SMALL BUILDINGS PROGRAM

NOTICE OF FUNDING AVAILABILITY (NOFA)

September 2026

Pre-Submission Public Meeting

October 15, 2026

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MAYOR MARY SHEFFIELD

Questions During the Meeting

1. Submit questions during the meeting using the Chat function in Microsoft Teams

2. Submit questions during/after the meeting by emailing SmallBuildings@detroitmi.gov

3. Responses to program questions will be posted on the program website:

https://detroitmi.gov/departments/housing-and-revitalization-department/housing-development/city-funding/small-buildings-program

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Program Overview

The Small Buildings Program Notice of Funding Availability (NOFA) offered by the City of Detroit Housing and Revitalization Department (HRD) provides for-profit and non-profit housing developers the opportunity to apply for financial support to renovate or construct residential structures that contain 2,3,4,5,6, or 7 total residential units in the City of Detroit. Developed units may be offered for sale or for rent in compliance with the program affordability restrictions.

PROGRAM GOALS:

- Provide gap funding specifically targeted at small residential housing developments that are not seeking Low Income Housing Tax Credits (LIHTC).
- Tailor program requirements to each building type to reduce barriers to re-occupying vacant housing or land.

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FUNDING AMOUNTS

The City of Detroit makes up to **$2,691,956** available through this NOFA

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APPLICATION & AWARD TIMELINE

EVENT	DATE*
Small Buildings NOFA Published	September 30, 2026
Public Informational Meeting	**October 15, 2026**
Pre-Application Project Review Meetings (by Invitation)	September 30-December 31, 2026
Final Submission Deadline	February 1, 2027

*Tentative Schedule Proposed and is Subject to Change

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Minimum Qualifications (Slide 1 of 2)

1) Minimum 2 units, Maximum 7 Units

Project must include a minimum of two (2) residential dwelling units and a maximum of seven (7) residential dwelling units

2) Primary Funding Commitments

Applicant must provide evidence of securing funding commitments from other funding sources to satisfy the entire development budget. Financial commitments must be evidenced by a conditional commitment letter, letter of interest (LOI), or term sheet indicating the loan or grant amount, loan term, and interest rate.

3) Minimum of 5% Owner Equity

Applicant must demonstrate that a minimum of five percent (5%) of project financing has been committed from owner/developer equity.

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Minimum Qualifications (Slide 2 of 2)

4) Site Control--Applicant must have site control for the property associated with the project.
Site control can be evidenced by an executed and recorded deed, purchase contract or option, holding contract, or other legally binding measure. Option agreements must include the time period within which the property will be transferred.

5) Zoning
Site must be currently zoned for the proposed use.

6) Project Location
If the proposed development is ground up new construction, the project location must be within a Targeted Multifamily Housing Area.

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Competitive Projects

HRD anticipates successful applicants have projects that demonstrate appropriate total development costs with strong financial commitments from other sources and a minimal need for gap financing. Points are awarded for projects that contain cost and reduce the total amount of public funding. Maximum award per project is at the sole discretion of the City of Detroit.

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FUNDING SOURCES

- Community Development Block Grant Pathways to Remove Obstacles to Housing (PRO Housing) Program
- Community Development Block Grant Program (CDBG) through HUD
- Other City or Federal sources may be substituted/added

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SMALL BUILDINGS PROGRAM REQUIREMENTS

- Units funded under this NOFA must be sold or rented to Low to Moderate Income (LMI) households earning **80% or less of the area median income (AMI)** for the current fiscal year as set by the Michigan State Housing Development Authority (MSHDA). Affordable units must be sold or rented at not more than 30% of the household's income. Full affordability requirements listed in the NOFA document.
    - If the development contains **two units** (two family flat, duplex) **at least one of the units must be occupied by a LMI household.**
    - If the development has **more than two units, at least 51% of units must be occupied by LMI households.**
- Funds are available for the developer's project-related construction/rehabilitation hard costs. Reasonable and necessary new construction or rehabilitation costs are eligible under this NOFA. All costs must be related to the production of eligible housing units.

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SMALL BUILDINGS PROGRAM
COMPLIANCE REQUIREMENTS (Slide 1 of 4)

Environmental Review Requirements

- ***For Existing Structures:***
  - May or may not require a Phase I Environmental Site Assessment as determined by HRD
  - All pre-1978 buildings are required to abate all lead-based paint hazards.
- ***New Construction:***
  - Phase I Environmental Site Assessment required as part of application

Additional requirements will be determined based on project specifics. An environmental consultant can provide guidance on requirements and best practices for ESAs and environmental compliance.

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SMALL BUILDINGS PROGRAM
COMPLIANCE REQUIREMENTS (Slide 2 of 4)

- **Section 3 Requirements**
  - Applies to all projects seeking $300,000 or greater of public investment
- **Construction & Rehabilitation Standards**
- **Project/Construction Cost & Pre-Closing Construction Requirements**
- **Cost Certification Requirements**
- **Build America, Buy America (BABA) Act**

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SMALL BUILDINGS PROGRAM
COMPLIANCE REQUIREMENTS (Slide 3 of 4)

Ongoing Compliance & Affordability Restrictions

Assistance under this program is structured as a loan with a 0% interest rate to be forgiven once all program requirements are met. A loan agreement shall be signed at closing. A lien shall remain on the property for the full term of the construction period and sale or lease up period. The lien will be released when all of the following conditions are met:

1. The property receives a Certificate of Occupancy or equivalent from the Buildings, Safety, Environmental, and Engineering Department.
2. The property receives a Certificate of Compliance from the Housing and Revitalization Department.
3. The property completes income certification indicating that the property was sold or rented in accordance with the affordability requirements of this NOFA.
4. Rental projects, the property receives a Certificate of Compliance from BSEED.

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COMPLIANCE REQUIREMENTS (Slide 4 of 4)

Not Applicable:

Davis Bacon and Related Acts Requirements – Prevailing Wages

- Does not apply to 7 units and below.

Relocation Requirements/ URA & Restrictions for Occupied Properties

- Occupied properties are ineligible. Buildings must be 100% vacant.

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NEIGHBORLY

System Overview

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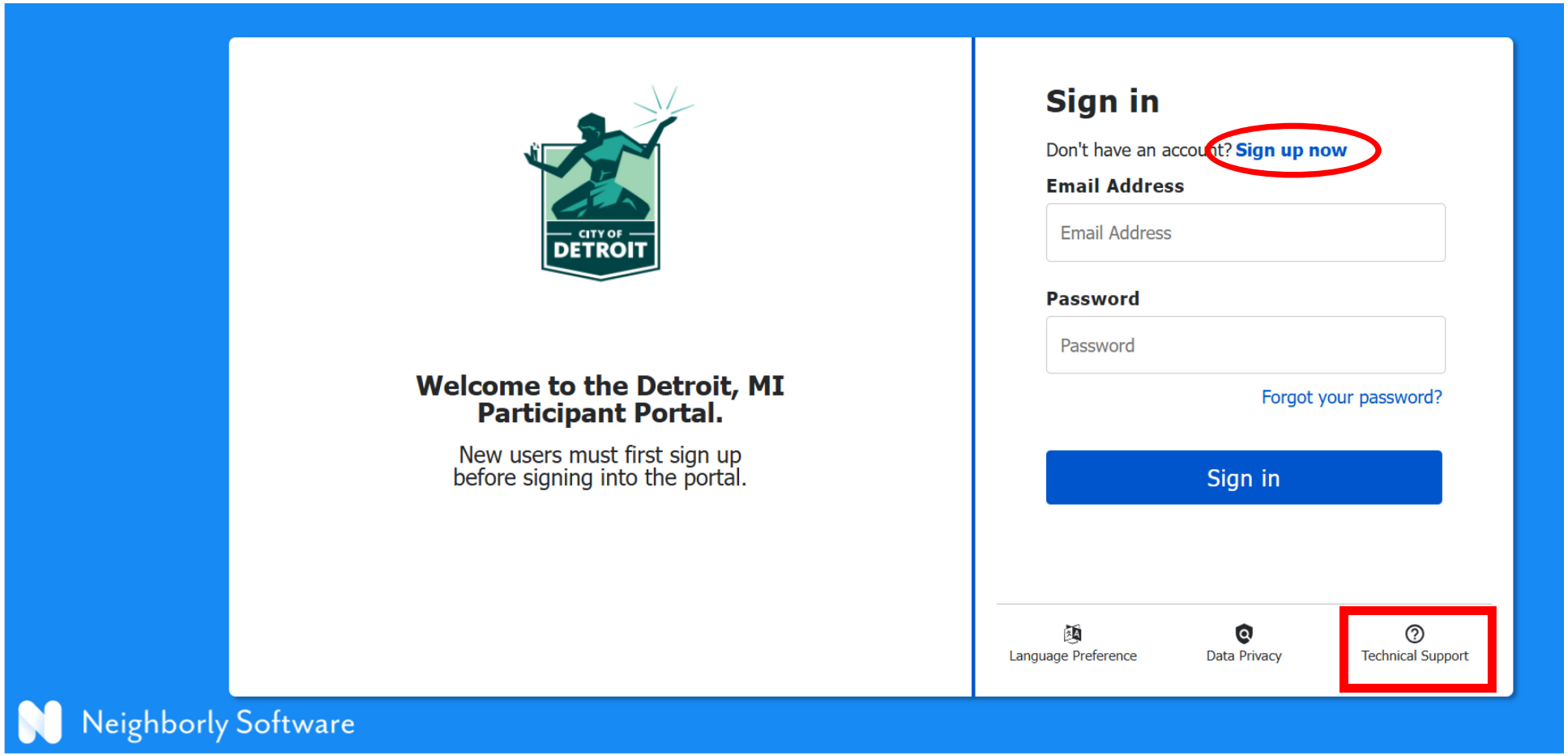
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1. Log in to Neighborly

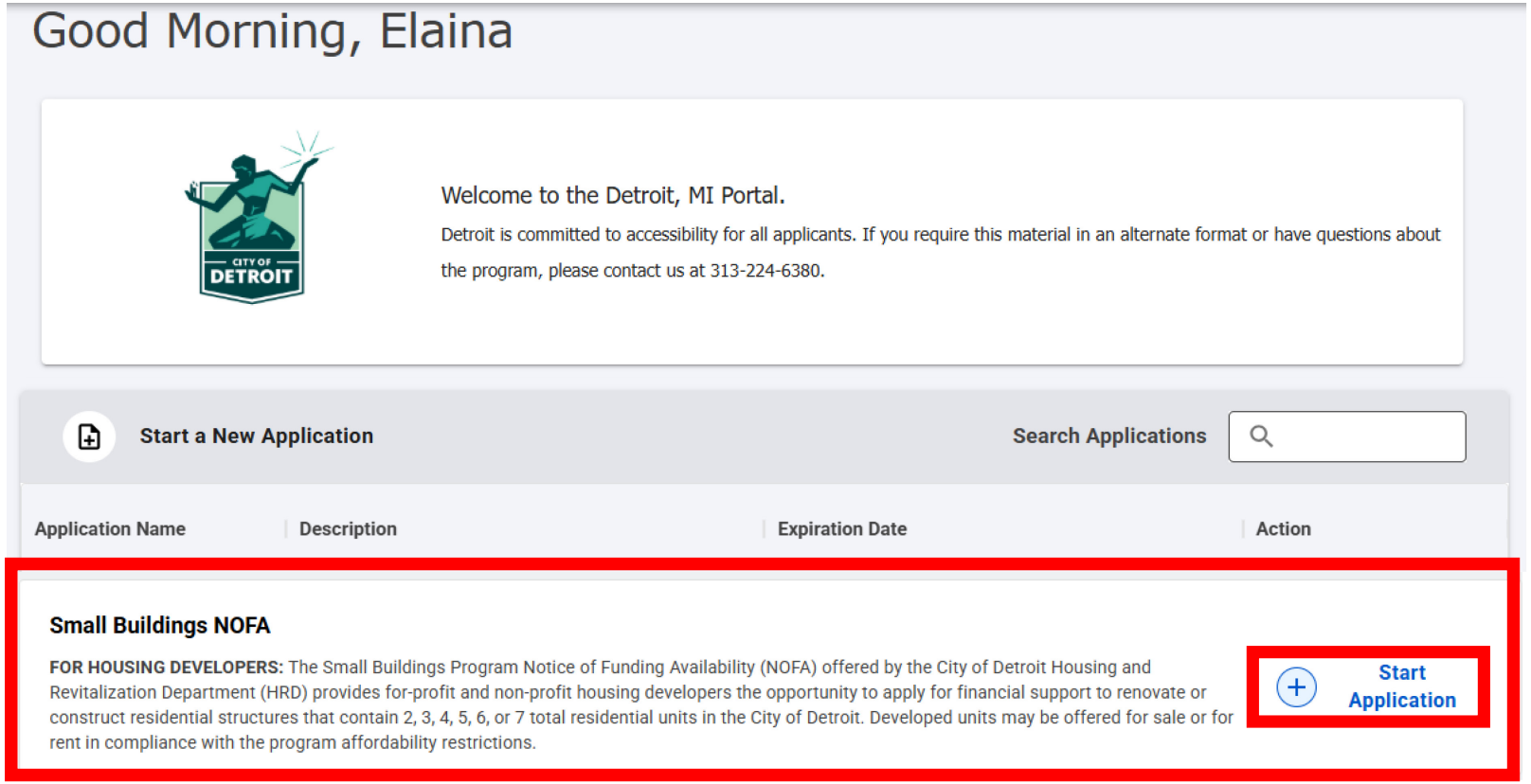
   at: **https://portal.neighborlysoftware.com/CITYOFDETROITMI/Participant**

2. First time logging in, select **Sign up now**
3. Follow prompts to send/receive verification code to create a password

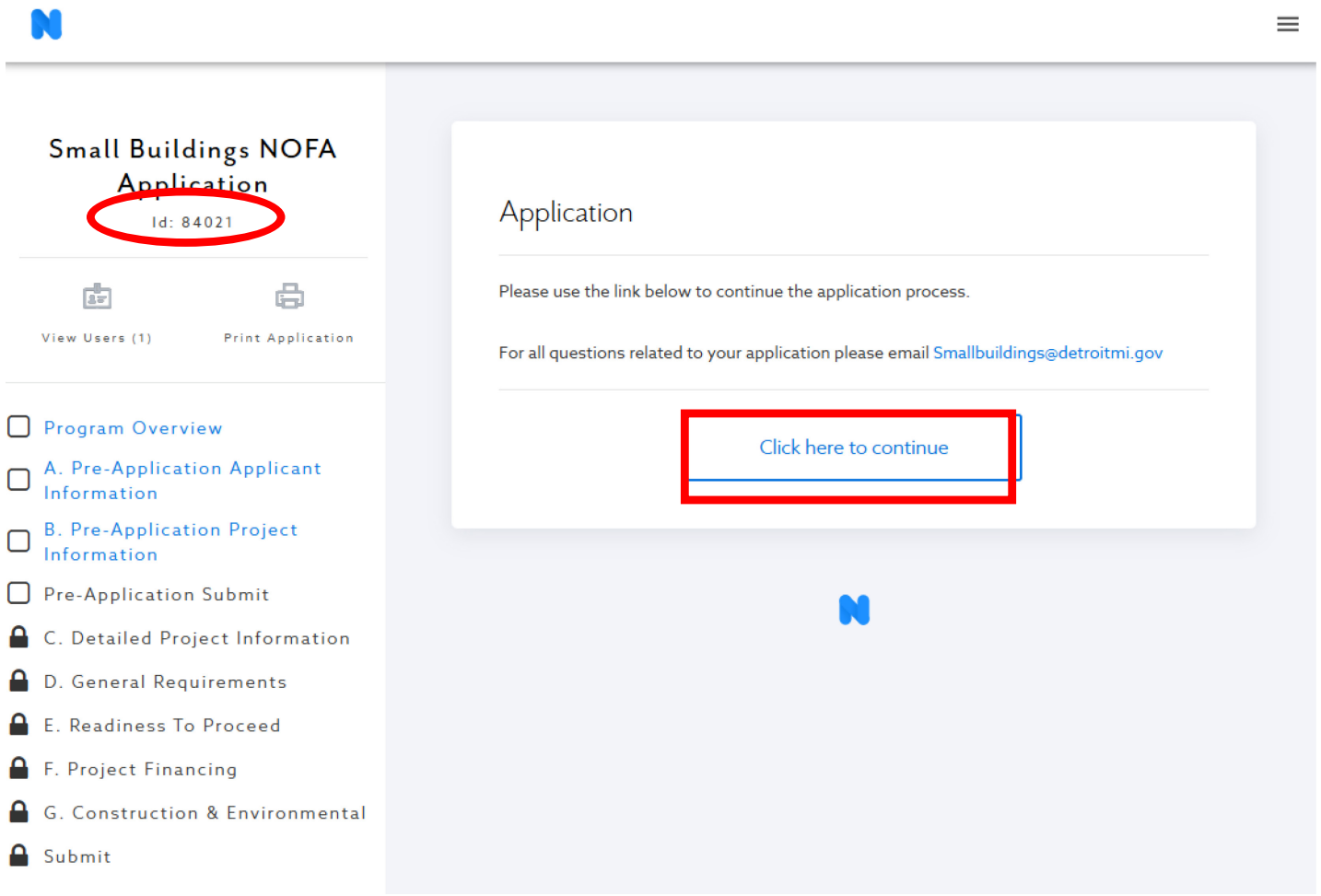


Click “Technical Support” for any technical issues/questions

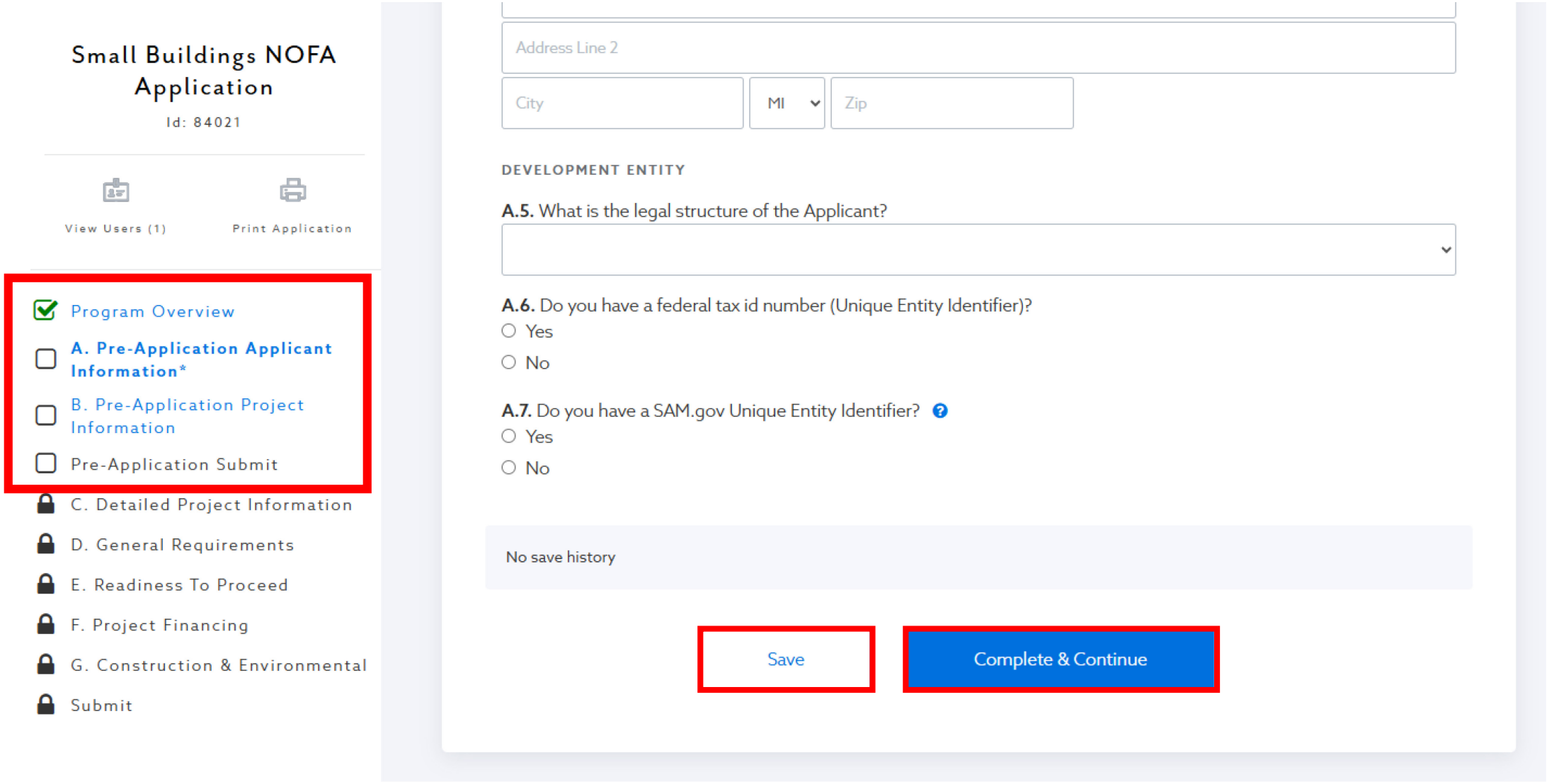
4. Once on the main page, look for Small Buildings NOFA program
5. Select **Start Application**



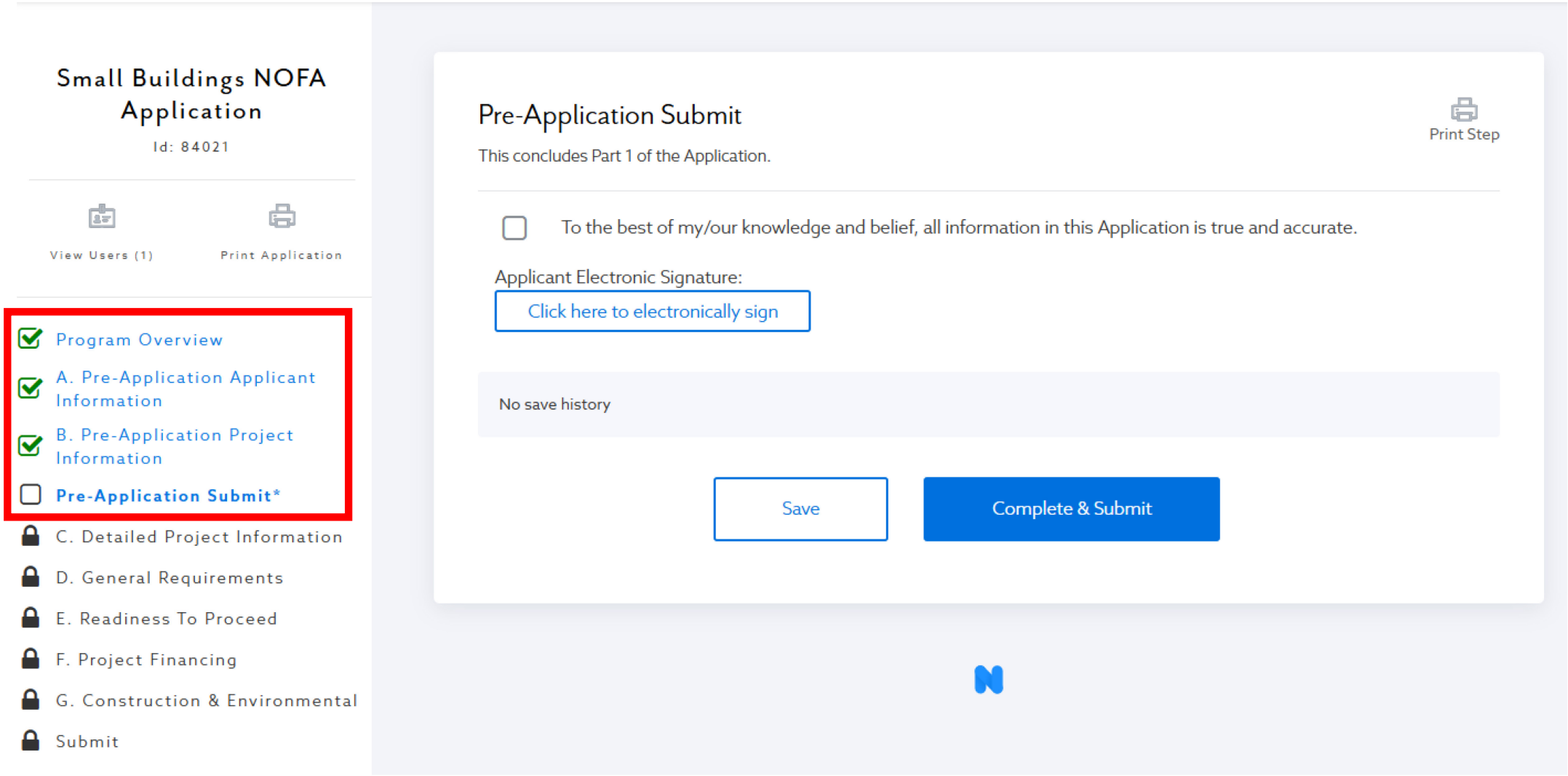
6. Inside the Application, take note of your Case ID *(helpful reference point when communicating with HRD staff)*
7. Select **Click here to continue**



8. Work through all Application sections
9. **Save** button saves your work; **Complete & Continue** button completes the page – giving you a check for that section

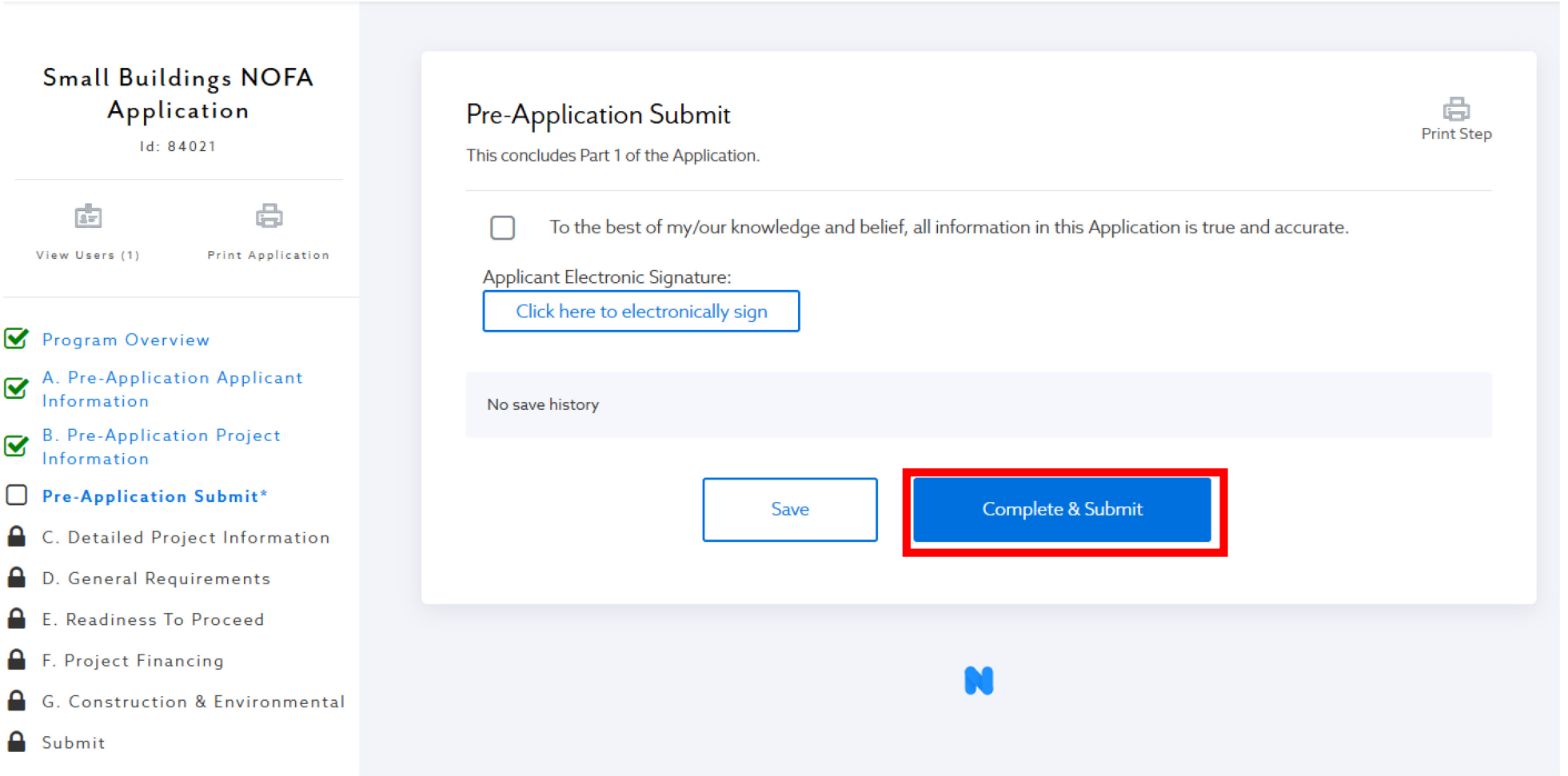


❖ Checks are needed next to all sections to access the Submit page

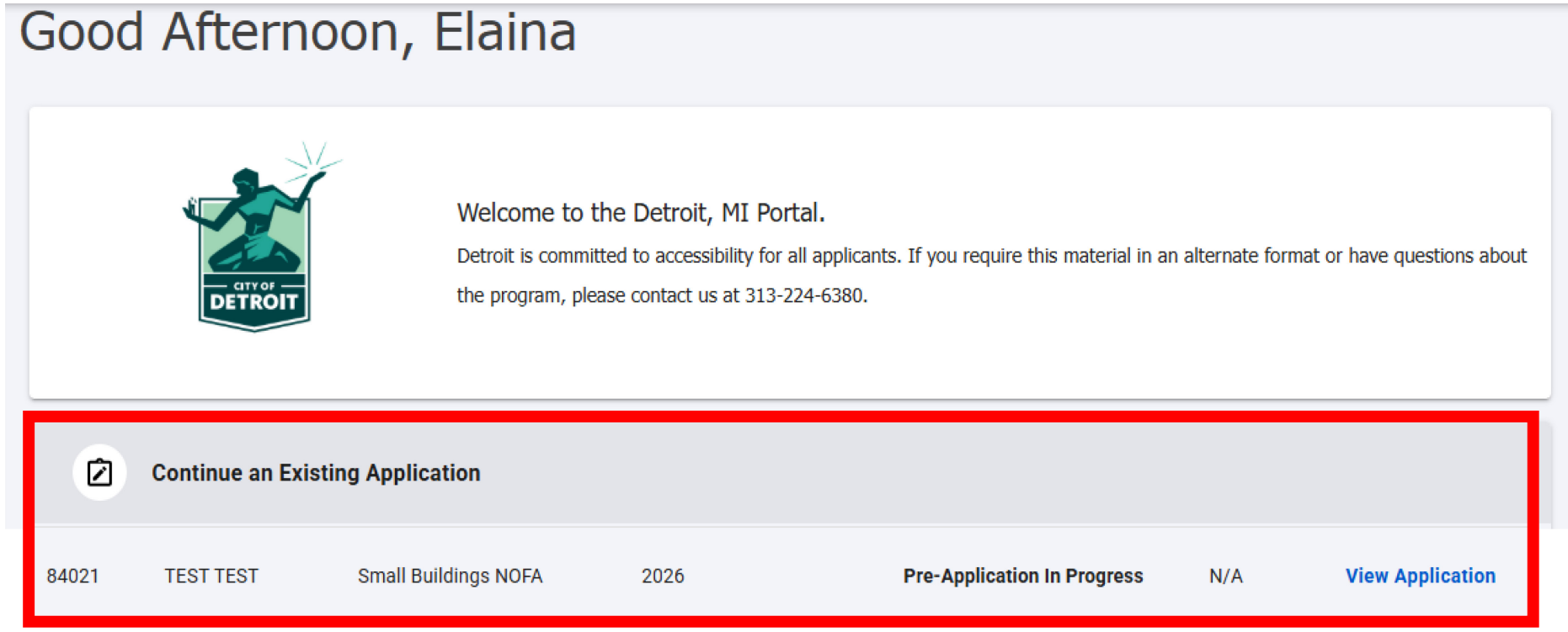


10. After having completed all sections and reviewed your responses, submit the Application by clicking **Complete & Submit**

- Prior to submitting, you can “Reopen” any page and edit responses. After submitting, you can no longer edit your Application.



- You likely won't complete the Application in one sitting
- When returning to Neighborly to continue an Application, you'll find it under the Continue an Existing Application section



NEIGHBORLY – TIPS & TRICKS

- **Click the Save button frequently** – Neighborly is not an auto-save platform; if you exit your browser/leave a page before saving your work, you will lose you progress
- **Cannot edit your Application after you submit it** – before submitting, however, you can “Reopen” any page to edit your responses

NEXT STEPS

1. Complete the Pre-Application by November 30, 2026
2. Projects meeting minimum qualifications will be invited to meet with HRD staff to confirm eligibility
3. Projects meeting minimum qualifications are invited to complete the full application in Neighborly
4. Additional compliance informational meeting(s) will be scheduled in parallel with the full application.

For additional questions, contact us at:

SmallBuildings@detroitmi.gov

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