MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

REVITALIZATION & PLACEMAKING FAQ

The [Revitalization and Placemaking (RAP) program](#) is an incentive program that will deploy $100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities by providing 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 per project for public space improvements, and grants of up to $20 million to local or regional partners who develop a coordinated subgrant program.

Additional information and [program guidelines](#) can be found at www.michiganbusiness.org/rap.

If you're looking for a specific topic, please click "ctrl" and "F" keys to search this document and locate previously answered questions.

IMPORTANT NOTE:
• Now that the RAP grant applications are live, all programmatic and project questions should be directed to CDincentives@ michigan.org. In order to provide transparency and consistency in answers, questions will be restated without names or project-specific information and answered in this FAQ document that is updated weekly. The last day for submitting revitalization and placemaking questions will be Thursday May 26, 2022. Applications are due on June 3, 2022.

now understood that because the RAP program includes total expected capital expenditures of over $10 million, it will be necessary to provide labor reporting for all capital expenditures supported by the program as outlined for infrastructure projects on pages 26 and 27 of that [guidance](#). Each of the individual RAP project awardees and sub-grant awardees will be responsible for Davis-Bacon Act requirements and recipients will need to provide documentation of wages and labor standards regardless of the size of their RAP award.

IMPORTANT CORRECTIONS:
• The answer to question No. 2 has been corrected, based upon updated federal [compliance and reporting guidance](#). It is

• The answer to question No. 3 has been revised based on updated federal guidance.

EDITOR'S NOTE:
January 18, 2022, updates:
• Four new questions and answers have been added to page 13.
• The answer to question 38 has been updated to reflect new federal guidance made available on January 14, 2022. Changes in paragraph 3 have been bolded for easy reference.
January 24, 2022, updates: Four new questions and answers have been added to page 14.
January 31, 2022, updates: Two new questions and answers have been added to page 15.
February 7, 2022, updates:
• The recently released [Final Rule](#) and [Final Rule Overview](#) provide guidance that expands the set of households and communities that are presumed to be "impacted" and "disproportionately impacted" by the pandemic. Language has been adjusted throughout this document to reflect the new guidance. Changes are shown in bold for easy reference.
• An additional question and answer has been added to page 16.
February 14, 2022, updates: Five new questions and answers have been added to page 17.
February 22, 2022, updates: Eight new questions and answers have been added to page 18.
February 28, 2022, updates: Six new questions and answers have been added to page 19.
March 7, 2022, updates:
• On February 28, 2022 Treasury released updated compliance and reporting guidance for the State and Local Federal Relief Fund (SLFRF) programs

which responds to the updated SLFRF final rule. The new guidance has resulted in necessary changes to the expenditure categories for the RAP program, as the expenditure categories initially anticipated to best fit the RAP program have been altered. Under the new guidance, "2.11 Aid to Travel, Tourism, and Hospitality" is now numbered "2.35 Aid to Travel, Tourism, and Hospitality." We've determined "3.13 Social Determinants of Health Other" (now "2.37 Other Economic Impact") is no longer appropriate under the new compliance and reporting guidance. Because of the increased flexibility under the SLFRF final rule, we've determined two new expenditure categories are now appropriate for the RAP program: "2.22 Strong Healthy Communities: Neighborhood Features that Promote Health and Safety," and "2.31 Rehabilitation of Commercial Properties or Other Improvements." Information on the RAP website will be updated as soon as possible to reflect these expenditure category changes, and the draft application will also be updated. The compliance and reporting guidance also explicitly detailed reporting for capital expenditures and provided a list of capital expenditure types, which will be of interest to applicants.
• Four new questions and answers have been added to page 20.
March 14, 2022, updates: Please note that a there is an updated draft RAP application and an updated program schedule.

• An updated draft RAP application has been posted to michiganbusiness.com/RAP. It was necessary to update the application to align with changes in the compliance and reporting guidance for the State and Local Federal Relief Fund (SLFRF) and SLFRF final rule. Other modifications were also made to the document based on stakeholder feedback and all modified sections are highlighted for easy reference.
• Five new questions and answers have been added to page 21.
March 21, 2022, updates: Two new questions and answers have been added to page 22.
March 28, 2022, updates: An additional question and answer has been added to page 22.
April 4, 2022, updates: Four additional questions and answers have been added to page 23.
April 11, 2022, updates: Six additional questions and answers have been added to page 24.
April 19, 2022, updates: Twenty-seven additional questions and answers have been added and begin on page 25.
April 25, 2022, updates: Ten additional questions and answers have been added and begin on page 29.
May 2, 2022, updates: Eight additional questions and answers have been added to page 31.
May 9, 2022, updates: Nine additional questions and answers have been added to page 33.
May 16, 2022, updates: 16 additional questions and answers have been added to page 35.

1. How will MEDC be evaluating applications?

Applications will be evaluated and scored on a variety of factors, including but not limited to:

- Ability of project to be completed within the American Rescue Plan Act time limits, which require the funds to be obligated by December 31, 2024, and expended by December 31, 2026.
- 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.
- Location: Preference will be given to projects located in federal qualified census tracts (QCT) and to projects located in traditional downtowns or commercial corridors.
- COVID Impact: Applicants must address how the proposal is responsive to the **negative public health and/ or economic impacts of the COVID-19 pandemic and complies with all ARPA requirements and guidance as described in the Final Rule and Final Rule Overview**.
- Capacity: The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.
- 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.
- Projects that include housing must include units that are priced to be attainable to the local workforce, including households with less than 120 percent of the area median income.
- Financial Viability: Demonstrate long-term financial viability of the project and financial need for the incentive.
- 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 also demonstrate the readiness of infrastructure.

2. Do Davis-Bacon Act wage requirements apply to RAP projects?

Based on updated Federal Compliance and Reporting Guidance, it is now understood that because the RAP program includes total expected capital expenditures of over $10 million, it will be necessary to provide labor reporting for all capital expenditures supported by the program as outlined for infrastructure projects on pages 26 and 27 of that guidance. Each of the individual RAP project awardees and sub-grant awardees will be responsible for Davis-Bacon Act requirements and recipients will need to provide documentation of wages and labor standards regardless of the size of their RAP award.

3. What is the significance of the federal qualified census tracts?

Projects are prioritized with additional scoring points if funds are spent on a program or service provided at physical location in a qualified census tract (QCT).

4. Do RAP projects need to be located in Redevelopment Ready Communities?

RAP projects that include new construction must be located on priority sites identified by certified Michigan Redevelopment Ready Communities® (RRCs). The application evaluation will not prioritize any other revitalization or public space projects in RRC communities above other equally competitive applications.

5. Can projects that were previously approved for Community Development incentives, but have been unable to move forward or have not yet received funding, apply for the RAP program?

These projects are welcome to apply if they otherwise qualify for RAP.

6. Can RAP be layered with other Community Development incentives administered by the MEDC?

Yes, if those other incentives are appropriately described in the application and the project is otherwise competitive for the RAP program.

7. How will funding be disbursed?

Disbursement will be based on agreement milestones and in most cases, funding will be disbursed to the applicant after completion of construction of any one individual project.

8. What would a subgrant program look like?

A subgrant program would be a coordinated program to address the impacts of COVID on different sites and potentially with different development partners. It could include multiple individual projects that together achieve one coordinated goal. Applicants for subgrant

programs will be responsible for ensuring that program requirements, including reporting, are met for all projects in the subgrant program.

9. Can new construction qualify?

Only new construction on a priority site in a certified Redevelopment Ready Community® will qualify for this program. Otherwise, the program is intended to address underutilized buildings and public space.

10. Do building rehabilitation projects need to include housing?

Building rehabilitation projects do not need to include housing, however addressing a local housing need will be a consideration in evaluating the competitiveness of a project, and any project that does include housing must include units that are priced to be attainable to the local workforce including households with less than 120 percent of the area median income.

11. Who can apply?

Eligible applicants are individuals or entities working to rehabilitate vacant, underutilized, blighted and historic structures and the development of permanent place-based infrastructure[1] 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; brownfield redevelopment authorities; downtown development authorities; local units of government; local Land Bank Fast Track authorities[2]; or other entities approved by the MSF.

12. Is a local match required?

The minimum required match for RAP awards is 50 percent of the project's eligible costs as detailed in the RAP program guidelines. For example: if the project's eligible costs are $4 million, then the maximum RAP grant award would be the lesser of $2 million or the financing gap as demonstrated in the application and verified through program underwriting review. Projects that leverage additional match, including but not limited to support from a local unit of government, foundation or development authority, will receive favorable scoring in the application evaluation.

13. Can this program be utilized for strictly housing projects?

Projects do not need to be mixed use to qualify and may include only housing.

14. What targets do you have for number of units and AMI levels for affordable housing components besides not more than 120 percent AMI?

Projects that address a local housing need including mixed income projects will be a consideration in evaluating the competitiveness of a project, and any project that does include housing must include some number of units that are priced to be attainable to the local workforce including households with incomes less than 120 percent of the area median income. No target is set, but the applicant should demonstrate how the proposed investment in housing is meeting local needs.

15. When you use the term redevelopment, can that mean new mixed-use affordable housing projects on now vacant parcels?

The program is primarily intended for renovation of existing buildings. RAP projects that include new construction must be located on priority sites identified by certified Michigan Redevelopment Ready Communities® (RRCs).

16. If projects don't have a housing component, will they be downgraded or lose points?

No. There is no requirement to include housing.

17. What targets are there for the number of affordable units in a housing development?

No targets are identified for the number of affordable units in a housing development. However, addressing a local housing need will be a consideration in evaluating the competitiveness of a project, and any project that does include housing, must include units that are priced to be attainable to the local workforce including households with less than 120 percent of the area median income.

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.

18. How can RAP be layered with the Michigan Community Revitalization Program (MCRP)?

If your project qualifies for both RAP and MCRP and has a gap that cannot be accommodated by just one tool, you may apply for both incentives as long as the RAP application appropriately describes the MCRP request as part of the capital stack.

In considering a request for both tools, please keep in mind that RAP requires broad geographic distribution which could factor into projects eligible for awards under other MEDC/MSF programs.

19. Can this funding be combined with Community Development Block Grant (CDBG) and other federal grant funding?

Yes, and the status of that CDBG incentive request, along with any other federal funding requests, should be described in your RAP application.

20. Does a local tax incentive (Brownfield, Obsolete Property Rehabilitation Act, etc.) count as local financial contribution? What qualifies as a "financial contribution" by the municipality? Do tax abatements count? Do other "in kind" types of support include parking, infrastructure, etc., or is it limited to direct monetary support?

Local support could be achieved through another local source such as an abatement, brownfield contribution or other approved local contribution. Status of that brownfield, OPRA request should be described in your RAP application. Local match can come from other partner organizations, non-profits, private donations, etc.

If the project has 50 percent of the hard costs covered through developer or local contribution, then additional financial support from the community could include in-kind support as long as the support is quantified in terms of its value to the project.

21. Is there any guidance on how an applicant should approach choosing between the singular grants versus the not-to-exceed $20 million regional subgrant?

The subgrant option should only be used if there is a larger coordinated strategy that will be achieved if multiple projects are funded and if the applicant has the capacity to manage a subgrant program.

22. What are the actual definitions of terms according to the MEDC and federal guidelines for the criteria of program qualifications?

All RAP program information can be found at michiganbusiness.org/rap and U.S. Department of Treasury guidance can be found here.

We recommend the following four sources of guidance:
- Final Rule
- Final Rule Overview
- CSLFRF Frequently Asked Questions
- Compliance and Reporting Guidance: CSLFRF

23. Is it the goal of this program to fund many projects at smaller award amounts, or fewer projects at larger award amounts?

The program goals do not address specific project size. The program goals are as follows:
- Partner with local Michigan communities to proactively address the negative economic impacts of the pandemic by investing in projects that promote population and tax revenue growth through the revitalization and repurposing of vacant, underutilized, blighted or historic buildings and investment in place-based infrastructure.
- Deploy federal American Rescue Plan funding to support investments that will 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.
- Help local governments avoid budget crises, retain current residents and enhance downtown vitality.

24. Is this only for Redevelopment Ready Communities?

RAP projects that include new construction must be located on priority sites identified by certified Michigan Redevelopment Ready Communities® (RRCs). The application evaluation will not prioritize any other revitalization or public space projects in RRC communities above other equally competitive applications.

25. These regulations and reporting requirements are the most updated version, corrrect?

Specific reporting requirements for this program are still being developed; however, click here to review the U.S. Department of Treasury Compliance and Reporting Guidance for State and Local Recovery Funds.

26. **What is your process for ensuring that projects under a regional grant are aligned with the vision the existing community sees for itself? What are you doing to ensure that local government and local non-profits are not making decisions that affect a neighborhood without taking into account the input of the existing residents? Is there a process for vetting community engagement?**
We are requiring that there is a letter of support from the municipality. The applicants will also be asked to demonstrate how their project(s) support the vision and goals stated in the local master plan, downtown plan, capital improvements plan and/or economic development strategy. Projects should also demonstrate the readiness of infrastructure.

Communities have a range of options for vetting community engagement, including public participation plans.

27. **Will applications from small communities be unduly encumbered by the lack of extensive administration, especially the public projects?**
Costs associated with project delivery or project management may be considered eligible project costs.

28. **Can you talk more about the subgrant process?**
In particular, would total funding be subject to the limits of $5 million for real estate rehabilitation and $1 million for public spaces? The floor of $500,000 would not be in place for projects funded through a subgrant program, but the ceiling of $5 million for real estate rehabilitation and $1 million for public spaces would apply.

29. **Will projects require a certified grant administrator?**
No.

30. **For regional proposals that have multiple projects, will they be reviewed as all or nothing? Or can individual projects within a larger proposal be allowed to be removed if necessary to be more competitive?**
If there are projects that do not qualify, then those specific projects would be removed from the application and will not be funded. Otherwise, the qualifying projects will be scored based on their collective merits.

31. **Are small real estate investment businesses eligible?**
Small developers are eligible to apply for support through RAP.

32. **How much total funding is available?**
There is a total of $100 million allocated to support projects through RAP.

33. **Can a proposed public space project include some office space for the organization's staff?**
Public space projects should be primarily public space, however some minor amount of space for administration of the programing of public space could be included in the application.

34. **Will the MEDC review drafts and offer feedback on the draft to the applicant?**
A draft application template will be available for review on the program web page michiganbusiness. org/rap during the question-and-answer period, which is anticipated to begin in early 2022. MEDC will not review draft applications in advance of the application deadline.

35. **Are you going to allocate the funds based on regions?**
To help ensure broad geographic distribution across all Michigan regions and in both rural and urban communities, lower scoring proposals may be elevated in some instances in order to ensure broad geographic distribution across all Michigan regions.

36. **Is Davis-Bacon applicable?**
See answer to question No. 2.

37. **For subgranting programs will grant administration be an eligible expense included in the overall ask?**
Costs associated with project delivery or project management may be eligible.

38. **Where can we find guidance on what qualifies as "COVID impact"?**
We recommend the following four sources of guidance:
- Final Rule
- Final Rule Overview
- CSLFRF Frequently Asked Questions
- Compliance and Reporting Guidance: CSLFRF

Eligibility for the RAP projects fall under three eligibility categories:

- Projects are presumed to be eligible if funds are spent on a program or service provided at physical location in a qualified census tract (QCT) or spent on a program or service where the primary intended beneficiaries live within a QCT.
- If projects are not within a QCT, projects can also be designed to target economically disadvantaged communities **by demonstrating how the project will benefit households and communities that are disproportionately impacted by the pandemic in accordance with the Final Rule and Final Rule Overview.**
- Another eligibility option is disproportionate economic impacts, where other eligible projects include industries that faced disproportionate economic impacts such as the travel, tourism, and hospitality industries. To be eligible under this category, the project should assess the size of the economic harm to the impacted industries, "such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm." The eligible use must also respond to the negative economic impact **and must also be related and reasonably proportional to the extent and type of public health impact or economic harm experienced. Reasonably proportional refers to the scale of the response compared to the scale of the harm.**

39. Are community foundations eligible for support?
They would be eligible as non-profit applicant.

40. If an applicant is not located in a QCT, but half of its community is located in an Opportunity Zone, would it qualify for workforce/attainable housing on an identified development site within the Opportunity Zone?
Eligibility would be based on the following:
- If projects are not within a QCT, projects can also be designed to target economically disadvantaged communities **by demonstrating how the project will benefit households and communities that are disproportionately impacted by the pandemic in accordance with the Final Rule and Final Rule Overview.**
- Another eligibility option is disproportionate economic impacts, where other eligible projects include industries that faced disproportionate economic

impacts such as the travel, tourism, and hospitality industries. To be eligible under this category, the project should assess the size of the economic harm to the impacted industries, "such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the use would respond or address this harm." The eligible use must also respond to the negative economic impact.

41. For the $5 million program, is it required that projects be located in traditional downtowns and/or business districts or is this just preferred? How does MEDC define a business district?
It is preferred that the project be located in a traditional downtown or high impact commercial corridor. A "traditional downtown" or "traditional commercial center" is defined as a grouping of 20 or more contiguous commercial parcels containing buildings of historical or architectural significance. The area must have been zoned, planned, built or used for commercial purposes for more than 50 years. The area must consist of, primarily, zero-lot-line development and have pedestrian friendly infrastructure.

You may reach out to your region's Community Assistance Team specialist to discuss further.

42. How will green or sustainable developments be supported?
Projects that are addressing green and sustainable strategies that are identified in a local plan should note that in their application, especially aspects of that investment that contribute to long term resilience.

43. Can you talk more about the requirement for a team member to have previous project experience?
The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope.

44. What type of match would help a low- to mod-community be more competitive during the scoring process?
The minimum required project match for RAP awards is 50 percent of the project's eligible costs as detailed in the RAP program guidelines. For example: if the project's eligible costs are $4 million, then the maximum RAP grant award would be the lesser of $2 million or the financing gap as demonstrated in the application and

verified through program underwriting review. Projects that leverage additional match, including but not limited to support from a local unit of government, foundation or development authority, will receive favorable scoring in the application evaluation.

45. Can you recommend an online source for information for anyone new to the process?
Visit michiganbusiness.org/rap to learn more about the application process, frequently asked questions and anticipated timelines associated with this program.

46. Within the $100 million, is there a pre-determined allocation to each eligible purpose (i.e., individual projects, placemaking, regional grants), or will it depend on what applications come in?
The $100 million does not have a pre-determined allocation. Each type of project (individual, public space, and regional) will be scored against others in that category and then the top scoring applications will be weighed against each other to determine which are addressing program goals most effectively.

47. Is there a matrix or cheat sheet that can identify the differences between the RAP program and Public Gathering Spaces Initiative (PGSI) program and the different requirements?
To learn more about the differences between each program, you can go to michiganbusiness.org/rap for the RAP program and michiganbusiness.org/pgsi for the PGSI program. You may also contact your region's Community Assistance Team specialist, as a helpful resource around the types of projects eligible and other guideline details until the grant round is competitively announced.

48. Can any of the funding go towards staff time and/or consultants?
All specific costs associated with project delivery or project management may be eligible.

49. Does ARPA require the entire project to be completed by December 2026 or just the portion funded by the grant and any required match? Do you expect to include grant conditions that require the commencement of work by a date calculated to allow for the required work to be completed by the ARPA deadline?
Grant money must be expended by December 31, 2026, meaning the project would be completed and a

reimbursement of the grant award would be allocated to the awardee. Milestones with dates for a project's commencement are anticipated.

50. We have an abandoned piece of property within our CBD. Would the purchase of the property and creating a needed parking lot qualify?
You may contact your region's Community Assistance Team specialist, as a helpful resource around the types of projects eligible and other guideline details until the grant round is competitively announced.

51. How many sets of $20 million subgrants are expected to be awarded?
There is no set expectation for the number of subgrant programs awards to be supported with RAP. A subgrant program would be a coordinated program to address the impacts of COVID on different sites and potentially with different development partners. It could include multiple individual projects that together achieve one coordinated goal. Applicants for subgrant programs will be responsible for ensuring that program requirements, including reporting, are met for all projects in the subgrant program.

52. Do matching dollars have to be secured or pending acceptance at time of application?
Although application scoring will be impacted by financing commitments as described in the application, there is no requirement for hard commitments for any other leveraged source at the time of application. Any project that is unable to demonstrate financing commitments from all funding sources within six months of the application will not be eligible for MSF approval and the funds will be redistributed to other RAP eligible projects.

53. When will the guidelines and applications be available to us?
• Guidelines can be found here.
• The application will be available for preview as soon as possible and no later than February 2022.

54. Can one project receive a combination of a portion of the $5 million for real estate rehabilitation and $1 million for public space improvements?
This scenario is possible; the application itself will address this question further.

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55. **Can capital improvements to public libraries, such as ventilation improvements to increase airflow be funded?**

Scoring criteria will be available as soon as possible and will help you determine if this is a competitive application. Until the grant round is competitively open, your region's Community Assistance Team specialist can be a helpful resource. See guidelines and draft application for eligible expenses and scoring criteria.

56. **For projects involving housing rental, how many years is someone required to rent at a subsidized rate?**

There is no set requirement on number of years of housing affordability, but an application for a project that includes housing should demonstrate how it will address housing needs and if there will be local monitoring. Any project that does include housing must include units that are priced to be attainable to the local workforce including households with less than 120 percent of the area median income.

57. **Knowing there is an overall timeline required for projects to spend this funding, is there a specific date MEDC would like to see this money spent before it pulls funding to allocate to another project that can do so more quickly?**

There is not a specific date identified at this time, however individual projects will have certain set milestones in place that must be met.

58. **Is this a program that could be applied to a streetscape project?**

Grant awards associated with the development of permanent place-based infrastructure associated with social-zones, outdoor dining, etc., for a single project in a traditional downtown shall not exceed the lesser of $1 million or 50 percent of eligible costs.

Place-based infrastructure is considered as an 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.

59. **Would a project that has already begun initial work, such as targeted demolition and/or environmental remediation, as of the time of application be affected by the fact that some initial work has begun?**

No.

60. **If the MEDC likes a project but wishes to contribute some but not all of the requested funds, is that possible?**

Yes.

61. **For a park project, what proximity would qualify as in a traditional downtown or commercial corridor?**

Place-based infrastructure projects are required to be located such that they contribute to a traditional downtown or a mixed-use area with non-motorized infrastructure.

62. **When you use the term redevelopment, does that mean there needs to be a structure on the site, or can it be a mixed-use, affordable housing project on now vacant parcels?**

Infill development will only be considered on priority sites identified by certified Michigan Redevelopment Ready Communities® (RRCs).

63. **Will there be a NEPA review required, including SHPO review?**

A NEPA review may be required if RAP program funds are layered with other federal financial assistance programs for a particular project but if the project is funded by RAP only, they would not automatically be subject to NEPA review. Projects including historic resources or those with other specific environmental considerations would require a state-level environmental review at a minimum. The State Historic Preservation Office will be engaged in the review process for grant application evaluations.

64. **Do these funds cover construction documents?**

Construction documents could be considered as an eligible expenditure.

65. **Is land acquisition for a public space project considered an eligible expense?**

Land acquisition could be considered an eligible expense. Property control should be demonstrable at the time of application.

66. **Are there special considerations for historic preservation?**

The scoring rubric will be made available as soon as possible and will address this question. See guidelines and draft application for eligible expenses and scoring criteria.

67. **Is there a standard RAP definition of what constitutes "public space place-based infrastructure" as noted in the grant guidelines?**
Permanent place-based infrastructure is defined in the program guidelines as "An 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." The public space place-based infrastructure would include site improvements or buildings such as streets, plazas, gazebos, public facilities, etc., that are open and accessible to the public.

68. **Can communities apply individually and as well with local partners?**
Projects will be selected to ensure geographic distribution of funding around the state. Communities should consider which proposal option is most competitive.

69. **Can a DDA/city function as program administrator to give subgrants to local businesses? Could public parking be included in the project in an attempt to complete a holistic strategy, for instance could the subgrants cover filling vacancies, build residential, complete facade's and add parking?**
A city or DDA could be an eligible entity requesting regranting funds for eligible, "shovel ready" projects within their jurisdiction. Please talk through the particulars of a holistic approach with your Community Assistance Team specialist.

70. **If the project has multiple phases (5) and the organization has completed two phases, but funding from RAP would support phases 3–5... would that qualify, and can the funding for phases 1 and 2 be used as the match?**
Yes. A phased project that has some phases complete could qualify. Timing of the spending on the first phases would need to be known in order to determine if that investment could count toward the match. Prior to the application window opening, please have a conversation about the particulars of a phased project with your region's Community Assistance Team specialist.

71. **As a point of clarification around a grant providing up to 50 percent funding: if applying for a $500,000 grant than total project costs would have to be a minimum of $1 million?**
It is 50 percent of eligible expenses as detailed in the guidelines.

72. **Are there any specific public hearing requirements?**
There are no specific public hearing requirements associated with this program.

73. **What level of documentation of the balance of project funding will need to be part of the application? Will this be similar to CRP?**
The application will include some inputs similar to the CRP application. There will be flexibility around timing of financing, and likely a timeline allocated to secure the capital stack.

74. **How does a project address COVID impact?**
Applicants must address how the proposal is responsive to the impacts of the COVID-19 pandemic, including, but not limited to, if a project is not located within a qualified census tract, demonstration of how the project will target economically disadvantaged communities **by demonstrating how the project will benefit households and communities that are disproportionately impacted by the pandemic in accordance with the Final Rule and Final Rule Overview,** or demonstrate how the project will support industries that faced disproportionate economic impacts by assessing the size of the economic harm to the impacted industries, such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the proposed investment would respond to or address this harm.

75. **Did one of the speakers note that funds will only be distributed *after* construction is complete?**
Disbursement will be based on agreement milestones and in most cases, funding will be disbursed to the applicant after completion of construction of any one individual project.

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76. How will regional funding requests ($20 million) be prioritized when it comes to scoring? Is more consideration given to size of community, experience with incentives, etc.? Is there a rubric provided for scoring purposes? If so, what is the percentage weight for experience for projects of great magnitude?

The scoring rubric will be made available as soon as possible and will address this question. See guidelines and draft application for eligible expenses and scoring criteria.

77. Do we work with our MEDC CATeam leader for this program like CRP?

Yes. Until the application period begins, please direct project specific questions to your region's Community Assistance Team specialist.

78. What materials will need to be collected to demonstrate project viability?

The application will include financial inputs similar to the CRP application. There will be flexibility around financing, and likely a timeline allocated to secure the capital stack.

79. When seeking CRP and RAP, what should be secured first? How does that impact a project's scoring under the viability consideration?

It is up to the applicant to determine the best route. Both can be sought at the same time. If a project is unsuccessful with RAP, that would impact the readiness of the CRP request.

If it is a project that qualifies well for both programs, then needing both would not positively or negatively affect the scoring.

80. How is MEDC managing any potential CRP and RAP project overlap?

Overlap is allowable.

- CRP requests will still be processed. If a project is a good fit for RAP, the projects should apply for RAP. If a project demonstrates need, both RAP and CRP could be sought on parallel tracts to avoid losing time, if not selected for one of the programs.
- In considering a request for both tools, please keep in mind that RAP requires broad geographic distribution which could factor into projects eligible for awards under other MEDC/MSF programs.

81. Assuming there are enough requests to exceed the total $100 million in the first round, will MEDC award funds until the funding is depleted or is there a minimum score that a project request must receive?

There will likely be a minimum score established in the application. We hope to select all of the highest scoring, geographically diverse, qualified projects until funding is depleted. There are disqualifiers at the beginning of the application, but no minimum score.

82. Is there additional weight to a project located in a QCT or will it be equal to the other location preferences (e.g., beneficiaries located in QCT or disproportionate impact from COVID)?

There will be higher scoring given to projects in QCTs but per the program guidelines lower scoring proposals may be elevated in some instances in order to ensure broad geographic distribution across all Michigan regions.

83. Still not sure if we can do infill development on a non-RST site. If property is vacant or functionally obsolete due to COVID and proposed project is to demo existing structure and rebuild versus rehab, doesn't that get to the same desired outcome of activated underutilized space due to COVID?

This comes from the program guidelines that outline the different types of projects, where the third bullet is the only option for redevelopment of a vacant site.

- 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 million or 50 percent 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 million or 50 percent 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 million or 50 percent of eligible costs.
- Grant awards associated with the development of permanent place-based infrastructure associated with social-zones, outdoor dining, etc., for a single project in a traditional downtown shall not exceed the lesser of $1 million or 50 percent of eligible costs.

84. What if demo is part of the project?

If you are rehabilitating a vacant or blighted building and partial demolition or a new addition is part of the project, that may be acceptable. The program is not designed for full demolition and new construction except for the RRC priority sites.

85. Will the third-party fees be limited to a certain amount/percent?

We will look for third party fees to be reasonable and will be evaluated like CRP.

86. Will MEDC consider and/or fund any projects not in a qualified census tract?

A proposal could otherwise demonstrate that the project's beneficiaries may be from QCT or that there has been disproportionate impact from COVID. Projects outside of qualified census tracts will be considered, however in order to confirm that the project will meet the federal qualifications, those applications will need to demonstrate how the project will: a) target economically disadvantaged communities **by demonstrating how the project will benefit households and communities that are disproportionately impacted by the pandemic in accordance with the Final Rule and Final Rule Overview;** or b) demonstrate how the project will support industries that faced disproportionate economic impacts

by assessing the size of the economic harm to the impacted industries, such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the proposed investment would respond to or address this harm. This is all determined based on federal requirements.

87. It appears that RAP can be used to support projects that have received incentives in the past, however what if those projects have begun construction and have had cost increases or lost a hospitality tenant (due to COVID) that have created new gaps? Do those projects still need "but for" with a project that has not begun?

Yes, we want to see the underwriting with new conditions, but will still evaluate.

88. Project considerations mentions housing that includes attainable units. Do all housing units need to be attainable, or just mixed-income? Do we care about monitoring or NOAH units?

Some number of the units must be attainable. There is flexibility for the mixed income. ~~Projects with housing units will score higher if they include local monitoring, but that is not required.~~ Projects with housing units that do not include local monitoring may be disqualified.

Responses to written questions submitted to MEDC as of January 18, 2022:

89. Are multiple or scattered-site projects eligible? For example, my project has two sites on the same block.

It is possible to apply for a RAP award for one project that spans two non-adjacent sites. You may reach out to your region's Community Assistance Team specialist to discuss further.

90. What is the process of an RRC to certify a priority site for new construction grant funding eligibility under this program?

The RRSite selection process is carried out through on-site consultations between each certified RRC and the Redevelopment Services Team, (RSTeam), where 3–4 specific priority sites are chosen to for concentrated redevelopment efforts.

91. In order to qualify a project in a non-QCT, there are a number of conditions. One condition includes, "Demonstrate how the project will support industries that faced disproportionate economic impacts by assessing the size of the economic harm to the impacted industries, such as the loss of earnings or revenue, that resulted from the COVID-19 public health emergency and whether, and the extent to which, the proposed investment would respond to or address this harm." My question is, how would this be documented? Would we need letters, affidavits or tax returns from individual

businesses? Documentation from chambers of commerce, cities/villages, DDAs etc.? Would studies, (if any exist) from a university, etc., suffice?

The data sets relied upon can vary and will be nuanced to the impacts experienced by your community. For example, if your community was impacted by reduced travel, you might compile data that is available on hotel stays. Chamber of Commerce data on number of businesses closed would qualify as would tax returns from individual businesses, but you would not necessarily need both. If there is data on resulting tax revenue impacts, or employment loss resulting from COVID closures those would also qualify. University studies may be relevant if they focus on the specific community/business (versus the industry as a whole or communities in general). The data sets and estimating methods used to show the impact will also need to be used to do performance reporting on any awarded projects.

92. Does National Environmental Policy Act (NEPA) review apply to RAP projects?

A NEPA review may be required if RAP program funds are layered with other federal financial assistance programs for a particular project but if the project is funded by RAP only, they would not automatically be subject to NEPA review. Projects including historic resources or those with other specific environmental considerations would require a state-level environmental review at a minimum.

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Responses to written questions submitted to MEDC as of January 24, 2022:

93. **Has the first application period opened? If not, is there an expected date? When it does, is there a 120-days to apply or 90?...It looked like a 30-day Q&A period and a 90-day application period, but not sure if those run concurrent? Will there be an announcement when the application is released?**

    a. We are anticipating that the application round announcement will occur in February. That will be followed by a 30-day question and answer period. The question and answer period will be followed by a 60 – 90 day application development period which will begin in March. Therefore, the earliest that applications would be due would be a date in May of 2022. Here is the general program timeline for reference.

    b. An announcement will go out through many channels when the application goes live. You will only get a direct email announcement if you are signed up for communication from Community Development at the MEDC. If you are not already, please sign-up for the CD newsletter. We will be sharing key announcements and upcoming opportunities, such as RAP and other grants, to this list as opportunities become available.

94. **Do current deals or projects qualify, such as those that already have awards, but due to new circumstances have been unable to move forward?**

    Yes, it is possible to receive a RAP award in addition to another award. The application would go through an underwriting review that considers all of the financing sources and the current conditions that are creating additional financial need.

95. **Could the regional entity handle the funds themselves rather than rely on a third-party (foundation) if they so choose? As I understand, for the applicant to be considered for the $20 million, they would need to be a group or organization submitting a regional application, with the intention of acting as a subgrant and having a revitalization strategy in place. Therefore, a singular municipality cannot directly apply for this $20 million subgrant category. Instead, a singular municipality could potentially apply for multiple $1 million–$5 million grants (depending on the projects) that could equate to $20 million.**

    The larger award amount is available for any local or regional partner applicants that develops a subgrant program. Requests for subgrant awards must demonstrate local or regional coordination to implement a revitalization strategy. A city would be an eligible applicant and a city or regional entity could administer the regranting without the assistance of a foundation.

96. **Could I add MEDC regional staff to a committee formed to evaluate subgrant applications if an eligible entity pursued an award for regional use?**

    Unfortunately, before grant awards are made by the Michigan Strategic Fund (MSF), MEDC staff are unable to participate in a local committee to evaluate subgrant applications because the regional staff may need to review applications and otherwise support administration of the grants for the MSF. After awards are approved by the MSF, the regional field staff may be available to assist local committees who are implementing the award.

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Responses to written questions submitted to MEDC as of January 31, 2022:

97. With qualifying projects at the 60 percent earning less than median income for the community or 25 percent of the beneficiaries below the federal poverty line, how would we document service to these populations? I have a library that might be interested in the project and they serve a village and one township. How would they document service to either of these populations? Do they simply say that they are servicing them, do they need surveys, questionnaires etc.?

Treasury recently released the "Coronavirus State and Local Fiscal Recovery Funds Final Rule" and overview of the final rule which provides more guidance on this. Recipients can measure income for a specific household or the median income for the community, depending on whether the response they plan to provide serves specific households or the general community. The income thresholds vary by household size; recipients should generally use income thresholds for the appropriate household size but can use a default household size of three when easier for administration or when measuring income for a community. For this project to qualify, it would need to serve disproportionately impacted communities through assistance to low-income households. The guidance says that "income at or below 185 percent of the federal poverty guidelines for the size of its household based on the most recently published poverty guidelines by the HHS or income at or below 40 percent of the AMI for its county." The income limit for 185 percent of the federal poverty guidelines for a household of three is $40,626 per year. (page 19, Final Rule Overview).

Documentation of services for a library may include providing information on number of library card holders live in census tracts or communities that have median incomes below this level.

98. Is there a federal registration requirement for awardees?

All awardees will be required to register in the System for Award Management (SAM), and will be issued a unique entity identifier, which is an identification number established through SAM as part of the reporting requirements. All awardees who have not previously registered with SAM should do so, as soon as possible after notification of award.

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Responses to written questions submitted to MEDC as of February 7, 2022:

99. My proposal would require rezoning to allow the development. Would it be better to request rezoning before the application process begins? Or is this something that we will be assisted with, within the process?

Per federal program guidelines, all Revitalization and Placemaking (RAP) funds must be obligated by December 31, 2024, and must be expended by December 31, 2026, therefore project readiness will be an essential part of the application review and projects that require rezoning will not score as well as a project that has already been rezoned.

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Responses to written questions submitted to MEDC as of February 14, 2022:

100. Can local ARPA funds be used as match for a RAP application?
Yes.

101. Can a city provide letters of support for more than one RAP application, including their own application?
Yes.

102. Can a letter of support come from a county?
Yes.

103. RAP guidelines say, "Projects that include housing must include units that are priced to be attainable to the local workforce including households with less than 120 percent of the area median income," however, low-income housing within Final Rule Overview is defined differently. Why is there a difference?
The RAP program anticipates all projects falling within two ARPA expenditure categories: 2.11, "Travel, Tourism and Hospitality;" and 3.13, "Social Determinants of Health Other." Each expenditure category may include capital expenditure projects that include low- and middle-income housing. Projects in the expenditure category "Social Determinants of Health Other" must be primarily serving disproportionately impacted households

or communities. Treasury presumes the following households and communities are disproportionately impacted by the pandemic: low-income households and communities; households residing in qualified census tracts; households that qualify for certain federal benefits*; households receiving services provided by tribal government; households residing in the U.S. territories or receiving services from these governments. One of the enumerated projects within the Final Rule Overview (page 20) is "investments in neighborhoods to promote improved health outcomes." Applicants with capital expenditure projects in either expenditure category should review the capital expenditure guidance on page 30 of the Final Rule Overview and those interested in other uses of funds, beyond the enumerated uses, should refer to page 32 of the Final Rule Overview, "Framework for Eligible Uses Beyond Those Enumerated."

104. Can subgrant programs with multiple subgrant awards have subgrant project awards of more or less than 50 percent of eligible investment per project as long as the total MSF award is no more than 50 percent of the eligible investment for all of the projects that are part of the subgrant program.
No, each project in the subgrant program must receive an award amount that is no more than 50 percent of eligible costs for that project.

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Responses to written questions submitted to MEDC as of February 22, 2022:

105. The application states, "Each applicant should apply for only one category." Can a project be applied for as both a real estate rehabilitation application and as part of a subgrant application?
There is no prohibition against including a project in a subgrant application that is also applying as a real estate rehabilitation project application. One project will not receive funding from two different RAP applications.

106. Would new construction be scored under the "real estate rehab project category"?
A single new construction project that is on a priority site selected by a certified Redevelopment Ready Community® could be the subject of a real estate rehabilitation project application, or it could be one project within a subgrant program application.

107. Which scoring category should I be directed to for current rehabs where construction related inflation is resulting in less financially viable?
A project like this may be the subject of a real estate rehabilitation project application, or it could be one project within a subgrant program application.

108. Can you help me better understand what a "priority site" is? I understand it has to be in an RRC certified community, but what makes a site "priority"?
The priority site selection process is typically carried out through on-site consultations between the certified Redevelopment Ready Community® and MEDC's Redevelopment Services Team, where 3–4 specific priority sites are chosen for concentrated redevelopment efforts.

109. Is there a max amount of funds that one entity can apply for?
Applicants are able to submit more than one application with limits per project noted in the guidelines.

110. We have a public space project, and our space is 0.6 miles, or a 10-minute walk, from our DDA boundary. There are sidewalks and a biking path from the project site that leads to our downtown. Would this project be eligible for the RAP grant funds?
The project doesn't need to be within a DDA boundary, but it does need to be in or adjacent to and directly contributing to the traditional downtown. An example would be a park that is across the street from the downtown and is used to host events that attract customers to the downtown. To discuss your specific project, please contact your CATeam specialist.

111. Why doesn't the draft RAP program application speak specifically to accessibility and Universal Design?
Accessibility in design is an important priority within all MEDC programs. We appreciate this suggestion and will be making this priority more explicit within the materials in the future.

112. Please confirm the application deadline? The program timeline on the website is helpful but does not provide firm dates.
The final application will be posted and available to complete via the website in mid-March. It is anticipated that applications will be due in late May. The application was released on March 31 and the deadline to apply is Friday, June 3.

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Responses to written questions submitted to MEDC as of February 28, 2022:

113. What source will be referenced for the AMI rents?
For projects that include housing, rents will be evaluated according to the most current Michigan State Housing Development Authority LIHTC income and rent limit schedule in place at the time of application review.

114. If a subgrant program awardee has a project that does not move forward, can they distribute the associated funds to other projects that were part of our application? What about using the funds for another project that was not part of the application that later arises that meets the program requirements and timeline?
If an awardee would like to substitute a project or needs to reduce the award amount, then the grant agreement would need to be amended.

115. Looking at the written justification questions in Part C, page 4, it says, "Provide a comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior. Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures." Can you please explain what this means? For the projects being contemplated in our region, there are no comparable (alternative) projects to compare to.
The written justifications questions are required by Treasury for any capital expenditure projects using more than $1 million in ARPA funds. The question you referenced is not looking for comparable projects, instead it is looking for an explanation of other ways to address the harm caused by the pandemic and why the applicant believes that the proposed project is the most cost effective and appropriate use of funds to address the harm.

116. Will a subgrant application be considered if projects are statewide (not limited to a specific region) if there's coordination and an overarching revitalization strategy?
Yes, a subgrant application can include projects that are statewide if there is coordination and an overarching revitalization strategy.

117. We have identified a site which would include both renovation and new construction. We were wondering if the committed funds for the new construction could qualify as the local match requirement for the rehabilitation portion if it is part of the same project?
It is possible to include some new construction as part of a building rehabilitation project. To discuss your specific project, please contact your CATeam specialist.

118. Are the RAP program grant funds considered federal ARPA funds or state ARPA funds?
RAP funds are federal fiscal recovery funds being administered by State of Michigan.

Responses to written questions submitted to MEDC as of March 7, 2022:

119. **I'm trying to get my arms around the federal regulations for RAP and the difference in compliance requirements for project-based grants versus the subgrant program. Page 210 of Treasury's final rule describes the difference between a subrecipient and a beneficiary. If we receive a subgrant program award, will we be considered a subrecipient and therefore subject to Treasury's procurement requirements, reporting requirements, monitoring, and oversight? Any insight you can provide would be greatly appreciated.**

All RAP grant awardees will all be subrecipients who are subject to Treasury's procurement requirements, reporting requirements, monitoring, and oversight. Beneficiaries would be users of the rehabilitated or enhanced space.

120. **Our organization has a project that is currently underway and will be completed in late 2022. Would this project be eligible for the grant program or is the project's completion too early on in the RAP timeline? I see that all expenses must be allocated by 12/31/2024, but what is the earliest funds can be allocated and expended?**

Per federal guidance the funds may only be used for costs incurred within a specific time period, beginning March 3, 2021, with all funds obligated by December 31, 2024, and all funds spent by December 31, 2026. The awards are need-based and will be subject to underwriting to determine the financing gap that demonstrates the need for a RAP award.

121. **On the FAQ No. 43., it says, "The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope;" however, the application does not include lack of experience as a disqualifier on page 2. Is experience a "must"?**

The requirement to have an experienced development team comes from the RAP program guidelines, that say, "The applicant, consultant or individual member of the development team must have experience implementing a project of a similar scope." The draft RAP application will be updated to provide more clarity on the requirement.

122. **Capital expenditures are noted in the "Coronavirus State and Local Fiscal Recovery Funds: Overview of the Final Rule" and one of the ineligible projects that Treasury lays out is, "Construction of convention centers, stadiums, or other large capital projects intended for general economic development or aid to impacted industries." Would this also exclude a performing arts center?**

Performing arts centers are not excluded, however it will be the responsibility of the applicant to identify the pandemic-related impact or harm and describe how their proposed capital improvement project, in this case a performing arts center, responds to the identified impact or harm in a way that is related and reasonably proportional to the extent and type of impact or harm. The Coronavirus State and Local Fiscal Recovery Funds final rule gives more detailed guidance on this topic than the final rule overview, most specifically on page 200 it says, "Large capital expenditures intended for general economic development or to aid the travel, tourism, and hospitality industries—such as convention centers and stadiums—are, on balance, generally not reasonably proportional to addressing the negative economic impacts of the pandemic, as the efficacy of a large capital expenditure intended for general economic development in remedying pandemic harms may be very limited compared to its cost."

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Responses to written questions submitted to MEDC as of March 14, 2022:

123. Are we able to calculate more accurate area medium incomes (AMI) income and rent limits at the local level by city or township as opposed to using the posted limits from MSHDA (latest issued on 04/01/2021)?

The program is requiring that for projects that include housing, rents will be evaluated according to the most current Michigan State Housing Development Authority LIHTC income and rent limit schedule in place at the time of application review.

124. Is the "local support recommendation letter" different than demonstration of support with the 100-word cap?

Yes, they are different. The support letter is a required attachment, and the description of local support is referring to financial contribution or a quantified value for in kind support.

125. Can an organization submit as a regional re-granting project with multiple projects in their pipeline that meet the objectives of RAP, using their own organizations funding as the match?

The grant award can be for no more than 50 percent of the project's eligible costs. The match, or source for the remainder of the funding, can come from the organization submitting the application. The draft RAP application asks for evidence of that funding and in this case, evidence would likely include both proof of availability and proof of commitment of funding.

126. Can an applicant apply for a regional subgrant if I have only one project to enter once the application window is open?

Yes, it is okay to have a subgrant application with one project. See answer to question 28.

127. Does there need to be a bank involved if the developer has the cash on hand to fund the development out of pocket? The project does not work without the grant we will seek but the developer could cover the construction out of pocket and get reimbursed once the project is complete?

The RAP grant award can be for no more than 50 percent of the project's eligible costs. The source for the remainder of the funding, can come from the developer as you have described without a bank being involved. The draft RAP application asks for evidence of that source funding and in this case, evidence would include proof of availability of funding. Also, the evaluation of need for the grant will be based on the redevelopment project's income and expenses, not the source of the match.

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Responses to written questions submitted to MEDC as of March 21, 2022:

128. If our project is providing housing in a downtown core, can we pick the "Travel, Tourism, and Hospitality" category by making the argument that increased residents will benefit these industries or does the project itself have to address the industry, i.e., the project has to house a restaurant, hotel, etc.?
A proposed RAP project does not need to include a hospitality or tourism use in order to qualify within that expenditure category, however the proposed project must be related and reasonably proportional to the extent and type of public health impact or economic harm experienced by the community.

129. Will the MSF board approve the grants early this summer? I see that the funds are to be allocated by 2024. I'm not clear whether that is when the awards will be official or whether it will be in 2022.
The MSF board will consider grant recommendations as soon as possible following selection of applications. When an application is selected to move forward for board consideration, the applicant will receive a letter of interest from the MEDC, similar to the process for the Community Revitalization Program.

Responses to written questions submitted to MEDC as of March 28, 2022:

130. Are the RAP program grant funds considered federal ARPA funds or state ARPA funds?
RAP funds are federal funds that have been allocated to the state. This money is subject to federal requirements and reporting guidelines that the state is charged with disbursing.

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Responses to written questions submitted to MEDC as of April 4, 2022:

131. Can applicant organizations submit more than one application if they have multiple eligible projects? Will applicant organizations be eligible to receive more than one grant award, or is the maximum grant award one per applicant?

Organizations may apply for awards for multiple projects either individually or as a subgrant program application. Each application will be scored on its own merit and will compete against other applications. Please keep in mind the RAP program requires broad geographic distribution across all Michigan regions.

132. 3c asks the following: Provide a comparison of proposed capital project against at least two alternative capital expenditures and demonstration of why the proposed capital expenditure is superior. Recipients should consider the effectiveness of the capital expenditure in addressing the harm identified and the expected total cost (including pre-development costs) against at least two alternative capital expenditures. Can you provide examples of what types of alternative capital expenditures you are requesting to see for a real estate rehabilitation project?

Per the final rule found here, the term "Capital Expenditures" means "expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life." 3c is one of the "written justifications" required by Treasury for any capital expenditure using this federal funding source. The question is looking for an explanation of other ways to address the harm caused by the pandemic and why the applicant believes that the proposed project is the most cost effective and appropriate use of funds to address the harm.

133. What is the timeline for the RAP application?

The RAP application went live on the afternoon of Thursday, March 31, and can be found here. The application is due on Friday, June 3, at 11:59 p.m.

134. Where do I find the proforma document that is listed in the application as a required document?

You can find links to the proforma(s) on the RAP landing page, located here. For real estate rehabilitation applications, please complete the proforma labeled "Real Estate Proforma document." For public space place-based applications, complete the proforma labeled "Place-Based Proforma document," and for all sub-grant applications, please complete a proforma for each project—either real estate rehabilitation or public space place-based—that will be included in your application.

Responses to written questions submitted to MEDC as of April 11, 2022:

135. I don't have a brick-and-mortar business. Is my business still considered?
Not having a brick-and-mortar business is not a disqualifier. Please refer to the program guidelines description of 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 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 or other entities approved by the MSF."

136. Are new construction projects only for priority sites?
Yes. The fourth question on the FAQ document speaks to requirements on new projects.

137. Are water and sewer projects downtown considered infrastructure? Or a new electric substation that would support downtown?
Please refer to the revitalization program guidelines goals and award structure descriptions to determine if your project is a good fit for this grant program.

138. If I am submitting a real estate rehab project under a coordinated subgrant application, should I log-in under the "Coordinated Subgrant Projects" portal even if I am not the designated rep from the municipality that is coordinating the subgrant submission on behalf of multiple projects? If not, how should I input information about my project within the RAP application portal?
If you are applying for a single project, you should apply under the real estate rehabilitation **or** public space place-based infrastructure awards category. The only applicants who should fill out applications under the Subgrant award category are applicants who intend to include multiple projects in one submission. You would need to provide that applicant your project information so that they can enter it.

139. Are the funds first come first serve? Or does MEDC wait for all applications to be in on June 3 to determine who gets awarded funds?
The MEDC reviewers will wait for all of the applications to come in on June 3 before they start their review. No projects will be scored, and no funds will be committed until after that date.

140. When collecting letters of support for our projects, who should the letters be directed to and is there a particular format or content required? Do you have an example letter? Also, the project considerations states, "The most competitive proposals will also include a financial contribution from the local unit of government." This financial contribution is from the same entity that provides the letter of support?
You may choose to have letters addressed to whomever you would like. One suggestion would be to have letters addressed to RAP grant reviewer. Several different types of letters are required or contribute to the scoring points in the RAP application and there is some variation in what letters are necessary between the application categories. Different letters will have different content. Please refer to the application for information on what content to include. Local support recommendation letters are part of the required attachments for all applications. This letter is also referenced in the program guidelines, "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." Any letters of support that reference financial contributions should be uploaded to the relevant area for letters of support and also within the required attachments as part of "Evidence of Funding Commitments."

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Responses to written questions submitted to MEDC as of April 19, 2022:

141. Will housing projects without income verification or monitoring be disqualified and/or receive reduced points?

Applications or individual projects may be disqualified if the project includes a housing element and does not include attainable units and a plan for income verification and monitoring.

142. If a project was started after March 2021 but has since been completed, is it eligible for potential reimbursement under the RAP grant? How about a project that was started but will be complete by July 2022?

A project that is already complete is not eligible for reimbursement through the RAP program, because this is a need-based grant program. A project that was started and has stalled or is unable to reach completion due to increased costs related to COVID may be eligible for funding through RAP. Expenses incurred prior to March 3, 2021, cannot be reimbursed per federal requirements.

143. I am the director of a nonprofit and we consider our store to be an indoor community space. Do we need to own our building in order to qualify for RAP? Does the space need to be public spaces? What would our match requirement be?

The RAP program application includes points for property ownership or control but does not disqualify applicants who do not currently own the property. It is important to note that real estate rehabilitation is a different category of application than public space place-based infrastructure projects. If the application is for a public space place-based project, that would include site improvements or buildings such as streets, plazas, gazebos, public facilities, etc., that are open and accessible to the public. The minimum required match for RAP awards is 50 percent of the project's eligible costs as detailed in the RAP program guidelines. For example: if the project's eligible costs are $4 million, then the maximum RAP grant award would be the lesser of $2 million or the financing gap as demonstrated in the application and verified through program underwriting review.

144. We purchased a vacant theater and in order to re-open there is extensive construction and rehab that needs to be completed. When completing the revenue section of the pro forma we do not see where ticket and concession sales would be entered. We would not have any rents or tenants as detailed on the pro forma.

On line 94 of the revenue tab, there is a section for "Other Income and Assumptions" which is where you can list revenue streams outside of residential or commercial tenant rents.

145. We are considering applying for the RAP program as part of a project aiming to rehabilitate an existing school building into a community center. In the application, point G under the "Eligible Costs" section in the guidelines reads: g. Developer fees not to exceed 4% of total project costs; How's the developer fee defined exactly? We provide engineering/architectural services in addition to construction management. We usually charge hourly for engineering and CM services and a separate developer fee. Which would go under "Developer Fee" in this case? Would a higher developer fee disqualify the project? or does it mean that only the base 4% are eligible and any fees above will be considered ineligible costs? Would appreciate your input on this!

Developer fees include other costs not listed to on the proforma that are incurred by the developer. These fees are what a developer would ordinarily pay him or herself to complete the project. Any amount above 4 percent would be considered ineligible costs.

146. Our city is interested in applying for the RAP grant for a streetscape project. The project will begin in 2023. Will this impact our ability to be funded if approved? It states that the funds "must be obligated by December 31, 2024," so would the 2023 project be applicable?

Yes, a project beginning in 2023 is eligible to receive RAP funds. RAP funds must be committed by the state to an applicant by December 31, 2024, and expended by December 31, 2026.

Responses to written questions submitted to MEDC as of April 19, 2022, *continued*:

147. When filling out the application, is there any portion of the completed phases of a project that would retro-qualify/be included in the application?

Completed projects are not eligible for reimbursement through the RAP program. RAP funds are to be used for projects with a financing gap due to the COVID-19 pandemic that would otherwise not be able to be completed without additional funding.

148. I own a home-based business, which includes traveling to make appointments. I don't consider my home or community blighted. I don't fit in the other categories, however always looking for financial support as a business owner.

Eligible applicants for the RAP program are individuals or entities working to rehabilitate 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.

149. The written justification section of the application asks for a comparison of proposed project against at lease two alternative capital expenditures. What types of comparisons might we be providing? Does this refer to multiple price quotes (e.g., HVAC, electrical, plumbing, etc.), alternatives to elements of the project (e.g., repairing seats vs. replacing them), alternative projects (e.g., building a new theater vs. restoring the old one) or something else? Any guidance is appreciated!

Per the final rule found here, the term "Capital Expenditures" means "expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life". Question 3c is one of the "written justifications" required by Treasury for any capital expenditure using this federal funding source. The question is looking for an explanation of other ways to address the harm caused by the pandemic and why the applicant believes that the proposed project is the most cost effective and appropriate use of funds to address the harm.

150. Can I set up the RAP application, so several people have access to it from their email? Or can I change the current email address to a new email that will only be used for this and can be accessed by several people?

The application itself is directly linked to the user profile and applicant profile that you set up before starting the application, so for anyone else to have to access to the application would require them to have your user profile and applicant profile login information. We do encourage as few applicants as possible to be involved in the application process and would prefer that one person or entity takes the lead on all applications.

151. Can you provide a table or share the point system in an easy-to-follow table as the point system is difficult to follow in the application?

Please review the draft application on the RAP landing page. That document shows all of the questions with the corresponding scoring criteria.

152. I am the government affairs director for a primary care provider group, and we are in the planning/development phases for additional centers. I am interested in discussing some of the finer details of the revitalization and placemaking program. I want to understand if all our locations would be eligible. And I would like assistance in connecting with the appropriate local officials – because I understand an application is incumbent on the assent of the local government.

Eligible applicants for the RAP program are individuals or entities working to rehabilitate 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. If your group is working to add primary care provider centers in buildings where space has been left vacant because of the pandemic, then the rehabilitation of those structures for this new use may be competitive for this funding. It is recommended that you go through the draft application to determine how well the projects would be likely to score based on the scoring criteria outlined after each question.

Responses to written questions submitted to MEDC as of April 19, 2022, *continued*:

153. Our regional subgrant application will be dependent upon receipt of admin fees directly attributed to administering a number of eligible housing projects. Could you please provide more specifics and greater detail on the reasonable administrative requests by a subgrantee, to provide us with greater assurance that we can cover administrative support to these projects, if we apply and if we are then awarded?

Please include the amount needed for project management in each of your project budgets within the subgrant program application. Project management would include project administration fees and should be no more than 10 percent of each project's total grant amount.

154. If my project is already a part of a larger subgrant application, can I still submit an application for a single real estate rehabilitation or public space place-based project?

There is no prohibition against applying as a real estate rehabilitation project application or a public space place-based project if your project is also included in a subgrant application.

155. Our subgrant application has projects from multiple regional economic development partners. Are all of the entities involved in the subgrant program allowed to submit letters of support to satisfy that application requirement? These partners are the major stakeholders and are in fact united around the same strategy. We can certainly find other supportive regional partners to write letters if needed, but given that the major organizational stakeholders are in fact parties to the application, we wanted to clarify if they were "eligible" to provide letters--or if reviewers will be looking for letters from folks not party to the application.

Yes, the stakeholders who are party to the application are eligible to be the same stakeholders who submit letters of support. Please note that letters should indicate how all the subgrant projects (not just an individual project) will support a long-term, area-wide strategic goal.

156. Is it possible that funds for my region are already spoken for?

No. MEDC reviewers will begin their review after the application deadline which is June 3, 2022. No projects will be scored, and no funds will be committed until after that date.

157. What are the tax implications of the RAP program?

We would encourage you to consult a tax accountant with any specific questions, but here is some information that might be beneficial: The IRS has determined that recipients of funds from grant programs which support businesses are considered gross taxable income to the recipient. This is due to changes to Section 118 of the Internal Revenue Service code due to the enactment of the Tax Cuts and Jobs Act of 2017. Because of this, State of Michigan will issue 1099-Gs to certain recipients for RAP program grant payments. Some recipients like corporations, non-profits, governments, etc. would not receive a 1099-G as the IRS does not require it. Recipients may receive 1099-Gs over multiple tax years as they will be issued based on when payments are made to the recipient from the state/MSF. For recipients that will be administering a sub-grant program, the funds distributed to them are not considered gross taxable income. Instead, these recipients, as grant administrators, are responsible for any tax reporting obligations of the grant payments to the sub-awardees. Total grant payments exceeding $600 should be reported in box 6 of Form 1099-G to both the recipient and the IRS. Additional information on Form 1099-G can be found on the IRS website at www.irs.gov/forms-pubs/about-form-1099-g.

158. We are interested in applying for the RAP program and have begun an application on the MEDC website. I came across the following question but noticed that there was no file upload button for the support letters, only the text field: Provide and describe how the project will benefit nearby businesses and attach any support letter(s) from adjacent or nearby businesses or property owners?*

After you select which category of award you are applying for, the required documents will populate underneath the background information section allowing the support letters to be uploaded.

Responses to written questions submitted to MEDC as of April 19, 2022, *continued***:**

159. Do you believe real estate rehabilitation and development or public space, place-based application will be more competitive?

Funds for both categories of projects come out of the $100 million that was allocated for the RAP program, so both categories will be competing for the same dollars. One will not be more competitive than the other.

160. If an application is referred to MSF for review, what is the timeline for collecting matching funds (as opposed to pledged funds)?

Timing for firm commitment of funds may vary by project, but in most cases should be no more than three months after notification that the project has been selected for MSF consideration.

161. Do any sections of the application have word limits? Do you have expectations for application length?

The tie breaker questions have a limit of 500 words. No other sections of the application have word limits. There is no expectation for application length—we simply ask that the applicants respond with complete and concise answers.

162. Is outdoor infrastructure, like parks with sports fields, outdoor ice rinks, water features, pavilions or other built environment features considered new development that can only occur in RRCs?

Only real estate rehabilitation projects that are new construction need to be on priority sites selected by RRC certified communities.

163. In a phased project, does Phase 1 of the project qualify for RAP funds if all other qualifications are met?

Each phase of the project that is included in your application for funding must meet all of the qualifications.

164. Are acquisition costs eligible expenses?

Yes, per the program guidelines, acquisition costs are eligible. Please refer to our guidelines which list all eligible expenses. They can be found here.

165. Can loans be considered matching funds?

Yes.

166. If my project is not within a QCT, am I still eligible to apply?

Yes.

167. Can this program be used for construction project for low–mod housing projects that have begun, but have stalled due to cost increase?

If the project is new construction, then it would need to be on a priority site selected by a RRC certified community. If this is a housing project that includes the rehabilitation of a currently vacant or underutilized structure, then it may qualify without being in a RRC certified community.

Responses to written questions submitted to MEDC as of April 25, 2022:

168. Can you clarify that if a grant award up to $1,000,000 is for $500,000 with $500,000 match or $1,000,000 with $1,000,000 match? We have a streetscape project that will be over $8,000,000 and are hoping for the $1,000,000 grant.
RAP funds can only account for 50 percenbt of total eligible costs and public-space place based infrastructure projects are limited to a $1,000,000 grant. If total eligible costs of a project are $2,000,000 or more, the applicant would be eligible for $1,000,000 in RAP funds.

169. According to the application: All projects must be responsive to the negative public health and/or economic impacts of the COVID-19 pandemic and must fit within and provide reporting for one expenditure category. However, question 2 of 3 in the capital expenditure section of the application (for requests of $1 milion or more) gives an example of an expenditure category of economic harm but not Strong Healthy Communities. Are real estate rehabilitation applications for $1 million or more welcome for the expenditure category of Strong Healthy Communities?
Yes, real estate rehabilitation applications for $1 million or more are welcome to utilize the Strong Healthy Communities expenditure category.

170. Is the rehabilitation of brownfields followed by building parks and park features (without buildings) on the remediated property an acceptable use of real estate rehabilitation funds outside RRCs?
The aim of the real estate rehabilitation category is the rehabilitation of existing structures and attraction of residents and businesses. If the end goal of your project is to build a park on a remediated brownfield site, it is suggested to apply for the Public Space Place-Based Infrastructure award.

171. What information and documentation will be required by the MSF to document pledges? Funds on hand? Multi-year pledges?
Initial reviewers will be looking for term sheets from senior lenders, evidence of equity in the project (via a bank statement or signed letter from a bank) and documented commitment of any other source of funds included in the project's capital stack.

172. Within the RAP app's Excel spreadsheet "RAP.Real. Estate.Rehab.Proforma," the "Instructions and Notices" tab includes the following "Underwriting Considerations." I'm seeking clarity on item "III," which suggests the dev'r and other related-party fees should be 4 percent or less. If a RAP application is being submitted for a mixed-use project that includes both LIHTC and Historic Tax Credits (HTC), the developer fee is typically sized in the 10–14% range. This is an expectation on the part of investors and lenders because these projects have lower rents and the annual cash flow is minimal. Project sponsors include a 10–14% developer fee in the sources/uses pro forma to:
- **generate additional tax credit equity from investors (as the developer fee is "basis eligible");**
- **help compensate the sponsor/developer for time, effort and risk (since rents and annual project cash flow will be restricted); and**
- **create some cash reserves held by the sponsor/developer to help "back stop" the myriad of guarantees required by investors/lenders.**

a. Is MEDC referring to something other than the standard developer fee for LIHTC and HTC projects?
The RAP program is allowing up to 4 percent non-deferred developer fees. Additional developer fees may be included in the uses of funds, but they will not be part of the eligible basis for the RAP award.

b. If the RAP app is being submitted for a mixed-use project in which investors and lenders are expecting the sponsor/developer to earn a developer fee in the 10–14% range, will MEDC take the above factors into account when reviewing the amount of developer fee included the project budget?
Yes, if you are working on a project with tax credits where investors are expecting certain fees, reviewers will allow for that, but fees above 4 percent will not be part of the eligible basis for the RAP award.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Responses to written questions submitted to MEDC as of April 25, 2022, *continued***:**

173. Can funds already invested into a historical real estate project be considered as the match?
If the real estate project referenced above is part of work done at the same address and is part of the scope for the RAP application yes, funds already invested can be considered as a match.

174. For the grant awards, who helps set the milestones? Does each project work with MEDC to set these?
MEDC will work with applicants to develop milestones tailored to each project.

175. Can a portion of the funds in a housing real estate project in a blighted community be used to start an impact fund to further the project's goal to rehab blighted homes and build new homes on the vacant properties?
All RAP funds must be used for eligible costs. Please see the RAP guidelines, found here, to see what expenses qualify.

176. I am reaching out about the revitalization and placemaking grant. The company I work for owns a 185,000-square-foot vacant building that
sits on a 16-acre site. We are in the process of determining exactly what we want to do with the building, but we have multiple strategies and plans. We have obtained renderings and construction bids to support these plans. However, we would not be breaking ground on these plans for at least a year. Would the funds be available to someone in our situation, or should we not apply?
It is difficult to say how your application would fare without knowing about more about your project. I would suggest reviewing our program guidelines, which can be found here, as well as our RAP factsheet, found here.

177. I have downloaded the real estate proforma, however, it does not appear I can see the whole application prior to entering specific information. Do you have the entire application in a format that allows me to see all of the areas/directions for each entry required?
When you select the category of award you will be applying for additional fields are populated. If you do not want to use the online application yet, you can see the draft application in PDF format here. All of the content is the same.

Responses to written questions submitted to MEDC as of May 2, 2022:

178A. First, I am aware that these federal funds can be used for expenses that were incurred in a time period beginning March 3, 2021 (this is addressed in FAQ question 120.) I am working with a project with time sensitive activities they would like to begin before summer when funds are expected to be allocated. While the project developers have the ability to pay for the work on the front end, doing so will prevent them from being able to carry out other work on the back-end of the project when their current financing is expected (as this is a project that truly requires a 50 percent match). Is it possible for a project to be reimbursed for expenses that are incurred before grant funds are allocated? If so, how should such expenses be noted in the grant application?

Include all expenses in the application with a note in the narrative portion about those expenses incurred before the application was submitted. Applicants must demonstrate a financial need for RAP funds in order to qualify.

178B. Second, are applicants for projects under $1 million required to submit evidence that multiple bids have been solicited for the project?

No, that is not required.

179. Would it be okay to include a MSHDA proforma worksheet for the RAP application if one has already been completed for the relevant project? Or can applicants only submit the RAP proforma worksheet?

Applicants must only submit the RAP proforma worksheet.

180. Can our equity investment in a project, including purchase price and current basis in land, be used as match for the grant?

Yes. Acquisition fees or costs for real property are eligible costs under the RAP program and would count towards the eligible basis. Applications will not be disqualified if all funding is not fully committed.

181. In the required attachment section of the application there is a spot to upload a project map. For clarification, what is needed for this attachment? Is it asking for another aerial photo or map that highlights/points out parts of the project?

A map is requested of the area for the project that shows adjacent streets and the property as a whole—this could be an aerial map.

182A. Matching requirement: does the individual applicant provide matching funds or does the local municipality who submits regional subgrant program provide matching funds for applicant?

The 50 percent matching funds can come from any source, whether it be owner equity, bank financing, local support, or a combination of sources.

182B. If applicant is not selected to be included in a regional subgrant program, when/how/what process should applicant apply directly to MEDC?

Applicants are able to apply for individual real estate rehabilitation and/or public space place-based grants even if the same project is also included in a subgrant application. The same project will not be awarded twice, but if one application does not succeed, the other is still eligible. If your project does not receive an incentive under the RAP program, you can reach out to your Community Assistance Team specialist.

182C. If applicant in a historic district and qualified census tract is not selected for RAP rehabilitation/revitalization funds, what other grants/programs can you direct us to?

We would encourage you to reach out to your Community Assistance Team specialist. Their contact information can be found here.

Responses to written questions submitted to MEDC as of May 2, 2022, *continued***:**

183A. Suggest adding the ability to add additional attachments, i.e., we would probably submit maps that show infrastructure and/or non-motorized transportation assets adjacent to or around a project site. Right now, there is nowhere to add this.

Additional attachments may be required later in the application process. If you want to add additional documents, clearly label them and combine them with other similar documents into one large document.

183B. If there is a project that has two (or more) condo units that are owned by separate entities (LLC, etc.) with separate schemes of finance, should those be submitted as two projects or one, or is that up to us?

If this is part of a subgrant program, then it is up to you. If this is not a subgrant, please fill out separate applications and divide eligible expenses accordingly.

183C. In the "Assistance to the Travel and Tourism industry" section, the final rule overview (page 24) states that, "Aid may only be provided to support businesses, attractions, and tribal development districts operating prior to the pandemic and affected by required closures and other efforts to contain the pandemic." Does that mean that, if a project is only qualifying under the travel/tourism section (and cannot qualify on any other), and the project for which the application is being proposed is for a use that did not exist pre-pandemic, then it is not eligible?

The intent of the travel/tourism expenditure category is to assist an industry that was hard hit by COVID-19, so the project itself would have had to be operating on and/or after March 3, 2021, and been negatively impacted due to the pandemic.

183D. The application, in the section describing the project's financing, states, "If equity is the only current source of financing, please provide a bank statement or letter from your bank confirming that you have adequate financing to cover the amount listed in the proforma." Can you clarify if you are asking for (a) a bank statement or letter that shows cash on hand in the amount of the equity shown in the proforma (i.e., documentation of availability of equity); or are you looking for (b) evidence that the applicant has sufficient cash to complete the project in the event debt cannot be secured?

We are asking for a bank statement or letter that shows the cash on hand in the amount of equity shown in the proforma.

184. We have an application for funds, and we will not know if we receive them until September. Should we include those funds in our proforma as match funds?

Yes, you should include those as potentially matching funds.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

Responses to written questions submitted to MEDC as of May 9, 2022:

186A. Can costs accrued by a current owner be included in the project if there is a development agreement is in place to sell the building to the RAP applicant? Insight: The building of topic is in a traditional downtown and is not only vacant but severely blighted. In the meantime, the current owner of the building has undergone work to secure the building, making it safe and better positioning it for redevelopment including repairs to the roof and front façade both necessary to reduce the harm and hazard to the public. These costs were accrued within the timeline of March 3, 2021.

Acquisition costs are eligible expenses, so it is possible for RAP applicants to reimburse the previous owner for these expenses as part of the acquisition costs.

186B. I'm confused by the latest revision to the RAP program. The regulations require Davis Bacon if the project is over $10 million, but this change makes it sound like even if our project will be less than $10 million, we will still be subject to this? Can you please confirm/deny this?

The federal government's guidance indicates that the RAP program is one arpa project. since the federal government sees RAP as a $100 million project, all uses of the RAP funds are subject to Davis Bacon wages.

187. I have three projects within two blocks that I believe are very well aligned with the goals of the program. Here is my understanding of how I can apply with multiple projects:
  a) Submit each project individually under a real estate rehabilitation application—in which case each project would require a minimum grant request of $500,000. (3 applications)
  b) Submit all three projects under real estate rehabilitation as one scattered-site project. Under this scenario, the grant request for all three projects combined must be a minimum of $500,000, but each site can have an ask less than the $500,000 minimum. (1 application)
  c) Submit a subgrant application as one organization that would like to support grants

for three projects. The minimum ask for the subgrant program would be $500,000, but the individual subgrants can be less than $500,000. (1 application)
Please tell me if this is an accurate understanding of my options or if there is any nuance that I may be missing.

All three of those are viable options for this program.

188A Regarding funding disbursement: "…funding will be disbursed to the applicant after completion of construction of any one individual project." Does this mean there is an expectation that an applicant secures bridge funding until the project is completed?

Yes, that is the expectation.

188B. If submitting for a scattered-site project, will funds for the total project be disbursed only after construction for all sites are completed or would it be site-by-site disbursement?

See answer to question 75.

189. Does question 30 refer to a real estate rehabilitation proposal that has multiple projects (e.g., scattered-site) or a regional subgrant application?

That project is related to regional subgrant applications.

190A Questions 105 and 154 make clear that there is no prohibition against applying as an individual project and as part of a subgrant application. My question is on how the assessment of each application would play out.

Both applications will be reviewed by the same reviewer. If the subgrant application is approved, the individual project will not receive approval.

190B. Would each application be judged in the first instance without regard to the other?

The two applications will be reviewed individually by the same reviewer.

MICHIGAN ECONOMIC
DEVELOPMENT CORPORATION

Responses to written questions submitted to MEDC as of May 9, 2022, *continued*:

190C. If both applications were successful (i.e., a top-scoring project positioned for funding), how would the decision be made to remove one of the iterations from the funding total so that another project could be supported?

If the subgrant application is approved, the individual project will not receive approval.

190D. Would it be up to the applicant to choose which should be removed or would MEDC staff make that decision?

MEDC staff will be responsible for that decision.

191. I am in the process of entering the sub grant information into the MEDC application site. Question 1 requires a site map. I have prepared one in a PDF format. How can I attach as required in the question? Unlike the letters of support, which allows me to select them and add to the application, there is no prompt to upload a map. I have several items that will need to be uploaded as part of this process, so I will need this same guidance for those responses as well.

After you select which category of award you are applying for (near the top of the application) a list of attachments will populate under the "Background Information" section of the application. A project map requirement is the second from the bottom.

192. I see that application instructions calls for evidence of funding commitments—is a resolution needed, or will a commitment letter signed by an authorized official suffice?

A commitment letter signed by an authorized official will suffice.

193A. Does the project have to be in pre-construction phase? We bought a historical downtown building in August 2019, began demolition and construction on a mixed-use conversion in November 2019, then COVID hit, locking down our project. Since then, costs have tripled and COVID continues to impact our jobs site. Just last week, we had limited crew onsite due to a COVID outbreak among staff and outside trades.

Projects are not required to be in pre-construction phase, but all costs associated with the RAP incentive must have been incurred on or after March 3, 2021.

193B. Even though a project consists of a mixed-use component does project scope have to include this factor if we aren't asking for those project costs?

The project scope in the RAP application may be a stand-alone phase of a larger project but if the phases rely on one another for feasibility, all phases and uses should be described and included in the application. Eligible activities are listed on the RAP guidelines document which can be found here.

194. In the attachment area it states that there is a required attachment, "Project Map." I am not sure what is being asked for here. Earlier, an aerial photo was required, and I submitted that, but this request stumps me. Is the answer just to provide a common street map with the building we wish to submit for revitalization Xed off? Hopefully, I am not overthinking this.

Please include a picture or screenshot of a map that shows the project area that clearly shows the surrounding streets.

Responses to written questions submitted to MEDC as of May 16, 2022:

195A. Can we use funds acquired before the grant completion towards our 50% match, i.e., we just received the MDARD grant and have a $30,000 donation for the 30% match. Will this or any other dollars count?

Yes, you can use funds from any other source to account for your 50% match.

195B. Do they accept in-kind match?

See answer to question 20.

195C. Do we have to have the match confirmed to apply OR can we have the match confirmed upon receival of the grant?

Although application scoring will be impacted by financing commitments as described in the application, there is no requirement for hard commitments at the time of application for any leveraged source. Any project that is unable to demonstrate financing commitments from all funding sources within six months of the application will not be eligible for MSF approval and the funds will be redistributed to other RAP eligible projects.

195D. How does payout look? Is it reimbursement or are funds paid out? Can we have a match paid out as we spend, or does it have to be fully secured at the time of grant signing?

See the answer to question 75.

196. If developing a multifamily project, is it possible to apply for RAP grant funds, expend the grant funds for eligible expenses then have the ability to apply for LIHTCs? This would mean the financing would not be obligated at the time of application.

Although application scoring will be impacted by financing commitments as described in the application, there is no requirement for hard commitments for LIHTC or any other leveraged source at the time of application. Any project that is unable to demonstrate financing commitments from all funding sources within six months of the application will not be eligible for MSF approval and the funds will be redistributed to other RAP eligible projects.

197. Based on what I read, there is time to get formal funding commitments after an applicant has been notified that they are selected for an award. However, a lot of the FAQ responses seem to be tied to redevelopment projects that are being tackled by developers, rather than corridor enhancement projects being led by a municipality. I just wanted to confirm that letters of support which detail our commitment to the project, and identify potential funding sources (e.g., Michigan marijuana revenue sharing) are appropriate. The pro forma will be completed appropriately and show that we are supplying the required match (DDA funds, bank support, etc.), even if we don't have it written in stone from where each of those match dollars come. Would this be sufficient for the application?

Although application scoring will be impacted by financing commitments as described in the application, there is no requirement for hard commitments at the time of application for any leveraged source. Any project that is unable to demonstrate financing commitments from all funding sources within six months of the application will not be eligible for MSF approval and the funds will be redistributed to other RAP eligible projects.

198. We would like to submit a test application, so we are able to see any and all questions, especially if there is a second page or further documentation needed. Are we able to submit a dummy application? Also, what is the max number of applications an applicant is able to submit?

i. You may review the draft application to see documentation needed. You may also complete the application and make changes to it before submitting it. Submitting a dummy application is not recommended.

ii. There is no maximum number of applications by one applicant.

Responses to written questions submitted to MEDC as of May 16, 2022, *continued***:**

199. Does the RAP grant apply to playground redevelopment? We are looking at replacing/upgrading our village park and are seeking grant opportunities.

The Public Space Place-Based incentive category was designed to provide support to projects that will revitalize public space located in or adjacent and contributing to a traditional downtown. Learn more about the Public Space Place-Based incentive award category here.

200A. One of our applications will repair water damaged tourism locations. They are all located near the downtown area, but at four different locations in the village. Can we apply for the public space grant, or do we need to apply for the subgrant because they are not in one location?

An individual project can have multiple locations as long as it can be defined as one project.

200B. For public space projects is there a requirement to apply for MCRP also?

No, applying for MCRP is not required to apply for any RAP grant.

201A. It is stated that "All RAP funds must be allocated" by December 31, 2024. Does this mean that approved projects may not receive funding until 12/31/2024? When should approved projects expect to receive funding to start their projects?

Allocation of funds refers to the date when the grant agreement is executed. Awards may be approved and agreements executed as soon as all materials are received to ensure that the project meets program requirements, and the project is considered by the MSF board. The 12/31/2024 date is the federal deadline for all funds to be allocated, but the intention is to have those funds allocated as soon as possible. Funds will be disbursed to awardees based on grant agreement milestones, and in most cases, funding will be disbursed to the applicant after completion of construction.

201B. The project we are considering involves both renovating a vacant property and placing an addition onto to the structure. Would the fact that there is an addition being constructed cause the project to be considered new construction and therefore need to be located on priority sites identified by certified Michigan Redevelopment Ready Communities (RRCs)?

Not necessarily. See the answer to question 84.

202A. I am curious if documentation for prevailing wage will need to be provided for the entirety of the project or only the portion being funded by RAP.

Prevailing wage requirements apply to the entire project.

202B. Do the Davis-Bacon Act requirements apply only to infrastructure projects, or to real estate projects as well?

The Davis-Bacon requirements will apply to all projects receiving RAP grants.

203. Wondered if there's a recommended template for the funding commitments and if this requires a resolution from city commission?

Documentation of funding commitments may come in different forms, a resolution is an acceptable form.

204. Can you please explain what is the difference between the before photo and the aerial photo? Our project site is currently vacant land, so the before and aerial photo as it stands today would be the same image.

An aerial photo should show an outline of the property from Google Maps or another similar program. A before photo is simply a picture of the property as it was before your proposed project began.

205. Are we required to use the MEDC provided proforma, or can we submit our own?

Applicants are required to submit the MEDC proforma. Both the real estate rehabilitation and public space place-based infrastructure proformas can be found at michiganbusiness.org/rap.

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Responses to written questions submitted to MEDC as of May 16, 2022, *continued***:**

206. We just recently learned that the deadline has passed for receiving a letter of support from the city for our project. We are messaging to see if we can still apply to the MEDC for the funds under the application process without the letter, and if so, what effect not having the letter would have on our chances of obtaining said funds.

Applicants have until June 3 to submit an application to the MEDC for RAP funding. Please review materials on the michiganbusiness.org/rap landing page. Per the program guidelines, "All submissions must include a letter of support from the local or regional economic development organization and/or municipality."

207. I saw the email that was sent regarding the important change regarding the Davis-Bacon Act requirements. It stated, "Each of the individual RAP project awardees and sub-grant awardees will be responsible for Davis-Bacon Act requirements and recipients will need to provide documentation of wages and labor standards regardless of the size of their RAP award." However, when looking at the application, I don't see any changes or a space on the application where we need to address this. Is this just something we need to report on if we receive the funding and begin the project? Or am I missing where we need to address this in the application?

The applicant will be required to comply with these labor standards and provide this documentation when reporting is due after being awarded a grant. It does not need to be addressed specifically in the application.

208A. Do we need an appraisal for the application for acquisition?

Appraisals are not required for the application but may be required prior to MSF approval if necessary for underwriting.

208B. Is there a ratio of public space to administrative space that is permissible in the building we are seeking to renovate?

There is not a required ratio between public space and administrative space.

209A. Below is the application question and scoring explanation. The instructions state to provide a map of the projects...but there is no button to attach requested map. "Identify the number of projects you intend to complete and the jurisdictions in which those projects will be located. Please number the projects and refer to the projects as those same numbers throughout the application. Provide a map showing the location of all projects."

There will be a spot to attach a map on each individual application. Please provide a map showing all of the projects and also provide a map of that individual project for each of the projects in the application.

209B. Below is the application question and scoring explanation. The points reference "letters of support"...but the question looks like it's asking for a narrative answer. Also, there is no button to attach said letters of support. Confused. "Explain how your proposal and each project aligns with an organized local or regional strategy, why each project was selected and is being put forward as a priority."

Two points are given for a complete answer in the narrative as to why each project is being put forward as a priority. There will be a spot to attach letters of support in each individual application.

Responses to written questions submitted to MEDC as of May 16, 2022, *continued*:

210A. Do we need a proforma for each subgrant project? The proforma sheet has a limitation in the RAP funding box indicating that a subgrant program would be the exception. More specifically, under development sources in the proforma, the field for RAP grant amount has help text that says "Enter $500,000 to $1,000,000, unless the project is part of a multi-project, subgrant application. RAP grant cannot exceed 50% of total development cost." Why is there an exception?
Yes, subgrant program applications need to include a proforma for each subgrant project so that financial feasibility of the project can be evaluated. The help text exception is there because with subgrant applications Public Space Place Based Infrastructure projects do not need to meet the minimum grant amount of $500,000. The maximum for any of these type of projects is still $1,000,000, but the minimum is set by the subgrant program itself, allowing the subgrant program applicant to support smaller projects as part of a coordinated strategy.

210B. When completing the project qualification section of the application for each of the public space place-based projects and answering the questions related to capital expenditures in No. 3, can the answers be the same for each sub-grant project since the answers will all relate to the coordinated strategy being achieved by the specific projects.
If responses to the questions about pandemic-related harm, appropriateness of the capital expenditures and comparison of proposed subgrant program projects against alternative capital expenditures are all directed at the larger coordinated strategy, that will be appreciated and not negatively affect scoring, however it should be clear to reviewers how the individual project fits within that strategy, so there may need to be unique language for specific projects in order to provide that clarity.