

Action Plan

Grantee: Canton Township, MI

Grant: B-08-MN-26-0001

LOCCS Authorized Amount:	\$ 1,868,244.01
Grant Award Amount:	\$ 1,868,244.01
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,116,155.97
Total Budget:	\$ 2,984,399.98

Funding Sources

Funding Source

NSP

Funding Type

Other Federal Funds

Narratives

Areas of Greatest Need:

Canton Township is affected heavily by the foreclosure crisis, with more than 400 homes foreclosed upon as of September 2008. The foreclosures are located throughout the community, affecting well-off neighborhoods as well as low and moderate income neighborhoods. Canton has devised a strategy to meet the foreclosure crisis by buying homes in low/mod and middle-income neighborhoods and reselling them to qualified individuals and families. These individuals and families will be helped with downpayment and homebuyer assistance.

Distribution and Uses of Funds:

INTRODUCTION The Neighborhood Stabilization Program (NSP) is authorized by the Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA). Funds under the act may be used to buy foreclosed and abandoned homes; to buy land and property; to demolish or rehabilitate abandoned properties; and to offer downpayment and closing cost assistance to middle income (less than 120% of Area Median Income (AMI)) homebuyers. Canton's allocation is \$2,182,988. The funds must be obligated within 18 months of receipt of the award agreement from the Department of Housing and Urban Development (HUD), and all funds must be spent within four years of agreement receipt. Any funds remaining at the end of the four years are recaptured by HUD. NSP funds must be distributed to geographic "areas of greatest need" in the community. Need is determined by areas which meet the three qualifiers of the greatest percentages of home foreclosures, the highest percentages of homes financed by subprime mortgage instruments, and which have been identified by the community as likely to face a significant rise in the rate of foreclosures. At least 25 percent of Canton's funds (\$545,747) must be used for the purchase or redevelopment of abandoned or foreclosed residential properties to house individuals or families whose incomes do not exceed 50 percent of the Area Median Income. (\$34,950 for a family of four.) The remaining funds (a maximum of \$1,637,241) must be used to assist individuals and families whose incomes do not exceed 120 percent of the Area Median Income. (\$83,900 for a family of four.) Canton must ensure that homebuyers undergo at least eight hours of homebuyer counseling and do not use a subprime mortgage in the purchase. A. AREAS OF GREATEST NEED Canton Township has identified the geographic areas of greatest need based on HUD supplied foreclosure and abandonment risk scores and middle-income census tracts for Canton Township. Unfortunately, Canton has been unable to spend all of the title III funds as we are unable to find enough homes in the originally selected census tracts. With the increase in foreclosure rates throughout Canton we will target all census block groups. Canton will buy vacant foreclosed upon and abandoned single family homes in all census tract block groups and resell or rent them to individuals and families meeting the 120 percent Area Median Income requirement. B. DISTRIBUTION AND USES Home Foreclosure Risk The risk score for home foreclosures is reflective of the number of home foreclosures incensus tract. . C. DEFINITIONS AND DESCRIPTIONS (1) "Blighted Structure" Canton uses the term "dangerous building" to describe a blighted structure. The definition of "dangerous building" follows the State law reference "Dangerous Buildings," MCL 125.538 et seq., Housing Law of Michigan, Act 167 of 1917, as amended. The local citation is Ord. No. 72, as amended, Sec. 3, 9-1-1994. (2) "Affordable Rents" If a property acquired through NSP is rented, the rent will not exceed one-third of a household's income as



defined by the HUD applicable Fiscal Year Income Limits Documentation System for the Detroit-Warren-Livonia, Michigan HUD Metro Fair Market Rent (FMR) Area. (3) "Continued Affordability" Canton will assure affordability by ensuring that homebuyers get eight hours of homebuyer counseling and do not use a subprime mortgage financing. Canton will work with counseling agencies and financing companies to assure these preconditions are met and documented. Canton will adopt the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 as the minimal standards for continued affordability. (4) Housing Rehabilitation Standards The housing rehabilitation standards Canton will apply to NSP assisted properties are the 2006 International Building Code and the 2006 Michigan Residential Code. The Municipal Department

Definitions and Descriptions:

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(2) "Affordable Rents"

If a property acquired through NSP is rented, the rent will not exceed one-third of a household's income as defined by the HUD applicable Fiscal Year Income Limits Documentation System for the Detroit-Warren-Livonia, Michigan HUD Metro Fair Market Rent (FMR) Area.

(3) "Continued Affordability"

Canton will assure affordability by ensuring that homebuyers get eight hours of homebuyer counseling and do not use a subprime mortgage for financing. Canton will work with counseling agencies and financing companies to assure these preconditions are met and documented. Canton will adopt the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 as the minimal standards for continued affordability.

(4) Housing Rehabilitation Standards

The housing rehabilitation standards Canton will apply to NSP assisted properties are the 2006 International Building Code and the 2006 Michigan Residential Code. The Municipal Department Building Division inspectors will inspect all residential properties before sale.

Low Income Targeting:

The minimum amount of funds made available under NSP to be used to purchase and redevelop vacant foreclosed upon or abandoned homes for housing individuals or families whose incomes do not exceed 50 percent of area median income shall be \$545,747. These funds will be targeted to the listed census tracts, where home values are commensurate with 50 percent area median incomes and hence more affordable to low income individuals and families. Although Canton recognizes the incentive towards rental housing as the means to comply with this requirement, it is not in a practical position to become a landlord since it manages no residential rental properties. Consequently, Canton will meet the mandate with homeownership activities. The Township is confident it can find suitable housing that is affordable to this income group, and that it can use homeownership tools, such as downpayment assistance and homeownership counseling, to successfully fulfill the 25 percent requirement.

Acquisition and Relocation:

Canton does not intend to demolish or convert any low- and moderate-income dwelling units.

Public Comment:

The substantial amendment was advertised on November 13, 2008, in the Canton Observer, the Canton newspaper of record. The amendment was posted to the Canton website on that date and remained available for public scrutiny through December 1, 2008.

The public comments on the program were generally positive. A resident of Macomb County called to ask about getting her name on the waiting list, since she and her husband were interested in moving back to Canton.

A contractor called to inquire about doing rehabilitation work for the program.

A Canton resident stated the program was "wonderful" for Canton.

Another Canton resident questioned who was the intended beneficiary of the program.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	No activities in this project	
BCKT	Bucket Project	09-1	Acquisition/Rehab for under 50% AMI



09-2

Acquisition/Rehab for under 120% AMI

09-3

Administration



Activities

Project # / Title: BCKT / BucketProject

Grantee Activity Number: 09-1
Activity Title: Acquisition/Rehab for under 50% AMI

Activity Type:

Acquisition - general

Project Number:

BCKT

Projected Start Date:

03/17/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Completed

Project Title:

BucketProject

Projected End Date:

03/19/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 953,983.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 953,983.00

Benefit Report Type:

Direct (Households)

Program Income Account:

Canton Township

Proposed Beneficiaries

of Households

Total	Low	Mod	Low/Mod%
4	4		100.00

Proposed Accomplishments

of Properties

Total
4

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Charter Township of Canton

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Charter Township of Canton

Organization Type

Unknown

Proposed Budget

\$ 953,983.00



Location Description:

Throughout Canton Township.

Activity Description:

Acquisition and sale of homes to individuals or families making less than 50% of AMI. We have not completed renovating the homes so we don't have data about renters versus homeowners, or single family versus multi-family.

Environmental Assessment:

Environmental Reviews: None

Grantee Activity Number: 09-2
Activity Title: Acquisition/Rehab for under 120% AMI

Activity Type:

Acquisition - general

Project Number:

BCKT

Projected Start Date:

03/17/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Completed

Project Title:

BucketProject

Projected End Date:

03/19/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,822,700.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,822,700.00

Benefit Report Type:

Direct (Households)

Program Income Account:

Canton Township

Proposed Beneficiaries

of Households

Total	Low	Mod	Low/Mod%
10	2	8	100.00

Proposed Accomplishments

of Properties

Total

10

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Charter Township of Canton

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Charter Township of Canton

Organization Type

Unknown

Proposed Budget

\$ 1,822,700.00

Location Description:

Throughout Canton Township.

Activity Description:

Purchase and sale of residential properties to moderate and middle income individuals and families. We have not completed renovating the homes so we dont have data about renters versus homeowners, or single family versus multi-family.

Environmental Assessment:

Environmental Reviews: None



Grantee Activity Number: 09-3
Activity Title: Administration

Activity Type:

Administration

Project Number:

BCKT

Projected Start Date:

03/17/2009

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Activity Status:

Completed

Project Title:

BucketProject

Projected End Date:

03/19/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 329,913.60

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 329,913.60

Benefit Report Type:

NA

Program Income Account:

Canton Township

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Charter Township of Canton

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Charter Township of Canton

Organization Type

Unknown

Proposed Budget

\$ 218,298.00

Location Description:

N/A

Activity Description:

Program administration



Environmental Assessment:

Environmental Reviews: None

Action Plan Comments:

- Reviewer - Census tract area increased. No changes in Activity Budget amount. The changes were made to help meet the obligation deadline.
- Reviewer - The Grantee updated their NSP Action Plan as requested in the January 28, 2011 email. The Grantee did not add or delete any activities nor change any funding allocations.
- Reviewer - Grantee submitted by mistake.
- Reviewer - Budget adjustments to satisfy LH25 requirement.
- Reviewer - Grantee submitted by mistake. No changes were made.
- Reviewer - 4/17/18 - I approved this action plan for the sole purpose of data cleanup efforts by Canton Twp to get the LH25 draws to reconcile to the LH25 expenditures. I did not perform a review. Cindy Vails
- Reviewer - Reviewed to ensure that all activities were marked "Complete", which they were. CLF

Action Plan History

Version	Date
B-08-MN-26-0001 AP#1	03/25/2009
B-08-MN-26-0001 AP#2	02/04/2011
B-08-MN-26-0001 AP#3	11/27/2012
B-08-MN-26-0001 AP#4	03/20/2014
B-08-MN-26-0001 AP#5	07/28/2014
B-08-MN-26-0001 AP#6	01/05/2015
B-08-MN-26-0001 AP#7	05/03/2017
B-08-MN-26-0001 AP#8	04/17/2018
B-08-MN-26-0001 AP#9	06/20/2018



