

**CITY OF GRAND RAPIDS**  
**AFFORDABLE HOUSING FUND**

**Executive Summary:**

The City of Grand Rapids remains one of the most desirable places to live, work and raise a family in the State of Michigan and the Midwest. The Grand Rapids area has seen an unprecedented increase in its household growth and demand for housing. The rise in housing demand creates the need for increased housing opportunities for households at all economic levels. The City of Grand Rapids, in coordination with private, public, and non-profit housing developers have made significant contributions to the provision of affordable housing. However, the City of Grand Rapids seeks to enhance the efforts made to date by expanding the supply of affordable rental and for-sale housing, as well as to augment programs and services intended to support housing stability within the City.

The Grand Rapids Affordable Housing Fund Board has been assigned the task of making recommendations to the City Commission pertaining to the investment of \$5 million in American Rescue Plan Act (ARPA) funds. These funds must be committed before the end of 2024, and fully spent before the end of 2026. Furthermore, ARPA funds must be invested in housing that supports households earning at or below 65% of the area median income for the county, or invested within qualified low-income census tracts, or invested to serve a population that has been demonstrably and negatively impacted by the COVID-19 pandemic.

**Qualifying Thresholds**

In addition to the minimum requirements established by the federal ARPA requirements when considering housing-related investments, The Grand Rapids Affordable Housing Fund Board will expect each application to satisfy at least one of the following qualifying thresholds to be eligible for funding:

1. Housing programs and investments designed to serve households earning at or below 80% AMI with priority given to households earning at or below 65% AMI.
2. Creation of new homes and apartments for households earning at or below 80% AMI with priority given to households earning at or below 65% AMI.
3. Enhanced opportunities for wealth creation among new and existing homeowners and emerging or first-time developers.
4. Progress toward county-wide goals to address homelessness.

## **Key Considerations**

In addition to the minimum qualifying thresholds, the GRAHF will be seeking projects which satisfy a majority of the following expectations.

1. That the proposed program, project, or investment is shovel ready and capable of moving forward within 12 months or less from the date that funding is committed.
2. That the proposed program, project, or investment is fully funded with the exception of the funds requested from the GRAHF and evidence of funding availability can be presented.
3. That proposed program, project, or investment has been informed by individuals with lived experience in the community and this community engagement process can be documented and presented to the GRAHF.
4. The proposed program, project, or investment is aligned with the City of Grand Rapids Equitable Economic Development goals and objectives.
5. The proposed program, project, or investment is aligned with the City of Grand Rapids Community Master Plan.
6. The proposed program, project, or investment will be financially sustainable for a minimum of 20 years or for as long as the proposed affordability restrictions will be in place, whichever is greater.
7. The project sponsor has a track record of success working with communities of color.
8. The project sponsor includes an emerging or first-time developer from the Grand Rapids community.

## **Deployment Timeline**

All applicants must be able to demonstrate an ability to execute on their program, project, or investment within 12 months of the receipt of a grant award.

## **Reporting Requirements**

All applicants must be capable of providing a summary report of their project or program within 12 months of the receipt of a grant award and every 12 months thereafter for as long as the grant funds remain invested within the project or program.

## **Incentives Available to Developers Constructing Affordable Housing:**

Developers should be aware that the City of Grand Rapids administers a number of incentive programs to support affordable housing, including, but not limited to, CDBG, HOME, Payment in

Lieu of Tax, Brownfield Redevelopment Funds, and other tax abatement programs. While a proposed investment in housing that receives funding from the Grand Rapids Affordable Housing Fund may be eligible for additional incentives from the City of Grand Rapids or the State of Michigan, an award from the GRAHF is in no way a commitment for any other incentive programs. Individual applicants must be submitted to the appropriate department via the usual process for any project or program to be eligible for additional incentives.

<b>APPLICATION SCORING</b>		
<b>The criteria detailed below will be used in reviewing and ranking proposals. Overall scores will create a starting point for deliberation by the GRAHF Board as it determines which projects to recommend to the City Commission</b>		
<b>CRITERIA</b>	<b>DESCRIPTION</b>	<b>MAX SCORE</b>
<b>REQUEST SUMMARY (4 Possible Points)</b>	Applicant has document(s) of collateral, financing, leverage, cash contributions and all other financial contributions. GR ARPA funds are the last funds needed to fully finance the project.	1 Point
	Applicant has demonstrated the project will be financially sustainable through the entire period of affordability	1 Point
	Applicant has demonstrated capacity to properly manage the project through the entire period of affordability	1 Point
	Funds requested are less than 20% of total funds (\$5M) available under the 2023 ARPA funding round.	1 Point
<b>AFFORDABILITY PERIOD IMPOSED (15 Possible Points)</b>	The development has an affordability period imposed for 60 years or longer.	15 Points
	The development has an affordability period imposed for 30-years or longer.	10 Points
	The development has an affordability period imposed for a 20-year minimum time period.	5 Points

<b>READINESS TO PROCEED</b> <b>(10 Possible Points)</b>	Development will be completed within 18 months after contract execution.	10 Points
	Development will be completed within 24 months or less after contract execution.	5 points
	Development will be completed within 36 months after contract execution.	1 Point
<b>COMMUNITY ENGAGEMENT</b> <b>(10 Possible Points)</b>	Applicant has demonstrated community engagement and/or influence of neighborhood input on the final project or program.	5 Points
	Applicant has demonstrated influence from individuals with lived experience on the final project or program.	5 Points
<b>EQUITABLE OUTCOMES</b> <b>(25 Possible Points)</b>	Applicant has a demonstrated track record of success working with communities of color.	5 Points
	Applicant team includes an emerging or first-time developer of color.	5 Points
	Project or program includes a targeted investment within a neighborhood of focus.	5 Points
	Applicant has committed to utilizing a minimum 30% MLBE contractors or greater.	5 Points
	Project or program includes creation or preservation of homeownership opportunities for households currently living within a neighborhood of focus.	5 Points

<b>SUSTAINABILITY STRATEGIES</b> <b>(15 Possible Points)</b>	Applicant has provided a list of environmentally friendly and sustainable strategies that will be implemented in their development. Items include, but are not limited to, use of durable materials, Energy Star-compliant heating, cooling, hot water equipment and appliances, and sustainable and resilient design.	3 Points
	Proximity to a bus station (500 feet or less)	2 Points
	Proximity to Full-Service Grocery Store (1/4 mile or less).	2 Points
	Proximity to Convenience, Restaurants, Retail Shopping Areas.	2 Points
	Proximity to Public Elementary, Middle or High School.	2 Points
	Proximity to Public Park or Playground	2 Points
	Proximity to Full-Service Banks or Credit Union.	2 Points
<b>AFFORDABILITY: Housing Units Per Area Median Income (AMI)</b> <b>(10 Possible Points)</b>	Minimum 20% of affordable units dedicated to very low-income households, (at or below 50% AMI).	10 Points
	Minimum 20% of affordable units dedicated to low and moderate-income households, (51% to 65% AMI).	7 Points
	Minimum 51% of affordable units dedicated to moderate income households, (65% to 80% of median).	5 Points

<b>AMOUNT OF SUBSIDY Affordable Housing Fund subsidy request per unit. (15 Possible Points)</b>  <b>Add programmatic category</b>	Applicant has requested less than \$25,000 per unit/household in subsidy.	15 Points
	Applicant has requested less than \$40,000 per unit/household in subsidy.	10 Points
	Applicant has requested less than \$80,000 per unit/household in subsidy.	5 Points
<b>ADDRESS HOMELESSNESS: Ability to address defined need to serve homeless population. (10 Points Possible)</b>	Project or program will provide new permanent residential units for individuals experiencing homelessness or who have experienced homelessness within the last year.	5 Points
	Project or program will provide long-term (15 years or more) wrap-around support services for individuals experiencing homelessness or who have experienced homelessness within the last year.	5 Points
<b>Scoring Summary</b>		
<b>Request Summary (4 points)</b>		
<b>Affordability Period (10 points)</b>		
<b>Readiness to Proceed (10 Points)</b>		
<b>Community Engagement (10 Points)</b>		
<b>Equitable Outcomes (25 points)</b>		
<b>Sustainability (15 Points)</b>		
<b>Affordability (25 Points)</b>		
<b>Amount of Subsidy (15 Points)</b>		
<b>Address Homelessness (10 Points)</b>		
<b>TOTAL SCORE (144 Points Possible)</b>		

**04/18/2022 INCOME AND RENT LIMITS**

**County: 41 Kent**

**Effective Date: 4/18/2022**

<b>Income</b>	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6 Person</b>	<b>7 Person</b>	<b>8 Person</b>
20%	12,540	14,320	16,120	17,900	19,340	20,780	22,200	23,640
25%	15,675	17,900	20,150	22,375	24,175	25,975	27,750	29,550
30%	18,810	21,480	24,180	26,850	29,010	31,170	33,300	35,460
35%	21,945	25,060	28,210	31,325	33,845	36,365	38,850	41,370
40%	25,080	28,640	32,240	35,800	38,680	41,560	44,400	47,280
45%	28,215	32,220	36,270	40,275	43,515	46,755	49,950	53,190
50%	31,350	35,800	40,300	44,750	48,350	51,950	55,500	59,100
55%	34,485	39,380	44,330	49,225	53,185	57,145	61,050	65,010
60%	37,620	42,960	48,360	53,700	58,020	62,340	66,600	70,920
70%	43,890	50,120	56,420	62,650	67,690	72,730	77,700	82,740
80%	50,160	57,280	64,480	71,600	77,360	83,120	88,800	94,560
100%	62,700	71,600	80,600	89,500	96,700	103,900	111,000	118,200
120%	75,240	85,920	96,720	107,400	116,040	124,680	133,200	141,840
125%	78,375	89,500	100,750	111,875	120,875	129,875	138,750	147,750
140%	87,780	100,240	112,840	125,300	135,380	145,460	155,400	165,480
150%	94,050	107,400	120,900	134,250	145,050	155,850	166,500	177,300

  

<b>Rent By Person</b>	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6 Person</b>	<b>7 Person</b>	<b>8 Person</b>
20%	313	358	403	447	483	519	555	591
25%	391	447	503	559	604	649	693	738
30%	470	537	604	671	725	779	832	886
35%	548	626	705	783	846	909	971	1,034
40%	627	716	806	895	967	1,039	1,110	1,182
45%	705	805	906	1,006	1,087	1,168	1,248	1,329
50%	783	895	1,007	1,118	1,208	1,298	1,387	1,477
55%	862	984	1,108	1,230	1,329	1,428	1,526	1,625
60%	940	1,074	1,209	1,342	1,450	1,558	1,665	1,773
80%	1,254	1,432	1,612	1,790	1,934	2,078	2,220	2,364
100%	1,567	1,790	2,015	2,237	2,417	2,597	2,775	2,955
120%	1,881	2,148	2,418	2,685	2,901	3,117	3,330	3,546
125%	1,959	2,237	2,518	2,796	3,021	3,246	3,468	3,693
140%	2,194	2,506	2,821	3,132	3,384	3,636	3,885	4,137
150%	2,351	2,685	3,022	3,356	3,626	3,896	4,162	4,432

  

<b>Rent By Bedroom</b>	<b>0 Bedroom</b>	<b>1 Bedroom</b>	<b>2 Bedroom</b>	<b>3 Bedroom</b>	<b>4 Bedroom</b>	<b>5 Bedroom</b>
20%	313	335	403	465	519	573
25%	391	419	503	581	649	716
30%	470	503	604	698	779	859
35%	548	587	705	814	909	1,002
40%	627	671	806	931	1,039	1,146
45%	705	755	906	1,047	1,168	1,289
50%	783	839	1,007	1,163	1,298	1,432
55%	862	923	1,108	1,280	1,428	1,575
60%	940	1,007	1,209	1,396	1,558	1,719
70%	1,097	1,175	1,410	1,629	1,818	2,005
80%	1,254	1,343	1,612	1,862	2,078	2,292
100%	1,567	1,678	2,015	2,327	2,597	2,865
120%	1,881	2,014	2,418	2,793	3,117	3,438
125%	1,959	2,098	2,518	2,909	3,246	3,581
140%	2,194	2,350	2,821	3,258	3,636	4,011
150%	2,351	2,518	3,022	3,491	3,896	4,297