

2. City Manager's Report on Revitalization and Placemaking Program 3.0

MW

Item Number: 2



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: November 19, 2024

TO: Mark Washington, City Manager

COMMITTEE: City Commission Meeting
LIAISON: N/A

FROM: Mary Kate Berens, Deputy City Manager
Executive Office

SUBJECT: **City Manager's Report on Revitalization and Placemaking
Program 3.0**

The attached memo, "Update on the City's Approach to Pursue Grant Funds from the Michigan Economic Development Corporation (MEDC) Revitalization and Placemaking (RAP) Program", is provided as a report from the City Manager.

CORRECT IN FORM

DEPARTMENT OF LAW

MEMORANDUM

CITY OF GRAND RAPIDS

DATE: November 19, 2024

TO: Mark Washington, City Manager

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Update on the City's Approach to Pursue Grant Funds from the Michigan Economic Development Corporation (MEDC) Revitalization and Placemaking (RAP) Program**

This memo provides you an update on the Economic Development Department's approach to pursue grant funds from the Michigan Economic Development Corporation (MEDC) [Revitalization and Placemaking \(RAP\) Program](#) for fiscal year '25. Details of the program can be found on the website linked above.

This year the Revitalization & Placemaking funding tool provides access to development gap financing for the following:

- 1) Real estate rehabilitation and development projects (Rolling application)
 - Like the Community Revitalization Program, city staff will continue working with MEDC and development teams to determine priority projects for the grant funding this fiscal year and work through that application process independently of this funding opportunity.
- 2) Public place-based infrastructure projects (Funding Round)
 - For a single project associated with the development of permanent place-based infrastructure in support of a traditional downtown or central business district and associated with social zones, outdoor dining, etc.
- 3) Façade improvement program implementation projects. (Funding Round)
 - Grant funding for economic development organizations and other public entities working to improve the streetscape in traditional downtowns and neighborhood commercial nodes by investing in place-based infrastructure on publicly owned and maintained properties or investing in private building facades through an existing and active local façade improvement program.
The City of Grand Rapids Economic Development has made a call for projects and aims to submit a subgrant application for this funding round that closes on January 30, 2025.

MEDC has allocated specific amounts for RAP funding in each prosperity region. Grand Rapids is in Region 4, which has been allocated a target budget of **\$9.9 million**. This

includes available funding for both real estate development grants and public space place-based infrastructure/façade implementation subgrant awards. The total of all grants awarded in Region 4 will not exceed that amount.

The Office has sent a call for proposals over email seeking projects that fit the Façade improvement program implementation program guidelines. The call for proposals will be made available on a dedicated City website and communications will be sent through the City's communication department and to Economic Development's contact list. The form will remain available for approximately 4 weeks.

Staff are coordinating with The Right Place, which is taking a similar approach using a call for proposals for projects located in a 13-county region and will only accept applications for placemaking projects. Any placemaking projects located in Grand Rapids may submit a proposal to The Right Place for consideration. At this time, we expect that other communities and/or developers may submit applications from within Region 4 and likely outside the City. Any application will compete with any application from within Region 4 for the same \$9.9 million. The City and The Right Place will coordinate applications to target a total request of \$9.9 million between our two applications.

Proposals will be evaluated based on the requirements of the corresponding City of Grand Rapids Corridor Improvement Authority (CIA) Façade Improvement Program guidelines, RAP program application, and scoring criteria as well as the project prioritization described below:

- Projects must be shovel-ready. This means significant progress on project design/development and financing. If RAP grant funds are awarded, the project should be able to begin construction shortly after the award.
- Project must meet the eligibility requirements of the existing CIA Façade Improvement Program. Check the [map](#) to see if a property is included any of the following CIA boundaries.
 - West Side Corridor Improvement Authority
 - South Division - Grandville Corridor Improvement Authority
 - Southtown Corridor Improvement Authority
 - North Quarter Corridor Improvement Authority
 - Michigan Street Corridor Improvement Authority
 - Uptown Corridor Improvement Authority
- Proposed funds are to be used exclusively for the improvement or restoration of an existing building's façade.
- Design documents must support 1) cost estimates and 2) renderings.
- The project should not require significant planning or zoning approvals (i.e. rezoning or variances), or, if required, should have a clear timeline to obtain any necessary approvals that allow for the project to be completed.

- Demonstrated connection between already existing CIA façade program
- Strong consideration for historic preservation/restoration
- Requirement for sustainable/resilient building materials, and building maintenance plans

These requirements will allow us to quickly prioritize and evaluate only those projects that will build a strong application and that will contribute to meeting the needs of business and property owners in the CIA's. This may mean that there are also good projects proposed in Grand Rapids that will not align with the proposed criteria above, or the tight timeline. Staff will work with all applicants on next steps, as façade opportunities may be included in future funding opportunities that we can ready now.

The MEDC application portal opened on November 1, 2024 and applications are due on January 25, 2025. No applications will be reviewed prior to the closing of the application period and there is no benefit to applying before January 25. Creating an effective format for the call for proposals will be critical to ensuring all submissions have the quality and level of detail necessary to build a highly competitive application.

The tentative schedule for the City's application is as follows:

Communication on RAP 2025 Opportunity	November 18 (and ongoing)
City Call for Proposals Opens	November 18
City Call for Proposals Closes	December 13
Update to Commissioners on Submitted Proposals	December 18
Staff review of applications begins	December 16
Selected applicants notified	January 6, 2025
Staff works with applicants to finalize application	January 6 – January 24
RAP FY '25 Application Submitted	January 25, 2025

Finally, also included is a status report outlining the 11 real estate projects awarded under RAP 1.0 and RAP 2.0.

RAP 1.0 Status Update

As of 2024-11-13 09:08:15 Eastern Standard Time/EST • Generated by Doug Booth

Filtered By

Show: All projects

Project Status: Any

Probability: All

Incentive: Incentive Name contains RAP Grant

Company Name	Project Name	Status	Total Exp. # of Units	Total Exp. # Housing <60% AMI	Total Exp. # Housing <80% AMI	Total Exp. Market Housing Units
Pinnacle Construction	974 Front Ave NW	Paperwork complete	16			16
Third Coast Development	Academy Manor	Under Construction	108	78	19	11
Amplify GR	Boston Square Together - F2 and F3 Buildings	Under Construction	102	81		21
Hope Network	Eastpointe Commons - RAP Project	Under Construction	56	56		
MoTown Development	MoTown Square	Under Construction	54	54	0	0
United Methodist Community House	United Methodist Community House	Under Construction	45	46		
Total			381	315	19	48

RAP 2.0 Status Update

As of 2024-11-13 09:36:00 Eastern Standard Time/EST • Generated by Doug Booth

Filtered By

Show: All projects

Project Status: Any

Probability: All

Incentive Type equals RAP 2.0 Grant

Company Name	Project Name	Status	Total Exp. # of Units	Total Exp. # Housing Units <60% AMI	Total Exp. # Housing Units <80% AMI	Total Exp. Market Housing Units
Larlen Communications	Southtown Lofts	Ribbon Cutting November 2024	12	12		
Pinnacle Construction	2017 Eastern Ave SE	Under construction	16		16	
Third Coast Development	Benjamin Flats	Spring '25 Construction	16		16	
The Diatribe	The Emory	Spring '25 Construction	8	8		
ICCF	Seymour Condominiums	Under construction	27		13	14
Total	Sum		79	20	45	14