

CITY OF DETROIT

Housing & Revitalization Department

Affordable Loans for Affordable Housing (ALFAH)
Section 108 Loan Program



NOTICE OF FUNDING AVAILABILITY (NOFA)
AND
APPLICATION PACKAGE

May 2026 NOFA

Mary Sheffield, Mayor
Julie Schneider, Director

TABLE OF CONTENTS

TABLE OF CONTENTS	1
INTRODUCTION	2
NOFA APPLICATION, HRD REVIEW, AND AWARD SCHEDULE	5
GOALS AND GUIDELINES	7
DETAILS AND REQUIREMENTS	9
REQUIREMENTS TO RECEIVE FUNDING THROUGH THIS NOFA	11
PROGRAM APPLICATION, HRD REVIEW, AND AWARD PROCESS	19
APPENDIX B: COMMUNITY BASED DEVELOPMENT ORGANIZATION (CBDO) QUALIFICATIONS AND CERTIFICATION PROCESS	25
APPENDIX C: RENT LIMITS, INCOME LIMITS, UTILITY ALLOWANCES	26
APPENDIX D: ENVIRONMENTAL REVIEW	29
APPENDIX E: SECTION 3 INFORMATION	31
APPENDIX F: EXECUTIVE ORDER NO. 2024-02	33
APPENDIX G: NEIGHBORHOOD REVITALIZATION STRATEGY AREAS (NRSA) & OUTSIDE GREATER DOWNTOWN AREA MAP OVERLAY	38
APPENDIX H: THRESHOLD REVIEW CRITERIA	39
APPENDIX I: UNDERWRITING REVIEW CRITERIA	42
APPENDIX J: TENANT RETENTION STANDARDS	44
APPENDIX K: FORMS AND DOCUMENTS REFERENCE LINKS	46
APPENDIX L: NEIGHBORLY APPLICATION EXAMPLE	49

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 loans through the City of Detroit’s Section 108 loan program to support projects that advance the City’s goals of affordable housing production and the creation or stabilization of healthy mixed-income communities with a rich array of amenities and strong local economies. Through this NOFA, HRD is making up to \$75,000,000 of funding available through lower-interest loans that must be repaid to support the preservation and construction of affordable housing, and to reduce the barriers to housing development. **This is not a gap financing program.**

Section 108 is a loan guarantee program administered by the Department of Housing and Urban Development (HUD) specifically for recipients of Community Development Block Grant (CDBG), such as Detroit. Section 108 loans are low-cost or lower-cost flexible financing that can be used to support economic development, housing, and other projects. In 2025, Detroit applied for and received approval for a \$75 million loan pool focusing on affordable housing development. This NOFA is for developers seeking individual loans within that pool. These funds must be used for CDBG-eligible uses and comply with CDBG regulations.

This NOFA offers four different loan products to meet the needs of a variety of development stages, financial circumstances, and project types. A summary of the loan product terms and characteristics is provided in Table 1, with further detail below, and in Appendix A. Loan Product Characteristics.

Table 1. Loan Product Terms and Characteristics

Loan Type	Eligible Use	Suggested Project	Loan Size	Term & Amortization
Acquisition Short-Term Loan	Acquisition	Vacant residential & mixed-use buildings	<u>Proportion:</u> Up to 80% LTV <u>Est. Size:</u> \$500k - \$2.5M	<u>Term:</u> 2-yr; option to extend up to 6 mo. <u>Amortization:</u> Interest-only Payments; Principal due upon maturity
Acquisition Mini-Perm Loan	Acquisition & other soft costs	Occupied rehabilitations of residential / mixed use properties	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$1M - \$5M	<u>Term:</u> 7-yr (negotiable) <u>Amortization:</u> 15-20 yr; Interest-only for construction period up to 2 yr
Senior Construction-to-Permanent Loan	Acquisition, hard and soft costs; New construction if CBDO	LIHTC projects with project-based assistance or other financing that requires compliance with Davis-Bacon	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$5M-15M construction; \$1M-5M post-conversion	<u>Term:</u> 20-yr <u>Amortization:</u> 40 yr; Interest-only for construction until conversion to permanent
Tax Credit Equity Bridge Loan			<u>Proportion:</u> Up to 90% of LIHTC equity <u>Est. Size:</u> \$5M - \$15M	<u>Term:</u> 5-yr <u>Amortization:</u> Interest-only, Principal due upon maturity

The loan products available through the Section 108 loan program include:

1. **Acquisition Short-Term Loan** This loan product is available to developers to acquire properties for affordable housing development. These senior loans will provide critical early-stage capital at lower cost, allowing developers to conserve resources for other pre-development needs. The standard term will be 24 months, though at the City's option, up to two extensions may be granted for up to 3 months each. Payments will be interest-only with principal due at maturity. A loan interest reserve will be required for the full term of the loan. Loans will be collateralized by the subject property, other real property held by the borrower, and, in some cases, a guarantee or debt service reserve held by a third party. Borrowers will be required to demonstrate an achievable path towards closing on construction financing within 24 months of closing. A City loan origination fee will apply. Short-term Acquisition Loans will be available where acquisition presents a barrier but does not represent an outsized portion of the total development cost, with loan sizes anticipated not to exceed \$2,000,000.

2. **Acquisition Mini-Perm Loan** This loan product is available to developers to provide financing inclusive of other eligible soft costs and will be available as an acquisition mini-perm loan. Borrowers must demonstrate other committed sources to cover the cost of any needed renovations as determined by a Capital Needs Assessment. These loans are offered as subordinate or Pari-Passu loan structures to maximize the amount of debt serviceable by the property. Loans will be based on the appraised value of the building with a maximum loan-to value (LTV) ratio of 80% (or up to 90% on a case-by-case basis as approved by the Investment Committee). The lower interest rate as compared to conventional sources will help to reduce reliance on gap financing sources. The debt may be collateralized by a 1st or 2nd position mortgage, an assignment of leases and rents (ALR), and developer personal guarantees. Repayment will be based on a 15–20-year amortization and 7-year term, with up to 24-months of interest-only payments. Reimbursement of eligible soft costs may not occur prior to closing and construction start; in other words, this is not a loan to cover pre-development costs beyond acquisition. A City loan origination fee will apply. Loans are anticipated not to exceed \$5,000,000. This loan product is targeted for residential or mixed-use undergoing renovations that will create or preserve affordable housing, where acquisition and soft costs represent a larger portion of the total project cost in order to translate to significant interest savings across the project.

3. **Senior Construction-to-Permanent Loan** This loan product is available to developers to provide first position construction-to-permanent loans that reduce gaps by using low-cost senior loans to maximize the debt. This loan product is expected to work most effectively with Low Income Housing Tax Credit (LIHTC) affordable housing projects that are leveraging other federal sources, including permanent supportive housing and/or other deals with project-based rental assistance. Rehab/construction work must comply with Davis-Bacon labor standards requirements. New construction will only be allowed if the borrower qualifies as a Community-Based Development Organization (CBDO) as defined at 24 CFR 570.204 of the CDBG regulation. A City loan origination fee will apply.

The term will be up to 20 years, with up to a 40-year amortization, and up to 24 months of interest-only payments. Loans will be secured with a 1st position mortgage, ALR, and certain guarantees that will not jeopardize the syndication of Low-Income Housing Tax Credits. Construction loans are anticipated to not exceed \$15,000,000, with conversion to permanent loans, at the time of stabilized operations, anticipated not to exceed \$5,000,000.

4. **Tax Credit Equity Bridge Loan** This loan product is available to developers with the intent of increasing the amount of tax credit equity generated by Detroit projects. The loans are available to bridge up to 90% of capital contributions derived from the syndication of LIHTC (and potentially other types of tax credits) for a term of up to 60 months. Delaying the infusion of capital allows for an increase in equity pricing, which may defray the added cost of the loan and reduce need for soft gap financing sources. These loans will be secured by a mortgage, an assignment of the borrower's interest in the tax credits, an ALR, and/or certain guarantees. A City loan origination fee will apply. The equity bridge loan may be paired with the senior construction-to-permanent loan, but may also be issued as a stand-alone product. Loan sizes are anticipated not to exceed \$15,000,000.

NOFA APPLICATION, HRD REVIEW, AND AWARD SCHEDULE

(Subject to Change at HRD's Discretion)

EVENT	DATE
NOFA Published	5/21/26
HRD Pre-Submission Public Meeting*	9:00 AM 5/21/26
Program Compliance Information Meeting**	12:00 PM 5/27/26
Applications Accepted	Applications will be accepted on a rolling basis on a first-come-first-served basis until available funding is fully awarded

After the meeting dates, recordings will be available on the HRD website.

***THE HRD PRE-SUBMISSION PUBLIC MEETING FOR SECTION 108 LOAN PROGRAM SECTION 108 LOAN PROGRAM NOFA WILL BE HELD VIA TEAMS ON May 21, 2026 from 9:00 am – 10:00am.**

Please use the following information to join the Teams Meeting:

Join on your computer, mobile app or room device

Microsoft Teams meeting Join

<https://teams.microsoft.com/meet/279178424703695?p=Mb6yuc4RYoEv9ZU5bH>

Meeting ID: 279 178 424 703 695

Passcode: SZ9626pv

Meeting ID: 272 583 340 035 881 Passcode: 8Qd2tW3W [Need help?](#) | [System reference](#)

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**** A PROGRAM COMPLIANCE INFORMATION MEETING** to review compliance requirements of the Section 108 Loan Program funding sources awarded through the NOFA and to explain the application submission process **WILL BE HELD VIA TEAMS ON MAY 27, 2026 FROM 12:00 pm – 2:30pm.**

Please use the following information to join the Teams Meeting:

Join on your computer, mobile app or room device

Microsoft Teams meeting Join

<https://teams.microsoft.com/meet/240871299711271?p=yd7m6xc8QryPQd2reh>

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GOALS AND GUIDELINES

General Program Goals

The Section 108 loan program will advance the City's goals of affordable housing production and the creation and stabilization of healthy mixed-income communities with a rich array of amenities and strong local economies. These goals are aligned to both the City's 2025 Affordable Housing Strategy and the City's 2025-2029 Consolidated Plan, inclusive of the following:

- Rehabilitation of existing housing units
- Reduction in Homelessness
- Removal of blight and demolition
- Construction of housing by Community Based Development Organizations (CBDO)
- Economic Development through mixed-use affordable housing projects

Funds awarded through this NOFA can only be used for the development of housing that includes at least 51% of the units restricted at rental rates affordable to households with incomes at or below 80% of the Area Median Income (AMI). Projects are encouraged to offer higher percentage of the units restricted for low-income households and/or have units restricted at rental rates that are affordable for extremely low-income, very low income, or moderate-income households. Mixed-use affordable housing projects that include an economic development component are also eligible to apply to this program. Any economic development element in a project must comply with the Public Benefit Standards at 24 CFR 570.209.

Development Priorities

The Section 108 loan program provides a ready source of low-cost financing for development projects including affordable, mixed-income and mixed-use developments. It is available to projects citywide, but will prioritize projects that fall into the City's designated Neighborhood Revitalization Strategy Areas (NRSA) and/or outside of the Greater Downtown Area. See **APPENDIX G: Neighborhood Revitalization Strategy Areas (NRSA) & Outside Greater Downtown Area Map Overlay**.

The Section 108 loan program will support acquisition, eligible soft costs, rehabilitation, and new construction (new construction only for qualified Community Based Development Organizations under the CDBG program regulations (24 CFR Part 570.204)). Eligible projects include new construction, vacant rehabilitation, adaptive reuse and occupied rehabilitation. Projects involving occupied rehabilitations will comply with the City's Residential Anti-Displacement and Relocation Action Plan (RARAP), ensuring alignment with Uniform Relocation Act and Section 104d, and must provide Tenant Retention Plans to be approved by the City of Detroit Housing and Revitalization Department.

Importantly, projects must be financially sound and satisfy applicable underwriting standards to ensure repayment of the loans back to the City.

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 is not

necessarily the same as a CHDO under the HOME Program. A CBDO may use CDBG funds to pay for eligible new construction costs associated with a project. See **Appendix B: CBDO Qualifications and Certification Process** for more information.

DETAILS AND REQUIREMENTS

Funding Limits and Restrictions

For the Section 108 loan program, Detroit will consider any affordable housing development projects that address the City's residential and economic development needs and can meet CDBG National Objectives and Eligible Activities. A total of \$75 Million will be made available through the Section 108 Loan Program across the four loan products, at the discretion of HRD.

To align with the City's goals for the program, several key loan terms will be applicable to all four loan products:

- The interest rates set by HUD will be passed through to the project loans. Loans will be initially offered at variable interest rates, equal to the 3-month treasury auction bill rates plus 35 basis points, with the option for fixed-rates when made available by HUD, specific intervals to be determined.
- HUD will require a fee to offset credit subsidy costs. This fee is set at 0.82% of the loan amount in fiscal year 2025, but can be updated based on subsequent federal register notices.
- The City's closing fee is 1.0% of the loan amount.
- The City and HUD's fee are eligible project costs to be paid by the developer.
- Projects involving occupied rehabilitations are required to provide Tenant Retention Plans that must be approved by the City.
- Not less than 70 percent of the aggregate of the Section 108 loan program expenditures shall be for activities meeting the criteria for benefiting low- and moderate-income persons.

Eligibility and Program Requirements

Funds are available for the Developer's project-related acquisition, hard costs and soft costs, depending on the loan products. All costs must relate to the production of eligible affordable housing units and may relate to costs associated with economic development components of mixed-use affordable housing projects and may include the following:

- Acquisition of improved or unimproved real property in fee or by long-term lease, including acquisition for economic development purposes.
- Payment of interest on obligations guaranteed under 24 CFR 570.703.
- Housing rehabilitation eligible under § 570.202, which may be undertaken by a for-profit or non-profit Developer.
- New construction, if undertaken by a CBDO, designated in advance by the City.
- The program may on occasion provide loans to projects which aid in the prevention or elimination of slums or blight on an area basis. In such cases, the city will ensure that the project complies with the rules at 24 CFR 570.208(b)(1). This section specifies standards for designating an eligible area, maintaining documentation on this designation and demonstrating that the assisted activity addresses one or more of the conditions which contributed to the deterioration of the area.

- The following economic development activities if part of a mixed-use affordable housing project:
 - Activities eligible under § 570.203; and
 - Community economic development projects eligible under § 570.204.
 - Any economic development element in a project must comply with the Public Benefit Standards at 24 CFR 570.209, as determined by the City. This section establishes limits on costs per job created/retained or provision of goods and services in low- and moderate-income areas. Economic development projects in NRSAs may qualify for exemption from the aggregate standard.
- A debt service reserve to be used in accordance with requirements specified in the contract entered into pursuant to § 570.705(b)(1).
- Payment of fees charged by HUD pursuant to § 570.712.

The city will primarily consider the following eligible building types and project costs but may consider any other qualified building type or use as circumstances require.

Eligible building types:

- Privately-owned buildings and improvements for affordable housing purposes or mixed-use affordable housing projects that meet economic development objectives; and
- Low-income public housing and other publicly owned residential buildings and improvements.

Types of eligible project costs:

- Costs incurred by private individuals and for-profit or nonprofit entities to acquire properties for the purpose of rehabilitation as affordable housing, the costs to rehabilitate properties for use or resale as affordable housing, and costs incurred related to an economic development component of a mixed-use affordable housing project;
- Labor, materials, and other costs of rehabilitation of properties, including repair directed toward an accumulation of deferred maintenance, replacement of principal fixtures and components of existing structures, installation of security devices, including smoke detectors and dead bolt locks, and renovation through alterations, additions to, or enhancement of existing structures and improvements, abatement of asbestos hazards (and other contaminants) in buildings and improvements that may be undertaken singly, or in combination;
- Loans for refinancing existing indebtedness secured by a property being rehabilitated with CDBG funds if such financing is determined by the City to be necessary or appropriate to achieve the locality's community development objectives;

- Improvements to increase the efficient use of energy in structures through such means as installation of storm windows and doors, siding, wall and attic insulation, and conversion, modification, or replacement of heating and cooling equipment, including the use of solar energy equipment;
- Improvements to increase the efficient use of water through such means as water savings faucets and shower heads and repair of water leaks.

Ineligible Activities and Costs

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 without rehabilitation
- 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](#))
- 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).

REQUIREMENTS TO RECEIVE FUNDING THROUGH THIS NOFA

Household Income and Rent Restrictions

Projects that receive a Section 108 loan for the acquisition and improvement costs of affordable housing projects must have at least 51% of the units restricted at rental rates affordable to households with incomes at or below 80% of the Area Median Income (AMI). Projects that have a higher percentage of the units restricted for low and moderate income households and/or have units restricted at rental rates that are affordable for extremely low-income, very low income or other AMI percentages less than 80% AMI will be prioritized.

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 the total dwelling units for lease to households earning up to 60% AMI. An additional 5% of the total dwelling units are required to be leased to households earning up to 50% AMI.

Income limits, maximum rents and utility allowances are further charted in **Appendix C: Income Limits, Rent Limits and Utility Allowances**. These values are updated annually. 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 and the Inclusionary Housing Ordinance.

Environmental Review Requirements

All projects which receive funding through this NOFA are subject to the HUD environmental review requirements, found at [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 closing of loan documents for the project. 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.

Please see **Appendix D: 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: (a) are awarded a Section 108 loan for building or rehabilitation costs for projects with eight (8) or more contiguous units or which 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 (CWHSA), and the Copeland Anti-Kickback Act.

Construction expenditures associated with Section 108 funds 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 their entirety and sign (1) Section 3 - Intent to Comply and (2) Section 3 Plan – Developer and General Contractor.

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 E: Section 3 Information** for more information and the link to the above two documents.

City of Detroit Executive Order 2024-02

Construction activities will be subject to compliance with City of Detroit Executive Order 2024-02. .

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 February 2025 ("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. Projects involving substantial rehabilitation with fifteen (15) or more residential units 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 (1) 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 prioritized. 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 Letter of Interest 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: Tenant Retention Standards**, and the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) (link can be found in **Appendix K: Forms and Document Reference Links**). A link to a sample Tenant Retention Plan (TRP) can be found in **Appendix K: Forms and Document Reference Links**. 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 Section 108 loan program for a project that includes planned rehabilitation, 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

Prior to a project starting the closing process for funds awarded through the Section 108 loan program, the Developer must provide a third-party cost review of the estimated 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 and all entities involved in the project that may receive proceeds of the city Section 108 loans must register on the HUD SAM.gov website to allow for confirmation that the entities are not debarred and are eligible to receive Federal funds. The developer must require the general contractor confirm that any subcontractors are not 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 an award of Section 108 loan 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". If applicable, construction is expected to begin within (6) months after the closing of the city loan. Prior to closing, 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. Due to strict Federal deadlines, projects that do not reach milestones in a timely manner may be subject to rescission of City funding and immediate repayment of any city funding provided to the project. 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 once the property is ready for occupancy. 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.

Build America, Buy America (BABA) Act

As a condition to receiving funds from the City of Detroit, the borrower must certify that they will comply with the following BABA and the Buy American Preference (BAP) requirements for projects using Section 108 loan proceeds for construction-related activities 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.

The city has required forms that the project must complete during the construction process to document BABA compliance. 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 should adhere to the following Site and Neighborhood Standards:

- Be adequate to accommodate the number and type of units proposed;
- Have sufficient utilities and streets to service the site;
- 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;

- The area 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;

PROGRAM APPLICATION, HRD REVIEW, AND AWARD PROCESS

Program Compliance Information Meeting

A Program Compliance Information Meeting to review compliance requirements of the Section 108 loan program awarded through the NOFA and to explain the application submission process will be held **VIA TEAMS ON May 27, 2026 AT 12:00-2:30 pm**. This meeting will provide an overview of eligible applicants, Davis-Bacon and Related Acts prevailing wage requirements, BABA, 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 attend the meeting or view a recording of the meeting.

After the Section 108 loan program Compliance Information Meeting has occurred, a recording of the meeting will be available on the [HRD Housing Development website](https://detroitmi.gov/HRD) (detroitmi.gov/HRD) and at detroitmi.gov/ALFAH108. Applicants will be required to certify they have attended and/or watched the recording of the meeting as part of the Section 108 loan program application.

Application Submission

All applications must be completed and submitted per the instructions included in this NOFA via the City's Neighborly software. An example of the Neighborly Application is included beginning on page 49 of this NOFA (see **Appendix L: Neighborly Application Example**). The application must contain all applicable documents required. All questions regarding the submission of an application should be submitted as directed in the Neighborly software. Questions regarding City NOFA requirements must be emailed to HRDNOFA@detroitmi.gov. The City may 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 Neighborly in compliance with the NOFA. HRD will request Commitment Level Documents be submitted via Neighborly when a project has received a Threshold Approval Letter from the City of Detroit through a subsequent submission process. The City's Neighborly software and instructions on how to register to access the software 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: Forms and Document Reference Links**.

File Name Format Requirements

The following naming system must be used for all files uploaded to Neighborly:
Neighborly Question Letter.Number_Project Name_Year (**Example:** D.8_Pine Grove_2025)
Project Name should NOT exceed 20 Characters (Including spaces, periods, and underscores)

File Size Limitations

Each individual document uploaded is not to exceed 100 MB; with the ability to upload multiple files at a time per attachment. For documents that exceed 100 MB, please email S108@detroitmi.gov to request a link for a folder that will enable large file sides. When provided, upload using the same required File Name Format.

Threshold Review Process

When applications are received, HRD's Housing Underwriting (HU) team will screen the projects for initial eligibility and develop Threshold Memos that summarize the proposed project, alignment with program goals, eligibility per CDBG and Section 108 standards, and project viability. These memos will be presented at a Section 108 Investment Committee. Threshold memos will be presented at committee meetings, followed by a vote by committee members on whether to move projects into underwriting. A Threshold Approval Letter will be issued to projects that pass threshold review. Denial letters are issued for projects that do not pass threshold review. Additional information regarding the threshold review process can be found in **Appendix H: Threshold Review Criteria.**

Commitment Level Documents

At this time, applicants will be asked to complete a second phase of the Neighborly application, providing information necessary for underwriting including Environmental Site Assessment (ESA), Capital Needs Assessment (CNA), market study, tenant retention plan (TRP) (if project is occupied), preliminary plan review (PPR), Executed Partnership agreement, BABA compliance letter, Voucher Commitment (if applicable), among other documents, as applicable.

Underwriting Stage

Projects that have received a Threshold Approval Letter and provided all requested commitment level documents will be moved to the underwriting stage. Underwriting will be assigned to a third-party contractor selected competitively by the City, who will work directly with the project applicant underwrite the project according to the established and HUD-approved program standards. The cost of this underwriting will be paid for by the developer and is an eligible project cost.

At the onset of underwriting, applicants will meet with HRD's Environmental Review team for a project kickoff. An Environmental Review Memo will be provided, outlining the next steps required in order to obtain environmental clearance. Applicants will also meet with other key compliance teams, including Labor Standards, Construction Management, and Preservation Team to ensure they are prepared to comply with all cross-cutting standards including NEPA, Davis-Bacon and Related Acts, Build America Buy America (BABA), and the Uniform Relocation Act (URA), where applicable.

Underwriters will review the project against criteria described in **Appendix I: Underwriting Review Criteria**, including eligibility, project readiness, borrower experience & capacity, borrower financial capacity, detailed project financial analysis, and collateral/security.

Section 108 Investment Committee

The project underwriter will bring the prepared credit memo to the Section 108 Investment Committee for review and vote to determine recommendation for approval to move projects forward to HUD review. The credit memo will include a summary of the project and information on proposed eligible activities; summary of capacity of project team; detailed sources and uses; analysis of financial viability; analysis of proposed scope of work; proposed loan terms; proposed collateral structure; compliance information related to all applicable local and federal requirements; and other relevant details.

Issuance of Letter of Interest

Upon the approval of the Section 108 Investment Committee, the project will be issued a Letter of Interest from the City. The Letter of Interest includes:

- the “up to” amount of the conditional Section 108 loan award and the conditions that must be satisfied for the project to receive the loan,
- 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 Section 108 loan award will expire, and
- standard terms for the loan.

Please note: projects that receive an LOI must receive HUD and City Council approval prior to proceeding to a closing of the financing for the project.

The amount of the Section 108 loan is 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. Expiration dates of conditional Section 108 loan awards will be firm and only extended at the discretion of HRD for reasons determined by HRD to be outside the control of the developer.

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 Section 108 loan 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 Section 108 loan award for any reason.

HUD Review

The Section 108 Loan Program requires HUD review and approval before beginning the closing phase. Projects approved by the Investment Committee that have been issued an LOI will be presented to the HUD Detroit Field Office for approval prior to being packaged for closing. Program information including underwriting will be shared. The HUD Field Office will conduct a review of

the project details, national objective, eligible activities and if the benefit standard applies, and will issue a determination letter to the HUD National Office.

Once a project receives a determination letter from the HUD Field office, the City will seek City Council approval.

City Council

Projects that receive HUD approval will move forward for City Council approval. HRD staff will prepare a resolution that details the project activities and source of funds so that the project may be placed on the Council agenda. Development projects are referred by the Council of the Whole to the Planning & Economic Development Committee and must then be referred out of committee for a formal vote.

Closing

Following HUD and City Council approval, an HRD underwriter will be assigned to assemble a closing checklist and move the project to financial closing. HRD Underwriting staff will engage the City Law Department, and/or outside counsel, where limits on internal capacity require, to prepare loan documents and issue an opinion, referencing the City Council approval. Where outside counsel is engaged, legal costs will be absorbed by the project.

If there are significant updates to the project's capital stack or other project details between the credit memo and project financial closing, contracted underwriters may produce an optional closing memo to be presented at Investment Committee.

Disbursement

After closing, HRD will schedule a pre-construction meeting for projects where Section 108 loan proceeds are used for construction. HRD will manage the disbursement of funds per the terms of the loan and payout schedule. If Section 108 funds are used for construction, HRD's Construction Team will perform regular inspections, review hard cost draws, and review reimbursement requests in coordination with the third-party underwriter and HRD compliance staff.

Asset Management and Loan Servicing

After the loan closing, HRD Underwriting, Construction Team, and Asset Management team will coordinate to oversee construction monitoring, loan servicing and project closeout. The Asset Management team will be responsible for ongoing compliance monitoring. This team oversees housing projects with City investment through a system of regular project reviews that examine how projects sustain provision of quality affordable housing and amenities over time. Reviews consider physical and financial condition, as well as how and whether borrowers are continuing to meet ongoing eligibility requirements. This team has existing internal structures and manages external contractor capacity to support these functions.

Assigned Asset Managers will onboard the loans to the City's internal tracking system and its third-party loan servicer for invoicing and payment management. **Failure to make repayments according to the established repayment schedule will be considered a default and may result in foreclosure, acceleration and/or other remedies under the loan agreement.** Asset Managers will conduct regular reviews of Section 108 projects with active loans including information on project conditions, to be presented at HRD Asset Review Committee meetings. The City will deploy an

inspection team to inspect the physical condition of the property on an as-needed basis, to ensure the project continues to comply with local and federal requirements. The Asset Management team will develop a tiered system of interventions to address underperformance of any Section 108 loans and will work with borrowers early and often to correct any identified cash flow issues.

Closeout

Following project completion, HRD staff will collect necessary data to complete all Section 108 activities associated with the project in the HUD Integrated Disbursement and Information System (IDIS) and assemble a final closeout file. For all loans, this will include beneficiary data confirming rent and income compliance following initial lease-up, to satisfy eligible use requirements.

Option for Additional Third-Party Contracting

Over the course of the disbursement period, the City may choose to contract for various parts of the application review, approval and/or compliance processes, depending on internal capacity. The City will make all reasonable efforts to minimize the cost of administration to the City and the projects.

APPENDIX A. LOAN PRODUCT CHARACTERISTICS

Loan Type	Eligible Use	Suggested Project Type	Loan Size	Term & Amortization	Interest Rate	Davis Bacon	Collateral & Guarantee Requirements
Short-Term Acquisition	Acquisition	Vacant residential & mixed-use buildings	Proportion: Up to 80% LTV; Est. Size: \$500k - \$2.5M	Term: 2-yr; option to extend up to 6 mo Amortization: Interest-only Payments, Principal due upon maturity	Treasury Bill Rate + 35 bp; variable with periodic options to fix.	Not Triggered	Required: First position mortgage on subject property May be required: Interest reserve; Personal Repayment Guarantee
Mini-Perm Acquisition	Acquisition & other soft costs	Occupied rehabilitations of residential / mixed use properties	Proportion: Lesser of 1.15 DSCR or 80% LTV Est. Size: \$1M - \$5M	Term: 7-yr Amortization: 15-20 yr; Interest-only for construction period up to 2 yr			Required: First position/pari-passu or Subordinate mortgage on subject property, Assignment of Leases and Rents May be required: Interest Reserve, Personal Repayment Guarantee
Senior Construction Permanent	Acquisition, hard and soft costs ; New construction if CBDO	LIHTC projects with project-based assistance or other financing that requires compliance with Davis-Bacon	Proportion: Lesser of 1.15 DSCR or 80% LTV Est. Size: \$5M-15M construction; \$1M-5M post-conversion	Term: 20-yr Amortization: 40 yr; Interest-only for construction until conversion to permanent	As of Feb 2026: 3.95%	Triggered	Required: First position mortgage on subject property, Assignment of leases and rents, Operating Reserve, Replacement reserve May be required: Interest Reserve, Personal Repayment Guarantee
Equity Bridge			Proportion: Up to 90% of LIHTC equity Est. Size: \$5M - \$15M	Term: 5-yr Amortization: Interest-only, Principal due upon maturity			Required: Subordinate mortgage on subject property, Assignment of leases and rents, Assignment of LIHTC equity May be required: Interest reserve, Personal Repayment Guarantee

**APPENDIX B: COMMUNITY BASED
DEVELOPMENT ORGANIZATION (CBDO)
QUALIFICATIONS AND CERTIFICATION PROCESS**

For purposes of development projects, organizations can qualify as a CBDO by demonstrating they meet the criteria associated with the Community Housing Development Organization (CHDO) designation, per the requirements of CFR 570.204c. To pursue the CHDO certification, an application must be completed and submitted to HRD Asset Management. To qualify for 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 C: RENT LIMITS, INCOME LIMITS, UTILITY ALLOWANCES

HOME Maximum Rents [Source: [2026 HUD HOME Program Rent Limits](#)]

FAIR MARKET RENT	757	1009	1122	1411	1724	1868	2148	2428
50% RENT LIMIT	NA	917	983	1180	1362	1520	1677	1834
65% RENT LIMIT	NA	1173	1258	1511	1737	1918	2097	2278

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:	\$1,122
Allowance for tenant-paid utilities:	<u>-\$ 39</u>
Maximum Allowable:	\$1,083

APPENDIX C

2026 HUD HOME INCOME LIMITS

FY 2026 Income Limits Summary

FY 2026 Income Limit Area	Median Family Income	FY 2026 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Detroit-Warren-Livonia, MI HUD Metro FMR Area	\$104,800	Very Low (50%) Income Limits (\$)	36,700	41,950	47,200	52,400	56,600	60,800	65,000	69,200
		Extremely Low Income Limits (\$)*	22,050	25,200	28,350	33,000	38,680	44,360	50,040	55,720
		Low (80%) Income Limits (\$)	58,700	67,100	75,500	83,850	90,600	97,300	104,000	110,700

[Download .csv](#)

2025 HOME SUBSIDY LIMITS FOR DETROIT MSA

Elevator

Bedroom Size	Section 234 Limit	HOME Subsidy 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%

*These amounts may be updated if HUD publishes updated Section 234 Elevator Type Limits

APPENDIX C: SAMPLE UTILITY SCHEDULE

Michigan State Housing Development Authority

Utility Schedule - Region D

Effective: December 2, 2025

Counties in Region D: Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, Wayne

Structure Type		Standard Utility Allowance															Calculation				
		Apartment						Attached					Detached				Fill in the appropriate amount on the chart for each utility/appliance that you are responsible to pay. Add the total from each category for your total utility allowance.				
includes:		High-rise, Low-rise						Townhouse, Duplex, Triplex, Fourplex					Single Family Detached, Manufactured Home								
Utility		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR		
Heating	Natural Gas	\$23	\$27	\$32	\$36	\$41	\$45	\$40	\$48	\$51	\$55	\$59	\$62	\$33	\$39	\$45	\$52	\$58	\$65	Heating	\$
	Bottle Gas (propane)	\$67	\$78	\$91	\$105	\$118	\$131	\$117	\$137	\$148	\$158	\$169	\$179	\$95	\$112	\$131	\$149	\$168	\$187		
	Electric Resistance	\$36	\$43	\$58	\$73	\$88	\$104	\$52	\$62	\$80	\$99	\$118	\$137	\$85	\$100	\$118	\$135	\$152	\$169		
	Electric Heat Pump	\$32	\$38	\$45	\$50	\$56	\$61	\$41	\$48	\$57	\$65	\$72	\$79	\$46	\$54	\$64	\$72	\$80	\$88		
	Fuel Oil	\$71	\$84	\$98	\$112	\$126	\$140	\$125	\$147	\$158	\$169	\$180	\$191	\$102	\$119	\$140	\$160	\$180	\$200		
Cooking	Natural Gas	\$3	\$3	\$4	\$6	\$7	\$8	\$3	\$3	\$4	\$6	\$7	\$8	\$3	\$3	\$4	\$6	\$7	\$8	Cooking	\$
	Bottle Gas (propane)	\$7	\$8	\$12	\$16	\$20	\$24	\$7	\$8	\$12	\$16	\$20	\$24	\$7	\$8	\$12	\$16	\$20	\$24		
	Electric	\$8	\$10	\$14	\$18	\$23	\$27	\$8	\$10	\$14	\$18	\$23	\$27	\$8	\$10	\$14	\$18	\$23	\$27		
Hot Water	Natural Gas	\$6	\$7	\$10	\$14	\$17	\$20	\$8	\$9	\$13	\$17	\$21	\$25	\$8	\$9	\$13	\$17	\$21	\$25	Hot Water	\$
	Bottle Gas (propane)	\$18	\$21	\$30	\$40	\$49	\$58	\$22	\$26	\$38	\$49	\$61	\$73	\$22	\$26	\$38	\$49	\$61	\$73		
	Electric	\$22	\$26	\$33	\$40	\$47	\$54	\$27	\$32	\$41	\$49	\$58	\$67	\$27	\$32	\$41	\$49	\$58	\$67		
	Fuel Oil	\$19	\$22	\$32	\$42	\$52	\$62	\$24	\$28	\$40	\$53	\$65	\$78	\$24	\$28	\$40	\$53	\$65	\$78		
Other Electric		\$31	\$37	\$51	\$65	\$79	\$94	\$38	\$45	\$62	\$80	\$97	\$114	\$46	\$54	\$75	\$96	\$117	\$138	Electric	\$
Water		\$26	\$29	\$49	\$78	\$108	\$137	\$26	\$29	\$49	\$78	\$108	\$137	\$26	\$29	\$49	\$78	\$108	\$137	Water	\$
Sewer		\$43	\$48	\$80	\$128	\$177	\$225	\$43	\$48	\$80	\$128	\$177	\$225	\$43	\$48	\$80	\$128	\$177	\$225	Sewer	\$
Trash		\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	\$23	Trash	\$
Natural Gas Service Charge*		\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	\$15	Nat.Gas SC*	\$
Electric Service Charge		\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	\$11	Elec. SC	\$
Range**		\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	Range**	\$
Refrigerator**		\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	\$7	Refrigerator**	\$
Air Conditioning***		\$6	\$7	\$10	\$12	\$15	\$18	\$7	\$8	\$11	\$14	\$17	\$20	\$5	\$5	\$12	\$19	\$26	\$32	A/C***	\$
																			Total	\$	

* 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 D: 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 loan closing documents for a project.

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 the developers submittal of a NOFA application and the date of the Authority to Use Grant Funds.** 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 E: 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 24 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 F: EXECUTIVE ORDER NO. 2024-02

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

FROM: MICHAEL E. DUGGAN, MAYOR

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

DATE: JULY 9, 2024

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 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 7 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 ("shortage work-hours"); and (b) the percentage of total work-hours by which the contractor fell short of the Workforce Target ("shortage percentage").

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 following:¹

- (a) For each shortage work-hour comprising the first 10% of the shortage percentage, 5% of the average hourly wage paid by the contractor during the preceding measurement period.
- (b) For each shortage work-hour comprising the second 10% of the shortage percentage, 10% of the average hourly wage paid by the contractor during the preceding measurement period.
- (c) For each shortage work-hour comprising the remaining 31% of the shortage percentage, 15% of the average hourly wage paid by the contractor during the preceding measurement period.²

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.

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

¹ Thus, for example, if 25% of 1,000 total work-hours performed on a publicly-funded construction project were performed by bona-fide Detroit residents, the contractor's shortage percentage would be 26%. That contractor's minimum required contribution would be the sum of (1) 5% of the average hourly wage for 26 (i.e., 10% of 260) shortage work-hours; (2) 10% of the average hourly wage for 26 (i.e., 10% of 260) shortage work-hours; and (3) 15% of the average hourly wage for 15.6 (i.e., 6% of 260) shortage work-hour.

² Section 7 has been revised from Executive Order 2021-02 to retroactively and prospectively cure any potential ambiguity to the calculation formula provided therein (as well as any substantively identical sections in prior executive orders). The clarifications are intended to reflect and not revise the calculation formula used by CRIO prior and up to the effective date of this Executive Order.

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.

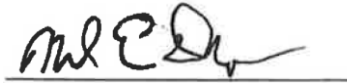
In addition, the City reserves the right to re-bid the contract, in whole or in part, or hire its own workforce to complete the work.

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

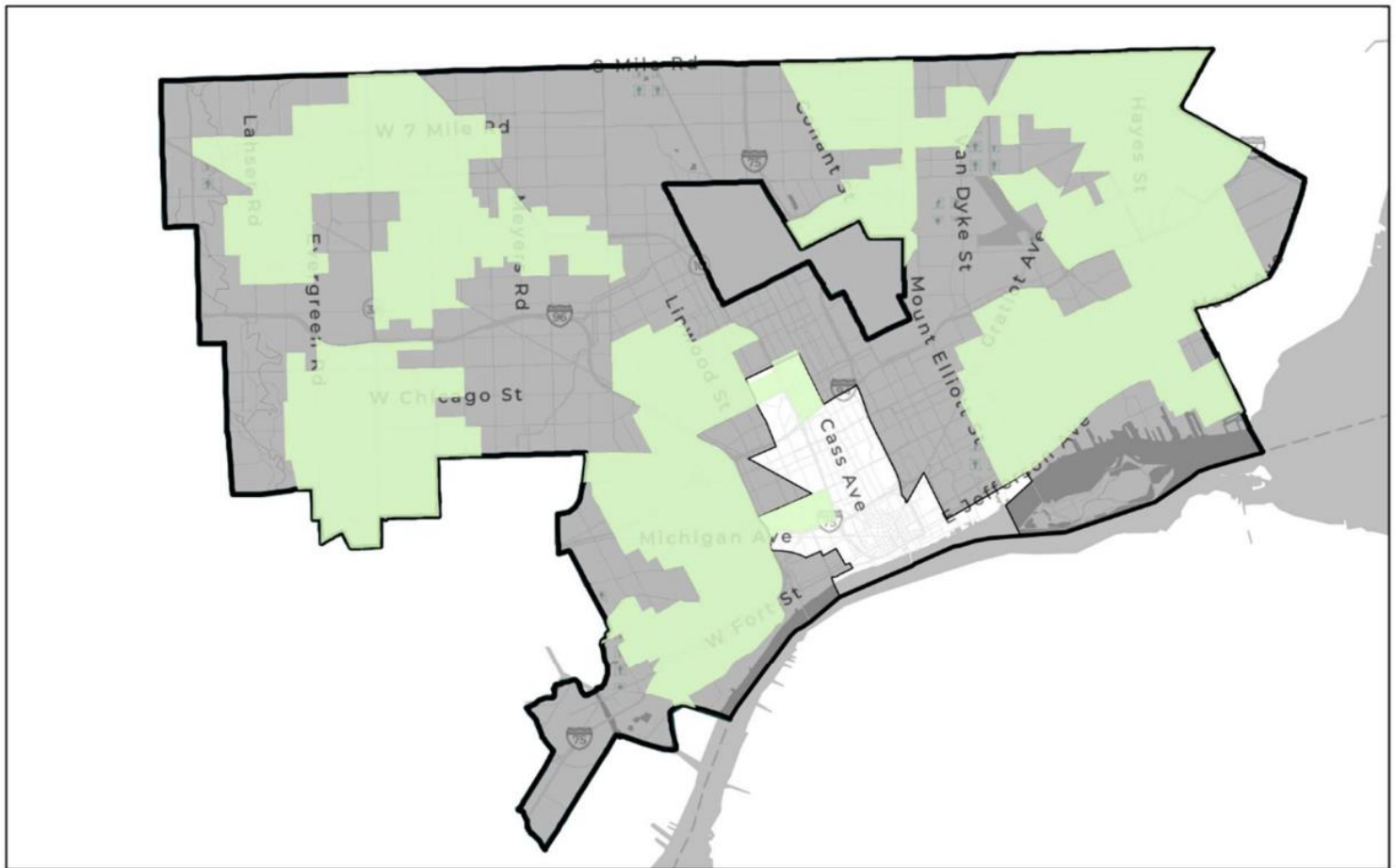
by a grant awarded by a federal, state, or other governmental entity, the terms of which prohibit the implementation of any such requirements.

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 2021-02, issued by me on April 14, 2021. 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.

A handwritten signature in black ink, appearing to read "M E Duggan", written over a horizontal line.

MICHAEL E. DUGGAN
MAYOR
CITY OF DETROIT

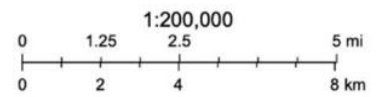
APPENDIX G: NEIGHBORHOOD REVITALIZATION STRATEGY AREAS (NRSA) & OUTSIDE GREATER DOWNTOWN AREA MAP OVERLAY



6/25/2025

 2020 Neighborhood Revitalization Strategy Areas (NRSA)

 City of Detroit Boundary



APPENDIX H: THRESHOLD REVIEW CRITERIA

Section 108 Loan program applicants must minimally submit all required documents identified in the NOFA Application to be considered for Threshold Review. At threshold review stage, projects will be evaluated to determine if they satisfy the feasibility and readiness considerations and are eligible to continue to underwriting. Threshold review will include the following components:

Eligibility Review

- Project's alignment with CDBG national objectives, eligible activities, and public benefit standard if applicable
- Allowability of loan amount requested based on loan product type and loan amount range
- Priority for locations outside of the Greater Downtown Area and/or within a Neighborhood Revitalization Strategy Area (NRSA)

Project Feasibility & Readiness

- Project and site readiness, based on zoning designation and any land use regulations; whether or not the proposed project will require hearings or approvals
- Evidence of site control by the borrower in the form of either recorded ownership information, sales or purchase agreement and lease or ground lease
- Summary of findings from Phase I Environmental Site Assessment, including whether Phase II is required
- A Property Condition Assessment (for acquisition short-term and acquisition mini-perm loan products)
- Confirmation of Trade Payment Breakdown prepared by licensed general contractor and alignment with proposed scope of work

Borrower Experience & Capacity

- Overview of the history and management capacity of the borrower, demonstrating experience with at least one similar like-kind project
- The organization structure of the borrower (must be one of the ownership structures considered by HUD to be acceptable for 108-funded projects) and confirmation that key principal(s) are legally authorized to do business in the United States
- Review of Debarment, Suspension, Ineligibility and Voluntary Exclusion Certification and search for eligible status of the members of the development team in the federal System for Award Management (SAM).

Borrower Financial Capacity and Creditworthiness

- Initial review of financial capacity of the borrower and/or its key principals, demonstrated through financial statements, schedules of holdings, tax returns, bank statements, and/or other documentation
- Initial assessment of borrower creditworthiness based on project financials; may be supported by credit reports, credit scores, verification of employment and past bankruptcies, if any, for the key principal(s).

Project Financial Viability

- Analysis of project development pro forma, including:
 - Sources and uses
 - Rent roll (current and/or projected)
 - Project capital development budget
 - Operating income and expense budget with 20-year NOI projection
 - Replacement reserves at \$300 per unit per year
 - Cash flow analysis, including NOI to debt-service
 - Actual Income and Expense statements for previous two years, if existing development

- Loan sizing analysis:
 - Short-term acquisition loan: LTV ratio of 80% (exceptions may be granted with provision of additional collateral and based on seniority of loan, and other relevant terms)
 - Acquisition mini-perm loan and senior permanent construction loan: lesser of debt coverage ratio of 1.20 or LTV of 80%
 - Equity bridge loan: Maximum loan size of 90% of credit equity (may later be adjusted downward due to tax credit adjusters in partnership agreement)
 - Construction loan draw schedule (for senior construction loan and equity bridge loan) and confirmation of sufficient construction loan interest reserve
 - Loan amortization schedule consistent with the City's established loan terms:
 - Senior construction loans: up to 20-year term, up to 40-year amortization, up to 24-month interest-only period
 - Acquisition mini-perm loans: up to 7-year term, up to 15-year amortization
 - Short-term acquisition and equity bridge loan: Will require Interest reserve will be used to cover the interest payments over projected term
 - Equity contribution – up to 10% equity contribution may be required for acquisition short-term loans if the loan amount exceeds 80% Loan to value ratio
 - Letters of Intent committed by other lenders/investors into the project
 - Initial review of cost reasonableness by HRD Construction Team

Collateral and Loan Repayment Guarantees

- Sufficient collateral proposed to secure the loan, including but not limited to real estate, cash, equity, letters of credit, and personal guarantees
- Borrower's willingness to fulfill all current and previous obligations and review of any past performance requiring legal action

See Appendix A. Loan Characteristics for more information

APPENDIX I: UNDERWRITING REVIEW CRITERIA

For projects that advance to the underwriting phase, projects will be subject to a deeper and more detailed review of the same key criteria. This review will be conducted by third party contracted underwriter(s) selected based on expertise in underwriting for affordable housing development. The review will comply with Appendix A of CFR Part 570 “Guidelines and Objectives for Evaluating Project Costs and Financial Requirements.”

Eligibility Review

Review and confirm all components of eligibility within threshold review.

Project Feasibility & Readiness

Review and confirm all components of project feasibility & readiness within threshold review; and:

- Assess market readiness to determine the likely demand for the unit type being offered, expected occupancy rates, cost burdens, which may include consideration for the use of other local incentives
- Commission a property appraisal and evaluate the as-is and/or as-completed market value of the property
- Coordinate signed completion of environmental review with HRD Environmental Review team and Authority to Use Grant Funds
- Confirm a professional ALTA/ASCM survey including legal description of the property
- Confirm title insurance policy is in place meeting the Minimum Standard Detail Requirements for American Land Title Association (ALTA) or the American Congress on Survey and Mapping (ACSM). Note that additional requirements apply to projects where the property is pledged as collateral.

Borrower Experience and Management Capacity

Review and confirm all components of borrower experience and management capacity within threshold review; and:

- Prepares a signed and dated certification that a SAM.gov search was conducted and borrower and key principal team member(s) were cleared.

Borrower Financial Capacity and Creditworthiness

Review and confirm all components of borrower financial capacity & credit worthiness within threshold review; and:

- Complete detailed review of financial capacity of the borrower and/or its key principals, demonstrated through financial statements, schedules of holdings, tax returns, bank statements, and/or other documentation
- Complete detailed assessment of borrower creditworthiness based on project financials and may be supported by credit reports, credit scores, verification of employment and past bankruptcies, if any, for the key principal(s) and provide recommendation
 - Note: The individual minimum credit score accepted for the borrow and key principals is 700, exceptions may be considered on a case-by-case basis and may result in adjustment to loan terms to account for added risk. Credit enhancement in the form of personal guarantees and third-party guarantees may be considered.
- Provide determination of whether or not a borrow is a “good credit risk”. Projects that do not satisfy this designation will not continue.

Project Financial Analysis

Perform a detailed review and analysis of all project financials in standardized pro forma format acceptable to the City and its contractors, for all criteria described at threshold review stage, and:

- Confirm inclusion of Section 108 financing fees
- Firm proof of all funds committed by other lenders/investors into the project, in the form of term sheets and legal documents

Collateral and Loan Repayment Guarantees

Perform a detailed review and analysis of all collateral & loan repayment guarantee criteria described at threshold review stage, *and*:

- Confirm collateral is in place to secure the loan, including but not limited to real estate, cash, equity, letters of credit, and personal guarantees
- Confirm performance bond or completion guarantee
- Confirm engagement of qualified general contractor
- Review inter-creditor agreements, if applicable in any loans which are not senior loans

As described above, final Credit Memos (and/or Closing Memos where applicable) will be presented at Investment Committee for approval before sending to City Council.

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).

- City of Detroit Housing and Revitalization Department reserves the right of a lookback period of up to 1 year as it pertains to tenant occupancy. In the event of sharp drops in occupancy there may be more inquiries as to the specific details leading to such an event.
- 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 AMI⁽¹⁾)
 - 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 annual rent increases may not exceed the lesser of:
 - 3% per year
 - maximum rents set by HUD or MSHDA if applicable
- Recommended: phased construction to limit temporary relocation

Tenant Retention Plan Requirements

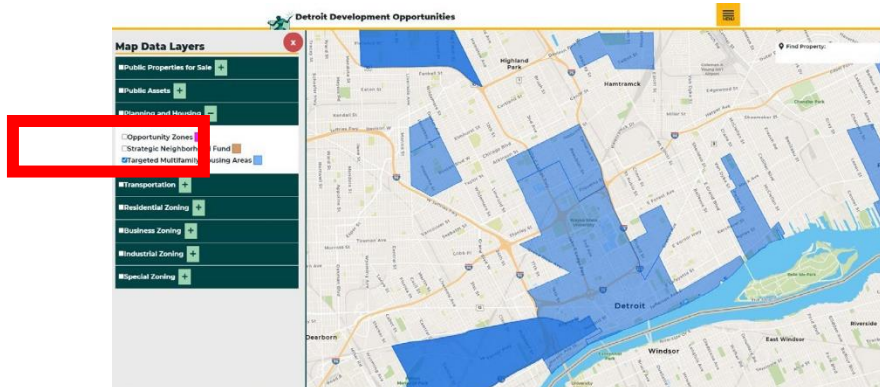
All plans must include the following information. Note that Transition Plans prepared for MSHDA may be submitted along with an addendum as needed to meet the requirements below. See the sample Tenant Retention Plan for reference.

- 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


¹¹ 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 Section 108 priority areas, which include projects outside the Greater Downtown Area and projects within the Neighborhood Revitalization Strategy Area (NRSA). Navigate to the Map Data Layers and select the “Planning and Housing” category. From there, identify if an address is within the “ALFAH S108 – NRSA” layer and, separately, the “ALFAH S108 – Outside Greater Downtown” layer.



- [NOFA APPLICATION](#) – Please fill out and submit application via Neighborly software. <https://portal.neighborlysoftware.com/cityofdetroitmi/Participant> and select “ALFAH Section 108.”
- [FILE UPLOAD](#) – Email HRD108NOFA@detroitmi.gov to request a link usable to upload files that are larger than 100MB. 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 Application Submission section that begins on page 21 of this NOFA.
- [MSHDA PROFORMA](#) – The Michigan State Housing Development Authority (MSHDA) Proforma Excel template is provided here as a resource.
- [HRD PROFORMA](#) – The City of Detroit Housing and Revitalization Department (HRD) Proforma Excel template is provided here as a resource.
- [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 \(PPR\)](#) – If required for your project, you may use this link to schedule the required Preliminary Plan Review (PPR).
- [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


- [HUD HOME RENT LIMITS](#) – HUD Reference to determine Rent (Note: “Low Income” limits translate to 80% AMI.) Published annually at provided link.
- [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](#) – Reference policy when doing Tenant Retention Plan (TRP).
-  – This template shows an example of a Tenant Relocation Plan for projects with occupied units. To begin your TRP, please contact the Preservation Initiatives Manager Eric Andrews for an editable TRP Template at eric.andrews@detroitmi.gov.
- [CITY OF DETROIT COMMUNITY HOUSING DEVELOPMENT ORGANIZATION \(CHDO\) APPLICATION](#) – Complete this application to register as a CHDO
- [CITY OF DETROIT COMMUNITY-BASED DEVELOPMENT ORGANIZATION \(CBDO\) CERTIFICATION](#) – Complete this application to obtain CBDO Certification.
- [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.

APPENDIX L: NEIGHBORLY APPLICATION EXAMPLE

<p>Program Overview</p> <p><i>Completed by michele.oberholtzer@detroitmi.gov on 5/8/2026 1:21 PM</i></p>	<p>Case Id: 43550</p> <p>Name: Antonio NBLY Test - 2026</p> <p>Address: *No Address Assigned</p>
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Program Overview

Please provide the following information.

	<p>ALFAH Section 108 NOFA</p>	<p>Housing and Revitalization Department 2 Woodward Ave, Suite 908 Detroit, MI 48226 313-224-6380 HRD108NOFA@detroitmi.gov</p>
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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 loans through the City of Detroit’s Affordable Loans for Affordable Housing (ALFAH) Section 108 loan program to support projects that advance the City’s goals of affordable housing production and the creation or stabilization of healthy mixed-income communities with a rich array of amenities and strong local economies. Through this NOFA, HRD is making available a loan pool of up to \$75,000,000 through lower-interest loans to support the preservation and construction of affordable housing, and to reduce the barriers to housing development. These loans must be repaid; this is not a gap financing program. Specific funding amounts and details on the loan products can be found in the NOFA document linked [HERE](#). Program information is available at detroitmi.gov/ALFAH108

This NOFA offers four different loan products to meet the needs of a variety of development stages, financial circumstances, and project types. A summary of the loan product types is below, and further information on the loan products can be found in the NOFA document linked above.

Loan Type	Eligible Use	Suggested Project	Loan Size	Term & Amortization
Acquisition Short-Term Loan	Acquisition	Vacant residential & mixed-use buildings	<u>Proportion:</u> Up to 80% LTV; <u>Est. Size:</u> \$500k - \$2.5M	<u>Term:</u> 2-yr; option to extend up to 6 mo. <u>Amortization:</u> Interest-only Payments, Principal due upon maturity
Acquisition Mini-Perm Loan	Acquisition & other soft costs	Occupied rehabilitations of residential / mixed use properties	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$1M - \$5M	<u>Term:</u> 7-yr (negotiable) <u>Amortization:</u> 15-20 yr; Interest-only for construction period up to 2 yr
Senior Construction-to-Permanent Loan	Acquisition, hard and soft costs; New construction if CBDO	LIHTC projects with project-based assistance or other financing that requires compliance with Davis-Bacon	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$5M-15M construction; \$1M-5M post-conversion	<u>Term:</u> 20-yr <u>Amortization:</u> 40 yr; Interest-only for construction until conversion to permanent
Tax Credit Equity Bridge Loan			<u>Proportion:</u> Up to 90% of LIHTC equity <u>Est. Size:</u> \$5M - \$15M	<u>Term:</u> 5-yr <u>Amortization:</u> Interest-only, Principal due upon maturity

Event	Date
NOFA Published	Wednesday, May 20, 2026
HRD Pre-Submission Public Meeting*	Thursday, May 21, 2026 at 9am (see meeting information below)*
Program Compliance Information Meeting***	Wednesday, May 27, 2026 12pm (see meeting information below)**

The NOFA was initially published and made available on 4/27/2026.
Applications are accepted on a rolling basis.

The recording of the **HRD Public Meeting** regarding this NFOA will be posted at detroitmi.gov/ALFAH108
*** A recording of the **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 posted at ALFAH108@detroitmi.gov. **Development teams applying for funding through this NOFA must view this recording.**

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

Please check the following boxes to acknowledge that you have read and will abide by all process requirements:

- File Name Format Requirements - For each document, please use the following naming system: Upload Letter.Number_Project Name_Jul 2025**
(Example: For the Executive Summary, the File Name would read: D.1_Orange Grove Heights_Jul 2025) Project Name should NOT exceed 20 Characters (Including Spaces).
- File Size Limitations - Each individual document uploaded is not to exceed 100 MB, with the ability to upload multiple files at a time per attachment. For documents that exceed 100 MB, please email HRD108NOFA@detroitmi.gov to request a link that will enable sharing of large file sizes.**
- Pre-Application Project Review Meeting Requirement - The Development Team must request a Pre-Application Project Review Meeting using this link and provide the required documents at the time the request is submitted.**
- Communications with the City of Detroit HRD Team - All inquiries, project updates, and other communications are to be conducted via email, and sent to HRD108NOFA@detroitmi.gov. Any messages sent to individual City of Detroit HRD Team members will not be acknowledged or responded to.**
- 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.**

A. Borrower Information

Last modified by michele.oberholtzer@detroitmi.gov on 5/20/2026
2:23 PM

A. Borrower Information

Please provide the following information. (Remember to hit “Save” at the bottom before leaving this page or exiting your browser to save your progress.)

A.1. Full Legal Name of Borrowing Entity:

A.2. Full Legal Name of Lead Developer (Your Organization):

A.3. Lead Developer (SAM.gov) Unique Entity Identifier (UEI):

A.4. Federal Tax Identification Number:

A.5. Name of Organization Lead Contact:

A.6. Phone Number:

A.7. Email Address:

A.8. Mailing Address of the Organization:

A.9. Street Address of the Organization, if Different from Above:

A.10. Is there a Co-Developer?

A.10a. Co-Developer 1

Co Developer 1 Full Legal Name:

Co Developer 1 Unique Entity Identifier (UEI) ([SAM.Gov](https://sam.gov)):

Co Developer 1 Federal Tax Identification Number:

Co Developer 1 Lead Contact Name:

Co Developer 1 Phone Number:

Co Developer 1 Email Address:

Co Developer 1 Mailing Address:

Co Developer 1 Street Address, if Different from Above:

Is Co-Developer 1 an Emerging Developer?

Co Developer 1 Emerging Developer's interest in general partnership:

Is there another Co-Developer?

A.11. What is the legal structure of the Borrower?

A.12. Is the Borrower any of the following?

- % Veteran Owned
- 51% Minority Business Enterprise
- 51% Minority Ownership (If For-Profit Applicant)
- 51% Women Leadership (If Non-Profit Applicant)

- 51% Women Ownership (If For-Profit Applicant)
- 51% Minority Leadership (If Non-Profit Applicant)
- N/A

A.13. Is the Borrower controlled by a Community-Based Development Organization (CBDO)?

A.13a. If yes, what is the date of the organization’s most recent City of Detroit CBDO certification? A copy of the most recent certification must be uploaded below.

A.13b. Upload CBDO Certification:

- CBDO Certification ***Required**

A.14. Are any persons employed or contracting with your organization debarred by HUD or the State of Michigan?

A.15. 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?

A.15a. Describe the contracting restrictions:

A.16. Has your organization or one of its principals filed for bankruptcy within the past 10 years?

<p>B. Project Capacity</p> <p><small>Last modified by michele.oberholtzer@detroitmi.gov on 5/20/2026 2:24 PM</small></p>	<p>Case Id: 43550</p> <p>Name: Antonio NBLY Test - 2026</p> <p>Address: *No Address Assigned</p>
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B. Project Capacity

Please provide the following information. (Remember to hit “Save” at the bottom before leaving this page or exiting your browser to save your progress. As this is a long page to complete, we recommend periodically hitting “Save” to ensure you don’t accidentally leave without doing so.)

Loan Type	Eligible Use	Suggested Project Type	Loan Size
Short-Term Acquisition	Acquisition	Vacant residential & mixed-use buildings	<u>Proportion:</u> Up to 80% LTV; <u>Est. Size:</u> \$500k - \$2.5M
Mini-Perm Acquisition	Acquisition & other soft costs	Occupied rehabilitations of residential / mixed use properties	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$1M - \$5M
Senior Construction Permanent	Acquisition, hard and soft costs ; New construction if CBDO	LIHTC projects with project-based assistance or other financing that requires compliance with Davis-Bacon	<u>Proportion:</u> Lesser of 1.15 DSCR or 80% LTV <u>Est. Size:</u> \$5M-15M construction; \$1M-5M post-conversion
Equity Bridge			<u>Proportion:</u> Up to 90% of LIHTC equity <u>Est. Size:</u> \$5M - \$15M

B.1. Which loan type are you seeking?

PROJECT TIMELINE

B.2. What loan amount are you seeking?

B.3. What are the total anticipated development costs?

B.4. Project Name

B.5. Please upload an Executive Summary:

Executive Summary ***Required**

B.6. Physical/Street Address of the Project:

B.6a. Boundary Streets of Project Site:

B.6b. Neighborhood of the Project:

B.6c. Walk Score:

B.6d. Bike Score:

B.6e. Transit Score:

B.6f. City Council District:

B.6g. Census Tract Number(s) of Project Site:

Census Tract

B.7. Is the project either listed in or eligible to be listed in the National Register of Historic Places?

B.8. Is the project located in a Historic District/Historic Designated Area (this can also include buildings that are designated by the City as a Local Historic District)?

B.8a. If so, please identify the Historic District/Area name:

B.9. Is this project within a Neighborhood Revitalization Area (NRSA)? ([Opportunities Map](#))

B.10. Is this project outside the Greater Downtown Area? ([Opportunities Map](#))

B.11. Has the Development Team participated in a Preliminary Plan Review (PPR) Meeting with Buildings, Safety Engineering, and Environmental Department (BSEED)?

B.11a. If yes, please confirm date of PPR:

B.11a. Is the proposed project a rehabilitation of an existing multi-residential structure?

B.11b. Has a Preliminary Plan Review with BSEED been scheduled? (To schedule, follow this link: [BSEED Project Review Meetings](#))

B.11d. Please confirm date of scheduled PPR:

If a PPR is not required, upload proof from BSEED. If a PPR is required, a meeting with BSEED must be scheduled immediately, see 11b.

BSEED Confirmation PPR not required

B.12. Will any Variances or Approvals be required for the following:

Parking

Setbacks

Exterior Envelop Alterations / Changes

Other; Please specify 'Other' here:

B.13. Evidence of Site Control

B.13a. Specify 'Other' Evidence of Site Control:

B.14. What type of development is being proposed by your organization with proposed program funding? (*Check all applicable boxes*)

New Construction of Multi-Family units (4+)

Purchase/Rehabilitation of Existing Housing

Adaptive Reuse

B.15. Which of the following characteristics apply to the proposed project? *(Check all applicable boxes)*

Occupied Multi-Family Units (4+)

Vacant Multi-Family Units (4+)

Mixed-Use Project Including Office and/or Retail Space

Preservation Project that Extends Affordability Requirements for Existing Occupied Affordable Housing (Regulated or Naturally Occurring)

Historic Preservation

Scattered Site

PROJECT SQUARE FOOTAGES & BUILDING CONFIGURATION

B.16. Residential Square Footage:

B.17. Commercial Square Footage (If Applicable):

B.18. Total Project Square Footage:

B.19. Number of Buildings:

B.20. Number of Stories:

B.21. Number of Parking Spaces:

UNIT BREAKOUTS

B.22. Affordability Type Breakout:

Number of Affordable Units

Number of Other Residential Units

Total Units

B.23. Do you currently have the details of the unit affordability composition?

B.23a. Affordability Level Breakout:

	Studio	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
--	--------	-----------	-----------	-----------	------------

15% AMI					
20% AMI					
25% AMI					
30% AMI					
35% AMI					
40% AMI					
45% AMI					
50% AMI					
55% AMI					
60% AMI					
65% AMI					
70% AMI					
75% AMI					
80% AMI					
120% AMI					
Market Rate					
Total Units	0	0	0	0	0

B.24. Unit Affordability Narrative Summary:

B.26. Number of Type A Accessible Units:

B.27. Number of Type B Accessible Units:

B.28. Number of Hearing/Visual (HVI) Units:

<p>C. General Requirements</p> <p><i>No data saved</i></p>	<p>Case Id: 43550</p> <p>Name: Antonio NBLY Test - 2026</p> <p>Address: *No Address Assigned</p>
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C. General Requirements

Please provide the following information. (Remember to hit "Save" at the bottom before leaving this page or exiting your browser to save your progress. As this is a long page to complete, we recommend periodically hitting "Save" to ensure you don't accidentally leave without doing so.)

C.1. Which loan type are you seeking?

EXECUTIVE SUMMARY

C.2. Executive Summary - 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.

Executive Summary *Required

DEVELOPER EXPERIENCE NARRATIVE

C.3. Developer Experience Narrative - Please provide a developer experience narrative that includes the following:

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. (2 paragraph max.)

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. (1 paragraph max per internal staff member)

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 (1 paragraph max.)

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.

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. (1 paragraph max.)

Developer Experience Narrative:

Developer Experience Narrative *Required

DEVELOPMENT TEAM EXPERIENCE NARRATIVE

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).

C.4. Development Team Experience Narrative - For each entity secured, please provide the following:

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.

Project Experience - Provide a list of all of the comparable rental housing projects the entity has completed in the last 3 years including the projects’ 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.

Development Team Experience Narrative:

Development Team Experience Narrative ***Required**

PROGRAM SCOPE AND FEASIBILITY NARRATIVE

C.5. 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.

Program Scope ***Required**

C.6. 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.

Fund Source	Fund Amount	Key Business Terms	Conditions
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C.7. 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)

C.8. 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)

BOARD OF DIRECTORS OR EXECUTIVE TEAM INFORMATION

C.9. Board of Directors or Executive Team Information - Provide brief bios, including current occupation, of the developer’s Board of Directors or Executive Leadership including experience with Affordable Housing and/or Permanent Supportive Housing.

Name	Current Occupation	Brief Bio
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EXPLANATION OF FAILURE TO COMPLETE PREVIOUS DEVELOPMENT(S)

C.10. Explanation of Failure to Complete Previous Development(s) - 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. If none, indicate “None.”

EMERGING DEVELOPER (ED) DELIVERABLES *(Projects with Emerging Developers ONLY - Required)*

C.11. **ED Summary** - Provide a summary of the ED's participation/role in the development process of the submitted project that details which portion of the project that they have and will be managing.

ED Summary:

ELD Summary

C.12. **ED 5-Year Plan** - Provide a 5-year business plan detailing the ED's future plans for developing affordable housing in the City of Detroit. This should be inclusive of past, current, and future developments; and reasonably obtainable goals that will allow enough experience to become an independent developer.

ED 5-Year Plan:

ELD 5-Year Business Plan

C.13. **Development Team Organization Overview and Chart** - An overview and chart detailing the Development Team's organization structure identifying the ED 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).

Development Team Organizational Overview and Chart:

Development Team Organizational Overview and Chart

C.14. **ED and Experienced Developer Confirmation** - Letters from both the ED and/or the Experienced Developer on their letterhead acknowledging the following:

- Both organizations will be Guarantors should the project receive a City of Detroit Conditional Award through this NOFA.
- Representatives from both organizations will attend all City of Detroit project meetings, trainings, etc. as required. Additionally, the ED will attend any additional events as suggested by the Experienced Developer.
- The Experienced Developer commits to working alongside the ED to increase their development experience via training, resources, and support in identifying future LIHTC projects.
- The ED is an unrelated party to the Experienced Developer.

ED and Experienced Developer Confirmation:

ELD and Experienced Developer Confirmation

C.15. **ED Participation in Development Programs** - Certificate or other documentation demonstrating completion of the Capital Impact Partners EDI program and/or similar program(s).

ED Participation in Development Programs:

ELD Participation in Development Programs

C.16. Are key principal(s) legally authorized to do business in the United States?

D. Developer Finances <i>Last modified by michele.oberholtzer@detroitmi.gov on 5/8/2026 1:59 PM</i>	Case Id: 43550 Name: Antonio NBLT Test - 2026 Address: *No Address Assigned
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D.

Developer Finances

Please provide the following information. (Remember to hit "Save" at the bottom before leaving this page or exiting your browser to save your progress.)

D.1. Which loan type are you seeking?

D.2. Is the Sponsor/Guarantor a for profit organization or a nonprofit organization?

D.2a. Financial Statements of Sponsor/Guarantor - For Profit - 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.

Financial Statements of Sponsor/Guarantor - For Profit

D.2a. Financial Statements of Sponsor/Guarantor – Nonprofit - Provide tax returns for the last 3 years (990s or personal tax returns for each party with 20% or greater ownership). Signed, current personal financial statement for each party with 20% or greater ownership. Required for personal guarantees and allows pulling of credit report.

Financial Statements of Sponsor/Guarantor – Nonprofit

D.3. Real Estate Owned (REO) Schedule - Provide 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 HRD108NOFA@detroitmi.gov if you would like a template to use.**

Real Estate Owned (REO) Schedule ***Required**

D.4. Development Financial Statements - (Currently Occupied and Operating Projects ONLY – Required)

Development Financial Statements

E. Readiness To Proceed <small>Last modified by michele.oberholtzer@detroitmi.gov on 4/21/2026 4:29 PM</small>	Case Id: 43550 Name: Antonio NBLY Test - 2026 Address: *No Address Assigned
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E. Readiness To Proceed

Please provide the following information. (Remember to hit “Save” at the bottom before leaving this page or exiting your browser to save your progress.)

Loan Type	Term & Amortization
Short-Term Acquisition	<u>Term:</u> 2-yr; option to extend up to 6 mo <u>Amortization:</u> Interest-only Payments, Principal due upon maturity
Mini-Perm Acquisition	<u>Term:</u> 7-yr <u>Amortization:</u> 15-20 yr; Interest-only for construction period up to 2 yr
Senior Construction Permanent	<u>Term:</u> 20-yr <u>Amortization:</u> 40 yr; Interest-only for construction until conversion to permanent
Equity Bridge	<u>Term:</u> 5-yr <u>Amortization:</u> Interest-only, Principal due upon maturity

E.1. Which loan type are you seeking?

E.1a. Preliminary Plan Review (PPR) Summary or Proof of Scheduled Meeting - Provide the “Preliminary Plan Review Summary” provided by BSEED with their feedback. If not available, provide proof of the scheduled Preliminary Planning Review (PPR) meeting with the Buildings, Safety Engineering, and Environmental (BSEED) Department. To schedule a meeting, click [here](#).

Preliminary Plan Review (PPR) Summary or Proof of Scheduled Meeting ***Required**

E.2. Project Timeline - Provide project timeline. Project timeline must include estimated dates (if applicable) for:

- a. Acquisition Date
- b. Section 108 Loan Closing Date
- c. Construction Start
- d. Construction End
- e. 100% Occupancy of City Assisted Units
- f. Stabilized Occupancy
- g. Section 108 Loan Payoff Date

Project Timeline ***Required**

E.2a. Section 108 Loan Closing Date (Estimated)

E.2b. Section 108 Loan Payoff Date (Estimated)

E.3. Evidence of Site Control - Provide evidence of site control. 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.

Evidence of Site Control ***Required**

E.4. Site Plan Approval - If the project has obtained Site Plan Approval, provide the Site Plan Approval Letter from the Buildings, Safety Engineering, and Environmental Department (BSEED). Note that the project will still be subject to the Design Review Process with the Planning and Development Department (PDD).

Site Plan Approval

E.5. Evidence of Historic Designation - Provide evidence of the historic designation of the property.

Evidence of Historic designation

E.6. 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.

Letter of Support from Veterans Administration

F. Goals & Requirements	Case Id: 43550 Name: Antonio NBLY Test - 2026
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F. Goals & Requirements

Please provide the following information. (Remember to hit "Save" at the bottom before leaving this page or exiting your browser to save your progress. As this is a long page to complete, we recommend periodically hitting "Save" to ensure you don't accidentally leave without doing so.)

F.1. Which loan type are you seeking?

Section 3 Information - Please ensure your Section 3 information is up to date. Do not submit old information and documents prior to 2020.

F.1a. Section 3 Experience - Has the developer had Section 3 experience in the last 5 years?

F.1ab. Section 3 Experience - If the developer has had Section 3 experience within the past 5 years, please complete the table below.

Project	Address	Project Completion Date	Total Labor Hours	Total Sec. 3 Worker Labor Hours	Total Targeted Sec. 3 Worker Labor Hours	How did the project meet Section 3 compliance?
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F.1ab. Section 3 Experience Explanation - Please attach a statement indicating the developer has not had Section 3 experience in the last 5 years 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.

Section 3 Experience Explanation

F.1b. Section 3 Plan – Developer and General Contractor Document - Provide the Section 3 Plan – Developer and General Contractor document.

Section 3 Plan – Developer and General Contractor Document *Required

F.1c. Section 3 Intent to Comply Document - Provide the Section 3 Intent to Comply document.

Section 3 Intent to Comply Document *Required

Additional Information

F.1d. Green Building Initiatives - 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.

- Enterprise Green Communities: New Construction Mandatory +35 Optional; Moderate Rehabilitation Mandatory +30 Optional; Substantial Rehabilitation Mandatory +30 Optional
- U.S. Green Building Council LEED: Certified, Silver, Gold, or Platinum.

F.1e. Internet Access - If providing internet access in common areas, please provide a written agreement describing the internet access that will be provided. To ensure compliance, commitments will become a loan covenant.

Internet Access Agreement

F.1f. Trade Payment Breakdown (TPB) - Provide a draft Trade Payment Breakdown (TPB) that has been completed by the general contractor.

Trade Payment Breakdown (TPB) ***Required**

F.1g. Tentative Construction Schedule - Provide a draft tentative construction schedule that has been completed by the general contractor.

Tentative Construction Schedule ***Required**

F.1h. Buy America, Build America (BABA) Act Letter - Provide a certified letter from the General Contractor confirming that pricing as submitted to this NOFA complies with the Buy America, Build America (BABA) Act.

Buy America, Build America (BABA) Act Letter ***Required**

CERTIFICATIONS

F.2. Proof of Certificate as a Minority/Women Owned Business Enterprise - Is the Developer and/or Co-Developer(s) certified as a Minority/Women Owned Business Enterprise? (To start the Minority/Women Owned Business Enterprise certification process, click [here](#).)

F.2a. Provide documentation showing the developer is certified as a Minority/Woman Owned Business

Proof of Certificate as a Minority/Women Owned Business Enterprise ***Required**

F.3. City of Detroit Approval as a Community Housing Development Organization (CHDO) - Is the Developer and/or Co-Developer(s) certified as a Community Housing Development Organization (CHDO)? (To start the CHDO certification process, click [here](#).)

F.3a. Provide documentation showing the developer has received City of Detroit approval as a Community Housing Development Organization (CHDO).

CHDO Certification ***Required**

F.4. Community-Based Development Organization (CBDO) Certification - Is the Developer and/or Co-Developer(s) certified as a Community-Based Development Organization (CBDO)? (To start the CBDO Certification process, click [here](#).)

F.4a. Provide documentation showing the developer has received City of Detroit approval as a Community-Based Development Organization (CBDO).

Community-Based Development Organization (CBDO) Certification ***Required**

ALIGNMENT WITH CITY GOALS: PRIORITY PROJECTS

F.5. Is this project considered an initiative tied to a City Planning Study?

F.5a. 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. (1 paragraph max)

F.6. Please provide a brief summary of how this project is tied to a Strategic Neighborhood Fund (SNF) Area. Please provide any relevant and available hyperlinks to further outline these details. (1 paragraph max)

F.7. Has this project received an award through a City of Detroit RFP?

F.7a. Please provide a brief summary of the award. Please provide any relevant and available hyperlinks to further outline these details. (1 paragraph max)

F.8. General Information Notice (GIN) (*Projects with Existing Residents ONLY – Required*) - 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 [here](#).

General Information Notice (GIN)

***No files uploaded*

G. Project Financing

No data saved

Case Id: 43550

Name: Antonio NBLY Test - 2026

Address: *No Address Assigned

G. Project Financing

Please provide the following information. (Remember to hit "Save" at the bottom before leaving this page or exiting your browser to save your progress.)

Loan Type	Collateral & Guarantee Requirements
Short-Term Acquisition	<u>Required:</u> First position mortgage on subject property <u>May be required:</u> Interest reserve; Personal Repayment Guarantee
Mini-Perm Acquisition	<u>Required:</u> First position/pari-passu or Subordinate mortgage on subject property, Assignment of Leases and Rents <u>May be required:</u> Interest Reserve, Personal Repayment Guarantee
Senior Construction Permanent	<u>Required:</u> First position mortgage on subject property, Assignment of leases and rents, Operating Reserve, Replacement reserve <u>May be required:</u> Interest Reserve, Personal Repayment Guarantee
Equity Bridge	<u>Required:</u> Subordinate mortgage on subject property, Assignment of leases and rents, Assignment of LIHTC equity <u>May be required:</u> Interest reserve, Personal Repayment Guarantee

G.1. Which loan type are you seeking?

G.1a. Project Based Vouchers (PBV) Award Letter or Evidence of Application - Provide award letters or evidence of application for any project based rental assistance vouchers included in the proforma. For projects that include both 4% and 9% LIHTC components, award letters or evidence of application for project based vouchers (PBVs) for each of the components must be submitted even if the City request is only in one of the components.

Project Based Vouchers (PBV) Award Letter

G.1a. Project Based Vouchers (PBV) Award Letter or Evidence of Application - Provide award letters or evidence of application for any project based rental assistance vouchers included in the proforma. For projects that include both 4% and 9% LIHTC components, award letters or evidence of application for project based vouchers (PBVs) for each of the components must be submitted even if the City request is only in one of the components.

Project Based Vouchers (PBV) Award Letter

G.1a. Project Based Vouchers (PBV) Award Letter or Evidence of Application - Provide award letters or evidence of application for any project based rental assistance vouchers included in the proforma. For projects that include both 4% and 9% LIHTC components, award letters or evidence of application for project based vouchers (PBVs) for each of the components must be submitted even if the City request is only in one of the components.

Project Based Vouchers (PBV) Award Letter

G.2. By checking the box below, affirm that you have read and agree to the Development Proforma instructions:

I have read and agree to the Development Proforma instructions.

G.3. Does this project require compliance with Davis-Bacon Wages (DBW)?

G.4. Development Proforma - For projects that intend to use LIHTC, the [MSHDA Proforma Excel Template](#) MUST be used and submitted. (link) 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 document linked on the Program Overview page.) 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

Proforma must include Davis Bacon Wage costs if DBW compliance is required, per above. The proforma will only be accepted in excel format with formulas.

Development Proforma ***Required**

G.5. Letters of Intent - Provide signed Letters of Intent from all equity funding sources and grant award notifications for grant funding included in the proforma.

All Letters of Intent must be dated within six (6) months of application date.

Letters of Intent from All Equity Funding Sources & Grant Award Notifications ***Required**

G.6. Evidence of Application for All Sources of Financing - 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. For projects that include both 4% and 9% LIHTC components, evidence of application for all sources of financing for each of the components must be submitted even if the City request is only in one of the components.

Evidence of Application for all Sources of Financing ***Required**

G.7. Rent Roll (**Currently Occupied and Operating Projects ONLY - Required**) - Please provide rent roll. 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. **For projects that include both 4% and 9% LIHTC components, a rent roll for each of the components must be submitted even if the City request is only in one of the components.**

Rent Roll

G.8. Utility Allowance Calculation - Provide 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 (reference Appendix C of the NOFA document linked here: <https://detroitmi.gov/departments/housing-and-revitalization-department/housing-development/alfah-section-108-loan-program>). For projects that include both 4% and 9% LIHTC

components, the utility allowance calculation for each of the components must be submitted even if the City request is only in one of the components.

Utility Allowance Calculation ***Required**

G.9. LIHTC Scoring Criteria (MSHDA Self Score) **(LIHTC Projects ONLY - Required)** - Please provide the MSHDA 9% LIHTC Scoring Criteria (the excel file only). This is required for both 4% and 9% LIHTC projects.

MSHDA 9% LIHTC Scoring Criteria (excel file only)

G.10. Proposed Collateral - Provide documentation of collateral proposed to secure the loan, including but not limited to real estate, cash, equity, letters of credit, and personal guarantees.

Proposed Collateral

H. Construction & Environmental

No data saved

Case Id: 43550

Name: Antonio NBLY Test - 2026

Address: *No Address Assigned

H. Construction & Environmental

Please provide the following information. (Remember to hit "Save" at the bottom before leaving this page or exiting your browser to save your progress. As this is a long page to complete, we recommend periodically hitting "Save" to ensure you don't accidentally leave without doing so.)

H.1. Which loan type are you seeking?

3. Senior Construction-to-Permanent Loan

H.1a. AIA Document A305-1986 Contractor's Qualification Statement - Provide AIA Document A305-1986 Contractor's Qualification Statement

AIA Document A305-1986 Contractor's Qualification Statement ***Required**

H.1b. Detailed Scope of Work or Plans & Specs - Provide detailed scope of work or plan and specs.

Detailed Scope of Work or Plans & Specs ***Required**

Detailed Scope of Work or Plans & Specs ***Required**

H.2. ASTM Phase I – Environmental Site Assessment (ESA) - MSHDA Phase I preferred, if available. Phase I ESA does not need to be printed.

Environmental Documentation

H.3. Additional Environmental Due Diligence Documents - Including Phase II ESA, BEA, Response Activity Plan, etc if applicable.

Environmental Documentation

H.4. Capital Needs Assessment (Preservation/Rehab Projects Only) - Provide a capital needs assessment for preservation/rehab projects.

Capital Needs Assessment

H.5. Does this project require City hearings or approvals for zoning, land use regulations etc.?

H.6. Zoning Documents - Provide evidence of proper zoning or application for rezoning to confirm that variances will not be required.

Evidence of proper zoning or application for rezoning ***Required**

H.7. Letter of Confirmation of City Approvals and Permits - Provide letter of confirmation of City approvals and permits.

Letter of Confirmation of City Approvals and Permits

H.8. Site Survey - Provide the site survey for the development.

Site Survey ***Required**

H.9. Site Utility Plan - Provide the site utility plan for the development.

Site Utility Plan ***Required**

H.10. Building/Site Images - Provide high-quality photos of building/site's exterior and interior (Rehab or Preservation) OR high-quality renderings (New Construction)

Building/Site Images ***Required**

Submit

No data saved

Case Id: 43550

Name: Antonio NBLY Test - 2026

Address: *No Address Assigned

Submit

PLEASE NOTE: Once an application is submitted, it can only be "Re-opened" by an Administrator.

Which loan type are you seeking?

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

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

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

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

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.

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.

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.

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

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

CDBG 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 CDBG and 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:

- Award of the contract may result in an unfair competitive advantage; or The Contractor's objectivity in performing the contract work may be impaired.
- 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.
- 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.
- 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.
- The provisions of this clause shall be included in all subcontracts and consulting agreements.
- 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.

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.

The Housing & Revitalization Department reserves discretion to determine the proper treatment of any conflict of interest disclosed under this provision.

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 any of 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.

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, all parties have executed the development and loan agreements for the project, and the City has issued a notice to proceed.

3. 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" and the project may not qualify to apply to any future NOFA or receive support from the City from a federal funding source.

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.

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.

6. The Developer acknowledges that if a Letter of Interest is made to the project, the following will be applicable: Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this 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 Authority to Use Grant Funds 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.

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

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.

2. 50% Construction Completion Meeting: As a condition to receiving funds from the City of Detroit, the Developer hereby agrees to participate in a meeting to begin coordination of the project to Asset Management and provide City staff with current property listing information to include on Detroit Home Connect, including property amenities, rent, and income eligibility information, property contact information, application information, and available affordable units at the time that the project reaches 50% construction completion.

2. 50% Construction Completion Meeting: As a condition to receiving funds from the City of Detroit, the Developer hereby agrees to participate in a meeting to begin coordination of the project to Asset Management and provide City staff with current property listing information to include on Detroit Home Connect, including property amenities, rent, and income eligibility information, property contact information, application information, and available affordable units at the time that the project reaches 50% construction completion.

3. 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.

4. Preliminary Plan Review (PPR): As a condition to receiving funds from the City of Detroit, the Developer hereby agrees to have a Preliminary Plan Review (PPR) meeting with the City of Detroit Buildings, Safety Engineering, and

Environmental Department (BSEED) and have received a PPR Summary or HRD waiver prior to submitting an application to the NOFA.

5. 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.

6. 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.

7. 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.

8. Development Proforma Instructions: As a condition to receiving funds from the City of Detroit, the Development Team hereby certifies that to the best of their knowledge, the submitted proforma adheres to the Development Proforma Instructions as linked in this NOFA.

9. Borrower attests to their willingness to fulfill all current and previous obligations and review of any past performance requiring legal action.

All application documents must be submitted through the Neighborly portal by the Developer or their Representative(s) on or before all HRD established deadlines. HRD will not consider documents submitted via email during the NOFA application review and scoring processes.

Are you, the individual submitting the application, the Developer?

Please complete and upload the Resolution of Certificate of Authority:

Resolution of Certificate of Authority *Required

Developer Signature: