

Downtown Rental Rehabilitation Development Pre-Application Process

Thank you for your interest in the Downtown Rental Rehabilitation Program through The Michigan State Housing Development Authority (MSHDA). Please fill out the following completely and submit with all of the required documentation.

Development Location: City/Village/Township
County
Address

Total Development Cost: \$

MSHDA CDBG Loan Request (\$40,000/per unit new, \$25,000/per unit rehab):

Owner Equity – Cash:

Number of Units:

Unit Configuration:

Community Outreach Specialist:

The applicant and building owner are aware of and agree to the following program regulations:

- 1) HRF-CDBG loan will be secured by a mortgage, note and regulatory agreement with a five (5) year forgivable term with no monthly payments and approved CDBG guidelines, rent restrictions, applicable local rehabilitation codes and/or HUD-UPCS standards.
 yes no
- 2) The rental structure, construction costs and operating budget will be approved by appropriate CD staff and will be detailed in the CD rental rehabilitation pro-forma.
 yes no
- 3) The property owner will submit documentation of their leverage for the minimum 25% match.
 yes no
- 4) Restrictions on incomes will apply until 51% of the units have been leased to income eligible tenants at or below 80% AMI. If the initial income eligible tenant(s) (at or below 80% AMI) leaves prior to the one (1) year minimum lease, the next tenant(s) must also be an income eligible tenant(s).
 yes no
- 5) The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.
 yes no
- 6) The rent charged to the initial occupant(s) of 51% of the units cannot exceed the HUD Section 8 “Fair Market Rent”. The landlord may not economically displace the initial low to moderate tenant(s). Therefore, any rent increase for those tenant(s) after their first year of occupancy cannot exceed 10% of the previous year’s rent. All units in the project must be maintained as residential rental property for a period of five (5) years.
 yes no
- 7) Architectural drawings will be reviewed and approved by MSHDA.
 yes no
- 8) The Applicant shall agree to comply with federal Section 3 requirements and a Section 3 Plan will be submitted and approved to be acceptable to the Authority.
 yes no

- 9) **The property owner understands they cannot execute any contracts or alter the interior or exterior (including the parcel the property is on) from the time of application until the Request for Release of Funds and the related certification has been approved by MSHDA.** This requirement is found in Sec. 58.22 Limitations on activities pending clearance “Neither a recipient nor any participant in the development process, including private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in Sec. 58.1(b) on an activity or project until HUD or the state has approved the recipient’s RROF and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in Sec. 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.”
- yes no

10) **Requirements and documentation submittal prior to application**

- Asbestos Survey for mixed use buildings (**not considered part of owner’s leverage**)
- Documentation of incentives and leverage financing
- Preliminary architectural drawings (**not considered part of owner’s leverage**)
- MSHDA Proforma
- Occupancy Report (If existing units are occupied) [REDACTED]
- Tenant/Landlord Utility Statement [REDACTED]
- Verification of mortgage/land contract
- Verification of paid taxes
- Proof of insurance
- Documentation of site control for each property (deed/land contract/purchase agreement)
- Resolution or public hearing meeting minutes by local unit of government to submit application to MSDHA
- Evidence of tax incentives given to building owners (if applicable) [REDACTED]
- List of Partners/Roles
- Commercial occupancy, if any, of each building [REDACTED]
- Map of target area
- Interior and exterior photos
- Documentation of capacity and qualifications
- Third Party Administration Plan (if applicable) [REDACTED]
- Rental Rehabilitation Program Guidelines
- Section 3 Plan
- The Local Unit of Government completes and submits their partnership profile on MATT 2.0

11) **Documentation submittal after grant approval**

- Transaction Screening or Phase 1 Environmental Site Assessment
- Phase 2 ESA, if required
- Stamped Architectural drawings

Site Data

- 1) What is the ownership structure of the building?
 Purchase Agreement Owner owned Land Contract other [REDACTED]
- 2) What is the address of the site?
[REDACTED]
- 3) Will the proposed project create apartments with at least 750 square feet (and at least one bedroom per unit)?
 yes no [REDACTED]

- 4) What is the total number of units proposed and square footage?
[REDACTED]
- 5) Describe the building
[REDACTED]
- 6) What is the present use of the commercial and residential?
[REDACTED]
- 7) What is the condition of the existing structure?
[REDACTED]
- 8) Are there existing apartments?
 yes no
If yes, are they occupied? yes no
- 9) Does the city/township/village have a local building official?
 yes no
If no, who will be contracted to verify building codes are being met?
[REDACTED]
- 10) Does the city/township/village have active code and rental enforcement?
 yes no [REDACTED]
- 11) What are the local fire suppression requirements relative to upper story downtown development?
[REDACTED]
- 12) Does the city/township/village have adequate fire and rescue to access upper down town residential space?
 yes no
- 13) Has the local fire department official been notified of the potential development?
 yes no
- 14) Is there adequate water supplied to downtown buildings to add additional units for pressure and supply?
 yes no
If no, is the city/township/village willing to provide as an incentive?
 yes no
- 15) What companies supply Water/Gas/Electric?
[REDACTED]
- 16) Is there a local ordinance/requirement for downtown apartment parking?
 yes no
If yes, is the property owner able to request a variance?
 yes no
Will the project provide a minimum of one (1) parking space per unit free to the tenant?
 yes no

- 17) Does the project involve historic buildings eligible for historic tax credits (placed in service prior to 1936), and that are in a historic local district?
 yes no
Has SHPO been consulted?
 yes no [redacted]
Will historic tax credits be pursued?
 yes no
If yes, when?
[redacted]
- 18) Will the proposed project preserve the historic character of the building?
 yes no
If yes, please explain how.
[redacted]
- 19) What are the nearby amenities? (medical, financial, food, entertainment etc.)
[redacted]
- 20) How far are local schools from the location?
[redacted]
- 21) What is the walk score of the location?
[redacted]
- 22) Is there access to public transportation?
[redacted]
- 23) Is the location near major roads/highways?
[redacted]
- 24) Are there any community resources? (parks, trails, water etc.)
[redacted]
- 25) Is the city/township/village willing to provide any incentives?
 OPRA NEZ Façade Program Brownfield City/Village/Township owned utilities that they are willing to supply to the building other [redacted]
- 26) Does the city/village/township have any designation?
 Historic downtown Core Community Main Street Redevelopment Ready Community
 MiNeighborhood
- 27) Does the city/township/village have a Master Plan, market study or part of a regional consortium plan that addresses land use, housing or downtown rental?
 yes no
- 28) Does the plan need local site approval?
 yes no
- 29) Are there any known environmental hazards?
 yes no [redacted]
- 30) Has the design been reviewed by MSHDA?
31) yes no

32) Who will be managing and marketing the property?

█

DEVELOPMENT TEAM ANALYSIS:

Architect:

Name: █

Address: █

Individual Assigned: █

Telephone: █

Fax #: █

E-mail: █

Experience: Architect's License: █

Third Party Administrator:

Name: █

Address: █

Individual Assigned: █

Telephone: █

Fax #: █

E-mail: █

List of Current MSHDA Projects and status: █

All information submitted in this application is true to the best of my knowledge. I fully understand that any significant misstatements or omissions from this application may delay the review process until such time all information is received.

█ Date
MSHDA Applicant (Local Unit of Government)

█ Date
Third Party Administrator

█ Date
Building Owner