RAP 2.0
Revitalization and Placemaking Program
FREQUENTLY ASKED QUESTIONS

The first iteration of the Revitalization and Placemaking (RAP) Program, launched in 2022, was an incentive program that deployed $100 million in American Rescue Plan funding to address the COVID-19 impacts in Michigan communities. The 2022 program, now referred to as RAP 1.0, has all funds committed and projects will be in progress through 2026.

The second round of the Revitalization and Placemaking program, referred to as RAP 2.0, has received an appropriation of $100 million in the budget supplemental SB 7 signed by Gov. Whitmer on Feb. 1, 2023, demonstrating the great need identified for placemaking and building rehabilitation investment. As part of RAP 1.0, MEDC received approximately $500 million in applications for $100 million in appropriated funding. The new appropriation comes from the state rather than federal sources, and has resulted in changes to the program.

For more information including compliance and reporting requirements for RAP 1.0, please visit the RAP 1.0 webpage. For more information regarding RAP 2.0 please visit the RAP 2.0 webpage.

1. **Question:** Does my project qualify for RAP 2.0 funding?
   a. Answer: Please refer to the RAP 2.0 Program Guidelines, which can be found on the www.michiganbusiness.org/RAP/2/ website. In addition to the guidelines, it is recommended that you reach out to your Community Development Manager to discuss other programs that may be available to support your project. You can find the contact information of your CDM here: www.miplace.org
2. **Question:** Can a community or developer that received funds in RAP 1.0 apply for an award in RAP 2.0?
   a. Answer: There are no barriers or prohibitions to a developer or community who received support for a project in RAP 1.0 applying for an award for a different project through RAP 2.0.
3. **Question:** Can I apply for RAP 2.0 if my project is already underway?
   a. Answer: Yes, however your project will not be competitive if you are unable to demonstrate need.
4. **Question:** If I applied for a project in round 1 and was not chosen, will I have priority in RAP 2.0?
   a. Answer: No – all applications will be scored against one another without any bias towards previous applicants.
5. **Question:** Has the application process changed at all from round 1?
   a. Answer: The application itself has been updated, however the process has not changed - WizeHive is still being used to collect applications. The application can be found at www.michiganbusiness.org/RAP/2/.
6. **Question:** Where can I find a scoring rubric?

a. Answer: A detailed scoring rubric can be found in the Application & Scoring Criteria document on the RAP 2.0 landing page. It's under the "Program Documents for Download" section.

7. **Question:** Do I need to have a Redevelopment Ready Communities (RRC) designation in order to qualify for this program?
    a. Answer: No – all communities across the state are eligible for an award through this program.

8. **Question:** Can I layer a RAP 2.0 incentive with other incentives offered by the MEDC?
    a. Answer: Aside from an award through the first round of RAP, yes, you can layer incentives. You'll need to go through the typical approval process, and your RAP award will not be approved until all other incentives are approved, but it is allowable.

9. **Question:** If the future tenant of a development is a cannabis dispensary, or the development team owns other cannabis dispensaries, would the project be eligible for an award under this program?
    a. Answer: Eligibility would not be impacted by this scenario, however in order for the application to be competitive a business case must be made for the project being a high priority for the community, its likelihood to meet program goals and ability to fit within the guidelines of the RAP 2.0 program.

10. **Question:** Will Subgrant recipients be able to take an administrative fee? If so, how much?
    a. Answer: Yes, subgrant recipients will be entitled to an administrative fee of 10% of their total award amount. Please note that the administrative fee comes out of the total award, not in addition to it. If you are approved for a $5 million award and take a 10% administrative fee, you will have $4.5 million to distribute to your projects.

11. **Question:** Are individual projects within a subgrant subject to award maximums or minimums?
    a. Answer: No, individual projects within a subgrant program are not subject to either award maximums or minimums.

12. **Question:** What are the minimum and maximum award amounts of subgrant program applications?
    a. Answer: Maximum subgrant award amounts are the lesser of the overall regional allocation and $20 million. Minimum subgrant program award amounts are $500,000.

13. **Question:** Will partial grant awards be made, or will only full requests be granted for applications? If so, will lead applicants be responsible for determining the cuts or will the MEDC disqualify certain projects or expenses?
    a. Answer: Partial awards may be made by the MEDC to subgrant recipients if:
        i. Certain projects within the application are deemed ineligible based on the program guidelines.
        ii. Geographic distribution becomes an issue
        iii. An application requests more than they are eligible for.
    b. Unless a project is explicitly disqualified by the MEDC, the lead applicant will have to determine how the remaining award funds are spent on qualified and feasible projects.

14. **Question:** Are business incubators eligible for this program?
    a. Answer: As long as the project fits within the RAP 2.0 program guidelines and the costs to be reimbursed align with eligible costs in guidelines , then it is eligible.

15. **Question:** Is it a benefit or a disadvantage to apply as a direct project, part of a larger subgrant project, or both?
    a. Answer: Applicants will not be at a disadvantage doing any of the above, but please note that, if approved, you will only be awarded under one category.
16. **Question:** Would the new construction of a public library qualify as a real estate development or public space place-based project?
    a. Answer: It could qualify in either category, with the primary difference being the scoring system and the maximum award amounts.
17. **Question:** Are design and construction engineering costs considered eligible expenses?
    Answer: Yes, architectural & engineering costs are eligible expenses. Please see the Program Guidelines on the www.michiganbusiness.org/rap/2/ website for a full list of eligible expenses.
18. **Question**: Would Demolition of an existing municipality building, and construction of a new municipality building qualify for this grant?
    Answer: Demolition and new construction are both eligible expenses under this program. Please see the program guidelines on the www.michiganbusiness.org/rap/2/ website for a full list of eligible expenses and program goals.
19. **Question**: What is the earliest date, (actual or projected), that projects will be able to start?
    Answer: A RAP 2.0 award can be used to reimburse expenses dating back one year prior to application submission.
20. **Question**: Is construction allowed while the grant application is pending?
    Answer: A RAP 2.0 award can be used to reimburse expenses dating back one year prior to application submission.
21. **Question**: What is the earliest date that expenses will be eligible for reimbursement?
    Answer: Reimbursement will occur in two parts – recipients will receive 50% of their award after 50% of their eligible costs have been incurred, and the other 50% after project completion. Award disbursement depends on how quickly the project is moving.
22. **Question**: Can the subgrant funds be use[d] as an endowment?
    Answer: RAP funds can only be used to pay eligible costs as outlined in the program guidelines, which generally does not include the creation of or contribution to an investment fund. If further clarification is needed, please reach out to your CDM.
23. **Question**: Are backbone or operating funds an allowable expense to assist a subgrant applicant in project completion?
    Answer: Operating expenses are NOT eligible expenses through the RAP 2.0 program. Subgrant recipients may take a 10% administrative expense. Please see the program guidelines on the www.michiganbusiness.org/rap/2/ website for a full list of eligible expenses.
24. **Question**: Can an applicant receive RAP 2.0 funding in addition to another funding source (i.e., SPARK funding) for the same project?
    Answer: Yes. As long as the RAP 2.0 award does not exceed 50% of the eligible costs of the project, any other funding source is acceptable.
25. **Question**: What does the up to 50% local match required mean? Does that mean the 50% local match must be local applicant funds, or can these funds be a combination of other grants and foundation funds?
    Answer: The 50% match requirement allows for any combination of funds outside the RAP 2.0 award.

26. **Question:** Once awarded a RAP 2.0 Grant, can dollars allocated be shifted within the same project, from the original application (i.e., moving funds from earthwork to parking lot paving)?

    Answer: As long as funds are being shifted to other eligible costs under the program, yes, that is allowable.

27. **Question**: Can a County apply as a local unit of government and does NOT need to apply through an established EDO?

    Answer: Yes, a county can apply directly for RAP 2.0 funds.

28. **Question:** Was the RAP 2.0 webinar recorded and available for public view, or are the slides accessible to the public?

    Answer: The entire webinar has been posted to the RAP 2.0 website, which can be found here: www.michiganbusiness.org/RAP/2/

29. **Question:** Will Davis Bacon prevailing-wage requirements apply to RAP 2.0 funded projects?

    Answer: Neither Davis Bacon nor the State's Prevailing Wage requirements will apply to RAP 2.0.

30. **Question:** Will RAP 2.0 be a good fit for filling funding gaps for affordable housing units for adults with disabilities?

    Answer: Please refer to the RAP 2.0 Program Guidelines, which can be found on the www.michiganbusiness.org/RAP/2/ website. In addition to the guidelines, it is recommended that you reach out to your Community Development Manager to discuss other programs that may be available to support your project. You can find the contact information of your CDM here: www.miplace.org

31. **Question**: Does the city have to own the property to qualify for this grant?

    Answer: Please see the application questions and scoring at www.michiganbusiness.org/RAP/2/ to see how site control information will be requested in the application. The recipient of funds will need to have site control of the subject property prior to grant agreement execution.

32. **Question**: Would it be more advantageous for the city or the developer to be the main applicant?

    Answer: Applicant type is not weighted. It is neither more nor less advantageous to apply as a municipality or a development entity.

33. **Question**: Can a water lift, in a high-density downtown, be included as part of a subgrant application as required for economic development infrastructure?

    Answer: Please refer to the RAP 2.0 Program Guidelines, which can be found on the www.michiganbusiness.org/RAP/2/ website. In addition to the guidelines, it is recommended that you reach out to your Community Development Manager to discuss other programs that may be available to support your project. You can find the contact information of your CDM here: www.miplace.org

34. **Question**: The minimum grant amount is $500,000; will this disqualify an applicant if the full minimum award amount is not needed?

    Answer: If the project needs a smaller grant than $500,000, it may benefit from being part of a regional subgrant application where there is no minimum grant size, and it is recommended that you reach out to your Community Development Manager to discuss other programs that may be available to support your project. You can find the contact information of your CDM here: www.miplace.org

35. **Question: Can a private entity (like a museum), apply for RAP 2.0?**

     Answer: Please refer to the list of eligible applicants within the RAP 2.0 Program Guidelines, which can be found on the www.michiganbusiness.org/RAP/2/ website. In addition to the guidelines, it is recommended that you reach out to your Community Development Manager to discuss other programs that may be available to support your project. You can find the contact information of your CDM here: www.miplace.org

36. **Question: What sources are letters of support acceptable from for a grant? Do the letters have to come from the local Economic Growth Corporation, or can they come from a private agency?**

     Answer: At least one support letter should come from the highest local authority in which the project will be located, like the City Manager, Mayor, or county administrator. Other support letters can come from local economic development organizations, businesses, or county governments.

37. **Question: For a subgrant application, do I need a letter of support from the mayor or the building department?**

     Answer: At least one support letter should come from the highest local authority for the community in which the project will be located, like the City Manager, mayor, or County Administrator an office equivalent to the mayor. Other support letters can come from local economic development organizations, businesses, or county governments. For subgrants, each individual project should have letters of support from this level of authority.

38. **Question: How do I determine if my funds are a local or government contribution? Meaning if I receive funds under a different program from the State would this fall under government contribution? And, if I received funds from another source that is not the state would those fall under local?**

     Answer: Local contributions will be coming directly from the municipality. These come in the form of tax abatements, financial contributions, or any other form of support from the municipality. State contributions will come from a state agency. A government contribution is any contribution from a government organization that is not the City, Township, or Village.

39. **Question: Can we lump multiple properties together on one application for a project? If yes, is there a limit to the number of lots?**

     Answer: Multiple properties are allowable as long as they're part of a single project and will be developed under the same entity and cost structure.

40. **Question: Would a city beautification application across the downtown fall within the parameters of RAP 2.0?**

     a. Answer: See answer to question 1.

41. **Question: Can the city tack on its own money to the purchase price of property beyond the true cash value? If so, is that capped at a percentage or specific dollar amount?**

     Answer: The application and proforma should reflect the true cost of the property.

42. **Question: What documentation do we need for property acquisition? Will a commitment letter from the property owner(s) be enough, or is more specific documentation required?**

     Answer: A purchase agreement or full recorded deed is required to receive points. We encourage you to review the Application & Scoring Criteria document on the www.michiganbusiness.org/rap/2/ website.

43. **Question: Is there a timeline for award disbursement specific to property acquisition?**

     Answer: See answer to question 21.

44. **Question: Have smaller non-profits applied for the RAP 1.0 or similar funding in the past?**
    Answer: Yes, smaller non-profits have applied for the RAP program in the past.

45. **Question: Where could a nonprofit get their letter of support for this application? Are there any economic development organizations that would not count as a letter of support? Does the letter have to come from the City?**
    Answer: At least one support letter should come from the highest local authority in the community in which the project is located, like the city manager, mayor or county administrator. Other support letters can come from local economic development organizations, businesses, or county governments.

46. **Question: Can you clarify what the following means: "Projects without a letter of support signed by the highest local official for the RAP2 application will be disqualified."**
    Answer: Projects need to have a letter of support from the highest local authority in which the project is located, like the City manager, mayor's office, Township Supervisor or county administrator.

47. **Can a municipality apply for just a phase of a project (i.e., a city applying to purchase land and demolish the existing building.) If yes, are they able to answer, "yes", for Universal Design and Events, at the space, if it will be completed after the term of the grant, in a separate project phase?**
    Answer: A single phase of a project may not be competitive. Please see the program guidelines and scoring information on the application to determine if your single phase would score well.

48. **Question: How do I determine who is the RAP 2.0 grant coordinator for my region?**
    Answer: RAP 2.0 does not have regional grant coordinators. We encourage you to reach out to your Community Development Manager (CDM) with any general questions. You can find the contact information of your CDM here: www.miplace.org

49. **Question: Do real estate RAP grant applicants need to get multiple bids on the project costs, or, can one bid for all project costs be submitted?**
    Answer: Only one set of cost estimates is required to be submitted.

50. **Question: How is the applicant meant to respond to question 13 of the subgrant application? By restating the question, or direct reviewers to read the attached letter of support?**
    Answer: The direct reviewers will read the attached letter of support and score it appropriately. Please just state whether or not the attached letter meets the criteria.

51. **Question: Does the 10% admin in the budget require local match, or is the admin fully covered by the MEDC's grant dollars?**
    Answer: The administrative fee would come out of the overall award amount, meaning that a RAP award may be no higher than 50% of the total eligible costs, including the admin associated with those projects.

52. **Question: Would subgrant applicants with partial awards be obligated to complete the full scope of their project as it was submitted in their application? Or, would it be possible to scale their project to fit the new grant budget if the project activates a public space or revitalizes a building?**
    Answer: If a subgrant applicant receives a partial award, they may need to reduce the number of projects or scale projects to fit available funding.

53. **Question: Could a subgrantee with a partial award choose to use RAP funding to install a splash pad for example, and use a different source of funding for a playground to be added at a later date?**

Answer: Yes, this is allowable as long as the splash pad is a complete project. An example of this that would not be OK would be applying for RAP solely to demolish an existing building in hopes of eventually doing something with that land in later years. It needs to be a complete, succinct project.

54. **Question: Could the revitalization of a building be phased out, so the reduced RAP funding is used to activate commercial space on the street level and development of upstairs housing is put on hold until additional funding is available in the future?**

Answer: If the first phase of the project complies with the RAP program as a stand-alone project, this would be OK.

55. **Question: Is this a 50/50 grant match?**

Answer: Yes – a RAP award may be no higher than 50% of the total eligible costs of the project.

56. **Question: What are the reporting requirements for this grant?**

Answer: There will be at least three years of reporting following grant agreement execution. Specific reporting requirements will be distributed to all recipients after award announcements are made in the fall.

57. **Question: What are the requirements for the arial photos? Are Google Maps or other mapping software renditions accepted?**

Answer: Yes, Google Maps screenshots are accepted.

58. **Question: What are the requirements for the project map? Can this be pulled from mapping software, and how large should the margins be, (i.e., quarter mile radius)?**

Answer: The project map should show the project site as well as parts of the surrounding area, such as the nearest roads.

59. **Question: What type of documents can be used to demonstrate funding commitments? To demonstrate the nonprofit applicant has available funds? To demonstrate a private donors contribution or other types of funds?**

Answer: Documents can include term sheets from senior lenders, bank statements to prove equity amounts, or commitment letters from donors.

60. **Question: How do factors such as: geographic focus, mission alignment, capacity and experience, collaboration and partnerships, community engagement, and sustainability contribute to the evaluation of local partners for the RAP 2.0 Grant?**

Answer: Please see the Application & Scoring Criteria document on the www.michiganbusiness.com/rap/2/ website to see how each question is weighted.

61. **Question: If it is required to have "evidence of any available funding commitment?" Does this mean from others, or just our commitment?**

Answer: This refers to the funding associated with the entire project. We need to see that the entire project has sources or potential sources of funding identified and which sources are committed through term sheets, bank statements, commitment letters, etc.

62. **Question: We do not have a signed purchase agreement as the intent is to use the RAP 2.0 money to purchase the building. How does that work? What if we get the money, but then the building is sold to someone else? How do we navigate the purchase/release of funds?**

Answer: Some applicants may have a purchase agreement or option on the property that is contingent on the grant approval. 50% of the award will be disbursed after 50% of the eligible costs associated with the project are incurred. The acquisition of the building/property is an

eligible expense because it can be reimbursed and counted towards the overall eligible costs of the project.

63. **Question: Do we need separate grant applications for each of the following projects: 14-unit building of affordable housing, and the beauty salon to be converted to a dental office?**

    Answer: If they are separate projects with separate financing sources and under separate leadership, then yes, they should come in separate applications. If they are in the same building or adjacent buildings and will be completed as one project, then you can include all project information in one application and proforma.

64. **Question: What does "how is site served by non-motorized infrastructure," mean? Does that mean available public transit?**

    Answer: Yes, available public transit, bike and/or walking paths, etc. could all be referenced in your answer. Anything besides individual cars.

65. **Question: What does "forms of federal tax credit equity mean?" Does that mean my LLC's equity on other properties I have?**

    Answer: Federal tax credit equity refers to sources of funds such as New Market Tax Credits and Historic Tax Credits.

66. **Question: What are subgrant projects?**

    Answer: Subgrant programs are combinations of individual projects – either real estate development, public space place-based, or both – under one applicant. The separate individual projects are typically taken on by multiple developers but the reporting, prioritizing of projects, and administrative responsibilities are placed on the subgrant applicant.

67. **Question: Are individual projects within a subgrant subject to award maximums or minimum?**

    Answer: See answer to question 12.

68. **Question: How does the governing body cite how one project is being prioritized over another?**

    Answer: The governing body should explain why one project is being prioritized. The explanation may related to local master plan goals, how the project will address urgent issues, have long term impact, have a broad impact across the community, etc.

69. **Question: Should the letter of support language address the subgrant application as a priority over others with each project playing an equally important role in supporting the larger ED plan?**

    Answer: The letters of support should express how the subgrant contributes to the overall vision of the area and why certain projects were chosen as most critical to the implementation of that vision.

70. **Question: Do cost estimates have to come from a third party?**

    Answer: Yes, all cost estimates must come from a third party.