

Guidelines

REVITALIZATION AND PLACEMAKING 2.0 PROGRAM GUIDELINES

Program Overview

The Revitalization and Placemaking Program (“RAP 2.0 Program”) is an incentive program that will proactively deploy \$100 million in state funding to address the COVID-19 impacts and community revitalization needs in Michigan communities to invest in projects that enable population and tax revenue growth through rehabilitation of vacant and blighted buildings and historic structures, rehabilitation and development of vacant properties, and development of permanent place-based infrastructure associated with social zones and traditional downtowns, outdoor dining, and place-based public spaces. Administered by the Michigan Economic Development Corporation (“MEDC”), 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 2.0 Program, the MEDC will partner with local communities to proactively address the negative economic impacts of the pandemic, and community revitalization needs 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 infrastructure¹ 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 Authorities² 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

¹ 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.

² Local authority created under Act 258 of 2003.

- 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.;
- 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. 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. The minimum grant award is \$250,000 and the maximum award is \$1 million per project for public space place-based infrastructure. The maximum grant award is the lesser of the regional allocation or \$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 new infill construction 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-zones³, outdoor dining, etc. for a single project in support of a traditional downtown or central business district must have a request of at least \$250,000 and shall not exceed the lesser of \$1,000,000 or 50% of Eligible Costs.

Award Disbursement

Awards will be disbursed in two parts – 50% of the award will be disbursed upon incursion of 50% of eligible expenses; the other 50% of the award will be disbursed to all recipients upon completion of the project. For real estate rehabilitation projects, this requires a Certificate of Occupancy. For public space place-based projects, this requires a letter from the municipality stating that the project is completed as it was locally approved.

Project Considerations

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

The MSF must incur and expend all RAP Program funding before September 30, 2027. The most competitive project submissions will clearly address community revitalization needs 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 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 traditional downtowns or traditional commercial corridors.
3. Capacity: The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
4. 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.
5. Financial Viability:
 - Demonstrate long-term financial viability of the project
 - Demonstrate financial need for the project
6. 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?
 - The letter must be signed by the highest local official, such as the City Manager, Mayor, Township Supervisor as applicable. The letter must also state that their support is specific to the RAP2 application and not just general project support.

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