

# REVITALIZATION AND PLACEMAKING PROGRAM GUIDELINES

## Program Overview

The Revitalization and Placemaking Program (“RAP Program”) is an incentive program that will proactively deploy \$100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities through rehabilitation of vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. Administered by the Michigan Economic Development Corporation (“MEDC”) on behalf of the Michigan Strategic Fund (“MSF”), this tool provides access to real estate and place-based infrastructure development gap financing in the form of grants of up to \$5 million per project for real estate rehabilitation and development, grants of up to \$1 million for public space place-based infrastructure per project, and grants of up to \$20 million to local or regional partners who develop a subgrant program.

## Program Goals

Through the RAP Program, the MSF will partner with local communities to proactively address the negative economic impacts of the pandemic in Michigan communities by investing in projects that promote population and tax revenue growth. These investments will help create the environment necessary to attract and retain talent, add new housing options, enable business creation and attraction and provide resources for Michigan citizens and communities. These investments will help local governments avoid budget crises, retain current residents, and enhance downtown vitality.

## Eligible Applicants

Eligible applicants are individuals or entities working to rehabilitate vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure<sup>1</sup> associated with traditional downtowns, social-zones, outdoor dining and placed-based public spaces. These applicants may include, but are not limited to:

- Non-profits and local economic development organizations;
- Developers; or
- Brownfield Authorities, Downtown Development Authorities, local units of government, local Land Bank Fast Track Authorities<sup>2</sup> or other entities approved by the MSF.

## Eligible Costs

"Eligible Costs" are at least one, or any combination, of the following expenditures:

- a. Acquisition fees or costs for real property;
- b. Fees or costs for alteration, new construction, improvement, demolition, or rehabilitation of buildings of an approved project, including utility tap fees, and fees and costs paid to a governmental entity for permits, zoning, and inspections;
- c. Costs associated with site improvements such as access (including ADA improvements) and streetscaping elements such as lighting, fencing, street furniture, etc.;

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<sup>1</sup> Amenity that is not intended to be temporary, including but not limited to a site improvement or building, and that positively contributes to a traditional downtown or a mixed-use area with abundant accommodations for non-motorized transportation.

<sup>2</sup> Local authority created under Act 258 of 2003.

- d. Fees or costs for site improvements, including a surface parking lot, parking garage, parking ramp, utilities and public infrastructure, such as roads, curbs, gutters, sidewalks, landscaping, lighting, grading and land balancing;
- e. Fees or costs for the addition of machinery, equipment or fixtures for an approved project;
- f. Professional fees or costs for an approved project for the following services: architectural, engineering, environmental, surveying, insurance, accounting and legal;
- g. Developer fees not to exceed 4% of total project costs;
- h. Other costs associated with real estate or place-based infrastructure development may be considered on a case-by-case basis.

### **Award Structures and Funding**

All awards will be structured as grants with performance milestones and reporting requirements. All awards must meet all requirements of the American Rescue Plan Act of 2021, Public Law 117-2 (“ARPA”) and comply with its attendant federal regulations, 31 CFR 35, as amended from time to time. Grant awards may be made directly to individual projects, or to local or regional partner organizations for regranting to local communities or projects.

The minimum grant award is \$500,000 and the maximum awards are \$5 million per project for real estate rehabilitation and development, \$1 million per project for public space place-based infrastructure and \$20 million for local or regional partner applicants that develop a subgrant program. Requests for subgrant awards must demonstrate local or regional coordination to implement a revitalization strategy. The following limits are also in place for all projects:

- Grant awards associated with the rehabilitation of vacant and blighted buildings or costs associated with the repurposing of space left vacant as a result of COVID-19 on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment or revitalization of historic properties in coordination with the Michigan Certified Local Government program or other historic redevelopment programs on a single project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the redevelopment of priority sites identified by certified Michigan Redevelopment Ready Communities (RRC) on a single place-based infrastructure project shall not exceed the lesser of \$5,000,000 or 50% of Eligible Costs.
- Grant awards associated with the development of permanent place-based infrastructure associated with social-zones <sup>3</sup>, outdoor dining, etc. for a single project in a traditional downtown shall not exceed the lesser of \$1,000,000 or 50% of Eligible Costs.

### **Project Considerations**

The MSF must incur and expend all RAP Program funding before the ARPA deadline. The most competitive project submissions will clearly address the impacts of the COVID-19 pandemic by responding to the criteria below:

1. Local support and match: All submissions must include a letter of support from the local or regional economic development organization and/or municipality. The most competitive proposals will also include a financial contribution from the local unit of government.
2. Location: Preference will be given to projects located in Federal [qualified census tracts](#) (QCT) and also to projects located in traditional downtowns or traditional commercial corridors.
3. COVID-19 impact: Applicants must address how the proposal is responsive to the negative

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<sup>3</sup> Area or district established by a local governmental unit (city, village, township, county) under MCL 436.1551

- public health and/or economic impacts of the COVID-19 pandemic and complies with all ARPA program requirements.
4. Capacity: The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
  5. Long-term impacts: Competitive applicants will be able to articulate how the proposal will have a long-term impact in the community including addressing how it will enable growth in population and tax revenue.
  6. Projects that include housing must include units that are priced to be attainable to the local workforce including households with less than 120% of the area median income.
  7. Financial Viability:
    - Demonstrate long-term financial viability of the project
    - Demonstrate financial need for the project
  8. Local and Regional Impact Considerations:
    - Project should demonstrate how it supports the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy.
    - Project should demonstrate the readiness of infrastructure – utilities, housing, transportation, public transit and other community services. Is project filling available capacity or creating need for new community or state investments in infrastructure/resources?

To help ensure broad geographic distribution across all Michigan regions and in both rural and urban communities, less responsive proposals may be prioritized in some instances so long as the proposal meets programmatic requirements.

All RAP Program agreements shall be memorialized by final written agreement with terms and conditions in accordance with the MSF Act, these RAP Guidelines, MSF approval, and any other applicable laws. These terms and conditions shall otherwise be satisfactory to the MSF, and shall include, without limitation, performance-based milestones governing disbursements; repayment provisions and periodic reporting to facilitate the MSF's report to the Michigan legislature and reporting requirements of ARPA. The RAP Program agreements shall also include a provision for repayment due to breach of the written agreement or failure to meet measurable milestones.