established goals under that Program. For purposes of calculating a contractor's compliance with the Workforce Target, a union which, as of the date a contractor executes a contract or subcontract for a publicly-funded construction project, is meeting its goals under the Program shall be deemed to have no less than 51% of the hours worked by its members on the publicly-funded construction project worked by bona-fide Detroit residents. If bona-fide Detroit residents actually account for more than 51% of the hours worked by union members on a publicly-funded construction project, that actual percentage may be used for purposes of calculating compliance with the Workforce Target.

9. For a publicly-funded demolition/rehab project, if bona-fide Detroit residents actually account for more than 51% of the hours worked and the contractor pays for its Detroit employees to be trained under a DOL approved apprenticeship program, that contractor will be deemed to have met the Workforce Target. For purposes of publicly-funded demolition/rehab projects only, any contractor who fails to meet the Workforce Target will contribute \$200 per employee to the Workforce Training Fund.

10. If CRIO determines a contractor is in non-compliance with the requirements of this Order, CRIO will notify the contractor, in writing, of the contractor's non-compliance.

If a contractor wishes to challenge a finding of non-compliance, the contractor may, within fifteen (15) days of the notice of non-compliance, file with CRIO a written notice challenging the finding of non-compliance, and detailing the reasons for that challenge. The challenge will then be forwarded to a panel of (1) the City's Corporation Counsel or his/her designee; (2) the head of the Department of Administrative Hearings or his/her designee; and (3) the Director of the Buildings, Safety, Engineering, and Environment Department, or his/her designee. The panel shall adjudicate the challenge and issue a written decision. The panel may, but need not, schedule an oral hearing on the challenge.

If, following written notice of non-compliance and the adjudication of any challenge, the contractor fails or refuses to take corrective actions within thirty (30) days, the City may do any of the following:

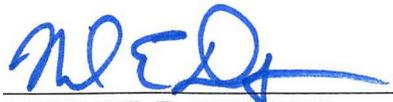
- (a) withhold from the contractor all future payments under the contract until it is determined that the contractor is in compliance;
- (b) refuse all future bids on City projects or applications for financial assistance in any form from the City or any of its departments, until such time as the contractor demonstrates that it has cured its previous non-compliance;
- (c) debar the contractor from doing business with the City for a period of up to one year.

In addition, the City reserves the right to re-bid the contract, in whole or in part, or hire its own workforce to complete the work.

11. All construction contracts, construction contract amendments, change orders and extensions subject to this Executive Order shall include the applicable terms of this Executive Order. CRIO shall have the responsibility for preparing administrative guidelines related to this Executive Order, and for monitoring and enforcing the provisions of this Executive Order.

12. Notwithstanding anything to the contrary set forth herein, the requirements set forth in Paragraphs 4 through 11 of this Executive Order shall not apply to any publicly- funded construction contract or publicly-funded demolition/rehab contract, or part thereof, that is funded by a grant awarded by a federal, state, or other governmental entity, the terms of which prohibit the implementation of any such requirements.

Pursuant to the powers vested in me by the 1963 Michigan Constitution and by the 2012 Detroit City Charter, I, Michael E. Duggan, Mayor of the City of Detroit, issue this Executive Order. This Executive Order is effective upon its execution and filing with the City Clerk and supersedes Executive Order No. 2020-5, issued by me on November 20, 2020. This Executive Order shall not alter or affect the operation of any prior Executive Order with respect to any publicly-funded construction project on which construction activities have commenced as of the date of this Executive Order.



MICHAEL E. DUGGAN
MAYOR
CITY OF DETROIT

APPENDIX G: AFFORDABLE HOUSING PROGRAM APPLICATION SCORING CRITERIA

Affordable Housing Program applicants must minimally submit all required documents identified in the NOFA Application to be considered for Threshold Review and Scoring. Affordable Housing projects will be eligible to receive up to **105 available points** based on the following Scoring Criteria:

Attendance at the Program Compliance Information Meeting – 2 Points

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

Development Team Experience and Capacity – 23 Points

- **Developer Experience and Capacity (9 Points):** The project can earn up to 9 points if the Developer demonstrates it can meet its debt obligations, has sufficient working capital to meet its operating needs, and has adequate financing available to maintain the property over the length of the affordability period. The Developer must provide a completion guaranty acceptable to the City in which the Developer shall guarantee payment of liabilities, shortfalls, and cost over runs of up to 10% of the construction contract. The Developer will provide reassurance to the City that the project will be completed on time and on budget. Bank references will also be considered.
- The developer must also demonstrate that it has a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on budget. The developer must demonstrate that previous experience is similar in type, scale, and complexity to the proposed project. The Developer should also have a reasonable amount of current development projects to ensure that the organization is not overextended in either staffing or financial capacity.
- **General Contractor Experience and Capacity (9 points):** The project can earn up to 9 points if the general contractor has demonstrated recent and successful experience in projects that are similar in type, scale, and complexity to the proposed project.
- **Experienced Management Agent (5 Points):** The project can earn up to 5 points if the developer has identified and secured a management agent for the project with experience managing comparable properties with similar compliance expectations and tenant populations.
- **Emerging LIHTC Developer (3 Points):** The project can earn up to 3 points if the Developer meets all qualifications of an Emerging LIHTC Developer as defined in this NOFA; and is a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. The Emerging Developer must demonstrate real estate or limited LIHTC development experience; and have a pipeline of transactions and actionable plan for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). The Emerging Developer must receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership.

Project Financing - 23 Points

- **Quality Financial Commitments (10 Points):** Projects can earn up to 10 points if all additional necessary project financing/leveraged funds are identified and secured to complete the project(s) with letters of commitment from recognized community development lenders and funders, or reasonable dates are provided by the Developer on when the letters will be provided.
- **Financial Leverage (10 Points):** Projects can earn up to 10 points if it is efficient in its use of City funds and in its leveraging of other funds, as applicable. All funding and associated requirements must be clearly and adequately reflected in the budget and pro forma.
- **Creative Approach to Financing (3 Points):** Projects can earn up to 3 points if the developer uses a creative approach to financing or cost containment to meet affordable housing needs. Combining multiple forms of federal and/or state tax credits, securing grants from outside sources such as a Federal Home Loan Bank or a foundation or innovative building techniques that reduce cost are examples of financing and cost containment that would qualify for points in this category.

Readiness to Proceed – 21 Points

- **City Approvals and Permits (5 Points):** Projects can receive up to 5 points if they inherently require fewer City approvals through being zoned properly or not requiring variances. Additionally, projects can also receive points if they have already passed through required City approval processes such as the Planning & Development Department's Concept Plan Review.
- **Construction Plans / Trade Payment Breakdown (11 Points):** Projects can earn up to 11 points if estimated development and construction costs are well researched and detailed. Scope of work [for rehab] or plans and specifications [new construction] are comprehensive, includes trade payment breakdown, and substantially complies with the requirements outlined in the HRD's technical review. Additional points will be awarded if developer provides a third party cost estimator report delineating construction costs by trade breakdown.
- **Phase I Environmental Site Assessment Review (5 Points):** Projects can earn up to 5 points if the Phase I Environmental Site Assessment (ESA) confirms that the site is not contaminated. For sites that are contaminated as noted in the Phase I, projects can also earn points if additional environmental due diligence documents are submitted such as a Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA).

Alignment with City Goals – 25 Points

- **Targeted Multifamily Housing Area and City Planning Study (8 Points):** Projects can earn 8 points if in targeted multi-family housing and/or is an initiative tied to a City planning study.
- **Priority Projects (5 Points):** The project can earn 5 points if any one or more of the following criteria are met: 1) is a preservation of current affordability (regulated or naturally occurring), 2) is approved to be designated as permanent supportive housing by the HRD Homelessness Solutions Director, 3) includes the rehabilitation and/or redevelopment of public housing, or 4) is either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.
- **Mixed-income neighborhood (5 Points):** Projects are eligible for up to 5 points if the majority of units are income-restricted at an average of 60% AMI or below, and the project is located within a primary market area as supported by census tract data demonstrating incomes of 80% AMI or above.

- **Green building initiatives (3 Points):** The project can earn up to 3 points if it incorporates measures to improve energy efficiency and sustainability that comply with the energy standards per this NOFA. For points, projects must identify the standard used (Enterprise Green Building Criteria, LEED, etc.) and describe the project’s adherence to the chosen standard.
- **Broadband Access (2 Points):** Projects can earn up to 2 points if they commit to providing complimentary, high-speed internet access in common areas and/or dedicated computers with complimentary high-speed internet access. To ensure compliance, commitments will become a loan covenant.
- **Additional Accessibility (2 Points):** New construction projects must have 10% of the units meet accessibility requirements under Section 504 and must be accessible Type A units; with an additional 2% of the units, or at least one unit, whichever is greater, being accessible for persons with hearing or visual disabilities. Rehabilitation projects must have 5% of the units meet accessibility requirements under Section 504 and must be accessible Type A units; with an additional 2% of the units, or at least one unit, whichever is greater, being accessible for persons with hearing or visual disabilities. New construction projects can earn up to 2 points if they commit to having 15% of the units meet accessibility requirements under Section 504 and must be accessible Type A units; with an additional 2% of the units, or at least one unit, whichever is greater, being accessible for persons with hearing or visual disabilities. Rehabilitation projects can earn up to 2 points if they commit to having 10% of the units meet accessibility requirements under Section 504 and must be accessible Type A units; with an additional 2% of the units, or at least one unit, whichever is greater, being accessible for persons with hearing or visual disabilities.

Program Opportunity Goals - 8 Points

- **Section 3 Experience (4 Points):** The project can earn up to 4 points if the Developer and general contractor has experience **(state experience that is not older than 2020)** in complying with Section 3 requirements. The Developer must include a clear plan as to how they will satisfy Section 3 requirements by submitting all the required documents. The Developer must also demonstrate the ability and willingness to employ low-and very low-income persons within the targeted area and community in which the project resides.
- **MBE/WBE (4 Points):** The project can earn up to 4 points if the primary Developer is a Minority/Women Nonprofit Organization or Minority/Women-Owned Business or Minority/Women’s Business Enterprise, as applicable.

Failure to Complete Previous Development(s) or City Loan Default – 15 Points Reduction

A Developer or any related party that failed to complete a project that received a Conditional Award of funding from a previous NOFA may be penalized in the form of a 15-point reduction applied to the project score. This includes the failure to utilize a commitment or allocation of funds awarded in a prior NOFA, and/or the Developer rescinding their request – canceling the Conditional Award.

A Developer may be penalized in the form of a 15-point reduction applied to the project score if the Developer:

- Has received a default letter from the City of Detroit Asset Management Team for a previously funded project, OR
- Is not in compliance with the terms of an existing City of Detroit loan and is not in discussion with the City of Detroit Asset Management Team to resolve the outstanding non-compliance.

A Developer may appeal the penalty by providing evidence of corrective action and letter of explanation to the HRD Award Committee.

APPENDIX H: PERMANENT SUPPORTIVE HOUSING (PSH) PROGRAM APPLICATION SCORING CRITERIA

For applicants applying for Permanent Supportive Housing Only: Permanent Supportive Housing (PSH) applicants must minimally submit all required documents identified in the “Attachment 4: Permanent Supportive Housing Required Documents Checklist” of the NOFA Application to be considered for Scoring as a PSH project. PSH projects will be eligible to receive up to a **total 143 available points** based on the combined Affordable Housing Program Application Scoring Criteria (105 points) and Permanent Supportive Housing Application Scoring Criteria (38 points). To receive full points within all sections, responses must reflect an understanding and commitment to housing first and harm reduction.

PSH Project Overview – 2 Points

- **Completeness (1 Point):** The project can earn up to 2 points if the response addresses all elements outlined within Section A: PSH Project Overview.
- **Centering Lived Experience of Homelessness (1 Point):** The project can earn up to 1 point for the inclusion of people with lived homelessness during the development process.
- The response must reflect Developers’ commitment to providing high quality supportive housing; including centering lived experience of homelessness in project design offers on site amenities.

Developer PSH Experience Narrative – 2 Points

- **Experience (1 Point):** The project can earn up to 1 point if the developer demonstrates sufficient PSH experience and will receive full points if all elements within the section are addressed, and there are no past CoC funding concerns.
- **Project Coordination (1 Point):** The project can earn up to 1 point for a clear plan to coordination project partner.

Service Provider PSH Experience Narrative – 4 Points

- **Experience (3 Points):** The project can earn up to 3 points if the Service Provider demonstrates sufficient PSH experience and will receive full points if all elements within the section are address, and there are no past CoC funding concerns.
- **HMIS (1 Point):** The project can earn up to 1 point if it includes a detailed plan to ramp up and meet HMIS data quality policies.
- An understanding and commitment to Housing First and Harm Reduction is reflected within responses. Additionally, response shows a strong understanding and experience with the target PSH population.

Property Management PSH Experience Narrative – 3 Points

- **Experience (2 Points):** The project can earn up to 2 points if the Property manager demonstrates sufficient PSH experience and will receive full points if all elements within the section are addressed, an understanding and commitment to housing first and harm reduction is reflected within responses, and strong understanding and experience with the PSH population.
- **Coordinated Entry (1 Point):** The project can earn up to 1 point for experience managing PSH projects that are taking referrals from Coordinated Entry

CSH Quality Checklist – 1 Points

- **Completeness (1 Points):** The project can earn up to 2 points if the project partners complete the Checklist fully, including listing partners involved in completing it, providing documentation for ‘yes’ responses, and signatures from each partner. **Responding “atrial” or “no” to items on the Checklist will not impact score.**

Tenant Selection Plan (TSP) - 7 Points

- **Completeness (5 Points):** The project can earn up to 5 points if a TSP addresses all the elements within that section, clear understanding and commitment to MSHDA minimum standards (if applicable) and reducing application barriers, understanding of and commitment to housing first and harm reduction. Tenant Selection Plan must align with the CoC Letter of Support policy.
- **Eviction Prevention (2 Points)** - The project can earn up to 2 points if the TSP includes a plan for coordinating partners and have clear roles and responsibilities to prevent evictions.

Memorandum of Understanding (MOU) - 4 Points

- **Completeness (1 Point):** The project can earn up to 1 point if a comprehensive MOU is attached and includes all outlined elements and project partners.
- **Roles and Responsibilities (2 Points):** The project can earn up to 2 points if the MOU shows clearly defined partner roles and responsibilities during the development and operation phases, principles and values guiding the partners, project outcomes, and a commitment to Housing First.
- **Accountability (1 Point):** The project can earn up to 1 point if the MOU outlines transparent and clear accountability among project partners including who is responsible for raising SH service funding, a decision making structure, how partners will coordinate, and how partners will be held accountable.

PSH Supportive Service and Staffing Plan - 10 Points

- **Completeness (7 Points):** The project can earn up to 7 points must attach a Service Plan that addresses all elements listed within that section. Plan must reflect commitment to Housing First and Harm Reduction. Project must offer a wide range of services to meet the needs of the project's target population.
- **Service Funding (3 Points):** The project can earn up to 3 points if there is a detailed plan to fund PSH services for the duration of the project, funding sources that partners will pursue, and experience with Medicaid.

PSH Supportive Service Budget - 5 Points

- **Completeness (3 Points):** The project can earn up to 3 points for a complete budget for 15 years that includes services costs by line item.
- **Service Funding (2 Points):** The project can earn up to 2 points if the budget outlines the sources for funding services. Funding sources outlined in the budget should be reflected in the PSH Service and Staffing Plan.

APPENDIX J: TENANT RETENTION STANDARDS



City of Detroit: Tenant Retention Standards & Plan Requirements

Tenant Retention Standards

The City of Detroit is committed to preventing displacement of any residents associated with occupied redevelopments, which requires intentional planning for tenant retention. For projects receiving City support, all plans must provide evidence that the planned redevelopment will meet the requirements of all standards listed below. Projects that trigger the Uniform Relocation Act must meet those requirements in addition to the standards below. Where these standards contribute to a project being considered financially infeasible, standards around affordable rents and relocation costs may be modified by approval (unless they are linked to the requirements of a federal source).

- Adherence to the Uniform Relocation Act is required for new HOME or CDBG loans (or other federal funds)
- Notices and Meetings
 - A 90-day notice and a 30-day notice to residents around rent increases greater than 5% or substantial construction (renovation work in occupied buildings that exceeds \$5,000 per unit OR requires residents to vacate unit for a period of greater than one work day).
 - 90-day and 30-day notices must be communicated via:
 - Individual letters to tenants
 - Publicly-posted fliers
 - In person resident meeting with City representative present within 1 month of first notice (must be advertised within resident letters and fliers)
- Returning and Relocation Assistance
 - Right to return (where temporary relocation is required) or to remain for all residents who are current on rent, or are on a payment plan approved by property management, by 30 days before they are required to relocate.
 - Offer of relocation advising for all residents. Advising consists of an interview to determine resident preferences and needs for another unit, explanation of procedures for obtaining assistance, and assistance finding a temporary unit if needed
 - Payment of reasonable moving expenses for all low-income residents, for all elderly or disabled residents, and for residents who exercise their right to return to the property
 - 12-month lease offer to all returning residents
- Rent increases (for residents earning below 80% of AMI¹)
 - Initial rent increases are limited to 5%, or set affordably for resident incomes (calculated as 30% of monthly income, with rents inclusive of utility allowance)—whichever is greater
 - Ongoing rent increases are limited to 2% per year, or maximum rents set by HUD or MSHDA if applicable
- Recommended: phased construction to limit temporary relocation

Tenant Retention Plan Requirements

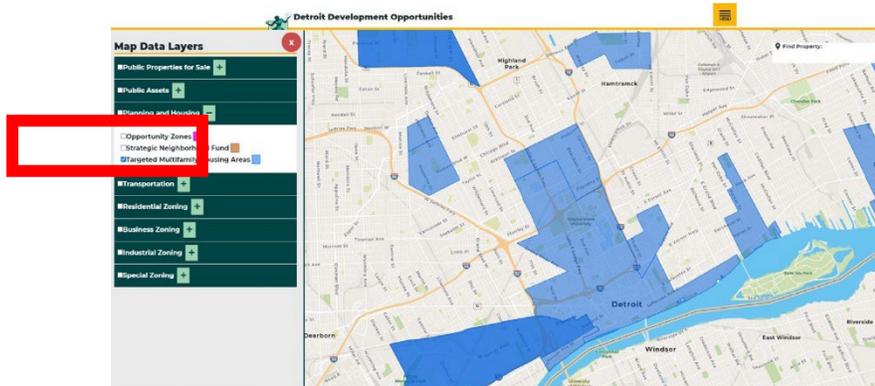
All plans must include the following information. Note that Transition Plans prepared for MSHDA may be submitted along with an addendum as needed to meet the requirements below. See the sample Tenant Retention Plan for reference.

- Summary of redevelopment strategy & plan for preventing displacement
- Affordability Plan
 - Current income (if applicable), occupancy and rent levels for all households
 - Timing and amount of rent increases
- Tenant Communication Plan
 - Schedule for communication, including meetings and distribution of materials
 - Sample letters to residents
- Tenant Habitability Plan
 - Timeline for construction
 - Scope of work by phase
 - Plan for mitigation of noise and air quality hazards
 - Plan for residents
- Rehab while occupied or temporary relocation
- Process for identifying and accounting for specific residents who may have special needs during the rehab or temporary relocation.
 - Temporary relocation plan
- Timeline
- Plan for packing, storage and/or moving assistance
- Payment plan for relocation costs and replacement housing payments
 - Timing of service interruptions, including fire safety systems, electricity, water, and elevators
- Plan for notifying residents and providing directions if any emergency systems become inoperable
 - Plan for ensuring sufficient resident parking is available (including designated parking and storage areas used by Contractor if required)
- Contact information for Management Agent & Contractor in case of emergency

ⁱ Residents who are students may self-certify as low-income by filling out the Student Income Disclosure Form and submitting the documentation it requires.

APPENDIX K: FORMS AND DOCUMENTS REFERENCE LINKS

- [DETROIT PROPERTY MAP](#) – Use this map to determine if your project is within the 2019 Targeted Multifamily Housing Area. Navigate to the Map Data Layers and select the Targeted Multifamily Housing Area layer.



- [PRE-APPLICATION PROJECT REVIEW MEETING SIGN-UP](#) – Use this link to sign-up for the required Pre- Application Project Review Meeting
- [NOFA APPLICATION](#) – Please fill out and submit application no later than **March 6, 2025**.
- [FILE UPLOAD](#) – Use this link to upload files that are larger than 25MB and/or file types that are not in PDF format (i.e. Excel, Word, etc.). Please use a Zip Folder to consolidate these files; labeling your Zip Folder with your project name. All individual files must use File Name Format required per the NOFA Application, Instructions, and Required Forms section that begins on page 51 of this NOFA.
- [MSHDA PROFORMA](#) – The Michigan State Housing Development Authority (MSHDA) Proforma Excel template is required for all LIHTC projects submitted. Do not submit the MSHDA Application in lieu of the Excel template.
- [HRD PROFORMA](#) – The City of Detroit Housing and Revitalization Department (HRD) Proforma Excel template is required for all non-LIHTC projects submitted.
- [2019 TARGETED MULTIFAMILY MAP](#) – Use this PDF map to determine if your project is within a City Priority Area.
- [CENSUS TRACT PDF](#) – Use this PDF tool to determine the Census Tract of your project
- [CITY OF DETROIT PLANNING AND DEVELOPMENT DEPARTMENT](#) – Explore the Planning and Development Department (PDD) to learn more about the City of Detroit’s planning initiatives and strategies.
- [PRELIMINARY PLAN REVIEW \(PPR\)](#) - Schedule the required Preliminary Plan Review (PPR) for the Affordable Housing Program NOFA if you have not yet received Site Plan Approval.
- [SAM.GOV UNIQUE ENTITY IDENTIFIER](#)– Register the Development Team Member Entity for a Unique Entity Identifier (UEI) or confirm the UEI.
- [SECTION 3 INTENT TO COMPLY](#) - Complete this form for the Affordable Housing Program NOFA
- [SECTION 3 PLAN – DEVELOPER AND GENERAL CONTRACTOR](#) - Complete this form for the Affordable Housing Program NOFA
- [2024 HUD HOME RENT LIMITS](#) – HUD Reference to determine Rent
- [2024 MSHDA INCOME & RENT LIMITS](#) - MSHDA Reference to determine Rent

- [2024 MSHDA UTILITY SCHEDULE](#) - MSHDA Reference to determine Utility Costs
- [HUD AFFIRMATIVE FAIR HOUSING MARKETING PLAN FORM](#) – Use this form to submit a draft marketing plan.
- [UNIFORM RELOCATION ACT \(URA\)](#) - HUD’s URA requirements
- [RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN \(RARAP\) POLICY](#) – Reference policy when doing Tenant Retention Plan (TRP).
- [TENANT RETENTION PLAN \(TRP\) TEMPLATE](#) – Use this template to complete the required Tenant Relocation Plan for PSH projects. Please contact Kyle Ofori for an editable TRP Template at Kyle.Ofori@detroitmi.gov.
- [SUPPORTIVE HOUSING 101](#) – Visit CSH’s website to learn more about Permanent Supporting Housing and helpful tips for developing PSH.
- [CSH SUPPORTIVE HOUSING SERVICES STAFFING AND BUDGET TOOL](#) – PSH applicants should utilize the Staffing and Budget tool to estimate comprehensive costs for supportive housing services.
- [DETROIT CoC POLICY – PROVIDING A LETTER OF SUPPORT FOR PERMANENT SUPPORTIVE HOUSING \(PSH\) DEVELOPMENT PROJECTS](#) – PSH applicants must follow the Detroit CoC’s policy in order to receive a letter of support.
- [CITY OF DETROIT APPLICATION FOR MINORITY/WOMAN OWNED BUSINESS ENTERPRISE](#) – The Civil Rights and Inclusion Office (CRIO) leads the process for Minority/Women owned business certificates
- [CITY OF DETROIT COMMUNITY HOUSING DEVELOPMENT ORGANIZATION \(CHDO\) APPLICATION](#) – Complete this application to register as a CHDO
- [CITY OF DETROIT LANGUAGES SERVICE REQUEST FORM](#) – Use this form to request a City of Detroit document for translation.
- [CITY OF DETROIT PAYMENT IN LIEU OF TAXES \(PILOT\)](#) – Use this link to learn more about the City of Detroit’s updated Payment in Lieu of Taxes (PILOT) ordinance.

City of Detroit
Housing and Revitalization Department



Housing Rehabilitation and Development Program

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

February 2025

APPLICATION SUBMISSION

HRD will accept completed electronically submitted applications via DocuSign in compliance with the NOFA. In addition to the primary application form, all applicable Checklist Items in **Attachments 1-11** must be included at the time of final submission of the application. The aforementioned is **due by 11:59pm on March 6, 2025**.

Please note, **for the Affordable Housing Program**, each checklist item requested is required to pass the threshold process. A substantial portion of these requested materials will also be strongly considered during the feasibility and scoring phase of the application review process.

Attachment 12 - Commitment Level Documents Checklist - This attachment is provided for **INFORMATION ONLY**. Projects that receive a Threshold Approval Letter from the City of Detroit will submit these items through a subsequent submission process and **will be due by April 7, 2025**.

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

For Permanent Supportive Housing Projects, only Attachments 1-11 are applicable for this submission and are required to pass the threshold review process.

File Name Format Requirements

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

Attachment #_Item #_Project Name_2025

(Example: For the Executive Summary, the File Name would read: 5_A_Orange Grove Heights_2025) Project Name should NOT exceed 20 Characters (Including Spaces).

Initial: _____

File Size Limitations

Each individual document uploaded is not to exceed 25 MB; with the ability to upload multiple files at a time per attachment. For documents that exceed 25 MB and/or are not in PDF format (i.e. Excel, Word, etc.), please use the [FILE UPLOAD LINK](#) in **Appendix K** to upload using the same File Name Format required.

Initial: _____

Pre-Application Project Review Meeting Requirement

The Development Team must request a Pre-Application Project Review Meeting using the link provided in **Appendix K** and provide the required documents at the time the request is submitted.

Initial: _____

Communications with the City of Detroit HRD Team

All inquiries, project updates, and other communications are to be conducted via email, and sent to HRDNOFA@detroitmi.gov. Any messages sent to individual City of Detroit HRD Team members will not be acknowledged or responded to.

Initial: _____

Project Review Consideration by the City of Detroit HRD Team

At the City's sole discretion the submitted Application and Support Documentation may be deemed incomplete, and will not be considered for review.

Initial: _____

CITY OF DETROIT HOUSING AND REHABILITATION PROGRAM APPLICATION

1. Application Date:		2. Resubmittal? Yes <input type="checkbox"/> No <input type="checkbox"/> Original Application Date(s):	
3. Name of Project:			
4. Full Legal Name of Borrowing Entity:			
5a. Full Legal Name of Lead Developer (Your Organization):			
5b. Federal Tax Identification Number:		5c. Organization's Sam.gov Unique Entity Identifier (UEI):	
5d. Name of Organization Lead Contact:			
5e. Phone Number and Email Address:			
5f. Mailing Address of the Organization:			
5g. City:		5h. State:	5i. Zip:
5j. Street Address of the Organization, if Different from Above:			
6a. Full Legal Name of Co-Developer(s) (If Applicable):			
6b. Federal Tax Identification Number:		6c. Organization's Sam.gov Unique Entity Identifier (UEI):	
6d. Name of Co-Developer(s) Organization Lead Contact:			
6e. Phone Number and Email Address of Co-Developer(s):			
6f. Mailing Address of the Co-Developer(s) Organization:			
6g. City:		6h. State:	6i. Zip:
6j. Street Address of the Co-Developer(s) Organization, if Different from Above:			
7. Emerging Developer? Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please identify the Emerging Developer name:			
8. Please indicate the program you are applying for: <input type="checkbox"/> Affordable Housing Program <input type="checkbox"/> Permanent Supportive Housing for those Experiencing Chronic Homelessness (PSH)			
9a. Is the project within a 2019 Targeted Multifamily Housing Area (TMFHA)? See Appendix K for link to map. Yes <input type="checkbox"/> No <input type="checkbox"/>		9b. Census Tract Number(s):	

10. Is the project either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.

Yes No

If yes, please identify the Historic District name:

11. Is the project either tied to a City Planning Study, located in a Strategic Neighborhood Fund (SNF) Area, or received an award through a City of Detroit RFP?

Yes No

If yes, please identify the City Planning Study, SNF Area, or RFP:

12a. Physical/Street Address of the Project:	12d. Walk Score:
12b. Boundary Streets of Project Site:	12e. Bike Score:
12c. Neighborhood of the Project:	12f. Transit Score:

12g. City Council District:

13. Has the Development Team participated in or scheduled a Preliminary Plan Review (PPR) Meeting with Buildings, Safety Engineering, and Environmental Department (BSEED)? See **Appendix K** for link to schedule if “No”.

Yes No

If yes, please confirm date of PPR: _____

14. Will any Variances or Approvals be required for the following:

<input type="checkbox"/>	Parking
<input type="checkbox"/>	Setbacks
<input type="checkbox"/>	Exterior Envelop Alterations / Changes
<input type="checkbox"/>	Other: _____

15. What is the legal structure of the Applicant?

- | | |
|--|---|
| <input type="checkbox"/> Individual (Not a Partnership or Corporation) | <input type="checkbox"/> For-Profit Corporation |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Non-Profit Corporation |

16. Is the Applicant any of the following?

- | | |
|--|---|
| <input type="checkbox"/> % Veteran Owned | <input type="checkbox"/> 51% Minority Business Enterprise |
| <input type="checkbox"/> 51% Minority Ownership (If For-Profit Applicant) | <input type="checkbox"/> 51% Women Ownership (If For-Profit Applicant) |
| <input type="checkbox"/> 51% Minority Leadership (If Non-Profit Applicant) | <input type="checkbox"/> 51% Women Leadership (If Non-Profit Applicant) |

17. Is the borrower a designated Community Housing Development Org. (CHDO) per HOME regulations?

Yes No

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: _____

18. Evidence of Site Control	<input type="checkbox"/>	Deed
	<input type="checkbox"/>	Purchase/Development Agreement
	<input type="checkbox"/>	Lease Agreement
	<input type="checkbox"/>	Option to Purchase
	<input type="checkbox"/>	Other:
19. What type of development is being proposed by your organization with proposed program funding? <i>(Check all applicable boxes)</i>	<input type="checkbox"/>	New construction of Multi-Family units (4+)
	<input type="checkbox"/>	Purchase/Rehabilitation of Occupied Multi-Family Units (4+)
	<input type="checkbox"/>	Mixed-Use Project Including Office and/or Retail Space
	<input type="checkbox"/>	Preservation Project that Extends Affordability Requirements for Existing Occupied Affordable Housing (Regulated or Naturally Occurring)
	<input type="checkbox"/>	Home Buyer Program (N/A)
	<input type="checkbox"/>	Adaptive Reuse/ Historic Preservation
	<input type="checkbox"/>	Scattered Site
20. Project Square Footages	<input type="checkbox"/>	Residential: _____
	<input type="checkbox"/>	Commercial (If Applicable): _____
	<input type="checkbox"/>	TOTAL Project Square Footage: _____
21a. TOTAL No. of Stories		21b. TOTAL No. of Units Proposing to Develop
21c. No. of Proposed Affordable Units		21d. No. of Market Rate Units (If Applicable)
21e. TOTAL No. of HOME Units		21f. TOTAL No. of Parking spaces Provided
22a. No. of Type A Units (Mobility Disabled Accessible Units)		22b. No. of Type B Units (Visually or Hearing Impaired Accessible Units)
23. Project Timeline – Provide Month and Year:	Acquisition	
	Financial Closing	
	Construction Start	
	Construction End	
	Residential Lease Up	

24. Please indicate Levels of Affordability (Check All that Apply)		AMI	Number of Units
	<input type="checkbox"/>	Up to 30% AMI	
	<input type="checkbox"/>	40% AMI	
	<input type="checkbox"/>	50% AMI	
	<input type="checkbox"/>	60% AMI	
	<input type="checkbox"/>	70% AMI	
	<input type="checkbox"/>	80% AMI	
	<input type="checkbox"/>	Market Rate	
25. TOTAL Proposed Development Budget for Project:		\$	
26. AMOUNT of Funding Requested:		\$	
27a. Low Income Housing Tax Credits (LIHTC) project: 4% <input type="checkbox"/> 9% <input type="checkbox"/> N/A <input type="checkbox"/>			
27b. If a LIHTC project, Qualified Census Tract? Yes <input type="checkbox"/> No <input type="checkbox"/>			
27c. MSHDA Self Score (Required for All LIHTC Projects): _____			
28a. Will the project seek Rental Assistance: Yes <input type="checkbox"/> No <input type="checkbox"/>			
If yes , which Agency will provide Voucher(s)?			
28b. How many Voucher(s) will the project have?			
29. 15 Year Average of Debt Service Coverage Ratio:			
30. Other Funding Sources Beyond LIHTC and Rental Assistance (Check all applicable boxes)			LOI/ Written Commitment Obtained
	<input type="checkbox"/>	AHP	<input type="checkbox"/>
	<input type="checkbox"/>	Historic Tax Credits (HTC)	<input type="checkbox"/>
	<input type="checkbox"/>	Sponsor Equity	<input type="checkbox"/>
	<input type="checkbox"/>	Sponsor Loan	<input type="checkbox"/>
	<input type="checkbox"/>	HUD/MSHDA Mortgage	N/A
	<input type="checkbox"/>	Conventional Mortgage	<input type="checkbox"/>
	<input type="checkbox"/>	Income from Operations	N/A
	<input type="checkbox"/>	Tax Abatement	<input type="checkbox"/>
	<input type="checkbox"/>	Other Grant:	<input type="checkbox"/>
<input type="checkbox"/>	Other Source:	<input type="checkbox"/>	

<p>31. Type of Units to be developed <i>(Check all boxes that are applicable)</i></p> <p> <input type="checkbox"/> Apartment <input type="checkbox"/> Duplex <input type="checkbox"/> Townhome <input type="checkbox"/> Detached Single Family </p>
<p>32a. Will the project meet Green Building Initiatives? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>32b. If yes, which green standard(s) will the Project adhere to?</p> <p> <input type="checkbox"/> Enterprise Green Communities <input type="checkbox"/> U.S. Green Building Council LEED </p> <p><input type="checkbox"/> Other: _____</p>
<p>33. Will Broadband Access be provided? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please provide details:</p>
<p>34a. Does the present zoning allow the proposed development? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>34b. Is the proposed use considered a conditional use, a regulated use or a controlled use?</p> <p>34c. What is the present use of the property? _____</p>
<p>35. Is the project located in a Historic Designated Area/Historic District? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>If yes, please provide the Area/District name:</p>
<p>36. Are all necessary utilities available on the site? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>37a. Will project require relocation of existing residents? Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>37b. Is a relocation plan included in your full application? Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/></p>
<p>38. Is Davis Bacon Applicable to this project? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>39. Are any persons employed or contracting with your organization debarred by HUD or the State of Michigan? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>40. Are there any other contracting restrictions on the Applicant or Contractor for your development team with any federal or state agency or with the City of Detroit? Yes <input type="checkbox"/> No <input type="checkbox"/></p>
<p>41. Has your organization or one of its principals filed for bankruptcy within the past 10 years? Yes <input type="checkbox"/> No <input type="checkbox"/></p>

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

Initial: _____

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

Initial: _____

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

Initial: _____

Authorized Representative:

(Signature)

(Please Print Name and Title)

(Date)

ATTACHMENT 1: HUD ENTITLEMENT PROGRAMS MANDATORY ACKNOWLEDGEMENT

“LOBBYING CERTIFICATION”

Certification for Contracts, Grants, Loans, and Cooperative Agreements

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

(1) No Federal appropriated funds have been paid or will be paid by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an office or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

Initial: _____

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

Initial: _____

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

Initial: _____

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

Witnesses:

1. _____

2. _____

Developer/Owner:

By: _____

Its: _____

Date: _____

ATTACHMENT 2: HOME PROGRAM MANDATORY ACKNOWLEDGEMENT

“CONFLICT OF INTEREST”

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

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

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

Witnesses:

- 1. _____
- 2. _____

Developer/Owner:

- By: _____
- Its: _____
- Date: _____

ATTACHMENT 3: NO CHOICE-LIMITING ACTION AND REQUIRED NEPA REWIND LANGUAGE ACKNOWLEDGEMENT

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

1. A "choice limiting action" shall include, but is not limited to, the following: (1) acquisition of any real property associated with the project, (2) entering into a binding purchase agreement for any real property associated with the project, (3) any improvements to the property or properties associated with a project, (4) any rehabilitation of an existing structure located on property associated with the project, (5) any construction of a new structure located on property associated with the project, or (6) demolition of any existing structure located on property associated with the project.

Initial: _____

2. Upon application for assistance through this NOFA, the Developer and all project participants (i.e. public or private non-profit or for-profit entities, or any of their contractors) agree that neither the Developer nor any project participant shall undertake any "choice limiting action" until the environmental review process is complete and the City has received the Authority to Use Grant Funds (AUGF) from HUD..

Initial: _____

3. Neither the Developer nor any project participant may undertake any "choice limiting action" between the date of application to this NOFA and the date of the AUGF. If the City discovers that the Developer or any project participant committed a "choice limiting action" during this time period, then the City may deny funding to an entire project or may disqualify for reimbursement any cost associated with the particular "choice limiting action" and the project may not qualify to apply to any future NOFA or receive support from the City from a federal funding source.

Initial: _____

4. A "choice limiting action" shall NOT include either of the following: (1) an option agreement for the acquisition of real property, or (2) a non-binding purchase agreement. An option agreement is an exclusive right to purchase a property at a specific price within a specified time period without an obligation to purchase. A non-binding agreement establishes that there is no legal obligation on the part of the buyer to purchase the property; that acquisition will proceed only if there is compliance with the HUD environmental requirements.

Initial: _____

5. The following HUD NEPA Rewind Language must be included in purchase/option agreements that are submitted to demonstrate site control:

Notwithstanding any other provision of this Contract, Purchaser shall have no obligation to purchase the Property, and no transfer of title to the Purchase may occur, unless and until the City of Detroit has provided Purchaser and/or Seller with a written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other Contingencies in this Contract, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. The City of Detroit shall use its best efforts to conclude the environmental review of the property expeditiously.

Initial: _____

6. The Developer acknowledges that if a Conditional Award is made to the project, the following will be applicable:

Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of the environmental review and receipt by the City of Detroit of an AUGF from the U. S. Department of Housing and Urban Development under 24 CFR Part §58. The parties further agree that the provision of any funds to the

project is conditioned on the City of Detroit's determination to proceed with, modify, or cancel the project based on the results of a subsequent environmental review.

Initial: _____

Witnesses:

1. _____

2. _____

Developer/Owner:

By: _____

Its: _____

Date: _____

ATTACHMENT 4 – PERMANENT SUPPORTIVE HOUSING REQUIRED DOCUMENTS CHECKLIST

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	PSH Project Overview (Required)	<p>PSH Project Overview must address the following:</p> <ul style="list-style-type: none"> • Vision for the PSH project • PSH Project Partners – Name and Lead Contact for PSH Project <ul style="list-style-type: none"> ○ Developer/Owner ○ PSH Service Provider ○ Property Management Agent ○ Development Consultant (if applicable) • Total Number of Units <ul style="list-style-type: none"> ○ PSH units and bedroom breakout ○ Non-PSH units and bedroom breakout • Target population (please align with Detroit CoC Letter of Support policy) • Inclusion of individuals with lived experience of homelessness during project planning to inform the project’s physical design, services and operations and how engagement continues throughout the development process, during lease-up and operations. • Onsite amenities available to PSH tenants at no cost • Any other project information that may be helpful to share.
B	<input type="checkbox"/>	Developer PSH Experience Narrative (Required)	<p>Provide a narrative that addresses the following:</p> <ul style="list-style-type: none"> • An overview of the Developer’s organization and experience developing housing for PSH populations. • Developer Project Staff – Provide a list of internal staff who will be directly involved in the project and their knowledge and understanding of PSH development and operation or how they will increase their knowledge. • Project Experience- Provide a list of the Developer’s current PSH projects that are operational, the annual service budget and funding sources. • How will the developer coordinate with the service provider and property management partner during pre-development, construction to prepare for PSH tenant move-in? What role will the developer have during operations to ensure accountability of the property management and services team? • Include any awards for CoC, City of Detroit, and/or VA funding that were <u>transferred, terminated, or returned</u> within the last 5 years. Explain the rationale for these actions and if it was done in coordination with the funder. This would include any Continuum of Care where the developer or development team operated PSH.
C	<input type="checkbox"/>	Supportive Service Provider PSH Experience Narrative (Required)	<p>Provide a narrative that addresses the following:</p> <ul style="list-style-type: none"> • An overview of the provider’s experience providing PSH Services or other services to the identified target population, specifically services that are voluntary and for people who are actively using substances

			<p>and/or engaging in other risky activities and have untreated/unmanaged mental health disorders.</p> <ul style="list-style-type: none"> ○ Include data or outcomes from existing PSH project or similar services. ● Service Provider Lead Staff – provide a list of internal staff who will be working directly on this project during the pre-development and operations, include title and their role with this project. ● How will the service provider uphold Housing First and Harm Reduction principles in service delivery? ● PSH projects will be required to enter data into Homeless Management Information System (HMIS) in accordance with local HMIS data quality policies. How will project partners ramp up to meet the HMIS requirement, including staff training for HMIS user licenses and cost associated with using the HMIS system? Which partner will have staff that are HMIS licensed users and entering data? Does the supportive services provider have experience entering data in HMIS? Outline experience including number of years of experience, tracking outcomes in HMIS or other and ensuring data quality. ● Include any awards for CoC, City of Detroit, and/or VA funding that were <u>transferred, terminated, or returned</u> in the last 5 years. Explain the rationale for these actions and if it was done in coordination with the funder. This would include any Continuum of Care where the supportive service provider operated PSH.
<p>D</p>	<p><input type="checkbox"/></p>	<p>Property Management PSH Experience Narrative (Required)</p>	<p>Provide a narrative that addresses the following:</p> <ul style="list-style-type: none"> ● An overview of their experience managing supportive housing projects that are taking referrals from the Coordinated Entry system and experience working with PSH tenants? ● Property Manager Lead Staff – provide a list of internal staff who will be working directly on this project and their experience with managing PSH projects, specifically those that are solely taking referrals from coordinated entry? ● What PSH outcomes have been tracked by property management? ● How does property management uphold Housing First and Harm Reduction in their work? ● What training is provided to onsite property management staff to understand PSH and the target population? ● How many property management staff will be dedicated to this site? Will they have an office on site? If not, how will they work with tenants for lease-up and ongoing property maintenance concerns?

<p>E</p>	<p><input type="checkbox"/></p>	<p>CSH Supportive Housing Quality Checklist for Permanent Supportive Housing (Required)</p>	<p>CSH, a national non-profit, works to promote the development of quality PSH throughout the country and works to advance affordable housing aligned with services an approach to help people thrive, by advocating for effective policies and funding, equitable investing in communities, and strengthening the PSH field.</p> <p>CSH developed Quality SH Standards to identify aspects of a high-quality PSH project. For more information about the Standards please visit the link included in Appendix K.</p> <p>PSH Project Teams (developer, service partner, property management) should complete the Checklist together and respond honestly. The Quality Checklist (instructions included at the end this application) was developed for PSH that are in the development phases to identify where its meeting quality and identify opportunities to improve.</p> <p>Instructions for completing the checklist:</p> <ul style="list-style-type: none"> • List the team members that worked together to complete the checklist • For each standard, select “yes”, “no”, or “partial” • If yes is checked, under documentation add where commitment is outlined (i.e. memorandum of understanding, tenant selection plan, service plan, etc.). <p>Responding “partial” or “no” to items on the Checklist will <u>not</u> impact funding.</p>
-----------------	---------------------------------	---	---

<p>F</p>	<p><input type="checkbox"/></p>	<p>Tenant Selection Plan (Required)</p>	<p>Attach the Property’s Tenant Selection Plan (TSP) that demonstrates an understanding of and commitment to Housing First and Harm Reduction principles. <u>PSH project utilizing MSHDA HCV project-based vouchers cannot add any additional screening criteria beyond MSHDA’s.</u> Partners should demonstrate a commitment to reducing barriers for PSH applicants.</p> <p>Ensure that the following items are addressed:</p> <ul style="list-style-type: none"> • Target population(s) must align with Detroit CoC Letter of Support Policy. • Application and screening processes including any criminal, eviction history, and credit screening processes and details of any appeal process. Projects cannot add any additional screening criteria beyond MSHDA’s requirements. • How will the project partners work with HAND - the local HMIS lead, CAM – local Coordinated Entry system, and MSHDA Housing Agents (if applicable) to identify, screen, and lease-up SH tenants? How will decisions about applicants be made? • What are the reasons that an applicant would be denied housing? • Describe how the service provider and property manager will work together to prevent PSH tenants returning to homelessness, specifically PSH tenants who are noncompliant with their lease, who have behavioral concerns, and/or are unwilling to engage in services. How would Housing First principles impact how the property manager and support services response and what their specific roles and responsibilities will be. • What actions or circumstances would constitute an eviction, mutual rescission, or non-renewal of lease of PSH tenants?
<p>G</p>	<p><input type="checkbox"/></p>	<p>Project Memorandum of Understanding (MOU) (Required)</p>	<p>The PSH development team must submit written agreement between the developer/ownership, management company, and service provider(s) that outlines:</p> <ul style="list-style-type: none"> • Description of each partners role during the development phase and during operations • Responsibilities of each partner • Frequency that the MoU will be reviewed and revised • Define key shared terms • Project outcomes that will be tracked including PSH tenant and property goals • Funding responsibilities – who is responsible for raising funds for the supportive services and any other costs that are included in the capital and operating budgets, such as PSH tenant furnishings, linens, etc. • Description of the project partners commitment Housing First and Harm Reduction and how it impacts their roles and responsibilities • How partners make decisions during the development and operations phase • How will partners coordinate?

			<ul style="list-style-type: none"> • What is the accountability structure? How will the developer/owner hold property management and services accountable to their responsibilities? • What is the process for a partner to leave the project? Include timeframe that notice must be given. <p>Note: Coordinated Entry System will enter into the MOU with partners, if the project receives a Letter of Support from the CoC</p>
H	<input type="checkbox"/>	PSH Supportive Service and Staffing Plan (Required)	<p>The Supportive Service and Staffing plan must address the following:</p> <ul style="list-style-type: none"> • Describes the target population’s service needs. • Service delivery goals, outcomes that will be tracked, and data collection methods • List the supportive services that will be available to tenants during the application and lease-up phase, move-in/first few weeks phase, and ongoing. Please include harm reduction services that will be available. • Who provides the services (direct or through community partners) • Where will services be provided (project site, community-based location, etc.) and how will tenants access services • The days/hours that staff will be available to provide services, • What are the various ways that service staff will engage PSH tenants, understanding that services are voluntary • How will tenant feedback be sought and utilized to improve service delivery • Staffing roles and how many staff will be in each role (i.e.: housing-based case management staff, supervisory staff, peer support specialist, administrative support, etc.). Include the PSH tenant to housing-based case manager ratio • What is the plan to fund the supportive services for the PSH project? What are the funding sources that project partners will pursue and the amount from each source? • If you currently have PSH units, how are services currently funded? While Medicaid is a helpful funding source, not all SH services are Medicaid billable, and some SH tenants will not meet Medicaid requirements. With that aid, describe your ability/plan to leverage Medicaid resources (i.e. bill directly, partner, etc.) to finance applicable services, including the amount of Medicaid funding you anticipate being able to leverage and how that amount was determined. What is your experience braiding Medicaid and non-Medicaid sources to pay for PSH service staffing?
I	<input type="checkbox"/>	PSH Supportive Service Budget	<p>Budget must include:</p> <ul style="list-style-type: none"> • Annual costs for a minimum of 15 years • Services costs broken out by line item, including at minimum: <ul style="list-style-type: none"> ○ Staffing, including number of staff in each position and salary for each position ○ Start-up costs (technology, office furniture, training, etc.) ○ Office supplies

			<ul style="list-style-type: none">○ Utilities for supportive service office space (electrical, gas, internet, and phone)○ Transportation (bus tickets, milage, purchase of vehicle, vehicle maintenance)○ HMIS licenses○ Contractual costs (if services not provided by Lead Service Agency)● Sources for funding services. While all sources for funding services may not be secured at time of application, your PSH Supportive Service Plan must outline how you will fund services. Put expected funding sources (grants, Medicaid, CoC funding, fundraising, etc.) into budget.
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ATTACHMENT 5: ACKNOWLEDGEMENT OF OTHER CITY OF DETROIT NOFA REQUIREMENTS

1. **Marketing:** The City of Detroit’s Central Affordable Housing Portal (“AH Portal”) is a web-based tool that tracks and promotes available affordable housing units in Detroit. Developers benefit from the AH portal by gaining free marketing of their properties and any available affordable units, and prospective tenants benefit from the AH portal by having one source to search and review information on affordable places to live. As a condition to receiving funds from the City of Detroit, applicant hereby agrees to provide City staff with current property listing information to include in the AH Portal (“Property Listing”), including property amenities, rent, and income eligibility information, property contact information, application information, and available affordable units. Further, applicant agrees to keep their Property Listing current by updating any changes in contact information and affordable units available for lease. As Applicants have immediate vacancies and/or have exhausted their tenant waitlists, Applicant agrees to periodically update their Property listing to market such vacancies. To use the AH Portal, City staff will provide developer and their property managers credentialed logins to post their property listings.

Initial: _____

2. **Housing Choice Vouchers:** As a condition to receiving funds from the City of Detroit, the Developer hereby agrees to accept prospective residents with Housing Choice Vouchers who would otherwise qualify for the Development and will allow prospective residents to use a Housing Choice Voucher unless Project Based Rental Assistance is in place for the unit. The Developer understands a higher rent cannot be charged for units with Housing Choice Vouchers. Restricted AMI rents will apply to all affordable units.

Initial: _____

3. **Project Plan Review:** As a condition to receiving funds from the City of Detroit, the Developer hereby agrees to have a concept plan approval meeting with the City of Detroit Planning and Development Department prior to submitting an application to the NOFA.

Initial: _____

4. **Ongoing Compliance:** As a condition to receiving funds from the City of Detroit, the Development Team (Developer, Co-Developer, and Consultant) do hereby certify that no members of the Development Team have outstanding non-compliance findings for any of their active City of Detroit funded projects regarding Section 3, Davis-Bacon prevailing wages, ongoing Environment Compliance, or Asset Management Reviews; including but not limited to ensuring that all CHDO certifications are current.

Initial: _____

5. **Existing Loan Status:** As a condition to receiving funds from the City of Detroit, the Development Team hereby certifies that to the best of their knowledge they are current on all payment requirements for all other City of Detroit funded projects in their portfolio. In the event it is determined there are outstanding amounts due, the processing of the application to this NOFA may be suspended or terminated until the outstanding amounts are paid at the sole discretion of HRD.

Initial: _____

6. **Build America, Buy America (BABA) Act:** As a condition to receiving funds from the City of Detroit, the Development Team – a “Non-Federal Entity” - hereby certifies that they will comply with the following BABA and the Buy American Preference (BAP) requirements unless they have obtained a waiver:

- The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee’s infrastructure project. Pursuant to HUD’s Notice, “Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America Provisions as Applied to Recipients of HUD Federal Financial Assistance” (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates are subject to BABA requirements, unless excepted by a waiver.

When applicable, the BAP requires that all iron, steel, manufactured products, and construction materials used in covered infrastructure projects be produced in the United States. Developers subject to the BAP must document compliance or the specifically applicable waiver of the BAP with:

- A copy of the applicable waiver(s),
- Certification(s) from the producer/manufacturer of Covered Materials,
- Certification(s) from the Contractor or entity performing the Covered Activities,
- Self-Certification(s) as to compliance, or
- A combination of one (1) or more of the aforementioned.

Initial: _____

ATTACHMENT 6 – AFFORDABLE HOUSING PROGRAM GENERAL REQUIREMENTS CHECKLIST

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	Executive Summary (Required)	Provide a one-page executive summary stating the reasons for pursuing this NOFA and the reason the City should seriously consider this project/organization for funding. Include a development narrative and a concise summary of the acquisition, design and construction timeline including projected lease-up and/or sales dates.
B	<input type="checkbox"/>	Developer Experience Narrative (Required)	<p>Please provide a narrative that includes the following:</p> <p>Developer organizational overview – Provide an overview of the developer’s organization and if the organization has any presence within Detroit including the nature of any work in Detroit. <i>(2 paragraph max.)</i></p> <p>Developer project staff – Provide a brief list of internal staff who will be directly involved in the project with their title and role for the proposed project and their relevant experience, and capacity to take on such a role. <i>(1 paragraph max per internal staff member)</i></p> <p>Current scope of work – Provide a list of all of the Developer’s current development projects including each project’s name, location, number of units, projected completion dates, sources of financing and total development budgets. If the Developer is currently managing development projects, please describe how the Developer will manage the proposed project in addition to its current obligations <i>(1 paragraph max.)</i></p> <p>Project experience – Provide a list of all of the comparable rental housing projects the Developer has completed in the last 5 years including the projects’ name, location, completion date, number of units, sources of financing, high-level timeliness, and total development budget. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG, or HOME funds.</p> <p>If the Developer has not completed a rental housing development in the last 5 years, please describe the most relevant activities the organization has completed and how exactly these activities have prepared the Developer for the proposed project. <i>(1 paragraph max.)</i></p>

<p>C</p>	<p><input type="checkbox"/></p>	<p>Development Team Experience Narrative (Required)</p>	<p>The Development Team includes but is not limited to the Co-Developer, General Contractor, Owner’s Rep, Architect, Engineer(s), Development Consultant, Property Management Company, and Borrower’s Attorney (if applicable).</p> <p>For each entity secured, please provide the following:</p> <p>Organizational overview – Provide an overview of the organization and if the organization has any presence within Detroit including the nature of any work in Detroit. (2 paragraph max.) Provide contact information and a resume for the individuals of the organization that will be responsible for the work to be performed on the project.</p> <p>Project experience: Provide a list of all of the comparable rental housing projects the entity has completed in the last 3 years including the project’s name, location, completion date, and number of units. Please highlight any development projects that were financed by Neighborhood Stabilization Program 1 or 3, CDBG or HOME funds. Please indicate whether or not a management agent has been secured for the proposed project. If a management agent has been secured, please provide a brief description on the agent’s experience in managing restricted units and maintaining ongoing compliance.</p>
<p>D</p>	<p><input type="checkbox"/></p>	<p>Development Team Sam.gov Unique Entity Identifier (UEI) (Required)</p>	<p>Each entity identified as a part of the Development Team must provide their Unique Entity Identifier (UEI) issued by Sam.gov or provide an explanation of the status of establishing the entity in the Sam.gov system.</p>
<p>E</p>	<p><input type="checkbox"/></p>	<p>Program Scope and Feasibility Narrative (Required)</p>	<p>Program Scope – Provide an overall description of the project including the number of floors, common space, parking spaces, and/or commercial space; as well as the overall rental composition including the number of units, bedroom types, amenities, rents, and anticipated income restrictions. If this is a project that is part of a larger initiative (by building, block, or neighborhood), please describe the larger initiative in detail.</p> <p>List of Funding Sources – provide a list of all other sources of financing. For each additional source of financing, please include funding amounts, key business terms, and conditions that must be satisfied before each funder is willing to close.</p> <p>Methods to Ensure Cost Effectiveness – Provide a brief overview as to how the developer uses a creative approach to financing or cost containment to meet affordable housing needs. (1 paragraph max)</p> <p>Explanation of projected rents – Provide a brief synopsis of the market study (if available) and how it relates to the projected rents within the proposal. If the market study has not been completed, describe how the proposed rents have been determined. (1 paragraph max)</p>

F	<input type="checkbox"/>	Board of Directors Information (Required if Applicable)	Provide brief bios, including current occupation, of the developer’s Board of Directors.
G	<input type="checkbox"/>	Explanation of Failure to Complete Previous Development(s) (Required if Applicable)	Provide an explanation of any project(s) that the Developer received a Conditional Award for in a prior NOFA, and the Developer rescinded their request – canceling the Conditional Award.
H	<input type="checkbox"/>	Emerging LIHTC Developer Narrative (Required if Applicable)	<p>Please provide a narrative that includes the following:</p> <p>Developer organizational overview – Provide an overview of the developer’s organizational structure identifying the Emerging Developer with no less than 25% interest in the General Partnership or as a Managing Member of the partnership (earning a percentage of the paid and deferred developer fee at least equal to their parentage of the ownership).</p> <p>Emerging Developer experience – Provide an overview of the Emerging Developer’s previous real estate and LIHTC development experience.</p> <p>Emerging Developer Plan for Development – Provide an overview detailing the Emerging Developer’s future plans for developing affordable housing in the City of Detroit. This should be inclusive of past, current, and future goals.</p> <p>Emerging Developer Relationship – Provide sufficient documentation to demonstrate that the Emerging Developer does not have any relation to other General Partners or any other development entity that would qualify for points.</p>

ATTACHMENT 7 – AFFORDABLE HOUSING PROGRAM DEVELOPER FINANCES CHECKLIST

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

D	<input type="checkbox"/>	Development Financial Statements (Required if Applicable)	For currently occupied and operating projects only, provide operating financial statements for the most recent 3 years.
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ATTACHMENT 8 – AFFORDABLE HOUSING PROGRAM READINESS TO PROCEED CHECKLIST

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	Project Timeline (Required)	Must include the projected dates of acquisition, construction start, certificate of occupancy, 100% occupancy of City assisted units, stabilized occupancy.
B	<input type="checkbox"/>	Evidence of Site Control (Required)	Site control must be demonstrated for every parcel of land proposed within the project definition. Any purchase/option agreements must include the required HUD Rewind Language.
C	<input type="checkbox"/>	Preliminary Plan Review (PPR) Summary - (Required)	Provide the “Preliminary Plan Review Summary” provided by BSEED with their feedback. If not available, provide the date of the scheduled Preliminary Planning Review (PPR) meeting with the Buildings, Safety Engineering, and Environmental (BSEED) Department. See Appendix K for link to schedule. If the project has obtained Site Plan Approval, provide the Site Plan Approval Letter, note that the project will still be subject to the Design Review Process with the Planning and Development Department (PDD).
D	<input type="checkbox"/>	Site Plan Approval - (Optional)	Provide evidence of the site plan approval from the Buildings, Safety Engineering, and Environmental Department (BSEED).
E	<input type="checkbox"/>	Evidence of Historic Designation (Optional)	Provide evidence of the historic designation of the property.
G	<input type="checkbox"/>	Letter of Support from Veterans Administration (Projects with Veterans Preference ONLY – Required)	Provide a letter of support from the Veterans Administration indicating their support for the project.

ATTACHMENT 9 – AFFORDABLE HOUSING PROGRAM GOALS & REQUIREMENTS CHECKLIST

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	Section 3 Experience and Future Outreach Narrative (Required)	Please update your Section 3 information. Do not submit old information and documents prior to 2019. Attach a statement with updated future outreach efforts to comply with Section 3 requirements under 24 CFR Part 75. If the developer has had Section 3 experience within the past 5 years , please provide a list of projects, addresses, number of units, total development costs, and how the project met Section 3 compliance. If the developer does not have previous experience complying with Section 3 requirements, attach a statement indicating as such and include if other members of the development team have experience complying with Section 3 requirements, especially experience under the new Section 3 regulation, 24 CFR Part 75 .
B	<input type="checkbox"/>	Section 3 Plan – Developer and General Contractor Document (Required)	Attach the Section 3 Plan – Developer and General Contractor document. A link to this document is included in Appendix K . Please see Appendix D for additional information.
C	<input type="checkbox"/>	Section 3 Intent to Comply Document (Required)	Attach the Section 3 Intent to Comply document. A link to this document is included in Appendix K . Please see Appendix D for additional information.
D	<input type="checkbox"/>	Proof of certificate as a Minority/Women Owned Business Enterprise (Optional)	Provide documentation showing that the Developer and/or Co-Developer is certified as a Minority/Woman Owned Business Enterprise. A link to this the certification process is included in the NOFA (Appendix K).
E	<input type="checkbox"/>	City of Detroit approval as a Community Housing Development Organization (CHDO) (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community Housing Development Organization (CHDO). See Appendix K for link.
F	<input type="checkbox"/>	Community-Based Development Organization (CBDO) Certification (Optional)	Provide documentation showing the developer has received City of Detroit approval as a Community-Based Development Organization (CBDO). Please email HRDNOFA@detroitmi.gov to learn more about the CBDO Certification Process.
G	<input type="checkbox"/>	Targeted Multifamily Housing Area (TMFHA) (Required If Applicable)	If this is a new construction, adaptive reuse, and/or vacant building rehabilitation project, provide a detailed map outlining the Multifamily Housing Area that the project is located within.

<p>H</p>	<p><input type="checkbox"/></p>	<p>Alignment with City Goals: Priority Projects (Optional)</p>	<p>Provide information on how the project qualifies for one of the City priority project categories.</p> <p>For projects that are considered an initiative tied to a City planning study, please provide a brief summary of the City planning study and how the project is formally considered an initiative of said study. Please provide any relevant and available hyperlinks to further outline these details. <i>(1 paragraph max)</i></p> <p>For projects that are considered a preservation of current affordability (NOAH or income restricted), describe how exactly the project qualifies as NOAH and how exactly this proposed project will protect and preserve its current affordability. For income-restricted projects, describe the current sources of funding, their related income restrictions, and potential expirations. <i>(2 paragraphs max)</i></p> <p>For projects that are considered permanent supportive housing, describe any targeting for special populations, including if and how this project is to be completed in coordination with the continuum of care, the accommodations, and services to be provided in order to meet the needs of the special population, and any Federal or other subsidy being brought to the project based upon this targeting. <i>(1 paragraph max)</i></p>
<p>J</p>	<p><input type="checkbox"/></p>	<p>Green Building Initiatives (Optional)</p>	<p>For projects that meet either of the below green standards, describe the project’s adherence to the chosen standard and the related potential long term cost savings.</p> <ul style="list-style-type: none"> • Enterprise Green Communities: New Construction Mandatory +35 Optional; Moderate Rehabilitation Mandatory +30 Optional; Substantial Rehabilitation Mandatory +30 Optional <p>U.S. Green Building Council LEED: Certified, Silver, Gold, or Platinum.</p>
<p>K</p>	<p><input type="checkbox"/></p>	<p>Broadband Access (Optional)</p>	<p>If providing broadband access and/or high-speed internet access in common areas, please provide a written agreement to commit to providing dedicated computers (a ratio of 1 computer per 10 units) with complimentary high-speed internet access. To ensure compliance, commitments will become a loan covenant.</p>
<p>L</p>	<p><input type="checkbox"/></p>	<p>General Information Notice (GIN) (Required if Applicable)</p>	<p>For projects with existing residents, provide a copy of the General Information Notice (GIN) to be distributed to residents at time of application. For more information, see Uniform Relocation Act (URA) resource linked in Appendix K.</p>
<p>M</p>	<p><input type="checkbox"/></p>	<p>Verification of City Planning Study Priority Project, SNF Area, or City RFP Award (Required if Applicable)</p>	<p>For projects that have either been identified as a City Planning Study Priority Project, is located in a Strategic Neighborhood Fund (SNF) Area, or has received an award through a City of Detroit RFP, please provide supporting documents.</p>

ATTACHMENT 10 – AFFORDABLE HOUSING PROGRAM PROJECT FINANCING CHECKLIST

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	Development Proforma (Required)	<p>For projects that intend to use LIHTC, the MSHDA Proforma Excel Template MUST be used and submitted. Do not submit the MSHDA Application in lieu of the Excel template.</p> <p>For all other projects, Developers are strongly encouraged to use either the HRD Rental Development Proforma or the MSHDA Proforma Excel Template. Links to templates for the proformas are provided in Appendix K of the NOFA and on the HRD website. The proforma will only be accepted in excel format with formulas. The Development Proforma Instructions included at the end of this application provide additional guidance on how to prepare a proforma for the development.</p>
B	<input type="checkbox"/>	Letters of Intent From All Equity Funding Sources and Grant Award Notifications Included In the Proforma (Required)	<p>Provide signed Letters of Intent from all equity funding sources and grant award notifications for grant funding included in the proforma.</p> <p>All Letters of Intent must be dated withing six (6) months of the funding round deadline.</p>
C	<input type="checkbox"/>	Evidence of Application for All Sources of Financing (Required)	<p>Lender Letters of Intent (LOI) and/or term sheets are preferred for all sources of financing included in the proforma. For any sources that an LOI or term sheet has not been obtained, provide evidence that an application has been submitted and provide a detailed explanation of the status of the application and when an LOI or term sheet will be provided. An LOI or term sheet must be provided with the commitment level documents for all sources other than MSHDA funds that are contingent upon an award of LIHTCs for the source to be considered secured for scoring purposes.</p>
D	<input type="checkbox"/>	Project Based Vouchers (PBV) Award Letter or Evidence of Application (Required If Applicable)	<p>Provide award letters or evidence of application for any project based rental assistance vouchers included in the proforma.</p>
E	<input type="checkbox"/>	Rent Roll (Currently Occupied and Operating Projects Only) (Required if Applicable)	<p>The rent roll must include affordability restriction, lease terms and tenant annual income by unit. Please remove any sensitive information such as tenants' social security numbers, etc.</p>
F	<input type="checkbox"/>	Utility Allowance Calculation (Required)	<p>Attach schedules showing how the utility allowance for each unit type was calculated. Indicate which utility table was used, which utilities the tenant is responsible for paying, and each applicable utility item.</p>
G	<input type="checkbox"/>	LIHTC Scoring Criteria (MSHDA Self Score) (If Applicable)	<p>For projects that intend to use LIHTC, the MSHDA LIHTC Scoring Criteria Excel File MUST be submitted. Do not submit the PFD file – Excel File only.</p>

ATTACHMENT 11 – AFFORDABLE HOUSING PROGRAM CONSTRUCTION AND ENVIRONMENTAL CHECKLIST

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

ATTACHMENT 12 - AFFORDABLE HOUSING PROGRAM COMMITMENT LEVEL CHECKLIST

Due April 7, 2025

THIS ATTACHMENT IS PROVIDED FOR INFORMATION ONLY. PROJECTS THAT RECEIVE A THRESHOLD APPROVAL LETTER FROM THE CITY OF DETROIT WILL SUBMIT THESE ITEMS THROUGH A SUBSEQUENT SUBMISSION PROCESS.

		ITEM	DESCRIPTION
A	<input type="checkbox"/>	Market Study (Required)	The market study should be both site and project specific, and no less than one year old. Homebuyer projects must provide a market analysis that supports the sales prices included in the budget/financial model for the project.
B	<input type="checkbox"/>	ASTM Phase I – Environmental Site Assessment (ESA) (Required)	MSHDA Phase I preferred, if available. Phase I ESA does not need to be printed.

C	<input type="checkbox"/>	Additional Environmental Due Diligence Documents (Optional)	Including Phase II ESA, BEA, Response Activity Plan, etc.
D	<input type="checkbox"/>	Capital Needs Assessment (Required if Applicable)	Provide a capital needs assessment for preservation/rehab projects.
E	<input type="checkbox"/>	Affirmative Fair Housing Marketing Plan (Required)	Applicants will need to submit a draft Affirmative Fair Housing Marketing Plan. A link to the HUD form is included in Appendix K of the NOFA.
F	<input type="checkbox"/>	Tenant Relocation Plan - Occupied Only (Required if Applicable)	A tenant relocation plan must be submitted that meets both the requirements of the Uniform Relocation Act (URA) as well as the City standards as discussed in the NOFA. Include the General Information Notice (GIN) that was issued to the residents of the property at the time the NOFA Application was submitted. See Appendix K in the NOFA for a link to Uniform Relocation Act (URA).
G	<input type="checkbox"/>	Primary Market Area AMI and Summary (Required)	Provide information from the Market Study summarizing household incomes of the project area.
H	<input type="checkbox"/>	Letter of Support from Detroit Continuum of Care (PSH Projects ONLY - Required if Applicable)	Provide letter of support from the Continuum of Care as evidence of your alignment with CoC Priorities and expectations and commitment to take all tenant referrals through the Coordinated Entry Process.
I	<input type="checkbox"/>	Other Requested Project Documents	Attach any additional items that have been requested by HRD that were identified during the Threshold Review process.
J	<input type="checkbox"/>	Executed Partnership Agreement (Required if Applicable - for Emerging Developer Projects)	<p>Provide a fully executed Partnership Agreement between each Partner/Entity/Member – minimally identifying:</p> <ul style="list-style-type: none"> • A comment to remain a part of the Ownership Entity for the minimum Compliance Period as confirmed by the City of Detroit; • Roles and responsibilities of each Partner/Entity/Member for the duration of the Development and Operational periods; • The length of time each Partner/Entity/Member will be a part of the Ownership Entity; • The Developer Fee amount for each Partner/Entity/Member; and • Which Partner/Entity/Member will provide the guarantees for the equity investment and construction financing.
K	<input type="checkbox"/>	Final Submitted LIHTC Scoring Criteria (MSHDA Self Score) (If Applicable)	For projects that intend to use LIHTC, the MSHDA LIHTC Scoring Criteria Excel File that was included in the final submission to MSHDA MUST be submitted. Do not submit the PFD file – Excel File only.
L	<input type="checkbox"/>	Preliminary Plan Review (PPR) Update/ Summary - (Required if Applicable)	Provide any updates on the status of and/or the “Preliminary Plan Review Summary” provided by BSEED with their feedback. If not available, provide the date of the scheduled Preliminary Planning Review (PPR) meeting with the Buildings, Safety Engineering, and Environmental (BSEED) Department. See Appendix K for link to schedule. If the project has obtained Site Plan Approval, provide the Site Plan Approval Letter, note that the project will still be subject to the Design Review Process with the Planning and Development Department (PDD).

DEVELOPMENT PROFORMA INSTRUCTIONS

As mentioned above, if intend to use LIHTC, the MSHDA Proforma Excel Template MUST be used and submitted. Do not submit the MSHDA Application in lieu of the Excel template. For all other projects, Developers are strongly encouraged to use either the HRD Rental Development Proforma or the MSHDA Proforma Excel Template. Links to both of these templates are provided in the NOFA and on the HRD website. Otherwise, the Developer must include all of the following elements in excel format:

- Sources and Uses
- Schedule of Rents by Unit Type (including utility allowances)
- Stabilized Operating Income & Expenses
- Rent Roll (if applicable)
- 20-year Operating Projection
- Construction and Lease-Up Period Cash Flow

Sources and Uses

The Developer is responsible to ensure that all project development costs are accounted for in the submitted development budget, and that proposed sources of funding are adequate. Failure to provide adequate development costs and sources may result in the proposed project not receiving funding upon review. The project costs must comply with the following:

Construction Costs

At the time of application, the Developer must submit itemized cost estimates from the project architect or other qualified cost estimator to substantiate the construction costs in the development budget and indicate if it is expected that Davis Bacon requirements will apply to the project. The application must also state whether the Developer has solicited or received any proposals (bids) from general contractors.

Initial: _____

Builder Overhead and Profit and General Requirements

The contractor will be governed by the following maximum ratios: Contractor Fee/ Profit-6%, Overhead -2%, and General Conditions -6%. The City of Detroit may consider higher percentages for these fees if MSHDA or other funder approves higher percentages. The application narrative must state how the estimated amounts for builder fee / profit, general requirements, and general overhead in the construction budget were determined. The City of Detroit may also consider an exception to these percentage amounts for developments with a small number of units.

Initial: _____

Owner's Hard Cost Construction Contingency Requirements

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

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

Initial: _____

City Legal Fees

The City requires Developers of HOME assisted projects to pay the City’s legal fees, which are currently estimated at \$40,000 per entity receiving City funds as part of the project. Fees may be higher for projects with additional complexity. The legal fees are an eligible HOME cost that can be paid out of the HOME award.

Initial: _____

Lease-up Costs

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

Initial: _____

Operating Cash Flow

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

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

Initial: _____

Leveraging of private or HOME funded long term debt as a source of funds will be subject to the project’s ability to support such financing as demonstrated by the project’s operating proforma. Using standard underwriting criteria and cost reasonableness, the Developer must clearly demonstrate through the project’s operating proforma that the repayment of this debt will not be a burden on the long-term viability and affordability of the project. The combined debt service coverage ratio taking into account all must-pay debt on viable projects should target a minimum of 1.10 and a maximum of 1.25.

Initial: _____

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

Initial: _____

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

Initial: _____

Rents must be supported by the submitted market study. The rent must be reduced if the tenant pays for utilities because the calculation of these rent standards includes all utilities excluding telephone. Utility allowances provide a

mechanism for adjusting the maximum allowable HOME rents when the tenant pays some or all utilities. Please see the utility allowance charts by housing type included in **Appendix B** the NOFA.

Initial: _____

The proforma must include the required payment amount for the City of Detroit loan based on the following standard loan terms:

1. **Term:** 480 months commencing from the date of construction completion.
2. **Interest Rate:** Fixed 1% simple interest.
3. **Repayment:** The repayment will be the greater of (a) \$2,500; or (b) the lesser of 1% interest only or 50% of net cash flow after operating expenses, required deposits to reserves, deferred developer fee and required senior debt service payments. The cash-flow contingent repayment will be deferred while cash-flow contingent payments are due to a senior lender. The \$2,500 minimum annual repayment will not be deferred.
4. **Optional Prepayment:** No penalty for prepayment; Borrower must provide Lender ten (10) business days' notice prior to prepayment.
5. **Reserves:** Annual Replacement Reserve deposit equal to \$300 per unit.

Initial: _____

Replacement Reserves

Developers will be expected to execute a Replacement Reserve Agreement, and to establish and maintain a Replacement Reserve Fund. The Developer will be responsible for depositing a per unit amount per annum (PUPA) into the fund for capital improvements to the property, as outlined in the Replacement Reserve Agreement. In the event that there is a conflict between this provision and the requirements of other funders, the need for reserves will be analyzed and negotiated between the various parties. The City may waive this requirement at its discretion. The amount of the Replacement Reserve shall be determined as follows:

For acquisition-rehabilitation projects, the Developer must conduct a capital needs assessment (CNA) for all rehabilitation projects, and set the annual reserve, at a minimum, at the level needed to cover 100% of capital needs identified in the CNA over the HOME affordability period.

Initial: _____

For new construction projects, the Developer must deposit at least \$300 per unit annually into a Replacement Reserve. The City may consider a lower amount only if the Developer submits evidence acceptable to the City establishing that a lower deposit amount will cover 100% of likely long term capital needs over the HOME affordability period.

Initial: _____



Supportive Housing Planning Quality Checklist

This checklist is based on [CSH’s Standards for Quality Supportive Housing](#) and is intended to be completed by PSH projects in the pre-development or planning phase. The Standards are aspirational and PSH projects completing the Checklist are encouraged to be self-reflective and honest while identifying areas of potential growth. To complete the Checklist:

- PSH development team - the developer/owner, service provider, and property management - should complete the Checklist together and sign verifying that they actively participated and commitment to quality SH.
- For each Standard, check one of the following: Yes-we are doing this, No-we are not doing this, or Partial-we have started and/or are in discussion
- If yes, list where this is documented (i.e. project narrative, service plan, MOUs, community engagement plans, etc.). Projects do not have to submit documents.

For more information and/or questions, contact the CSH Michigan Team at MI@csh.org. The CSH MI staff can provide individualized Technical Assistance (TA) to PSH Projects. Thanks to CSH’s generous funders, TA is available at no cost to MI Projects.

Indicator	Commitment to Quality	Verifiable Quality Measures in Pre-Development and Program Planning
Tenant Centered		
Tenant-Driven Planning	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	During the project planning process, individuals representing the priority target population have been involved, either through at least one individual meeting with the supportive housing project team and/or at least one focus group with members of the targeted tenancy. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are multiple documented plans of how tenant feedback is, and will continue to be incorporated into the supportive housing project. Documentation:
Commitment to Supportive Housing Goals	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are written goals and/or targeted tenant outcomes for the supportive housing project. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The project will have a reliable method for collecting and reviewing data on the targeted tenant outcomes (such as housing retention, income, changes in health outcomes, employment, social connectedness). Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are written goals and/or targeted tenant outcomes that affirm the agency’s commitment to anti-racism/anti-oppression and to effective implementation of equitable practices. Documentation:

Unit Design and Features	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Each unit will have its own private bathroom and kitchen. Kitchens will include basic cooking appliances such as refrigerator, stovetop, and microwave. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Units have adequate living space and appliances for essential daily activities, such as cooking, eating, sleeping, and any other activities related to their personal goals and hobbies. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Based on the household composition of the planned priority population, there are a range of units available with enough bedrooms for the size of households. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are options for tenants to live on their own or with household members of their choice. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are plans to include common/shared indoor and outdoor spaces or access to spaces (on or off-site), such as community rooms, and gardens that can accommodate a variety of activities and gatherings. Documentation:
Tenant Education	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Property Management Plan will require the management company to provide residents an orientation introducing them to their apartment and neighborhood, and their rights and responsibilities as leaseholders as part of the move-in process. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Services Plan will include an adequate level of on-site tenancy supports (caseloads of 1:10-1:25) and opportunities for tenants to build their skills through on-site workshops/ or outside linkages. Documentation:
Tenant Feedback	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Property Management and/or Services Plan will indicate that a tenant satisfaction survey will be administered on an annual basis. There will be a written description of the system for reviewing survey results and responding to tenant feedback. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Property Management or Services Plan indicates that there will be a tenant council, focus group or another tenant-led group that meets regularly with the supportive housing project partners. There will be a written description of the system for reviewing and responding to tenant feedback. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Property Management or Services Plan indicates that feedback is reviewed using disaggregated data by race, ethnicity, gender identity and other key categories to support continuous quality improvement processes and develop clear action steps that include tenant feedback in the solution. Documentation:

Services Design	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The services plan demonstrates that participation in services is voluntary, meaning that tenants can choose whether to participate and select the services they prefer. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There is a plan to recruit and hire program staff includes strategies in help ensure staff reflect the demographics of the program’s participant population and have the experience and expertise needed to provide quality services. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The services plan outlines how staff will explore participants’ cultural views of wellness and support, if requested or welcomed by the tenant. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The services plan outlines how staff will support participants in accessing alternative treatments, (including those that address emotional, cultural and spiritual wellbeing), as desired by tenants. Documentation:

Indicator	Commitment to Quality	Verifiable Quality Measures in Pre-Development and Program Planning
Accessible		
Affordability	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Tenants pay 30% or less of their income for housing costs. Documentation:
Location	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Tenants can easily access a wide array of amenities on their own (public transportation, grocery stores, community centers, health clinics, etc.) that reflect local community standards. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	In locations where this is not feasible, the project will have a plan to assist tenants in accessing needed resources. Documentation:
Physical Accessibility	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There will be a system in place to ensure that any needed accommodations are requested and completed prior to tenant move-in. Documentation:
Housing First	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Tenant Selection Plan and all written policy and procedures will state that the eligibility criteria for the supportive housing meet the minimum that the funder(s) or landlord requires (without additional criteria imposed). (I.e. The project minimizes barriers to entry to ensure that its targets tenants can quickly and easily access the supportive housing.) Documentation:

	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Tenant Selection Plan and all written policy and procedures will not require sobriety as an eligibility requirement to enter the supportive housing. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Tenant Selection Plan and all written policy and procedures will not require medication compliance as an eligibility requirement to enter the supportive housing. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Tenant Selection Plan and all written policy and procedures will not require participants to participate in services as an eligibility requirement to enter the supportive housing. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The Tenant Selection Plan and all written policy and procedures will not require a minimum income as an eligibility requirement to enter the supportive housing. Documentation:
Application Process	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are (existing, or plans for) outreach protocols and designated staff assigned to find households after receiving referrals. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The housing application and screening processes will be fully accessible to persons with disabilities. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Appropriate, reasonable accommodations and necessary supports will be provided, as needed, during the application and screening processes. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The housing application will be separate from any service needs assessment and will not request detailed clinical information. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There will be a timely and clearly stated process for the approval or denial of housing applications and appeals. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There will be an established system for staff to communicate with tenants and referral sources during the application process and to track and retain documentation. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The supportive housing application and intake processes will ONLY include the minimum number of questions needed to determine tenant eligibility, such as those required by funders. Documentation:
Availability of Services	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The services plan outlines responsibility of services staff to ensure that tenants are aware of available services, can modify their services at any time, and that service hours and locations are convenient (including outside of normal business hours and in crisis situations). Documentation:

Anti-Racism and Cultural Humility	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The application materials for tenants will be written in plain language. And staff will assist tenants in understanding the content of written materials, when necessary. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The intake/screening process will be delivered in a manner that is trauma-informed and culturally responsive to the needs of each individual tenant. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	All written materials will be available in multiple languages. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Multilingual staff and/or interpretation and translation services will be available to tenants, as needed. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Services staff will receive training on cultural competency in service delivery including how to take into account each tenant’s age, race, gender identity, sexuality, culture, background and/or disability. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There will be educational activities in which anti-racism and anti-racism related issues (including anti-oppression, cultural humility, holistic theory and practice, etc.) are addressed and all staff is required to have adequate training on these topics. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There will be a formal mechanism for tenants and staff to file, track and respond to discrimination complaints. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The board and leadership of the supportive housing organization(s) is or will be diverse and representative of the tenant population and include individuals from historically underrepresented groups and at least one person with lived experience. Documentation:

Indicator	Commitment to Quality	Verifiable Quality Measures in Pre-Development and Program Planning
Coordinated		
Roles and Responsibilities	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There are written descriptions of each supportive housing partner's role, including, at minimum, the project sponsor, housing and/or property manager and supportive services provider. These descriptions detail the responsibilities of each partner. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Written descriptions will be reviewed and revised annually by all partners. Documentation:

	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Written agreements between partners will prioritize and center racial equity as a key component of property management and service delivery.</p> <p>Documentation:</p>
Communication	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>There are forums for all partners to discuss the status of the project, their roles and the coordination of their efforts on a regular basis.</p> <p>Documentation:</p>
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>There are established procedures for communication between scheduled meetings.</p> <p>Documentation:</p>
Coordinating Property/ Housing Management & Supportive Services	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Both the service provider AND property management group (if project based) or housing management office (if scattered site) are committed to developing an eviction prevention plan and a rent repayment plan template. (This commitment can be included in MOUs outlining roles or demonstrated in meeting minutes)</p> <p>Documentation:</p>
Connections with Mainstream and Community-Based Service Providers	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Supportive Housing Service Plan and/or the MOU with the service provider includes serving as a coordinator with other mainstream service providers. (The primary service provider facilitates tenants' connections to resources and supportive services in the community, particularly behavioral healthcare, primary healthcare, substance use treatment and support, and employment.) Documentation:</p>
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Service provider will coordinate with community-based resources that are inclusive of and represent the diverse community and tenant population demographics and needs.</p> <p>Documentation:</p>
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Service provider will develop and maintain profile of social and cultural resources for various ethno-racial groups in the service area (houses of worship, community-based organizations, etc.)</p> <p>Documentation:</p>
Targeting Units	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>The supportive housing partners prioritize persons who are experiencing complex needs or who are high utilizers of other systems (e.g. hospital, jail, shelter) for all or a portion of available units.</p> <p>Documentation:</p>
Continuous Quality Improvement	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>The supportive housing partners involved in ongoing operations schedule regular times to communicate and engage in a continuous quality improvement process to ensure project goals are being met.</p> <p>Documentation:</p>
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	<p>Leadership within the supportive housing organization(s) will regularly review data that is disaggregated by race, ethnicity, gender identity and other key categories, in order to monitor performance against goals, identify needed strategies for improvement and any disparities in access and/or outcomes, and develop clear action steps.</p> <p>Documentation:</p>

	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Tenants engaged in leadership opportunities are included in the quality improvement process, providing feedback and accountability in partnership with supportive housing leader organizations. Documentation:
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Indicator	Commitment to Quality	Verifiable Quality Measures in Pre-Development and Program Planning
Integrated		
Appearance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The scale, appearance, design, maintenance and quality of the building(s) will be consistent with the neighborhood and reflect local community standards. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The project will meet or exceed HUD's Quality Standards and comply with local housing standards. Documentation:
Community Dialogue	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The supportive housing project partners have <u>identified a lead partner</u> who will be active in ongoing community dialogue and activities (including participating in community improvement activities, soliciting neighborhood input on design, development and operating plans, identifying neighborhood needs or preferences for the design, receiving and responding to community concerns, and providing regular updates on the development process). Documentation:
Housing Unit Choice	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Supportive housing partners have a clear understanding of and written description of <u>which partner</u> will work with tenants to: Develop an understanding of their needs and wants from a housing unit and Search for and select a housing unit that meets their needs, including any accessibility needs and reasonable accommodations requests. Documentation:
Leases and Tenant Rights	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	All supportive housing tenants will be provided with leases or subleases identical to non-supportive housing tenants — without service participation requirements or limits on length of stay (as long as lease terms are met). Ideally, the initial term of a lease or sublease is at least one year. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The project has procedures in place to ensure that tenants are provided with a copy of their lease and have a clear understanding of their rights and responsibilities as tenants. Documentation:
Community Connections	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The primary service provider is committed to working with tenants to 1) identify community opportunities, resources and relationships to support community connection, and to 2) ensure that tenants have the support and access to resources needed to pursue these connections. Documentation:

	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The primary service provider is committed to coordinates with community-based resources that are inclusive of and represent the diverse community and tenant population demographics and needs. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The primary service provider will develop a profile of social and cultural resources for various ethno-racial groups in the service area is maintained and made available to program participants (houses of worship, community-based organizations, etc.) Documentation:

Indicator	Commitment to Quality	Verifiable Quality Measures in Pre-Development and Program Planning
Sustainable		
Service Funding	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The funding source(s) is/are as flexible as possible (or coordinated) to allow for the specific services to change with tenant needs, both daily and throughout the life of the program. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The budgets identify any potential gaps in funding needed to fully implement the service plan and outlines potential sources to address those gaps. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Funding for the program is committed/contracted for a multi-year period or the service budget identifies a funding reserve or source sufficient to meet service costs for maintaining the family supportive housing service plan. Documentation:
Capital Funding	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The project sponsor is committed to long-term affordability (i.e. tenants pay no more than 30% of their income toward housing costs) Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	There is a commitment, either through funding restriction or the presence of a mission-focused owner, to the property affordable for a significant period of time, typically at least 30 years. Documentation:
Operating Funding	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The operating budget includes long-term operating subsidies or a rent reserve sufficient to meet operational costs for the supportive housing units while maintaining affordable tenant rents. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The operating budget will include a recurring contribution to a replacement reserve to repair/replace major systems that is consistent with state housing finance agency or other funder standards. Documentation:
Housing Maintenance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	Property management staff has a comprehensive, written plan and schedule for inspections, pest control, routine maintenance and replacement activities designed to sustain the quality of the physical environment.

		Documentation:
Efficiency	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The housing is designed with consideration of environmental factors (flood, hurricane, other natural disasters) and appropriate construction is planned to ensure the units are secure and sustainable in areas where unpredictable weather can present hazards. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The housing incorporates appropriate and feasible green design practices, such as the use of energy-efficient and water-conserving fixtures and products. Documentation:
	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Partial	The housing utilizes durable materials chosen to reduce future maintenance costs. Documentation:

We hereby certify that the information indicated above is true and accurate and understand that in affirming our Commitment to Quality Supportive Housing this project and its supporting documentation may be subject to review for verification of the

X

commitment to quality standards.

Developer/Owner Signature:

Print Name:
 Title:
 Date:

Service Provider Signature:

Print Name:
 Title:
 Date:

Property Management

Signature:

Print Name:
 Title:
 Date:

RESOLUTION OF CERTIFICATE OF AUTHORITY

ENTITY TYPE (Please Check One):

LLC LDHA LP Partnership Corporation Sole Proprietorship

Other: _____

I, _____, a Manager, Member, or Owner of (APPLICANT) _____ (full legal name of the "COMPANY") DO HEREBY CERTIFY that I am a Manager, Member, or Owner of the Company who has the authority to act as an agent of the Company in executing this Certificate of Authority. I further certify that the following individuals have authority to execute and commit the Company to conditions, obligations, stipulations and undertakings contained in the City of Detroit Housing and Revitalization Department Housing Rehabilitation and Development Program Notice of Funding Availability ("NOFA") Application:

FURTHER, I CERTIFY that all necessary approvals by the Manager(s), Member(s), or Owner(s) of the Company have been obtained with respect to the execution of said NOFA Application, which is for the period of the application process.

IN WITNESS THEREOF, I have set my hand this ___ day of _____, 20___.

CORPORATE SEAL
(if any)

Manager, Member, or Owner

Language Access Program

Language Services Provided by the Language Access Program:



On-Site Interpretation



Video/Phone Interpretation



Document Translation



Civil Rights, Inclusion & Opportunity

Language Access Program (LAP)

The Civil Rights, Inclusion & Opportunity Department (CRIO) is committed to providing meaningful access to city services, programs and events for our residents.

Most requested departments:

- Department of Appeals and Hearings
 - Blight Hearings
- Detroit City Council
 - Formal Session, Evening and Community Meetings & Dangerous Building Hearings,
- Department of Planning and Development
 - Community Events



History

Under the Executive Order 13166, the City of Detroit is required to translate vital documents and provide access to language interpretation services upon request for federal programs and services provided by the City.



Request Language Services HERE:

<https://bit.ly/3TKnESa>

IF YOU HAVE ANY QUESTIONS OR CONCERNS, PLEASE REACH OUT TO AMIAH BURNER.



(313) 224-4950



AMIAH.BURNER@DETROITMI.GOV

Exhibit D

Sample Threshold Review Memo



Housing and Revitalization
Department

Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

Sample Village Phase III



Project Overview	
Development Name	Sample Village Phase III
Borrower	Sample Village III LDHA, LP
Developer	Sample Developer, LLC & Example Community Development Corporation
Address	18500 Sample St
Neighborhood	Greenfield/College Park
Council District	2
Project Type	New Construction 9% LIHTC
Total Development Cost (TDC)	\$10,500,000
City Award	\$1,000,000
Percentage of TDC	9.5%
Affordable Units	27 of 27
NOFA Round Applied	February 2025

Unit Overview			
AMI Range	One Bed	Two Bed	Total
15% AMI	-	2	2
25% AMI	-	2	2
55% AMI	-	17	17
60% AMI w/ PBV	-	6	6
Total	-	27	27

Note: The developer will be restricting rent on all units to 5% below the allowable AMI% to take advantage of the additional two points on their tax credit application.



Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

RECOMMENDATIONS

It is recommended that Sample Village Phase III pass threshold and advance to Scoring and Ranking. The project is viable with funding sources outlined in the attached proforma. The 9% LIHTC equity and conventional permanent loan are supported by letters of intent. A partnership between Sample Developer, LLC (SD) and Example Community Development Corporation (ECDC) for the development of Sample Village Phases I, II, & III is supported with a highly experienced staff with experiences in developing, owning, managing, and maintaining affordable housing communities in Detroit and throughout the State of Michigan.

EXECUTIVE SUMMARY

Sample Developer, LLC (SD) and Example Community Development Corporation (ECDC) are requesting \$1,000,000 of HOME Funds for the development of the Sample Village Apartments Phase III. SD is supported by its owners – First Property Management, LLC, and The Builder Company – and has proven financial capacity and experience to provide all guaranties required by lenders and tax credit investor, including the City of Detroit. The housing community will be a new construction located across 84 vacant parcels (31 in phase I, 25 in phase II, and 28 in phase III) located within the Greenfield/College Park Neighborhood – bound by East Sample Drive, Oak Blvd, Elm Street, and Example Street. The project site includes a total of nine individual parcels that are currently owned by the Detroit Land Bank Authority and are subject to an existing Option Agreement with Example Community Development Corporation. Phase III is the construction of 27 of the total 157 units. The development will consist of 14 duplex buildings, including 27 2-bedroom units and approximately 863 square feet of community space. Six of the units (22.2%) will be fully accessible to in accordance with ADA requirements and two of the units (7%) are to be designed for visually/hearing impaired residents. Six of the units will also have Section 811 rental assistance and occupancy will be limited to disabled residents. Phase I of the development was awarded in the January 2023 NOFA, but the developer rescinded their award due to financial feasibility. The 9% LIHTC award was voluntarily returned without incurring any negative points. Phase II was previously submitted to the September 2024 NOFA, but did not receive a conditional award.

The proposed project location is currently zoned R-3 and is complimented with a site plan approved by the City's Planning and Development and Building and Safety Engineering Departments as of October 3, 2022. A request for administrative approval of minor site plan changes was approved on September 23, 2024. The developers included an application for six housing assistance vouchers for phase III from MSHDA's Section 811 program. The developer was successful in being awarded vouchers for the previous phases and anticipates a conditional award prior to submitting the tax credit application, providing five points on their 9% LIHTC self-score.

Construction of Sample Village Phase III is targeted to begin no later than December 2025, with a two-year timeline and occupancy beginning during the Summer of 2027. Full qualified occupancy is anticipated by February 2027 and stabilized occupancy by July 2028. The \$1,000,000 HOME Funds request will fill the current funding gap for Phase III and allow for completion of the project. The MSHDA tax credit application self-score is 114, including 4 points for credit efficiency and 2 points for Rent Affordability.

PROJECT CONFIGURATION



**Housing and Revitalization
Department**

Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

Building Configuration	
Number of Buildings	14
Number of Stories (Apartment Building)	1
Residential Units	27
Common Space Footage	863
Number of Parking Spaces	31

Unit Configuration						
Unit Type	Beds	# of Units	Max AMI	PBVs	Square Feet	Contract Rent
Apartment	2	2	15%	No	863	\$166
Apartment	2	2	25%	No	863	\$382
Apartment	2	17	55%	Yes	863	\$1,296
Apartment – Low HOME	2	6	60%	No	863	\$1,030

Note: Square Footage is average of all units.

SOURCES AND USES

Permanent Sources	
Conventional Mortgage	\$1,500,000
LIHTC Equity	\$7,042,696
Local HOME	\$1,000,000
Sponsor Note	\$257,304
Deferred Developer Fee	\$700,000
Total	\$10,500,000

Permanent Uses	
Hard Costs	\$7,154,669
Soft Costs	\$1,865,805
Developer Fee	\$1,400,000
Acquisition Costs	\$79,526
Total	\$10,500,000

PROJECT TIMELINE



Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

Acquisition	October 2025
Financial Closing	December 2025
Construction Start	December 2025
Construction Completion	December 2026
Residential Lease Up	March 2027

FINANCIAL FEASIBILITY

SD and ECDC have requested **\$1,000,000** in **HOME Funds** from the City of Detroit. Potential funding from the City will be complimented by **equity** of **\$7,042,696** from MSHDA’s 9% LIHTC program. Sample Syndicator has provided a Letter of Intent as equity investor for the LIHTC at **\$.86** per credit for the **\$819,000** annual 9% tax credits to be requested in the developers April application to MSHDA.

In addition to funding from the City and the LIHTC program, the developer provided a loan application letter to Example Finance Group for a **conventional permanent loan** in the amount of **\$1,500,000**. The permanent loan has a 40-year amortization with a 20-year term and a fixed rate estimated at 6.5%.

The remaining funding for the project comes from **Deferred Developer Fees** (shown in the proforma as **\$700,000**). SD and ECDC have committed to defer their developer fees in the interest of balancing the sources and uses. The fees would be paid from available cash flow.

The permanent sources are in balance with the permanent uses of hard costs, soft costs, developer fee, and acquisition costs, with total development costs at **\$10,500,000 or \$388,889 per unit**.

The developer has been approved for a **\$7,000,000 construction loan** from Construction Bank USA. The loan would be secured by a first mortgage position on the property, would bear interest at an adjustable rate equal to 2.75% over the 30-day SOFR and have a twenty-four-month maturity. The commitment letter for the construction loan has also been included with the application.

Sample Developer, LLC. Has provided a loan commitment up to \$300,000 to cover any development shortfall that would bear interest at JP Morgan Chase Prime rate and would be paid from available cashflow.

The developer will provide a market study supporting the proposed rents if they are successful passing Threshold. The proposed rents have been determined using the latest income and rent limits published by HUD/MSHDA as referenced and included in the proforma. The number of units at 20% and 30% AMI were determined to maximize the low-income targeting points in the developer’s MSHDA 9% LIHTC application. The development will include six (6) HOME units in Phase III. In addition, the developer has committed to limit the rents to 5% below the stated maximum for the length of the affordability period, to take advantage of the additional two points on their tax credit application.

DEVELOPMENT TEAM CAPACITY



Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

Lead Developer: Sample Developer, LLC (SD)

Sample Developer, LLC. is owned by The Builder Company and First Property Management, LLC. SD has the extensive management, operations, and consulting experience of First Property Management, accompanied by the development, construction, ownership, and financing experience of The Builder Company. SD was formed to share over 100 years of combined diverse real estate experience with cities and housing agencies to redevelop and create new public housing stock. Over the past eight years SD and its principles have completed several comparable rental housing projects throughout the State of Michigan – Basketball Court Apartments, Maple Park Apartments, Waterway Estates Senior Apartments, Buckingham Place Apartments and Woodland View Apartments - ranging in size from 33 to 81 units and utilizing HOME, LITHC, and USDA Rural Development funding sources. SD was selected by the Detroit Housing Commission to redevelop Broadway Estates and Waterway Estates Senior Apartments in the City of Detroit, and successfully completed the projects in 2015 and 2022 respectively. Both redevelopments included HOPE VI loans, Brownfield Credits, HOME loans, FHA insured first mortgage loans, and low-income housing tax credits – a testament to their expertise in managing large scale affordable developments within the City. They are also currently managing the development of Tall Oaks Village which is currently under construction.

Co-Developer: Example Community Development Corporation (ECDC)

Example Community Development Corporation (ECDC) is co-developer of Sample Village, and aims to “enhance the College Park Community by developing affordable housing and providing community services which will revitalize and stabilize the quality of life for its residents.” ECDC’s development consultant and board member, David Brown, has over 40 years of experience in the public, private, and non-profit housing industry providing real estate acquisition, development, rehabilitation, technical and compliance investigative skills to create greater opportunity for minorities, low and moderate income families and residents who are physically/visually challenged. ECDC also has a partnership with the College Park Community Association (CPCA). Together, the organizations have organized several community events and including meetings in support of the Sample Village Developments for multifamily and senior housing.

General Contractor: Sample Contractor, LLC.

Sample Contractor, LLC. was founded in March 2010 and has been providing general contracting and construction management services for multi-family and nursing home projects in Detroit and throughout the State of Michigan. Sample has assisted with the construction and redevelopment of ten affordable projects since their formation. The size of their development’s ranges from 53 units to 195, with notable work in Detroit on the Broadway Estates Apartments, Waterway Estates, and Healthy Point of Detroit Nursing Facility. Staff members have additional experience scheduling, estimating, bidding and awarding contracts, supervising construction and contract administration for the Davidson West Redevelopment in Detroit. The project was also Davis/Bacon, Section 3 and DBE compliant.

Architect: Example Architect, Inc.

Example Architect, Inc. has been in operations for 75 years designing a variety of healthcare and residential facilities. Their work has a concentrated focus on facilities that house and care for elderly people with mental and physical disabilities. Recent work in Warren, Ann Arbor, Livonia, and Oakland Township assisted in the development of affordable units which were financed through MSHDA.



Award Committee Meeting Date: 3/26/2025
Underwriting Phase: Threshold Review
Reviewer: Sample

Management Entity: First Property Management, LLC.

First Property Management, LLC. formed in 1990 with a focus on providing marketing and property management for a wide range of multifamily housing. Their experience, skills, and resources allow them to meet the specific needs of each community they serve. First presently manages 45 different properties, 23 of which are located within Detroit, and 30 of their properties are affordable, senior housing, homeless, or for distressed residents.

SITE SUITABILITY

The proposed project is a new construction located at 18500 Sample Street. The project is bound by East Sample Drive, Oak Blvd, Elm Street, and Example Street. The site is presently made up of 84 vacant parcels (31 in phase I, 25 in phase II, and 28 in phase III). The parcels are zoned R-3 for low density residential, construction of the proposed project is allowed “by-right” within the current R-3 zoning. Option agreements to obtain site control of all parcels have been provided by the developer with the application. The site sits 1,500 feet east of the City’s targeted multifamily housing area #1. The site of the development is on vacant parcels and to the north of the site there are single family residential structures to the which are currently occupied by residents. Most parcels bordering the site area are vacant lots.

The proposed site location is positioned with accessibility to public transportation and walkable to many essential amenities. Bus stops along Elm Street are a short walk from all areas of the Sample Village. Healthy Medical Center, College Park Commons Shopping Center, and Greenfield High School are also within a one-mile walk. The site has a Walk Score of 54, Bike Score of 63, and Transit Score of 41. Major nearby employers including Wayne County Community College, Sample Hospital and Example Nursing & Rehab Center can be accessed by foot or a short bus ride. One half mile west of the development is Southfield Freeway, offering efficient transportation to neighboring cities and communities. Within the 863 square feet of common space per duplex, consisting of a multi-purpose room, theater room, exercise equipment and a private office space for on-site management staff. The Developer has also committed to including private patio space, washer and dryer, and dishwashers in each unit. Phase III will include 1.15 parking spaces per unit, totaling 31 parking spaces – and 2 EV Chargers.

ATTACHMENTS

MSHDA Proforma

Development **Sample Village Ph III**
 Financing **Conventional**
 MSHDA No.
 Step **Application**
 Date **03/06/2025**
 Type **New Construction**

Mortgage Assumptions:
 Debt Coverage Ratio **1.15**
 Mortgage Interest Rate **6.500%**
 Pay Rate **6.500%**
 Mortgage Term **40 years**
 Income from Operations **No**

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	11,725	316,584
Annual Non-Rental Income	0	0
Total Project Revenue	11,725	316,584

Total Development Expenses

Vacancy Loss	6.00% of annual rent potential	704	18,995
Management Fee	604 per unit per year	604	16,313
Administration		1,536	41,466
Project-paid Fuel		25	662
Common Electricity		136	3,666
Water and Sewer		851	22,972
Operating and Maintenance		2,019	54,508
Real Estate Taxes		0	
Payment in Lieu of Taxes (PILOT)	1.00% Applied to: All Units	100	2,703
Insurance		800	21,600
Replacement Reserve	300 per unit per year	300	8,100
Other:		148	3,996
Other:		0	

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	6	6.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
3.0%	6	3.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

	% of Revenue	7,222	194,981
Total Expenses	61.59%		
Base Net Operating Income		4,504	121,603
Part A Mortgage Payment	0.00%	0	0
Part A Mortgage		0	0
Non MSHDA Financing Mortgage Payment		3,903	105,382
Non MSHDA Financing Type: Conventional Loan		0	
Base Project Cash Flow (excludes ODR)	5.12%	601	16,221

Override
0

MSHDA No. 0
Step Application
Date 03/06/2025
Type New Construction

Instructions

30% of area median	20,160	23,040	25,920	28,770	31,080	33,930
40% of area median	26,880	30,720	34,560	38,360	41,440	44,520
50% of area median	33,600	38,400	43,200	47,950	51,800	55,650
60% of area median	40,320	46,080	51,840	57,540	62,160	66,780

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense	% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	TC Units Square Feet	Unit Type	Max Allowed Expense	Rent Limited By	
15% Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	2	Cottage	2	1.5	862	166	158	324	3,984	1.3%	7.4%	1,724	7.4%	1,724		324	TC Rent
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									3,984	1.3%	7.4%	1,724	7.4%	1,724			
25% Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	2	Cottage	2	1.5	862	382	158	540	9,168	2.9%	7.4%	1,724	7.4%	1,724		540	TC Rent
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									9,168	2.9%	7.4%	1,724	7.4%	1,724			
60% Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	6	Cottage	2	1.5	862	1,296	158	1,296	93,312	29.5%	22.2%	5,172	22.2%	5,172	Low HOME	1,296	TC Rent
B	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									93,312	29.5%	22.2%	5,172	22.2%	5,172			
55% Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	1	Cottage	2	1.5	862	1,030	158	1,188	210,120	66.4%	63.0%	14,654	63.0%	14,654		1,188	TC Rent
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									210,120	66.4%	63.0%	14,654	63.0%	14,654			
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	1	Cottage	2	1.5	862		158	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									0	0.0%	0.0%	0	0.0%	0			
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	1	Cottage	2	1.5	862		158	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									0	0.0%	0.0%	0	0.0%	0			
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	1	Cottage	2	1.5	862		158	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									0	0.0%	0.0%	0	0.0%	0			
Area Median Income Units																	
Tenant AMI Restriction (if different from rent restriction)																	
MSHDA Project Based Voucher Units																	
Occupancy																	
A	1	Cottage	2	1.5	862		158	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0		0	0.0	0		0	0	0	0.0%	0.0%	0	0.0%	0			

Financing Conventional
MSHDA No. 0
Step Application
Date 03/06/2025
Type New Construction

Instructions

	Per Unit	Total	% In Basis	Included in Tax Credit Basis	Included in Historic TC Basis
TOTAL DEVELOPMENT COSTS					
Acquisition					
Land	1,094	29,526	0%	0	0
Existing Buildings	0	0	100%	0	0
Other: Demolition	1,852	50,000	0%	0	0
Subtotal	2,945	79,526			
Construction/Rehabilitator					
Off Site Improvements	7,148	193,000	100%	193,000	0
On-site Improvements	37,944	1,024,500	100%	1,024,500	0
Landscaping and Irrigation	0	0	100%	0	0
Structures	179,015	4,833,416	100%	4,833,416	0
Community Building and/or Maintenance Facility	0	0	100%	0	0
Construction not in Tax Credit basis (i.e. Carports and Commercial Space)	0	0	0%	0	0
General Requirements % of Contract 5.92%	13,446	363,055	100%	363,055	363,055
Builder Overhead % of Contract 1.98%	4,751	128,279	100%	128,279	128,279
Builder Profit % of Contract 5.93%	14,538	392,535	100%	392,535	392,535
Bond Premium, Tap Fees, Cost Cert.	5,181	139,884	100%	139,884	139,884
Other: DTE	2,963	80,000	100%	80,000	80,000
Subtotal	264,988	7,154,669			
15% of acquisition and \$15,000/unit test met					
Professional Fees					
Design Architect Fees	5,185	140,000	100%	140,000	140,000
Supervisory Architect Fees	741	20,000	100%	20,000	20,000
Landscaping Architect Fees	0	0	100%	0	0
Engineering/Survey	2,778	75,000	100%	75,000	75,000
Legal Fees	2,778	75,000	100%	75,000	75,000
Interior Design Fees	0	0	100%	0	0
Other:	0	0	100%	0	0
Subtotal	11,481	310,000			
Interim Construction Costs					
Property & Casualty Insurance	3,704	100,000	100%	100,000	100,000
Construction Loan Interest	16,667	450,000	80%	360,000	360,000
Title Work	2,963	80,000	100%	80,000	0
Construction Taxes	0	0	100%	0	0
Permits	0	0	100%	0	0
Other: NGBS Testing & Certification & Loan Fees	6,111	165,000	100%	165,000	165,000
Subtotal	29,444	795,000			
Permanent Financing					
Loan Commitment Fee to MSHDA	0	0	0%	0	0
Other: Lender Fees & Legal	926	25,000	0%	0	0
Subtotal	926	25,000			
Other Costs (In Basis)					
Application Fee	0	0	100%	0	0
Market Study	281	7,600	100%	7,600	7,600
Environmental Studies	1,852	50,000	100%	50,000	50,000
Cost Certification	926	25,000	100%	25,000	25,000
Equipment and Furnishings	0	0	100%	0	0
Temporary Tenant Relocation	0	0	100%	0	0
Construction Contingency	13,249	357,730	100%	357,730	357,730
Appraisal and C.N.A.	0	0	100%	0	0
Other: Soft Cost Contingency	893	24,105	100%	24,105	24,105
Subtotal	17,201	464,435			
Other Costs (NOT In Basis)					
Start-Up and Organization	2,222	60,000	0%	0	0
Tax Credit Fees (based on 2024 QAP)	58,545	58,545	0%	0	0
Compliance Monitoring Fee (based on 2024 QAP)	475	12,825	0%	0	0
Marketing Expense	0	0	0%	0	0
Syndication Legal Fees	0	0	0%	0	0
Rent Up Allowance	0	0	0%	0	0
Other:	0	0	0%	0	0
Subtotal	4,866	131,370			

Summary of Acquisition Price		As of December 31, 2024		Construction Loan Term	
Attributed to Land	29,526	1st Mortgage Balance		Months	12
Attributed to Existing Structure:	0	Subordinate Mortgage(s)			3
Other: Demolition	50,000	Subordinate Mortgage(s)			15
Fixed Price to Seller	79,526	Subordinate Mortgage(s)			
Premium/(Deficit) vs Existing Deb			79,526		

Appraised Value		Value As of: December 31, 2024	
"Encumbered As-Is" value as determined by appraisal:		79,526	
LESS Fixed Price to the Seller:		79,526	
Surplus/(Gap)	Within Range	0	Override

	Per Unit	Total	% In Basis	Included in Tax Credit Basis	Included in Historic TC Basis
Project Reserves					
Operating Assurance Reserve	8.4 months	Funded in Cash	5,025	135,674	0%
Replacement Reserve		Not Required	0	0	0%
Operating Deficit Reserve			0	0	0%
Rent Subsidy Reserve			0	0	0%
Syndicator Held Reserve			0	0	0%
Rent Lag Escrow			0	0	0%
Tax and Insurance Escrows			0	0	0%
Other: Operating Reserve			160	4,326	0%
Other:			0	0	0%
Subtotal	5,185	140,000			
Miscellaneous					
Deposit to Development Operating Account (1MGRP)	Not Required		0	0	0%
Other (Not in Basis):			0	0	0%
Other (In Basis):			0	0	100%
Other (In Basis):			0	0	100%
Subtotal	0	0			
Total Acquisition Costs	2,945	79,526			
Total Construction Hard Costs	264,988	7,154,669			
Total Non-Construction ("Soft") Costs	69,104	1,865,805			

Developer Overhead and Fee			
Maximum	1,500,000		51,852
7.5% of Acquisition/Project Reserves		Override	1,400,000
17% of All Other Development Costs			5% Attribution Test met
Total Development Cost	388,889	10,500,000	

TOTAL DEVELOPMENT SOURCES		% of TDC	
MSHDA Permanent Mortgage	0.00%	0	0
Conventional/Other Mortgage	14.29%	55,556	1,500,000
Equity Contribution From Tax Credit Syndication	67.07%	260,841	7,042,696
MSHDA NSP Funds	0.00%	0	0
MSHDA HOME	0.00%	0	0
MSHDA Mortgage Resource Funds	0.00%	0	0
MSHDA TCAP	0.00%	0	0
MSHDA Housing Trust Funds	0.00%	0	0
MSHDA CERA	0.00%	0	0
MSHDA HOME-ARP	0.00%	0	0
MSHDA HCDF	0.00%	0	0
Local HOME	9.52%	37,037	1,000,000
Income from Operations	0.00%	0	0
Other Equity Sponsor Equity	0.00%	0	0
Transferred Reserves:	0.00%	0	0
Other: Sponsor Note	2.45%	9,530	257,304
Other:	0.00%	0	0
Deferred Developer Fee	6.67%	25,926	700,000
Total Permanent Sources		10,500,000	

Sources Equal Uses?		Balanced	
Surplus/(Gap)			0

MSHDA Construction Loan		
Construction Loan Rate	7.100%	0
Repaid from equity prior to final closing		0

Eligible Basis for LIHTC/TCAP		Value of LIHTC/TCAP	
Acquisition	0	Acquisition	0
Construction	13,044,335	Construction	1,173,990
Acquisition Credit %	4.00%	Total Yr Credit	819,000
Rehab/New Const Credit %	9.00%	Equity Price	\$0.8600
Qualified Percentage	100.00%	Equity Effective Price	\$0.8600
QCT/DDA Basis Boost	130%	Equity Contribution	7,042,696
Historic?	No		

Initial Owner's Equity Calculator	
Equity Contribution from Tax Credit Syndication	7,042,696
Brownfield Equity	
Historic Tax Credit Equity	
General Partner Capital Contributions	
Other Equity Sources	
New Owner's Equity	7,042,696

	Per Unit	Total	% In Basis	Included in Tax Credit Basis	Included in Historic TC Basis	OAR Funded	
						Yr 1	4 Month OAR
Acquisition						135,674	64,994
Land	1,094	29,526	0%	0	0	0	0
Existing Buildings	0	0	100%	0	0	0	0
Other: Demolition	1,852	50,000	0%	0	0	0	0
Subtotal	2,945	79,526					
Construction/Rehabilitator							
Off Site Improvements	7,148	193,000	100%	193,000	0	0	0
On-site Improvements	37,944	1,024,500	100%	1,024,500	0	0	0
Landscaping and Irrigation	0	0	100%	0	0	0	0
Structures	179,015	4,833,416	100%	4,833,416	0	0	0
Community Building and/or Maintenance Facility	0	0	100%	0	0	0	0
Construction not in Tax Credit basis (i.e. Carports and Commercial Space)	0	0	0%	0	0	0	0
General Requirements % of Contract 5.92%	13,446	363,055	100%	363,055	363,055	0	0
Builder Overhead % of Contract 1.98%	4,751	128,279	100%	128,279	128,279	0	0
Builder Profit % of Contract 5.93%	14,538	392,535	100%	392,535	392,535	0	0
Bond Premium, Tap Fees, Cost Cert.	5,181	139,884	100%	139,884	139,884	0	0
Other: DTE	2,963	80,000	100%	80,000	80,000	0	0
Subtotal	264,988	7,154,669					
15% of acquisition and \$15,000/unit test met							
Professional Fees							
Design Architect Fees	5,185	140,000	100%	140,000	140,000	0	0
Supervisory Architect Fees	741	20,000	100%	20,000	20,000	0	0
Landscaping Architect Fees	0	0	100%	0	0	0	0
Engineering/Survey	2,778	75,000	100%	75,000	75,000	0	0
Legal Fees	2,778	75,000	100%	75,000	75,000	0	0
Interior Design Fees	0	0	100%	0	0	0	0
Other:	0	0	100%	0	0	0	0
Subtotal	11,481	310,000					
Interim Construction Costs							
Property & Casualty Insurance	3,704	100,000	100%	100,000	100,000	0	0
Construction Loan Interest	16,667	450,000	80%	360,000	360,000	0	0
Title Work	2,963	80,000	100%	80,000	0	0	0
Construction Taxes	0	0	100%	0	0	0	0
Permits	0	0	100%	0	0	0	0
Other: NGBS Testing & Certification & Loan Fees	6,111	165,000	100%	165,000	165,000	0	0
Subtotal	29,444	795,000					
Permanent Financing							
Loan Commitment Fee to MSHDA	0	0	0%	0	0	0	0
Other: Lender Fees & Legal	926	25,000	0%	0	0	0	0
Subtotal	926	25,000					
Other Costs (In Basis)							
Application Fee	0	0	100%	0	0	0	0
Market Study	281	7,600	100%	7,600	7,600	0	0
Environmental Studies	1,852	50,000	100%	50,000	50,000	0	0
Cost Certification	926	25,000	100%	25,000	25,000	0	0
Equipment and Furnishings	0	0	100%	0	0	0	0
Temporary Tenant Relocation	0	0	100%	0	0	0	0
Construction Contingency	13,249	357,730	100%	357,730	357,730	0	0
Appraisal and C.N.A.	0	0	100%	0	0	0	0
Other: Soft Cost Contingency	893	24,105	100%	24,105	24,105	0	0
Subtotal	17,201	464,435					
Other Costs (NOT In Basis)							
Start-Up and Organization	2,222	60,000	0%	0	0	0	0
Tax Credit Fees (based on 2024 QAP)	58,545	58,545	0%	0	0	0	0
Compliance Monitoring Fee (based on 2024 QAP)	475	12,825	0%	0	0	0	0
Marketing Expense	0	0	0%	0	0	0	0
Synd							

Cash Flow Projections

	Initial Inflation	Starting in Yr	Future Inflation	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
				11	12	13	14	15	16	17	18	19	20
Income													
Annual Rental Income	1.0%	6	2.0%	371,001	378,421	385,990	393,710	401,584	409,615	417,808	426,164	434,687	443,381
Annual Non-Rental Income	1.0%	6	2.0%	0	0	0	0	0	0	0	0	0	0
Total Project Revenue				371,001	378,421	385,990	393,710	401,584	409,615	417,808	426,164	434,687	443,381
Expenses													
Vacancy Loss	6.0%	6	6.0%	22,260	22,705	23,159	23,623	24,095	24,577	25,068	25,570	26,081	26,603
Management Fee	3.0%	1	3.0%	21,923	22,581	23,258	23,956	24,675	25,415	26,178	26,963	27,772	28,605
Administration	3.0%	1	3.0%	55,727	57,399	59,121	60,894	62,721	64,603	66,541	68,537	70,593	72,711
Project-paid Fuel	3.0%	6	3.0%	890	916	944	972	1,001	1,031	1,062	1,094	1,127	1,161
Common Electricity	3.0%	6	3.0%	4,927	5,075	5,227	5,384	5,545	5,712	5,883	6,059	6,241	6,428
Water and Sewer	3.0%	6	3.0%	30,872	31,799	32,753	33,735	34,747	35,790	36,863	37,969	39,108	40,282
Operating and Maintenance	3.0%	1	3.0%	73,254	75,452	77,715	80,047	82,448	84,922	87,469	90,093	92,796	95,580
Real Estate Taxes	5.0%	1	5.0%	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)				3,121	3,179	3,239	3,300	3,362	3,425	3,489	3,555	3,621	3,689
Insurance	3.0%	1	3.0%	29,029	29,899	30,796	31,720	32,672	33,652	34,662	35,702	36,773	37,876
Replacement Reserve	3.0%	1	3.0%	10,886	11,212	11,549	11,895	12,252	12,620	12,998	13,388	13,790	14,203
Other:	3.0%	1	3.0%	5,370	5,531	5,697	5,868	6,044	6,226	6,412	6,605	6,803	7,007
Other:	3.0%	1	3.0%	0	0	0	0	0	0	0	0	0	0
Subtotal: Operating Expenses				258,258	265,749	273,459	281,394	289,563	297,971	306,626	315,535	324,705	334,145
Debt Service													
Debt Service Part A				0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing				105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382
Total Expenses				363,640	371,131	378,841	386,776	394,945	403,353	412,008	420,917	430,087	439,527
Cash Flow/(Deficit)				7,361	7,291	7,149	6,933	6,639	6,262	5,800	5,247	4,600	3,854
Cash Flow Per Unit				273	270	265	257	246	232	215	194	170	143
Debt Coverage Ratio on Part A Loan				N/A									
Debt Coverage Ratio on Conventional/Other Financing				1.07	1.07	1.07	1.07	1.06	1.06	1.06	1.05	1.04	1.04

Interest Rate on Reserves **3%**

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.00	
Maintained Operating Reserve (No Hard Debt)	250	
Initial Balance	0	Initial Deposit
Total Annual Draw to achieve 1.0 DCR	0	0
Total Annual Deposit to achieve Maintained DCR	0	0
Total 1.0 DCR and Maintained DCR	0	0
Interest	0	0
Ending Balance at Maintained DCR	0	0
Maintained Cash Flow Per Unit	273	270
Maintained Debt Coverage Ratio on Part A Loan	N/A	N/A
Maintained Debt Coverage Ratio on Conventional/Other	1.07	1.07
Standard ODR	0	
Non-standard ODR	0	

Operating Assurance Reserve Analysis

Required in Year:	1	135,674	
Initial Balance		135,674	
Interest Income	5,470	5,634	5,803
Ending Balance	187,805	193,439	199,242

Deferred Developer Fee Analysis

Initial Balance	607,023	599,662	592,371	585,222	578,289	571,650	565,388	559,588	554,341	549,741
Dev Fee Paid	7,361	7,291	7,149	6,933	6,639	6,262	5,800	5,247	4,600	3,854
Ending Balance	599,662	592,371	585,222	578,289	571,650	565,388	559,588	554,341	549,741	545,887

Mortgage Resource Fund Loan

Interest Rate on Subordinate Financing	3%	
Principal Amount of all MSHDA Soft Funds	0	Initial Balance
Current Yr Int	0	0
Accrued Int	0	0
Subtotal	0	0
Annual Payment Due	50%	% of Cash Flow
Year End Balance	0	0

Exhibit E

Sample Threshold Approval Letter



Housing and Revitalization
Department

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

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

Threshold Approval Letter

March 26, 2025

David T. Developer
Sample Developer, LLC
1000 Example Road, 500
River, MI 48999
ddeveloper@developer.com

RE: Sample Village Phase III

Dear David Developer,

Thank you for submitting an application for the Sample Village Phase III project to the February 2025 City of Detroit Housing and Revitalization Department Housing Rehabilitation and Development Program Notice of Funding Availability (NOFA). The Housing and Revitalization Department has completed a threshold review of your application and determined the project has met the threshold review requirements, aligns with City goals, and is financially viable with the inclusion of the financial support from the City requested in the application. This Threshold Approval Letter indicates the City's intent to further evaluate the project. **THIS DOES NOT CONSTITUTE A CONDITIONAL AWARD.**

The Housing and Revitalization Department will proceed to the scoring and commitment phase of the NOFA process for this project. The applicable commitment level checklist documents for the project must be electronically submitted via the instructions in the DocuSign Commitment Level Documents Submission Form on or before April 7, 2025. The DocuSign Commitment Level Document Submission Form can be found in the Notice of Funding Availability section on the HRD website [HERE](#).

Also, to allow this process to be completed and have your project receive the appropriate number of points that it should qualify to receive, please use Item 12I of the submission form to submit the following threshold review documents that were unable to be submitted prior to the completion of the threshold review, require updating, or are needed for further consideration:

1. Confirmation from the General Contractor on their letterhead acknowledging that pricing as submitted to this NOFA complies with the Buy America, Build America (BABA) Act;
2. An updated proforma in Excel format with the following:
 - a. Identification of the number of City HOME Units, and
 - b. The addition of the required minimum \$2,500 annual repayment of a City Loan to the Debt Service; and
3. Confirmation that the scope of work for the phase submitted to this NOFA (Phase III) can be built independent of other adjacent phases (Phases I and II).



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The Housing and Revitalization Department may request additional items or clarification of items previously submitted with your application as we move forward and further evaluate this project. We look forward to working with you throughout the process.

Sincerely,

Larry Catrinar
Director of Housing and Development Underwriting
Housing and Revitalization Department (HRD)

Cc: Rebecca Labov, Chief Development & Investment Officer (HRD)
D'Marco Ansari, Development Director – West Region (HRD)
John Salvatore, Housing Underwriting (HRD)

Exhibit F

Scoring Matrix

Scoring Summary

Name of Development:

PROJECT NAME

Criteria	Points Awarded	Points Available
Program Compliance Meeting	0	2
Developer Capacity	0	26
Project Financing	0	23
Readiness to Proceed	0	21
Alignment with City Goals	0	25
Program Employment Goals	0	8
Subtotal	0	105
Failure to Complete Previous Development(s)	0	
Final points	0	105

I. Program Compliance Information Meeting Attendance (2 points)

Name of Development: PROJECT NAME

A. Program Compliance Information Meeting Attendance

0

- 2 The project can earn up to 2 points if the Developer and General Contractor attend the Program Compliance Information Meeting.
1 point for a representative of the developer attending the meeting, 1 additional point for a representative of the general contractor attending the meeting.

Comments

A representative of the development team **attended/did not attend** the Program Compliance Meeting. A representative of the general contractor **attended/did not attend** the Program Compliance Meeting. (**# of 2 points**)

Program compliance meeting

Awarded	Available
0	2

II. Developer Capacity (26 points)

Name of Development: PROJECT NAME

A. Development Team Experience

- 0** 9 Developer must demonstrate it can meet its debt obligations, has sufficient working capital to meet its operating needs, has adequate financing available to maintain the property over the length of the affordability period. The Developer must provide a completion guaranty acceptable to the City in which the Developer shall guarantee payment of liabilities, shortfalls, and cost over runs of up to 10% of the construction contract. The Developer will provide reassurance to the City that the project will be completed on time and on budget. Bank references will also be considered.
- The developer must also demonstrate that it has a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on budget. The developer must also demonstrate that previous experience is similar in type, scale, and complexity to proposed project. The Developer should also have a reasonable amount of current development projects to ensure that the organization is not overextended in either staffing or financial capacity.
- Up to 3 points if the developer has provided financial statements and historicals that demonstrates sufficient working capital and can provide reassurance that the project will be completed on time. 1 point for at least 3 years of confirmable residential rehab/construction experience, 1 additional point if at least two projects were affordable and completed within the past three years, or developer has 6 or more confirmable years of housing development experience. 1 additional point if the developer does not seem overextended in either staffing or financial capacity. An additional 3 points if the developer has successfully completed at least one project using HOME and/or CDBG funds.*

Comments
 The developer **provided/did not provide** financial statements and historicals that demonstrates sufficient working capital and can provide reassurance that the project will be completed on time. **(# of 3 points)**
 The developer **has/does not have** at least three (3) years of confirmable residential rehab/construction experience. **(# of 1 point)**
 The developer **completed/has not completed** at least two (2) affordable projects within the past three (3) years, or six (6) or more confirmable years of housing development experience. **(# of 1 point)**
 The developer **is/is not** overextended in either staffing or financial capacity. **(# of 1 point)**
 The developer **has/has not** successfully completed at least one (1) project using HOME and/or CDBG funds. **(# of 3 points)**

B. General Contractor (Construction Team to provide score)

- 0** 9 The general contractor has demonstrated recent and successful experience in projects that are similar in type, scale, and complexity to proposed project.
- (3 points for at least 3 years of confirmable residential rehab/construction experience, 3 additional points if at least two projects were affordable and completed in the past three years. An additional 3 points if the contractor has successfully completed at least two projects using HOME and/or CDBG funds.)*

Comments
 CONSTRUCTION TEAM TO PROVIDE SCORE AND COMMENTS - PLEASE UPDATE AS NECESSARY FOR MEMO. **(# of 9 points)**

C. Experienced Management Agent

- 0** 5 The Developer has identified and secured an experienced management agent for the project.
- (2 point - If a management agent is secured. 3 points if the management agent has comparable experience in managing properties with similar compliance expectations and tenant populations).*

Comments
 The Developer **has/has not** identified and secured an experienced management agent for the project. **(# of 2 points)**

D. Emerging LIHTC Developer

- 0** 3 The project can earn **up to 3 points** if the Developer meets all qualifications of an Emerging LIHTC Developer based on the following: **1 point** - if the Emerging Developer is a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. **1 point** - if the Emerging Developer demonstrates real estate and/or LIHTC development experience; and has a pipeline of transactions and actionable plans for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). **1 point** - if the Emerging Developer will receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership.

Comments
 The Emerging Developer **is/is not** a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. **(# of 1 point)**
 The Emerging Developer **demonstrates/does not demonstrate** real estate and/or LIHTC development experience; and has a pipeline of transactions and actionable plans for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). **(# of 1 point)**
 The Emerging Developer **will/will not** receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership. [Identify the percentage of ownership] **(# of 1 point)**

Awarded	Available
0	26

Total developer capacity points

III. Project Financing (23 points)

Name of Development: PROJECT NAME

A. Financial Commitments

- 0** 10 All additional necessary project financing/leveraged funds are identified and secured to complete project(s) with letters of commitment from recognized community development lenders and funders, or reasonable dates are provided by the Developer.
(Points allocated based on % of budget secured. Letters for all sources to get 100% for all 10 points .)

Comments:

TDC (Total Development Cost) - City Funding - Additional Sources NOT Supported with LOI (with exception of MSHDA Sources) = Additional Necessary Project Funds Secured **THEN**
 Additional Necessary Project Funds Secured (divided by) TDC = Percentage of Non-City Funding Secured
(# of 10 points)
 NOTE: Round the decimal down.

B. Financial Leverage

- 0** 10 The project is efficient in its use of AHLF funds and in its leveraging of other funds, as applicable. All funding and associated requirements are clear and adequately reflected in the budget and pro forma.
*(Does the project meet HUD criteria as far as subsidy per unit costs - **allocate 1 point**, Does the project provide a ratio of affordable bedroom types funded by City sources that correlate to the project as a whole - **allocate 1 point**, If the project leverages non-HOME funds to a ratio of \$2 to \$1 - **allocate 1 point**, \$3 to \$1, add an **additional 3 points** (for 6 total), and \$4 to \$1, add an **additional 4 points** (for 10 total points).)*

Comments:

The project **meets/does not meet** HUD criteria as far as subsidy per unit costs. **(# of 1 point)**
 The project **provides/does not provide** a ratio of affordable bedroom types funded by City sources that correlate to the project as a whole. **(# of 1 point)**
 If the TDC = \$10,000,000 and City Funding = \$1,000,000,
 The Non-City Funding = \$9,000,000, and the Developer is leveraging \$9 for every \$1 City Dollar - a \$9 to \$1 ratio **(# of 8 points)**

C. Creative Approach to Financing

- 0** 3 The developer uses a creative approach to financing or cost containment to meet affordable housing needs.
(1 point) Combining multiple forms of federal tax credits, e.g. LIHTC + HTC; LIHTC + NMTC; HTC + NMTC; 9%/4% hybrid; (1 point) Having secured grants from outside sources such as AHP, CRP, foundations, private donors, etc. (does not include AHLF, or SNF); (1 point) Innovative building techniques that reduce cost, e.g. modular construction. Anything else that has the effect of reducing the subsidy ask will be considered on a case-by-case basis.

Comments:

The developer **takes/does not take** a creative approach to financing or cost containment to meet affordable housing needs [identify the creative approach as applicable and identify all criteria that awards a point] **(# of 3 points)**

Total project financing points

Awarded	Available
0	23

IV. Readiness to Proceed (21 points)

Name of Development: PROJECT NAME

A. City Approvals and Permits

- 0** 5 Projects can receive up to **5 points** if they inherently require fewer City approvals through being zoned properly or not requiring variances. Additionally, projects can also receive points if they have already passed through required City approval processes such as the Planning & Development Department’s Concept Plan Review.
(Up to 3 points if zoned properly and not requiring variances. An additional 2 points if the project has provided evidence of already passing through other City approval processes.)

Comments:

The project **is/is not** zoned properly, and **does/does not** require variances. [identify any variances required as applicable] **(# of 3 points)**
 The developer **provided/did not provide** evidence that the project has already passed through other City approval processes. [identify which they have, have not, and what’s outstanding as applicable i.e. the PPR, site plan approval, HDC, etc.]. **(# of 2 points)**

 NOTE: Reference the Preliminary Plan Review (PPR) for this information.

B. Construction Plans / Trade Payment Breakdown (Construction Team to provide score)

- 0** 11 Projects can earn up to 11 points if estimated development and construction costs are well researched and detailed. Scope of work [for rehab] or plans and specifications [for new construction] are comprehensive, includes trade payment breakdown, and substantially complies with the requirements outlined in the HRD's technical review. Additional points will be awarded if developer provides a third party cost estimator report delineating construction costs by trade breakdown.
(Up to 3 points if all costs are reasonable, based upon a technical review of construction costs by the construction technical staff. Review will be based upon customary costs, fees, and rates paid in the local market. 1 additional points if the project meets Energy Star Version 3 Standards. Up to 5 points for a reasonable trade payment breakdown. 2 additional points if a third party cost estimate is included.)

Comments:

CONSTRUCTION TEAM TO PROVIDE SCORE AND COMMENTS - PLEASE UPDATE AS NECESSARY FOR MEMO. (# of 11 points)

C. Phase I Review (Environmental Compliance Team to provide score)

- 0** 5 Projects can earn up to **5 points** if the Phase I Environmental Site Assessment (ESA) confirms that the site is not contaminated. For sites that are contaminated as noted in the Phase I, projects can also earn points if additional environmental due diligence documents are submitted such as a Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA).

Comments:

ENVIRONMENTAL TEAM TO PROVIDE SCORE AND COMMENTS - PLEASE UPDATE AS NECESSARY FOR MEMO. (# of 5 points)

Total project readiness to proceed points	Awarded	Available
	0	21

V. Alignment with City Goals (23 points)

Name of Development: PROJECT NAME

A. Targeted Multi-family Housing Area and/or City Planning Study

- 0** 8 The project can earn up to **8 points** if located in targeted multi-family housing area and or is an initiative tied to a City planning study.

Comments:
 The project **is/is not** located in a Targeted Multi-family Housing Area, and/or is an initiative tied to a City planning study. **(# of 8 points)**
 NOTE: If the project meets **ONE** of the criteria, it will receive all 8 points.

B. Priority Projects

- 0** 5 The project can earn **5 points** if any one or more of the following criteria are met: 1) is a preservation of current affordability (regulated or naturally occurring), 2) is approved to be designated as permanent supportive housing (PSH) by the HRD Homelessness Solutions Director, 3) includes the rehabilitation and/or redevelopment of public housing, or 4) is either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.

Comments:
 The project **is/is not** a priority project [based on the following criteria:] **(# of 5 points)**
 -The project is a preservation of current affordability (regulated or naturally occurring), and/or
 -The project is designated as permanent supportive housing (PSH), and/or
 -The project includes the rehabilitation and/or redevelopment of public housing, and/or
 -The project is either listed in or eligible to be listed in the National Register of Historic Places.
 NOTE: If the project meets **ONE** of the criteria, it will receive all 5 points.

C. Mixed-income Neighborhood

- 0** 5 Projects are eligible for up to **5 points** if the majority of units are income-restricted at an average of 60% AMI or below, and the project is located within a primary market area as supported by census tract data demonstrating incomes of 80% AMI or above.

Comments:
 The project **is/is not** in a mixed-income neighborhood. **(# of 5 points)**

D. Green Building Initiatives

- 0** 3 The project can earn up to **3 points** if it incorporates measures to improve energy efficiency and sustainability. For points, projects must identify the standard used (Enterprise Green Building Criteria, LEED, etc.) and describe the project's adherence to the chosen standard.

Comments:
 The project **will/will not** incorporate green building measures to improve energy efficiency and sustainability. [provide details as noted in application if applicable] **(# of 3 points)**

E. Broadband Access

- 0** 2 Projects can earn up to **2 points** if they commit to providing complimentary, high-speed internet access in common areas and/or dedicated computers with complimentary high-speed internet access. To ensure compliance, commitments will become a loan covenant.

Comments:
 The developer **will/will not** provide high-speed internet in common areas and/or dedicated computers with complimentary high-speed internet access. **(# of 2 points)**

F. Additional Accessibility (Construction Team to provide score)

- 0** 2 New construction projects must have 10% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. Rehabilitation projects must have 5% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. New construction projects can earn up to **2 points** if they commit to having 15% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, be accessible for persons with hearing or visual disabilities. Rehabilitation projects can earn up to 2 points if they commit to having 10% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, be accessible for persons with hearing or visual disabilities.

Comments:
 CONSTRUCTION TEAM TO PROVIDE SCORE AND COMMENTS - PLEASE UPDATE AS NECESSARY FOR MEMO. **(# of 2 points)**

Awarded	Available
0	25

Total alignment with city goals points

VI. Program Employment Goals (8 points)

Name of Development: PROJECT NAME

A. Section 3 Experience (Section 3 Team to provide score)

- 0** 4 The project can earn up to **4 points** if the Developer and general contractor has experience in complying with Section 3 requirements. The Developer must include a clear plan as to how they will satisfy Section 3 requirements. The Developer must also demonstrate the ability and willingness to employ low- and very low-income persons within the targeted area and community in which the project resides.
- (If Developer can provide evidence that they complied with Section 3 on 1 project (1 point). The Developer must include a clear plan as to how they will satisfy Section 3 requirements (1 point) . 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 (2 points) - Total 4 points .)*

Comments:

SECTION 3 TEAM TO PROVIDE SCORE AND COMMENTS - PLEASE UPDATE AS NECESSARY FOR MEMO. (# of 4 points)

B. MBE/WBE

- 0** 4 Evidence that the primary Developer is a Minority/Women-Owned Business or Minority/Women’s Business Enterprise, as applicable.

Comments:

The developer is/is not a Minority/Women-Owned Business or Minority/Women’s Business Enterprise. (# of 4 points)

Total program employment goals points

Awarded	Available
0	8

VII. Failure to Complete Previous Development(s) (-15 points)

Name of Development: PROJECT NAME

A. Failure to Complete Previous Development(s)

0 -15 At the sole discretion of HRD's Award Committee, a Developer or any related party that failed to complete a project that received a Conditional Award of funding from a previous NOFA may be penalized in the form of a **15-point reduction** applied to the project score. This includes the failure to utilize a commitment or allocation of funds awarded in a prior NOFA, and/or the Developer rescinding their request - canceling the Conditional Award.

A Developer may be penalized in the form of a 15-point reduction applied to the project score if the Developer: 1) has received a default letter from the City of Detroit Asset Management Team for a previously funded project, OR 2) is not in compliance with the terms of an existing City loan and is not in discussion with the City of Detroit Asset Management Team to resolve the outstanding non-compliance.

Comments

If the criteria is not met, say "The Development Team has not failed to complete previous project(s). (# of -15 points)"
 If there are concerns that the Development Team may meet the criteria, reach out to Leadership to discuss in greater detail.

Program compliance meeting

Awarded	Available
0	-15

Exhibit G

Sample Scoring Memo



**Housing and Revitalization
Department**

Award Committee Meeting Date: 04/15/2025
Underwriting Phase: Scoring Memo
Reviewer: Sample

Sample Village Phase III



Project Overview	
Development Name	Sample Village Phase III
Borrower	Sample Village III LDHA, LP
Developer	Sample Developer, LLC & Example Community Development Corporation
Address	18500 Sample St
Neighborhood	Greenfield/College Park
Council District	2
Project Type	New Construction 9% LIHTC
Total Development Cost (TDC)	\$10,500,000
City Award	\$1,000,000
Percentage of TDC	9.5%
Affordable Units	27 of 27
NOFA Round Applied	February 2025
MSHDA Self Score	114 (Ranked 15/18)

Unit Overview			
AMI Range	One Bed	Two Bed	Total
15% AMI	-	2	2
25% AMI	-	2	2
55% AMI	-	17	17
60% AMI w/ PBV	-	6	6
Total	-	27	27

Note: The developer will be restricting rent on all units to 5% below the allowable AMI% to take advantage of the additional two points on their tax credit application.



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RECOMMENDATIONS

The recommendation is for the project to receive eighty-three (83) out of one-hundred-five (105) points. The project is viable with funding sources outlined in the attached proforma. The 9% LIHTC equity and conventional permanent loan are supported by letters of intent. A partnership between Sample Developer, LLC (SD) and Example Community Development Corporation (ECDC) for the development of Sample Village Phases I, II, & III is supported with a highly experienced staff with experiences in developing, owning, managing, and maintaining affordable housing communities in Detroit and throughout the State of Michigan.

EXECUTIVE SUMMARY

Sample Developer, LLC (SD) and Example Community Development Corporation (ECDC) are requesting \$1,000,000 of HOME Funds for the development of the Sample Village Apartments Phase III. SD is supported by its owners – First Property Management, LLC, and The Builder Company – and has proven financial capacity and experience to provide all guaranties required by lenders and tax credit investor, including the City of Detroit. The housing community will be a new construction located across 84 vacant parcels (31 in phase I, 25 in phase II, and 28 in phase III) located within the Greenfield/College Park Neighborhood – bound by East Sample Drive, Oak Blvd, Elm Street, and Example Street. The project site includes a total of nine individual parcels that are currently owned by the Detroit Land Bank Authority and are subject to an existing Option Agreement with Example Community Development Corporation. Phase III is the construction of twenty-seven (27) of the total one-hundred fifty-seven (157) units.

The development will consist of fourteen (14) duplex buildings, including twenty-seven (27) two-bedroom units and approximately 863 square feet of community space. Six of the units (22.2%) will be fully accessible to in accordance with ADA requirements and two of the units (7%) are to be designed for visually/hearing impaired residents. Six of the units will also have Section 811 rental assistance and occupancy will be limited to disabled residents. Within the 863 square feet of common space there will be a multi-purpose room, theater room, exercise equipment and a private office space for on-site management staff. The Developer has also committed to including private patio space, washer and dryer, and dishwashers in each unit. Phase III will include 1.15 parking spaces per unit, totaling 31 parking spaces – and 2 EV Chargers. Phase I of the development was awarded in the January 2023 NOFA, but the developer rescinded their award due to financial feasibility. The 9% LIHTC award was voluntarily returned without incurring any negative points. Phase II was previously submitted to the September 2024 NOFA, but did not receive a conditional award.

The proposed project location is currently zoned R-3 and is complimented with a site plan approved by the City's Planning and Development and Building and Safety Engineering Departments as of October 3, 2022. A request for administrative approval of minor site plan changes was approved on September 23, 2024. The developers included an application for six housing assistance vouchers for phase III from MSHDA's Section 811 program. The developer was successful in being awarded vouchers for the previous phases and anticipates a conditional award soon.

Construction of Sample Village Phase III is targeted to begin no later than December 2025, with a two-year timeline and occupancy beginning 2027. Full qualified occupancy is anticipated by February 2027 and stabilized



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occupancy by July 2028. The \$1,000,000 HOME Funds request will fill the current funding gap for Phase III and allow for completion of the senior housing.

PROJECT CONFIGURATION

Building Configuration	
Number of Buildings	14
Number of Stories (Apartment Building)	1
Residential Units	27
Common Space Footage	863
Number of Parking Spaces	31

Unit Configuration						
Unit Type	Beds	# of Units	Max AMI	PBVs	Square Feet	Contract Rent
Apartment	2	2	15%	No	863	\$166
Apartment	2	2	25%	No	863	\$382
Apartment	2	17	55%	Yes	863	\$1,296
Apartment – Low HOME	2	6	60%	No	863	\$1,030

Note: Square Footage is average of all units.

SOURCES AND USES

Permanent Sources	
Conventional Mortgage	\$1,500,000
LIHTC Equity	\$7,042,696
Local HOME	\$1,000,000
Sponsor Note	\$257,304
Deferred Developer Fee	\$700,000
Total	\$10,500,000



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Permanent Uses	
Hard Costs	\$7,154,669
Soft Costs	\$1,865,805
Developer Fee	\$1,400,000
Acquisition Costs	\$79,526
Total	\$10,500,000

PROJECT TIMELINE

Acquisition	October 2025
Financial Closing	December 2025
Construction Start	December 2025
Construction Completion	December 2026
Residential Lease Up	March 2027

FINANCIAL FEASIBILITY

SD and ECDC have requested **\$1,000,000** in **HOME Funds** from the City of Detroit. Potential funding from the City will be complimented by **equity** of **\$7,042,696** from MSHDA’s 9% LIHTC program. Sample Syndicator has provided a Letter of Intent as equity investor for the LIHTC at **\$.86** per credit for the **\$819,000** annual 9% tax credits to be requested in the developers April application to MSHDA.

In addition to funding from the City and the LIHTC program, the developer provided a loan application letter to Example Finance Group for a **conventional permanent loan** in the amount of **\$1,500,000**. The permanent loan has a 40-year amortization with a 20-year term and a fixed rate estimated at 6.5%.

The remaining funding for the project comes from **Deferred Developer Fees** (shown in the proforma as **\$700,000**). SD and ECDC have committed to defer their developer fees in the interest of balancing the sources and uses. The fees would be paid from available cash flow.

The permanent sources are in balance with the permanent uses of hard costs, soft costs, developer fee, and acquisition costs, with total development costs at **\$10,500,000 or \$388,889 per unit**.

The developer has been approved for a **\$7,000,000 construction loan** from Construction Bank USA. The loan would be secured by a first mortgage position on the property, would bear interest at an adjustable rate equal to 2.75% over the 30-day SOFR and have a twenty-four-month maturity. The commitment letter for the construction loan has also been included with the application.

Sample Developer, LLC. Has provided a loan commitment up to \$300,000 to cover any development shortfall that would bear interest at JP Morgan Chase Prime rate and would be paid from available cashflow.



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The proposed rents have been determined using the latest income and rent limits published by HUD/MSHA as referenced and included in the proforma. The development will include six (6) HOME units in Phase III. In addition, the developer has committed to limit the rents to 5% below the state-determined maximum for the length of the affordability period.

DEVELOPMENT TEAM CAPACITY

Lead Developer: Sample Developer, LLC (SD)

Sample Developer, LLC is owned by The Builder Company and First Property Management, LLC. SD has the extensive management, operations, and consulting experience of First Property Management, accompanied by the development, construction, ownership, and financing experience of The Builder Company. SD was formed to share over 100 years of combined diverse real estate experience with cities and housing agencies to redevelop and create new public housing stock. Over the past eight years SD and its principles have completed several comparable rental housing projects throughout the State of Michigan – Basketball Court Apartments, Maple Park Apartments, Waterway Estates Senior Apartments, Buckingham Place Apartments and Woodland View Apartments - ranging in size from 33 to 81 units and utilizing HOME, LITHC, and USDA Rural Development funding sources. SD was selected by the Detroit Housing Commission to redevelop Broadway Estates and Waterway Estates Senior Apartments in the City of Detroit, and successfully completed the projects in 2015 and 2022 respectively. Both redevelopments included HOPE VI loans, Brownfield Credits, HOME loans, FHA-insured first mortgage loans, and low-income housing tax credits – a testament to their expertise in managing large-scale affordable developments within the City. They are also currently managing the development of Tall Oaks Village which is currently under construction.

Co-Developer: Example Community Development Corporation (ECDC)

Example Community Development Corporation (ECDC) is a co-developer of Sample Village, and aims to “enhance the College Park Community by developing affordable housing and providing community services which will revitalize and stabilize the quality of life for its residents.” ECDC’s development consultant and board member, David Brown, has over 40 years of experience in the public, private, and non-profit housing industry providing real estate acquisition, development, rehabilitation, technical and compliance investigative skills to create greater opportunity for minorities, low and moderate income families and residents who are physically/visually challenged. ECDC also has a partnership with the College Park Community Association (CPCA). Together the organizations have organized several community events and including meetings in support of the Sample Village Developments for multifamily and senior housing.

Project Manager: Sample Contractor, LLC.

Sample Contractor, LLC was founded in March 2010 and has been providing general contracting and construction management services for multi-family and nursing home projects in Detroit and throughout the State of Michigan. Sample has assisted with the construction and redevelopment of ten affordable units since their formation. The size of their development’s ranges from 53 units to 195, with notable work in Detroit on the Broadway Estates Apartments, Waterway Estates, and Healthy Point of Detroit Nursing Facility. Staff members have additional experience scheduling, estimating, bidding and awarding contracts, supervising construction and contract administration for the Davidson West Redevelopment in Detroit. The project was also Davis/Bacon, Section 3 and DBE compliant. Sample will be the overall Project Manager responsible for coordination of all partners, consultants, and contractors.



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General Contractor: Good Construction

Good Construction Company is a third-generation General Contractor with 50+ years of experience in the Michigan and the Midwest region. Their self-identified range of project pricing begins at \$10,000 dollars and tops out at \$20 million. With a staff of over fifty (50) qualified personnel, they have constructed or renovated over \$ 300 million of affordable housing. Per the Chief Estimator’s resume – Jesse Worker – they have recently completed two (2) affordable housing projects – New Estates in Taylor, MI (\$32 million 215-unit complex) and Cherry Hill Apartments in Detroit (\$18 million 175-unit apartment building). They currently work on several projects in the City’s pipeline including Tall Oaks Village, which is on track to be completed in spring of 2025.

Architect: Example Architect, Inc.

Example Architect, Inc. has been in operations for 75 years designing a variety of healthcare and residential facilities. Their work has a concentrated focus on facilities that house and care for elderly people with mental and physical disabilities. Recent work in Warren, Ann Arbor, Livonia, and Oakland Township assisted in the development of affordable units which were financed through MSHDA.

Management Entity: First Property Management, LLC.

First Property Management, LLC. formed in 1990 with a focus on providing marketing and property management for a wide range of multifamily housing. Their experience, skills, and resources allow them to meet the specific needs of each community they serve. First presently manages 45 different properties, 23 of which are located within Detroit, and 30 of their properties are affordable, senior housing, homeless, or for distressed residents.

SITE SUITABILITY

The proposed project is a new construction located at 18500 Sample Street. The project is bound by East Sample Drive, Oak Blvd, Elm Street, and Example Street. The site is presently made up of 84 vacant parcels (31 in phase I, 25 in phase II, and 28 in phase III). The parcels are zoned R-3 for low density residential, construction of the proposed project is allowed “by-right” within the current R-3 zoning. Option agreements to obtain site control of all parcels have been provided by the developer with the application. The site sits 1,500 feet east of the City’s targeted multifamily housing area #1. The site of the development is on vacant parcels and to the north of the site there are single family residential structures to which are currently occupied by residents. Most parcels bordering the site area are vacant lots.

The proposed site location is positioned with accessibility to public transportation and walkable to many essential amenities. Bus stops along Elm Street are a short walk from all areas of the Sample Village. Healthy Medical Center, College Park Commons Shopping Center, and Greenfield High School are also within a one-mile walk. Major nearby employers including Wayne County Community College, Sample Hospital and Example Nursing & Rehab



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Center can be accessed by foot or a short bus ride. One half mile west of the development is Southfield Freeway, offering efficient transportation to neighboring cities and communities.

The site has a Walk Score of 54, Bike Score of 63, and Transit Score of 41.

METRICS AND SCORING

METRICS

Number of HOME Units/Affordable Units	6 HOME, 27 Affordable Units
Operating Expenses per Unit per Year	\$7,314
Project Square Footage	24,164 SQ FT
Total Development Cost per Unit	\$388,889
Hard Cost to Soft Cost Ratio (no acquisition)	3.83:1
DSCR	1.15

TOTAL SCORE FOR AFFORDABLE HOUSING NOFA: 83 of 105

Development Team: 1 of 2 points

A representative of the development team did not attend the Program Compliance Meeting. A representative of the general contractor attended the Program Compliance Meeting. **(1 of 2 points)**

Development Team: 26 of 26 points

- Development Team Experience
 - The developer provided financial statements and historicals that demonstrate sufficient working capital and can provide reassurance that the project will be completed on time. **(3 of 3 points)**
 - The developer has at least three (3) years of confirmable residential rehab/construction experience. **(1 of 1 point)**
 - The developer completed at least two (2) affordable projects within the past three (3) years, or six (6) or more confirmable years of housing development experience. **(1 of 1 point)**
 - The developer does not seem overextended in either staffing or financial capacity. **(1 of 1 point)**
 - The developer has successfully completed at least one (1) project using HOME and/or CDBG funds. **(3 of 3 points)**
- General Contractor (Score comes from Construction Team)
 - The general contractor does have at least three (3) years of confirmable residential rehab and/or construction experience. **(3 of 3 points)**
 - The general contractor has completed at least two (2) projects that were affordable in the past three (3) years. **(3 of 3 points)**
 - The general contractor has successfully completed at least two (2) projects using HOME and/or CDBG funds. **(3 of 3 points)**
- Property Management Team
 - The developer identified and secured an experienced management agent for the project. **(2 of 2 points)**
 - The management agent has comparable experience in managing properties with similar compliance expectations and tenant populations. **(3 of 3 points)**



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- Emerging LIHTC Developer
 - The Emerging Developer is a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. **(1 of 1 point)**
 - The lead member of the Emerging Developer demonstrates real estate and/or LIHTC development experience; and has a pipeline of transactions and actionable plans for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). **(1 of 1 point)**
 - The Emerging Developer will receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership – 25%. **(1 of 1 point)**

Project Financing: 21 of 23 points

- Financial Commitments
 - The developer has identified and secured 100% of funds with letters of commitment from recognized community development lenders and funders **(10 of 10 points)**.
- Financial Leverage
 - All funding and associated requirements are clear and adequately reflected in the budget and proforma, and the project meets HUD criteria as far as subsidy per unit costs. **(1 of 1 point)**
 - The project provides a ratio of affordable bedroom types funded by City sources that correlate to the project as a whole. **(1 of 1 point)**
 - The project leverages \$9.5 for every \$1 of City funding. **(8 of 8 points):**

\$10,500,000 (Total Development Cost (TDC)- \$1,000,000 (City Funding) =
\$9,500,000 of Non-City Funding

$\$9,500,000 / \$1,000,000 = \$9.5$
The Developer is leveraging \$9.5 for every \$1 City Dollar
- The developer does not take a creative approach to financing or cost containment to meet affordable housing needs. The developer plans to purchase materials before construction which avoids the risk of future price increases. **(1 of 3 points)**

Readiness to Proceed: 16 of 21 points

- City Approvals and Permits
 - The project is zoned properly, and does not require variances. **(3 of 3 points)**
 - The developer provided evidence that the project has already passed through other City approval processes. A site plan has been approved by the City’s Planning and Development Department through their Concept Plan Review Process. **(2 of 2 points)**
- Construction Plans / Trade Payment Breakdown
 - A 3rd Party cost estimated was not submitted for review. The preliminary plan set and other submissions are properly detailed. The TPB total construction costs of \$6,999,669 are consistent with current cost expectations. **(9 of 11 Points)**.
- Phase I Review
 - The ResAP is still an investigative work plan and not a final solution. **(2 of 5 points)**.



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Alignment with City Goals: 15 of 25 points

- The project **is not** located in a Targeted Multi-family Housing Area, and/or is an initiative tied to a City planning study. The project site is located 1,500 feet east of a targeted multi-family housing area -- area 1 of northwest Detroit. Per review of the threshold memo when the SDVII applied to the September 2023 NOFA, it was suggested that the location is close enough to area 1 to be recognized as within a targeted multi-family housing area. **(8 of 8 points)**
- The project is not a priority project **(0 of 5 points)**
 - The project is not a preservation of current affordability (regulated or naturally occurring), and/or
 - The project is not designated as permanent supportive housing (PSH), and/or
 - The project does not include the rehabilitation and/or redevelopment of public housing, and/or
 - The project is not listed in or eligible to be listed in the National Register of Historic Places.
- The project is not in a mixed-income neighborhood. **(0 of 5 points)**
- The project **will** incorporate green building measures to improve energy efficiency and sustainability. The developer commits to working with the architect, general contractor and consultant (Energy Review, Inc.) to ensure the project meets all requirements of the National Green Building Standards and is properly certified for the program. **(3 of 3 points)**
- The developer will provide high-speed internet in common areas and/or dedicated computers with complimentary high-speed internet access. **(2 of 2 points)**
- Project designed to meet or exceed 15% accessible unit goal (22%). **(2 of 2 points)**

Program Employment Goals: 4 of 8 points

- The required documents have been completed in its entirety and submitted - Intent to Comply, Section 3 Plan and a narrative regarding Section 3 experience. **(4 of 4 points)**
- The developer is not a Minority/Women-Owned Business or Minority/Women’s Business Enterprise. **(0 of 4 points)**

Failure to Comply with Previous Development(s): 0 of -15 points

The developer rescinded an award received for an award for Sample Village Phase I of \$1,500,000 from the September 2023 NOFA. They have returned the 9% LIHTC award they received from MSHDA. They plan to do some restructuring and reapply in a future round for both applications. **(0 of -15 points)**

ATTACHMENTS

- Scoring Matrix
- Proforma

Scoring Summary

Name of Development:

Sample Village Phase III

Criteria	Points Awarded	Points Available
Program Compliance Meeting	1	2
Developer Capacity	26	26
Project Financing	21	23
Readiness to Proceed	16	21
Alignment with City Goals	15	25
Program Employment Goals	4	8
Subtotal	83	105
Failure to Complete Previous Development(s)	0	
Final points	83	105

I. Program Compliance Information Meeting Attendance (2 points)

Name of Development: Sample Village Phase III

A. Program Compliance Information Meeting Attendance

- 1** 2 The project can earn up to 2 points if the Developer and General Contractor attend the Program Compliance Information Meeting.
1 point for a representative of the developer attending the meeting, 1 additional point for a representative of the general contractor attending the meeting.

Comments

A representative of the development team **did not attend** the Program Compliance Meeting. A representative of the general contractor **attended** the Program Compliance Meeting. **(1 of 2 points)**

Program compliance meeting

Awarded	Available
1	2

II. Developer Capacity (26 points)

Name of Development: Sample Village Phase III

A. Development Team Experience

- 9** 9 Developer must demonstrate it can meet its debt obligations, has sufficient working capital to meet its operating needs, has adequate financing available to maintain the property over the length of the affordability period. The Developer must provide a completion guaranty acceptable to the City in which the Developer shall guarantee payment of liabilities, shortfalls, and cost over runs of up to 10% of the construction contract. The Developer will provide reassurance to the City that the project will be completed on time and on budget. Bank references will also be considered.
- The developer must also demonstrate that it has a recent history of development and/or redevelopment that includes high quality affordable residential products delivered on-schedule and on budget. The developer must also demonstrate that previous experience is similar in type, scale, and complexity to proposed project. The Developer should also have a reasonable amount of current development projects to ensure that the organization is not overextended in either staffing or financial capacity.

Up to 3 points if the developer has provided financial statements and historicals that demonstrates sufficient working capital and can provide reassurance that the project will be completed on time. 1 point for at least 3 years of confirmable residential rehab/construction experience, 1 additional point if at least two projects were affordable and completed within the past three years, or developer has 6 or more confirmable years of housing development experience. 1 additional point if the developer does not seem overextended in either staffing or financial capacity. An additional 3 points if the developer has successfully completed at least one project using HOME and/or CDBG funds.

Comments

The developer **provided** financial statements and historicals that demonstrates sufficient working capital and can provide reassurance that the project will be completed on time. **(3 of 3 points)**

The developer **has** at least three (3) years of confirmable residential rehab/construction experience. **(1 of 1 point)**

The developer **completed** at least two (2) affordable projects within the past three (3) years, or six (6) or more confirmable years of housing development experience. **(1 of 1 point)**

The developer **is not** overextended in either staffing or financial capacity. **(1 of 1 point)**

The developer **has** successfully completed at least one (1) project using HOME and/or CDBG funds. **(3 of 3 points)**

B. General Contractor (Construction Team to provide score)

- 9** 9 The general contractor has demonstrated recent and successful experience in projects that are similar in type, scale, and complexity to proposed project.
- (3 points for at least 3 years of confirmable residential rehab/construction experience, 3 additional points if at least two projects were affordable and completed in the past three years. An additional 3 points if the contractor has successfully completed at least two projects using HOME and/or CDBG funds.)*

Comments

Good Construction Co. meets or exceeds all experience requirements. A previous GC evaluation rated Good with no concerns listed. **(9 of 9 points)**

C. Experienced Management Agent

- 5** 5 The Developer has identified and secured an experienced management agent for the project.
- (2 point - If a management agent is secured. 3 points if the management agent has comparable experience in managing properties with similar compliance expectations and tenant populations).*

Comments

The Developer **has** identified and secured First Property Management, LLC, an experienced management agent for the project. **(2 of 2 points)**

The management agent has comparable experience managing properties with similar compliance expectations and tenant populations. **(3 of 3 points)**

D. Emerging LIHTC Developer

- 3** 3 The project can earn **up to 3 points** if the Developer meets all qualifications of an Emerging LIHTC Developer based on the following: **1 point** - if the Emerging Developer is a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. **1 point** - if the Emerging Developer demonstrates real estate and/or LIHTC development experience; and has a pipeline of transactions and actionable plans for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). **1 point** - if the Emerging Developer will receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership.

Comments

The Emerging Developer **is** a General Partner that holds at least 25% interest in the General Partnership or is a Managing Member of the General Partnership that remains a part of the Ownership Entity for the duration of the Affordability Period at minimum. **(1 of 1 point)**

The lead member of the Emerging Developer **demonstrates** real estate and/or LIHTC development experience; and has a pipeline of transactions and actionable plans for developing future affordable housing in the City of Detroit (inclusive of past, current, and future developments). **(1 of 1 point)**

The Emerging Developer **will** receive an equitable percentage of both the developer and deferred developer fee at least equal to their percentage of the ownership - 25%. **(1 of 1 point)**

Awarded	Available
26	26

Total developer capacity points

III. Project Financing (23 points)

Name of Development: Sample Village Phase III

A. Financial Commitments

- 10** 10 All additional necessary project financing/leveraged funds are identified and secured to complete project(s) with letters of commitment from recognized community development lenders and funders, or reasonable dates are provided by the Developer.
*(Points allocated based on % of budget secured. Letters for all sources to get 100% for all **10 points** .)*

Comments:

The developer has identified and secured 100% of funds with letters of commitment from recognized community development lenders and funders. **(10 of 10 points)**

B. Financial Leverage

- 10** 10 The project is efficient in its use of AHLF funds and in its leveraging of other funds, as applicable. All funding and associated requirements are clear and adequately reflected in the budget and pro forma.
*(Does the project meet HUD criteria as far as subsidy per unit costs - **allocate 1 point** , Does the project provide a ratio of affordable bedroom types funded by City sources that correlate to the project as a whole - **allocate 1 point** , If the project leverages non-HOME funds to a ratio of \$2 to \$1 - **allocate 1 point** , \$3 to \$1, add an **additional 3 points** (for 6 total), and \$4 to \$1, add an **additional 4 points** (for **10 total points**).)*

Comments:

The project **meets** HUD criteria as far as subsidy per unit costs. **(1 of 1 point)**
 The project **provides** a ratio of affordable bedroom types funded by City sources that correlate to the project as a whole. **(1 of 1 point)**

 $\$10,500,000$ (Total Development Cost (TDC)) - $\$1,000,000$ (City Funding) = $\$9,500,000$ of Non-City Funding
 $\$9,500,000 / \$1,000,000 = \$9.50$
 The Developer is leveraging $\$9.50$ for every $\$1$ City Dollar **(8 of 8 points)**

C. Creative Approach to Financing

- 1** 3 The developer uses a creative approach to financing or cost containment to meet affordable housing needs.
*(**1 point**) Combining multiple forms of federal tax credits, e.g. LIHTC + HTC; LIHTC + NMTC; HTC + NMTC; 9%/4% hybrid; (**1 point**) Having secured grants from outside sources such as AHP, CRP, foundations, private donors, etc. (does not include AHLF, or SNF); (**1 point**) Innovative building techniques that reduce cost, e.g. modular construction. Anything else that has the effect of reducing the subsidy ask will be considered on a case-by-case basis.*

Comments:

The developer **does not take** a creative approach to financing or cost containment to meet affordable housing needs. The developer plans to purchase materials before construction which avoids the risk of future price increases. **(1 of 3 points)**

Total project financing points

Awarded	Available
21	23

IV. Readiness to Proceed (21 points)

Name of Development: Sample Village Phase III

A. City Approvals and Permits

- 5** 5 Projects can receive up to **5 points** if they inherently require fewer City approvals through being zoned properly or not requiring variances. Additionally, projects can also receive points if they have already passed through required City approval processes such as the Planning & Development Department’s Concept Plan Review.
*(Up to 3 points if zoned properly and not requiring variances. An **additional 2 points** if the project has provided evidence of already passing through other City approval processes.)*

Comments:

The project is zoned properly, and **does not** require variances. **(3 of 3 points)**
The developer **provided** evidence that the project has already passed through other City approval processes. A site plan has been approved by the City’s Planning and Development Department through their Concept Plan Review Process. **(2 of 2 points)**

B. Construction Plans / Trade Payment Breakdown (Construction Team to provide score)

- 9** 11 Projects can earn up to 11 points if estimated development and construction costs are well researched and detailed. Scope of work [for rehab] or plans and specifications [for new construction] are comprehensive, includes trade payment breakdown, and substantially complies with the requirements outlined in the HRD's technical review. Additional points will be awarded if developer provides a third party cost estimator report delineating construction costs by trade breakdown.
*(Up to 3 points if all costs are reasonable, based upon a technical review of construction costs by the construction technical staff. Review will be based upon customary costs, fees, and rates paid in the local market. 1 **additional points** if the project meets Energy Star Version 3 Standards. Up to 5 points for a reasonable trade payment breakdown. 2 **additional points** if a third party cost estimate is included.)*

Comments:

A 3rd Party cost estimated was not submitted for review. The preliminary plan set and other submissions are properly detailed. The TPB total construction costs of \$6,999,669 are consistent with current cost expectations. **(9 of 11 points)**

C. Phase I Review (Environmental Compliance Team to provide score)

- 2** 5 Projects can earn up to **5 points** if the Phase I Environmental Site Assessment (ESA) confirms that the site is not contaminated. For sites that are contaminated as noted in the Phase I, projects can also earn points if additional environmental due diligence documents are submitted such as a Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA).

Comments:

The ResAP is still an investigative work plan and not a final solution. **(2 of 5 points)**

Total project readiness to proceed points	Awarded	Available
	16	21

V. Alignment with City Goals (23 points)

Name of Development: Sample Village Phase III

A. Targeted Multi-family Housing Area and/or City Planning Study

- 8** 8 The project can earn up to **8 points** if located in targeted multi-family housing area and or is an initiative tied to a City planning study.

Comments:
 The project **is not** located in a Targeted Multi-family Housing Area, and/or is an initiative tied to a City planning study. The project site is located 1,500 feet east of a Targeted Multi-family Housing Area - area 1 of Northwest Detroit. Per review of the threshold memo when the PMVII applied to a previous NOFA, it was concluded that the location is close enough to area 1 to be recognized as within a Targeted Multi-family Housing Area. **(8 of 8 points)**

B. Priority Projects

- 0** 5 The project can earn 5 **points** if any one or more of the following criteria are met: 1) is a preservation of current affordability (regulated or naturally occurring), 2) is approved to be designated as permanent supportive housing (PSH) by the HRD Homelessness Solutions Director, 3) includes the rehabilitation and/or redevelopment of public housing, or 4) is either listed in or eligible to be listed in the National Register of Historic Places individually or as part of a historic district. This can also include buildings that are designated by the City as a Local Historic District.

Comments:
 The project **is not** a priority project. **(0 of 5 points)**
 -The project is not a preservation of current affordability (regulated or naturally occurring), and/or
 -The project is not designated as permanent supportive housing (PSH), and/or
 -The project does not include the rehabilitation and/or redevelopment of public housing, and/or
 -The project is not either listed in or eligible to be listed in the National Register of Historic Places.

C. Mixed-income Neighborhood

- 0** 5 Projects are eligible for up to **5 points** if the majority of units are income-restricted at an average of 60% AMI or below, and the project is located within a primary market area as supported by census tract data demonstrating incomes of 80% AMI or above.

Comments:
 The project **is not** in a mixed-income neighborhood. **(0 of 5 points)**

D. Green Building Initiatives

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

Comments:
 The project **will** incorporate green building measures to improve energy efficiency and sustainability. The developer commits to working with the architect, general contractor and consultant (Energy Review, Inc.) to ensure the project meets all requirements of the National Green Building Standards and is properly certified for the program. **(3 of 3 points)**

E. Broadband Access

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

Comments:
 The developer **will** provide high-speed internet in common areas and/or dedicated computers with complimentary high-speed internet access. **(2 of 2 points)**

F. Additional Accessibility (Construction Team to provide score)

- 2** 2 New construction projects must have 10% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. Rehabilitation projects must have 5% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, must be accessible for persons with hearing or visual disabilities. New construction projects can earn up to **2 points** if they commit to having 15% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, be accessible for persons with hearing or visual disabilities. Rehabilitation projects can earn up to 2 points if they commit to having 10% of the units meet accessibility requirements under Section 504 and an additional 2% of the units, or at least one unit, whichever is greater, be accessible for persons with hearing or visual disabilities.

Comments:
 The project is designed to meet or exceed 15% accessible unit goal (22%). **(2 of 2 points)**

Awarded	Available
15	25

Total alignment with city goals points

VI. Program Employment Goals (8 points)

Name of Development: Sample Village Phase III

A. Section 3 Experience (Section 3 Team to provide score)

- | | | |
|----------|---|---|
| 4 | 4 | The project can earn up to 4 points if the Developer and general contractor has experience in complying with Section 3 requirements. The Developer must include a clear plan as to how they will satisfy Section 3 requirements. The Developer must also demonstrate the ability and willingness to employ low- and very low-income persons within the targeted area and community in which the project resides.
<i>(If Developer can provide evidence that they complied with Section 3 on 1 project (1 point). The Developer must include a clear plan as to how they will satisfy Section 3 requirements (1 point). 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 (2 points) - Total 4 points .)</i> |
|----------|---|---|

Comments:

The required documents have been completed in its entirety and submitted - Intent to Comply, Section 3 Plan and a narrative regarding Section 3 experience. (4 of 4 points)
--

B. MBE/WBE

- | | | |
|----------|---|--|
| 0 | 4 | Evidence that the primary Developer is a Minority/Women-Owned Business or Minority/Women’s Business Enterprise, as applicable. |
|----------|---|--|

Comments:

The developer is not a Minority/Women-Owned Business or Minority/Women’s Business Enterprise. (0 of 4 points)

Total program employment goals points	Awarded	Available
	<i>4</i>	<i>8</i>

VII. Failure to Complete Previous Development(s) (-15 points)

Name of Development: Sample Village Phase III

A. Failure to Complete Previous Development(s)

0 -15 At the sole discretion of HRD's Award Committee, a Developer or any related party that failed to complete a project that received a Conditional Award of funding from a previous NOFA may be penalized in the form of a **15-point reduction** applied to the project score. This includes the failure to utilize a commitment or allocation of funds awarded in a prior NOFA, and/or the Developer rescinding their request - canceling the Conditional Award.

A Developer may be penalized in the form of a 15-point reduction applied to the project score if the Developer: 1) has received a default letter from the City of Detroit Asset Management Team for a previously funded project, OR 2) is not in compliance with the terms of an existing City loan and is not in discussion with the City of Detroit Asset Management Team to resolve the outstanding non-compliance.

Comments:

The Development Team has not failed to complete previous project(s). (# of -15 points)

Program compliance meeting

Awarded	Available
0	-15

Development **Sample Village Ph III**
 Financing **Conventional**
 MSHDA No.
 Step **Application**
 Date **03/06/2025**
 Type **New Construction**

Mortgage Assumptions:
 Debt Coverage Ratio **1.15**
 Mortgage Interest Rate **6.500%**
 Pay Rate **6.500%**
 Mortgage Term **40 years**
 Income from Operations **No**

Instructions

Total Development Income Potential

	Per Unit	Total
Annual Rental Income	11,725	316,584
Annual Non-Rental Income	0	0
Total Project Revenue	11,725	316,584

Total Development Expenses

Vacancy Loss	6.00%	of annual rent potential	704	18,995
Management Fee	604	per unit per year	604	16,313
Administration			1,536	41,466
Project-paid Fuel			25	662
Common Electricity			136	3,666
Water and Sewer			851	22,972
Operating and Maintenance			2,019	54,508
Real Estate Taxes			0	0
Payment in Lieu of Taxes (PILOT)	1.00%	Applied to: All Units	100	2,703
Insurance			800	21,600
Replacement Reserve	300	per unit per year	300	8,100
Other:			148	3,996
Other: HOME Loan Payments			93	2,500

Initial Inflation Factor	Beginning in Year	Future Inflation Factor
1.0%	6	2.0%
1.0%	6	2.0%
Future Vacancy		
	6	6.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	6	3.0%
3.0%	6	3.0%
3.0%	1	3.0%
5.0%	1	5.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%
3.0%	1	3.0%

	% of Revenue	Per Unit	Total
Total Expenses	62.38%	7,314	197,481
Base Net Operating Income		4,411	119,103
Part A Mortgage Payment	0.00%	0	0
Part A Mortgage		0	0
Non MSHDA Financing Mortgage Payment		3,903	105,382
Non MSHDA Financing Type: Conventional Loan		0	0
Base Project Cash Flow (excludes ODR)	4.33%	508	13,721

Override
0

Financing Conventional
 MSHDA No. 0
 Step Application
 Date 03/06/2025
 Type New Construction

Instructions

30% of area median	20,160	23,040	25,920	28,770	31,080	33,390
40% of area median	26,880	30,720	34,560	38,360	41,440	44,520
50% of area median	33,600	38,400	43,200	47,950	51,800	55,650
60% of area median	40,320	46,080	51,840	57,540	62,160	66,780

Rental Income

Unit	No. of Units	Unit Type	Bedrooms	Baths	Net Sq. Ft.	Contract Rent	Utilities	Total Housing Expense		% of Gross Rent	% of Total Units	Gross Square Feet	% of Total Square Feet	TC Units		Max Allowed Housing Expense	Rent Limited By
								Expenses	Expenses					Square Feet	Unit Type		
15% Area Median Income Units Tenant AMI Restriction (if different from rent restriction) MSHDA Project Based Voucher Units Occupancy																	
Senior	2	Cottage	2	1.5	862	166	158	324	3,984	1.3%	7.4%	1,724	7.4%	1,724		324	TC Rent
A	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									3,984	1.3%	7.4%	1,724	7.4%	1,724			
25% Area Median Income Units Tenant AMI Restriction (if different from rent restriction) MSHDA Project Based Voucher Units Occupancy																	
A	2	Cottage	2	1.5	862	382	158	540	9,168	2.9%	7.4%	1,724	7.4%	1,724		540	TC Rent
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									9,168	2.9%	7.4%	1,724	7.4%	1,724			
60% Area Median Income Units Tenant AMI Restriction (if different from rent restriction) MSHDA Project Based Voucher Units Occupancy																	
Yes	6	Cottage	2	1.5	862	1,296	158	1,296	93,312	29.5%	22.2%	5,172	22.2%	5,172	Low HOME	1,296	TC Rent
A	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									93,312	29.5%	22.2%	5,172	22.2%	5,172			
55% Area Median Income Units Tenant AMI Restriction (if different from rent restriction) MSHDA Project Based Voucher Units Occupancy																	
A	17	Cottage	2	1.5	862	1,030	158	1,188	210,120	66.4%	63.0%	14,654	63.0%	14,654		1,188	TC Rent
B	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
C	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
D	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
E	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
F	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
G	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
H	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
I	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
J	0	Cottage	2	1.5	862		0	0	0	0.0%	0.0%	0	0.0%	0		N/A	N/A
									210,120	66.4%	63.0%	14,654	63.0%	14,654			

Total Revenue Units	27	Gross Rent Potential	316,584	HOME Units SF/Total Units SF	22.2%	Within Range
Manager Units	0	Average Monthly Rent	977	# HOME Units/# Total Units	22.2%	Within Range
Income Average	50.93%	Gross Square Footage	23,274			
Qualified Percentage	100.00%					
Set Aside						

Annual Non-Rental Income	Utility Allowances						Total	Override	Total Income	Annual	Monthly
	Electricity	A/C	Gas	Water/ Sewer	Other						
Misc. and Interest	A					0	158.00	Total Income	316,584	26,382	
Laundry	B					0	0.00	Rental Income	0	0	
Carports	C					0		Non-Rental Income	316,584	26,382	
Other:	D					0		Total Project Revenue	316,584	26,382	
	E					0					
	F					0					
	G					0					
	H					0					

Development Sample Village Ph III
Financing Conventional
MSHDA No. 0
Step Application
Date 03/06/2025
Type New Construction

Replacement Reserve Analysis

Cost Inflation	103%	Min. Deposit	81,000
RR Period	20	15 Year	0
		20 Year	0

Required Initial Deposit **81,000**
 Per Unit **3,000**

<u>Year</u>	<u>Starting Balance</u>	<u>RR Needs</u>	<u>Contribution</u>	<u>Net Annual Change</u>	<u>Interest</u>	<u>Ending Balance</u>
1	81,000		8,100	8,100	2,430	91,530
2	91,530		8,343	8,343	2,746	102,619
3	102,619		8,593	8,593	3,079	114,291
4	114,291		8,851	8,851	3,429	126,571
5	126,571		9,117	9,117	3,797	139,484
6	139,484		9,390	9,390	4,185	153,059
7	153,059		9,672	9,672	4,592	167,323
8	167,323		9,962	9,962	5,020	182,304
9	182,304		10,261	10,261	5,469	198,034
10	198,034		10,569	10,569	5,941	214,544
11	214,544		10,886	10,886	6,436	231,866
12	231,866		11,212	11,212	6,956	250,034
13	250,034		11,549	11,549	7,501	269,084
14	269,084		11,895	11,895	8,073	289,051
15	289,051		12,252	12,252	8,672	309,975
16	309,975		12,620	12,620	9,299	331,894
17	331,894		12,998	12,998	9,957	354,849
18	354,849		13,388	13,388	10,645	378,882
19	378,882		13,790	13,790	11,366	404,038
20	404,038		14,203	14,203	12,121	430,363

Total Units	27
Interest Rate on Reserves	3%
Year 1 RR Deposits	300
Min Initial Deposit (\$700/unit)	81000

Cash Flow Projections

	Initial Inflator	Starting in Yr	Future Inflator	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
				11	12	13	14	15	16	17	18	19	20
Income													
Annual Rental Income	1.0%	6	2.0%	371,001	378,421	385,990	393,710	401,584	409,615	417,808	426,164	434,687	443,381
Annual Non-Rental Income	1.0%	6	2.0%	0	0	0	0	0	0	0	0	0	0
Total Project Revenue				371,001	378,421	385,990	393,710	401,584	409,615	417,808	426,164	434,687	443,381
Expenses													
Vacancy Loss	6.0%	6	6.0%	22,260	22,705	23,159	23,623	24,095	24,577	25,068	25,570	26,081	26,603
Management Fee	3.0%	1	3.0%	21,923	22,581	23,258	23,956	24,675	25,415	26,178	26,963	27,772	28,605
Administration	3.0%	1	3.0%	55,727	57,399	59,121	60,894	62,721	64,603	66,541	68,537	70,593	72,711
Project-paid Fuel	3.0%	6	3.0%	890	916	944	972	1,001	1,031	1,062	1,094	1,127	1,161
Common Electricity	3.0%	6	3.0%	4,927	5,075	5,227	5,384	5,545	5,712	5,883	6,059	6,241	6,428
Water and Sewer	3.0%	6	3.0%	30,872	31,799	32,753	33,735	34,747	35,790	36,863	37,969	39,108	40,282
Operating and Maintenance	3.0%	1	3.0%	73,254	75,452	77,715	80,047	82,448	84,922	87,469	90,093	92,796	95,580
Real Estate Taxes	5.0%	1	5.0%	0	0	0	0	0	0	0	0	0	0
Payment in Lieu of Taxes (PILOT)				3,121	3,179	3,239	3,300	3,362	3,425	3,489	3,555	3,621	3,689
Insurance	3.0%	1	3.0%	29,029	29,899	30,796	31,720	32,672	33,652	34,662	35,702	36,773	37,876
Replacement Reserve	3.0%	1	3.0%	10,886	11,212	11,549	11,895	12,252	12,620	12,998	13,388	13,790	14,203
Other:	3.0%	1	3.0%	5,370	5,531	5,697	5,868	6,044	6,226	6,412	6,605	6,803	7,007
Other: HOME Loan Payments	0.0%	1	0.0%	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Subtotal: Operating Expenses				260,758	268,249	275,959	283,894	292,063	300,471	309,126	318,035	327,205	336,645
Debt Service													
Debt Service Part A				0	0	0	0	0	0	0	0	0	0
Debt Service Conventional/Other Financing				105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382	105,382
Total Expenses				366,140	373,631	381,341	389,276	397,445	405,853	414,508	423,417	432,587	442,027
Cash Flow/(Deficit)				4,861	4,791	4,649	4,433	4,139	3,762	3,300	2,747	2,100	1,354
Cash Flow Per Unit				180	177	172	164	153	139	122	102	78	50
Debt Coverage Ratio on Part A Loan				N/A									
Debt Coverage Ratio on Conventional/Other Financing				1.05	1.05	1.04	1.04	1.04	1.04	1.03	1.03	1.02	1.01

Interest Rate on Reserves 3%

Operating Deficit Reserve (ODR) Analysis

Maintained Debt Coverage Ratio (Hard Debt)	1.00	
Maintained Operating Reserve (No Hard Debt)	250	
Initial Balance	Initial Deposit	2,025
Total Annual Draw to achieve 1.0 DCR	0	0
Total Annual Deposit to achieve Maintained DCR	0	0
Total 1.0 DCR and Maintained DCR	0	0
Interest	0	0
Ending Balance at Maintained DCR	0	0
Maintained Cash Flow Per Unit	180	177
Maintained Debt Coverage Ratio on Part A Loan	N/A	N/A
Maintained Debt Coverage Ratio on Conventional/Other Standard ODR	1.05	1.05
Non-standard ODR	2,025	0

Operating Assurance Reserve Analysis

Required in Year:	1	Initial Deposit	137,414
Initial Balance	184,673	190,213	195,919
Interest Income	5,540	5,706	5,878
Ending Balance	190,213	195,919	201,797

Deferred Developer Fee Analysis

Initial Balance	632,023	627,162	622,371	617,722	613,289	609,150	605,388	602,088	599,341	597,241
Dev Fee Paid	4,861	4,791	4,649	4,433	4,139	3,762	3,300	2,747	2,100	1,354
Ending Balance	627,162	622,371	617,722	613,289	609,150	605,388	602,088	599,341	597,241	595,887

Mortgage Resource Fund Loan

Interest Rate on Subordinate Financing	3%	Initial Balance	0
Principal Amount of all MSHDA Soft Funds		0	0
Current Yr Int		0	0
Accrued Int		0	0
Subtotal	% of Cash Flow	0	0
Annual Payment Due	50%	0	0
Year End Balance		0	0

Exhibit H

Sample Conditional Award Letter



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

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

CONDITIONAL AWARD LETTER

December 16, 2021

[Organization lead contact name provided in the application]

[Organization mailing address provided in the application]

[Email address of lead contact provided in the application]

RE: Sample Project I

Dear [Organization lead contact name provided in the application]:

The City of Detroit's Housing and Revitalization Department (HRD) has conditionally approved an award of loan funds in response to the application submitted by the Sample Development Corporation and Realty Solutions for the Sample Project I project. The proposed project consists of the rehabilitation and preservation of Thirty-Five (35) affordable units between two buildings in the Glendale Park Historic District. The award may pay for the following costs associated with the project: (1) acquisition, (2) construction, and (3) other eligible soft cost line items in the total development budget.

Please be advised that the City has agreed to conditionally award the project in the form of a subordinate loan for **up to \$999,000 in Home Investment Partnerships Program (HOME) funds**, and specific loan terms will be determined. The total number of units assisted by HOME funds will be determined by the City based on the cost per unit and maximum subsidy limit. However, as stated in the Inclusionary Housing Ordinance, the project will need to include at least 15% of the total units at 60% of AMI and 5% of the total units at 50% of AMI. City assisted units may be layered with project-based vouchers (PBV) and other rental subsidies. In place of HOME funds, the City of Detroit, in its sole discretion, may choose to offer funds from the following programs:

- Affordable Housing Development and Preservation Fund (AHDP)
- Community Development Block Grant (CDBG) Program Funds through HUD.

Borrowers are responsible for providing all required materials to underwrite the loan including, but not limited to: (1) scheduling a kick-off meeting with the City's Environmental Compliance Team and completing all steps and tasks described in the attached Environmental Review Memo; (2) submitting a final trade payment breakdown, plans & specifications and/or the scope of work; and (3) securing financial commitments from all sources of debt and equity. The project must



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also complete the City of Detroit Planning and Development Department design review and approval process.

The project will also need to obtain final approval of the award by City Council and HRD's Award Committee. While obtaining the required approvals and documents described above, HRD staff will continue to work with the Borrower organization to collect additional documentation required to prepare and execute a Commitment Agreement. The agreement will more fully set forth the terms and conditions of the award. In the event that the project's program or capital stack changes significantly, the City reserves the right to rescind this conditional award. If a project is seeking 9% LIHTC tax credits and does not receive a tax credit allocation, the project will need to reapply for a City award.

After receiving final approval from HRD's Award Committee, a closing checklist will be provided. The documents, agreements, certificates, and other items listed in this checklist must be submitted to and approved by the City prior to closing. If the City Loan is not closed by June 14, 2022 or in One Hundred and Eighty (180) days from the date this award was issued, the Conditional Award will be deemed null and void. At the City's discretion, the award may be extended for 90 days.

Should you have any further questions regarding this letter, please contact [Director of Multifamily] by email at Sample1@detroitmi.gov. We look forward to working closely with your development team in providing affordable housing for residents of the City of Detroit.

Sincerely,

[Name]

Chief Housing Development & Investment Officer
Housing and Revitalization Department
City of Detroit

Attachment: Environmental Review Memo

Cc: [Name], Director (HRD)
[Name], Environmental Compliance (HRD)
[Name], Director of Multifamily, Housing Underwriting (HRD)
[Sample Reviewer], Housing Underwriting (HRD)



MEMORANDUM

Date: December 16, 2021

To: [Sample Reviewer]
[Director Multifamily]
[Environmental Review Officer]
[Principal Historic Preservation Specialist]

From: [Environmental Compliance Specialist]

**Re: Environmental Review Findings
Sample Project I
9710 & 9730 E. Sample Drive & 15770 Project Rd,
Detroit, MI**

The Sample Project I project was submitted in the July 2021 NOFA for review. Based on our review of the provided environmental documentation, the following is known about the Site:

1. The Site consists of two adjacent developed parcels (9710 & 9730) with one three story building on each parcel as well as one single-family detached home and garage on 9710 E. Sample Drive (eventually 15570 Project Rd) totaling 0.91 acres of land.
2. The existing 35 units of affordable housing in the buildings on 1910 & 1930 E. Sample Drive will be rehabilitated and preserved. A lot split will occur on the 9710 E. Sample Drive property (which will become 15770 Project Rd) to split the single-family home and garage from the site.
3. A Phase I Environmental Site Assessment (ESA) was performed on November 20, 2020. No recognized environmental conditions (RECs) were identified in connection with the Site.
4. An asbestos survey was completed for the two three-story buildings. The report needs to be submitted to the City of Detroit. An asbestos survey will be required for the single-family home.

The following additional items need to be completed and submitted to the City of Detroit to complete the NEPA review process:

- An Environmental Assessment, conducted in accordance with 24 CFR Part 58.
- An asbestos abatement plan must be provided to the sponsor's environmental consultant and the work performed by an appropriately licensed and insured abatement contractor. Asbestos abatement costs must be identified by a separate line



item in the trade payment breakdown.

- Additionally, an asbestos survey must be completed for the single-family home and an abatement plan provided if required.
- A combination lead paint inspection/risk assessment must be performed, and report provided for each building. Deteriorated lead-based paint or lead hazards must be remediated using EPA lead safe renovation/interim control/abatement activities, as appropriate.
 - If remediation/abatement is required, remediation plan must be provided to the sponsor's environmental consultant and the work performed by an appropriately certified and insured contractor for all regulated activities. Lead remediation costs must be identified by a separate line item in the trade payment breakdown.
- The City of Detroit Housing & Revitalization Department Section 106 Review Request Form submitted through the City of Detroit's Smart Sheet submitted prior to completing the checklist.
<https://app.smartsheet.com/b/form/1faa296eedac476a9fbf2ef1916ddb99>
 - Instructions for completing the form can be found on the City of Detroit's website.
 - Please e-mail [Principal Historic Preservation Specialist] at Sample@detroitmi.gov if there are questions while completing the form.

An environmental kick-off meeting is required with the Developer, the Developers environmental consultant and the City of Detroit Environmental Review Team prior to the commencement of environmental review activities.

Please submit environmental documentation as it becomes available to enable the environmental review officer to aid in approvals and assess timelines to completion.

Upon completion and City of Detroit review and approval of the items outlined above, the City of Detroit will review and evaluate if additional steps are required to release HUD HOME funds. **The recipient must not take any irreversible or choice limiting actions until the review process is complete.**