

Action Plan

Grantee: Dearborn, MI

Grant: B-08-MN-26-0003

LOCCS Authorized Amount:	\$ 2,436,246.00
Grant Award Amount:	\$ 2,436,246.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 720,000.00
Total Budget:	\$ 3,156,246.00

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

Data supplied by HUD (Foreclosure-Abandonment Risk, Predicted Foreclosure Rate, and HMDA High Cost Loan Rates) was analyzed to determine the areas most impacted by the housing foreclosure crisis. Based upon that analysis four census tracts (573300, 563600, 573800, and 573900) in two Dearborn Communities (Fordson East and Fordson West) have been targeted to receive HUD-NSP funding assistance. All four of these target census tracts have a Foreclosure-Abandonment Risk score of 10 (out of 10); Predicted foreclosure rates of 10%, 10.3%, 11%, and 10.1%, respectively; and HMDA High Cost Loan Rates of 40.6%, 42.4%, 46.5%, and 40.9% respectively. In addition, each of these census have concentrations (51%+) of middle-income population and concentrations of moderate-income population. Census tract 573800 also has a concentration of low-income households and tract 573600 is nearing a concentration at 50.8%.

Revision No. 3 (11/20/09): Target area expanded to include all of Fordson-East (census tracts 573600, 573700, 573800), all of Fordson-West (573300, 573400, 573900, 574000, 574100) and two census block groups (574300, BG 1 and 2) in the Fairlane Master Plan Communities. The expanded target area is experiencing moderate to high concentrations of foreclosure or abandonment risk, predicted foreclosure rates, and HMDA high cost loan rates.

Revision No. 4 (6/24/10): No change.

Revision No. 5 (10/31/13): No change.

Distribution and and Uses of Funds:

Dearborn NSP Revision No. 4 (June 24, 2010). Summary of Changes: Areas of Greatest Need- No Change. Target Area- No Change. Definition of Blight-No Change. Affordable Rents – No Change. Continued Affordability- Mortgage lenders include all homebuyer assistance in calculations of loan-to-value (LTV). Including development subsidies in the LTV calculation will disqualify most homebuyers. Development subsidies have now been excluded from the calculation of homebuyer assistance. Rehabilitation Standards- Allow energy efficient washers and dryers as an optional rehabilitation expense. Appliances must remain in home upon subsequent resale to qualified LMMI homebuyer. Low-Income targeting- No Change. Acquisitions and Relocation- No Change. Land Banking- No Change. Side-Yard Disposition Program – No Change. Homebuyer Selection- No Change. Acquisition & Rehab- Budget adjustment. Administration-No Change. Dearborn NSP1 Revision No. 5 (October 31, 2013). Summary of Changes: Areas of Greatest Need-No Change. Target Area-No Change. Definition of Blight-Revised to be Consistent with NSP3. Affordable Rents- Revised to be Consistent with NSP3. Continued Affordability- Revised to be Consistent with NSP3. Rehabilitation Standards- Revised to be Consistent with NSP3. Low-Income Targeting-No Change. Acquisitions and Relocation-No change. Land Banking – No change. Side-Yard Disposition Program- No change. Homebuyer Selection- No change. Acquisition & Rehab-Add Eligible Use E (redevelopment). Acquisition & Clearance- No change. Demolition of Blighted Structures- No change. Administration- No change. NSP3 Project Support- NEW Activity, allows use of NSP1 program income to support ongoing NSP3 projects and



activities.

Definitions and Descriptions:

The City of Dearborn is developing a side lot disposition program and policy to govern the resale of cleared city-owned residential properties throughout the city (not limited to our designated HUD-NSP target area). The program is expected to establish a nominal fee or deeply discounted sale price for eligible properties. The nominal fee or reduced sale price reflects the city's desire to promote neighborhood stability and homeownership, return properties to the tax rolls, decrease property maintenance expenses, and reflects current economic conditions on land valuation ("current market value" for side yards).

Once adopted the Administration and City Council, the policies of the city's side lot disposition program will be incorporated into this HUD-Neighborhood Stabilization Program Substantial Amendment, with the intention that side lot re-sales of properties that were acquired with HUD-NSP funding will provide an equivalent or greater benefit to the target neighborhoods and adjacent property owners, while adhering to federal regulations and guidelines.

Adoption of the city's side yard disposition program is unlikely to result in the need for a further revision of this NSP Amendment, unless it results in a change to the continuing affordability standards for the resale or transfer of cleared property.

Definition #7. Eligible Homebuyer. Household Selection Process.

The City of Dearborn and/or its subrecipients and developers shall establish written policies for the identification and selection of households to be directly assisted.

At a minimum, written selection policies shall identify:

- The method of income eligibility determination (Section 8, Census Long Form, or IRs 1040 method):
- Waiting list or prioritization procedures – first come, first served; bid process: preference point system; random process; etc.; and,
- Outreach methods.

If a selection policy establishes a preference for a class of households with a financial relationship to the City, the subrecipient, or the developer (income qualified city employees, for example), that preference shall be subject to the review of the City of Dearborn's Board of Ethics.

Prioritization and outreach procedures shall be established and administered in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and implementing regulations.

Subrecipients and developers may adopt selection policies established by the City of Dearborn for projects/activities of a similar nature or may adopt unique policies and procedures, subject to the review and approval of the City of Dearborn.

Low Income Targeting:

No less than \$610,000 of the "Acquisition & Rehabilitation" activity shall be used to provide housing for individuals or families whose income does not exceed 50% of area median income.

This targeted assistance may be provided as rental housing, lease-to-purchase, or homebuyer assistance. If the targeted assistance is offered to low-income homebuyers, closing cost and down payment assistance may also be included in the assistance package.

The City of Dearborn will engage its Public Housing Authority (PHA), members of the Out-Wayne County Homeless Services Coalition (the continuum of care agency for our area), and other local housing and social service providers to identify special needs populations that may be underserved by current availability of affordable housing.

These same agencies may also be engaged to provide rental housing management and resident support services, if the need and opportunity arises.

Acquisition and Relocation:

The City of Dearborn has a long and successful history of removing eyesore properties and reusing the cleared land as described above. It is therefore our intention to invest a portion of this HUD-NSP funding for the acquisition and clearance of "blighted" properties.

Revision 1: Since the original submission of our HUD-NSP amendment in November 2008, the City of Dearborn has been researching and tracking foreclosure activity in its designated target area. Target area foreclosed properties that are in reasonably sound condition are attracting private market homebuyers without program assistance. On the other hand, target area foreclosed properties that are in poor/blighted condition, are not attracting buyers and remain vacant, unattended, and are an attractive nuisance for vandals. This revision therefore redirects additional HUD-NSP resources for the clearance of "blighted" properties.

Based on conservative cost estimates, the City of Dearborn will use its HUD-NSP funding to acquire 45 abandoned or foreclosed housing units. Thirty-five of those units may be cleared (as described above) and the remaining ten units will be rehabilitated for sale, lease-to-purchase, or rental to LMMI individuals and families. Eight blighted residential properties will receive financial assistance for demolition.

The housing unit estimates presented above are based upon the original allocation of HUD-NSP funding and the assumption that acquisition and clearance will cost approximately \$50,000 per property, demolition activities will average \$11,500 per property and the acquisition and rehabilitation will cost approximately \$100,000 per property. These housing unit estimates are expected to increase as the net proceeds from property re-sales are reinvested into similar activities.

It is estimated that blighted properties acquired for the purpose of demolition will be cleared within six months of purchase. Cleared properties may be land banked, for a period not to exceed 10 years, until a final disposition has been determined. Refer to Section C(5) for more information.

It is estimated that properties acquired for the purpose of rehabilitation will be available for resale or transfer (to owner-occupant, rental housing manager, etc.) twelve to fifteen months after purchase, depending upon the complexity of the rehabilitation project.

The acquisition of a foreclosed upon home or residential property under this HUD-NSP plan shall be at a discount from the current-market appraised value of the property. Dearborn's NSP will negotiate the maximum reasonable purchase discount,



taking into consideration the likely "carrying cost" savings to the seller and the current condition of the property. The minimum purchase discount for any NSP-assisted acquisition shall be 1%.

The City of Dearborn will use the NSP funds for the purchase of vacant foreclosed/abandoned properties.

Public Comment:

The City of Dearborn included the HUD Neighborhood Stabilization Program (HUD-NSP) as a topic at its annual Housing & Community Development Needs and Priorities public hearing on October 22, 2008. A notice announcing the public hearing was published in the October 8, 2008 edition of the Dearborn Press & Guide and was also mailed to members of our Citizen Participation Plan (CPP) mailing list.

Covenant House of Southeast Michigan, a non-profit provider of shelter and services for displaced youth, commented that there is a need for transitional and permanent housing for displaced youth after they leave the shelter. They also commented that this population is likely to require substantial supportive and financial services to be successful homeowners or tenants. The commenter did not believe that Covenant House has the current capacity or resources to fill these needs.

The Office of the Mayor and Economic and Community Development Department request for City Council authorization to prepare and submit this amendment provided three additional opportunities for public input: 1) Mayor's Briefing Session, October 28, 2008; 2) Council Committee of the Whole, October 29, 2008; and, 3) regular Council Meeting, November 3, 2008.

Council members commented that there is a disproportionately high volume of rental housing in the proposed target areas due to recent conversions of formerly owner-occupied single-family structures. Therefore, it is essential that rehabilitated properties be made available primarily, if not solely, to homebuyers. This comment was incorporated into the proposed substantial amendment: the disposition of rehabilitated properties to LMMI households (120% AMI) will be resales to homebuyers; the disposition of rehabilitated properties to low-income households (50% AMI) to meet the 25% income targeting requirement of the HUD-NSP funding will be primarily resales to homebuyers or lease-purchase transactions, rental transactions (if any) will be limited and will require careful selection and monitoring of responsible landlords.

Council members commented that there may be public needs that could be accomplished by retaining cleared properties (tot parks, community gardens, expansion of neighborhood facilities). This comment was incorporated into the proposed substantial amendment by allowing blighted, LMMI eligible properties that have been cleared, to be retained for public purposes. The proposed substantial amendment does not currently contemplate the use of HUD-NSP resources to develop or construct those public uses. Any reallocation of HUD-NSP resources for public or neighborhood facility development will be treated as a substantial amendment to this plan.

The Administration commented that cleared properties, or portions thereof, could be sold or donated to neighboring parcels with the stipulation that the property be used to substantially increase that property's compliance with zoning, building, or fire safety codes. If the cleared property is located in an LMMI-eligible area, the clearance activity itself meets the objective of the HUD-NSP. Disposition of that property must either be a market rate transaction, or must also meet an objective of the HUD-NSP. HUD will be consulted to determine whether less than market rate disposition to a neighboring property, obsp; If so, these less than market rate dispositions will be allowed and offered when appropriate.

The Administration also commented that there is an opportunity for collaboration with the Michigan Works! JET Program (Jobs, Education & Training), particularly for the HUD-NSP funding that is targeted to low-income (50% AMI) households. JET is a fundamental change in the way families move off welfare and become self-sufficient. Under the JET approach, local workforce boards, Michigan Works! Agencies, the Michigan Rehabilitation Services, and the Michigan department of Labor and Economic Growth and Human Services county offices work together to remove barriers to work and connect Michigan families with the kinds of jobs, education and training that lead to long-term self-sufficiency. Collaboration with JET will provide a linkage to and partnership with our local colleges as well. JET collaboration will be explored, and is likely to result in a significant, beneficial partnership in the implementation phase of this HUD-NSP plan.

The draft HUD-NSP Substantial Amendment was published for a 15-day comment period beginning November 5, 2008 and ending November 19, 2008. Publication included a notice in the November 5, 2008 edition of the Dearborn Press & Guide, a mailing to members of the CPP mail list, and availability of the draft document at all Dearborn Public Library branches, the Office of the Mayor, the Economic and Community Development Department and online at www.cityofdearborn.org/nsp/hud-nsp.shtml.

No additional comments received.

Prior to submitting this Substantial Amendment, the City of Dearborn also sought or received clarification from the U. S. Department of Housing and Urban Development on several issues. Clarifications that resulted in a change to our Proposed Substantial Amendment are summarized here:

Certain equipment and fixtures that are not permanently affixed to the property and that are not required to meet minimum housing quality standards (such as washers, dryers, or window coverings) are generally not considered to be eligible rehabilitation measures (energy-efficiency measures may be an exception). Since such items are portable and will not necessarily remain available to future homeowners during the affordability period, it should be stipulated that any such items provided are attributed to the buyer's equity or private financing and not to the program or development subsidy. The City of Dearborn's HUD-NSP Rehabilitation Standards have been revised to incorporate the guidance above.

At the same time, based upon further staff research and comment, the related rehabilitation standard requiring a Home Energy Rating Standards (HERS) audit to guide optional energy efficiency upgrades, was replaced with reliance on information readily available on EnergyStar.gov and the State of Michigan Weatherization Program priorities list. City of Dearborn rehabilitation personnel are already familiar with and capable of implementing these energy standards.

Revision No. 1 was published for a 15-day comment period beginning April 15, 2009 and ending April 29, 2009. Publication included a notice in the April 15, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml mailed to members of our mailing list who may be affected by this revision.

No comments received.

Revision No. 2 was published for a 15-day comment period beginning August 19, 2009 and ending September 2, 2009. Publication included a notice in the August 19, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml.

As required by the City of Dearborn's Citizen Participation Plan, notices are also mailed to members of our mailing list who may be affected by the revision.



No comments received.

Revision No. 3 was published for a 15-day comment period beginning November 4, 2009 and ending November 18, 2009. Publication included a notice in the Wednesday, November 4, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml.

As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.

No comments received.

Revision No. 4 was published for a 15-day comment period beginning June 9, 2010 and ending June 23, 2010. Publication included a notice in the Wednesday, June 9, 2010 edition of the Dearborn Press & Guide.

As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.

No comments received.

Revision No. 5 was published for a 15-day comment period beginning October 16, 2013 and ending October 30, 2013. Publication included a notice in the Wednesday, October 16, 2013 edition of the Dearborn Press & Guide.

As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.

A comment was received from a city administrator suggesting that the new "NSP3 Project Support" activity should also include Eligible Use C (Land Banking) to more closely parallel other similar NSP1 activities. Eligible Use C has been added.

No other comments received.

Future amendments and opportunities for public comment.

Dearborn's Neighborhood Stabilization Program, as described in this document anticipates the generation of program income (net proceeds from resales). Programming and reuse of that program income for any of the activities already described in this document are contemplated by this program and therefore shall not be considered to be an amendment to this plan and shall not be subject to further public comment requirements.

Due to the emergency nature of this funding and the desire to implement and complete projects and activities as rapidly as possible, the reallocation of program funding between activities, or cost categories within activities already described in this document is also contemplated by this plan. Therefore, such reallocations shall not be considered to be an amendment to this plan and shall not be subject to further public comment requirements.

The Office of the Mayor and the Economic and Community Development Department are identified as the responsible parties in each of the activities described in this plan. The subsequent engagement of other city departments, non-profit service providers, contractors, or subrecipients is possible and contemplated during the life of this plan. These engagements, if any, shall not be subject to public comment requirements.

The addition of activities not already described in this plan or changes to the Dearborn HUD-NSP target area defined in Section B shall be treated as a substantial amendment to this NSP plan as shall be the subject of a 15-day public comment period.

Any plan amendment, with or without a required public comment period as described above, shall be subject to any applicable local and federal requirements, reviews and approvals.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
DBN-NSP	Dearborn HUD-NSP	Acq-Demo	Acquisition & Demolition
		ADM	ADM
		DEMO	Demolition of Blighted Properties
		RHB-LI	RHB-LI
		RHB-LMMI	RHB-LMMI



Activities

Project # / **DBN-NSP / Dearborn HUD-NSP**

Grantee Activity Number: **Acq-Demo**
Activity Title: **Acquisition & Demolition**

Activity Type:
Clearance and Demolition

Project Number:
DBN-NSP

Projected Start Date:
01/01/2009

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

Benefit Report Type:
Area Benefit (Census)

Activity Status:
Completed

Project Title:
Dearborn HUD-NSP

Projected End Date:
06/30/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,349,869.24
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 1,349,869.24

Program Income Account:
NSP1 Program Income

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	45439	20795	9159	65.92

Proposed Accomplishments	Total
# of Properties	41

LMI%:	65.92
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Activity is being carried out by
No

Activity is being carried out through:

Organization carrying out Activity:
City of Dearborn - Economic & Community Development Department & Residential Services Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Dearborn - Economic & Community Development Department &	Unknown	\$ 1,349,869.24



Location Description:

Scattered sites in Dearborn HUD-NSP target area. Target area census tracts all qualify as Low-Moderate Income (80% AMI) benefit areas, except for CT 574300 (which is middle-income eligible). Additionally, CT 573800 and 574000 qualify as low income (50% AMI) benefit areas.

Activity Description:

Acquisition and clearance of blighted properties.

Cleared property may be: a) sold to any buyer at current market rates; b) sold, transferred or donated to an income-eligible neighboring property; c) retained for any CDBG-eligible public purpose; or d) conveyed to a Community Based Development Organization (CBDO) for new housing construction.

The clearance of blighted properties is expected to be of substantial benefit to the LMMI-neighborhoods in which the properties are located. The cleared properties may be offered for resale at current market price and sold to adjacent property owner(s) to increase substandard lot widths, or sold to any buyer for future development.

If the adjacent property owner-occupants are income eligible (120% AMI), the cleared property may be conveyed or donated at less than market rate, for the purpose of increasing the adjacent property’s compliance with zoning, building, or fire safety codes and standards.

Cleared properties may be retained and redeveloped for CDBG-eligible public uses (such as a tot park, community garden, landscaped buffer zone, or expansion of a neighborhood facility).

The \$35,000 redevelopment budget presented below could finance the creation of approximately 5 community gardens at an average cost of \$7,000 each. The availability of community garden space will be of substantial benefit to our target area neighborhoods (due to small lot sizes in the target area owners may not have sufficient garden areas in their own yards). In addition, the introduction of the gardens will invite and encourage residents to maintain these new public spaces.

Property may also be conveyed or donated to a Community-Based Development Organization (CBDO) for new LMMI housing construction. Additional HUD-NSP funding assistance for that construction is contemplated by this activity and may be provided to these projects if needed.

Term of assistance and continued affordability requirements shall not apply to market rate dispositions of cleared property located in LMMI-eligible areas. All other dispositions shall comply with continued affordability provisions.

Cleared properties may be land-banked for a period not to exceed 10-years.

Property acquisitions are subject to the purchase discount policy.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: ADM
Activity Title: ADM

Activity Type:

Administration

Project Number:

DBN-NSP

Projected Start Date:

01/01/2009

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)

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

Dearborn HUD-NSP

Projected End Date:

06/30/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 138,272.69

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 138,272.69

Program Income Account:

NSP1 Program Income

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Dearborn - Economic & Community Development Department & Residential Services Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Dearborn - Economic & Community Development Department &	Unknown	\$ 138,272.69

Location Description:

Not applicable.

Activity Description:

Funding for general grant administration and planning activities.



Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: DEMO
Activity Title: Demolition of Blighted Properties

Activity Type:
 Clearance and Demolition

Project Number:
 DBN-NSP

Projected Start Date:
 05/01/2009

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

Benefit Report Type:
 Area Benefit (Census)

Activity Status:
 Completed

Project Title:
 Dearborn HUD-NSP

Projected End Date:
 06/30/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 138,766.82

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 138,766.82

Program Income Account:
 NSP1 Program Income

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# of Persons	45439	20795	9159	65.92

Proposed Accomplishments

	Total
# of Singlefamily Units	12
# of Housing Units	12
# of Properties	12

LMI%:	65.92
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Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:

City of Dearborn - Economic & Community Development Department & Residential Services Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Dearborn - Economic & Community Development Department &	Unknown	\$ 138,766.82



Location Description:

Scattered site demolition of blighted property in the Dearborn HUD-NSP Target Area. Target area census tracts all qualify as Low-Moderate Income (80% AMI) benefit areas, except for CT 574300 (which is middle-income eligible). Additionally, CT 573800 and 574000 qualify as low income (50% AMI) benefit areas.

Activity Description:

Demolition of blighted properties.

Cleared properties may be redeveloped for CDBG-eligible public uses (such as a tot park, community garden, or expansion of a neighborhood facility). The redevelopment budget presented below could finance the creation of 1 community garden, at an approximate cost of \$7,000 each. The availability of community garden space will be of substantial benefit to our target area neighborhoods (due to small lot sizes in the target area owners may not have sufficient garden areas in their own yards). In addition, the introduction of the gardens will invite and encourage residents to maintain these new public spaces.

Land-banking not to exceed 10-years may be provided for foreclosed properties only.

For blighted properties acquired with local funding that receive this federal HUD-NSP demolition assistance, a pro-rata portion of any resale revenue shall be treated as program income in accordance with HERA Section 2301.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: RHB-LI
Activity Title: RHB-LI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 DBN-NSP

Projected Start Date:
 01/01/2009

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.

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Dearborn HUD-NSP

Projected End Date:
 06/30/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 789,765.67

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 789,765.67

Program Income Account:
 NSP1 Program Income

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	6	6		100.00
# of Households	6	6		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	6
# of Housing Units	6
# ELI Households (0-30% AMI)	
# of Properties	6

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Dearborn - Economic & Community Development Department & Residential Services Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Dearborn - Economic & Community Development Department &	Unknown	\$ 789,765.67



Location Description:

Scattered sites in the Dearborn HUD-NSP Target Area.

Activity Description:

Purchase and rehabilitation of housing primarily for: a) resale to low-income individuals or families; or b) resale or lease-purchase to low-income individuals or families, for use as their primary residence; or in limited circumstances, for: c) rental to low-income individuals or families for use as their primary residence.

Eligible homebuyers must complete an 8-hour homebuyer counseling program provided by a HUD-Approved counseling agency.

Eligible homebuyers of NSP-assisted properties may also be provided with "homebuyer financial assistance" in the form of subsidized mortgage principal amounts, reasonable closing costs, and/or up to 50% of the required down payment.

Due to the strained housing credit market, the City of Dearborn may also consider land contract resales of assisted properties. The land contracts will be offered with a balloon payment clause after an approximate three-year period (sufficient time for credit market to improve and low-income homebuyers to demonstrate proof of ability to afford a private-market mortgage).

The land contract payment will be based upon a thirty-year amortization schedule. The land contract interest rate will be the "Step Rate Loan" interest rate (interest rate increase after first three years) as established by the Michigan State Housing Development Authority (MSHDA) for its homeownership loan programs. [Rates in effect as of October 13, 2008: 6.25% for the first 36 months and 7.25% thereafter (6.367% APR).]

The City of Dearborn is seeking input from area service providers to identify special needs groups within the low-income target population for this activity. If so identified, the acquisition, rehabilitation, and disposition of properties may be tailored to the needs of that special needs group(s).

If rehabilitated property is disposed or transferred for the purpose of rental to low-income households, that disposition may be at a substantial discount or donation to the rental property owner/manager to ensure long-term affordability to the target group. Properties acquired and rehabilitated may be temporarily land-banked.

The term of assistance and continued affordability requirements shall be as described in definition #3.

Property acquisitions are subject to the purchase discount policy.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: RHB-LMMI
Activity Title: RHB-LMMI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 DBN-NSP

Projected Start Date:
 01/01/2009

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

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Dearborn HUD-NSP

Projected End Date:
 06/30/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 327,498.11

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 327,498.11

Program Income Account:
 NSP1 Program Income

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	3		3	100.00
# of Households	3		3	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	3
# of Housing Units	3
# of Properties	3

Activity is being carried out by
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Dearborn - Economic & Community Development Department & Residential Services Department

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Dearborn - Economic & Community Development Department &	Unknown	\$ 327,498.11



Location Description:

Scattered sites in the Dearborn HUD-NSP target area.

Activity Description:

Purchase and rehabilitation of housing primarily for: a) resale to LMMI individuals or families; or b) resale or lease-purchase to low-income individuals or families, for use as their primary residence; or in limited circumstances, for: c) rental to low-income individuals or families for use as their primary residence.

Eligible homebuyers must complete an 8-hour homebuyer counseling program provided by a HUD-Approved counseling agency.

Eligible homebuyers of NSP-assisted properties may also be provided with "homebuyer financial assistance" in the form of subsidized mortgage principal amounts, reasonable closing costs, and/or up to 50% of the required down payment.

Due to the strained housing credit market, the City of Dearborn may also consider land contract resales of assisted properties.

The land contracts will be offered with a balloon payment clause after an approximate three-year period (sufficient time for credit market to improve and low-income homebuyers to demonstrate proof of ability to afford a private-market mortgage).

The land contract payment will be based upon a thirty-year amortization schedule. The land contract interest rate will be the "Step Rate Loan" interest rate (interest rate increase after first three years) as established by the Michigan State Housing Development Authority (MSHDA) for its homeownership loan programs. [Rates in effect as of October 13, 2008: 6.25% for the first 36 months and 7.25% thereafter (6.367% APR).]

The City of Dearborn is seeking input from area service providers to identify special needs groups within the low-income target population for this activity. If so identified, the acquisition, rehabilitation, and disposition of properties may be tailored to the needs of that special needs group(s).

If rehabilitated property is disposed or transferred for the purpose of rental to low-income households, that disposition may be at a substantial discount or donation to the rental property owner/manager to ensure long-term affordability to the target group.

Properties acquired and rehabilitated may be temporarily land-banked.

The term of assistance and continued affordability requirements shall be as described in definition #3.

Property acquisitions are subject to the purchase discount policy.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

Reviewer - Action Plan has been revised to expand the Target Area due to higher rates of foreclosure, and because the Grantee is finding it difficult to acquire properties in the original Target Area. Another significant change has been the provisions for homebuyer financial assistance. Grantee has written a guide to help homeowners through the process. Changes and additions to the NSP1 Action Plan (revised edition 3) appear prudent and reasonable.

Reviewer - Budget adjustments for Acquisition and rehab, Acquisition and Clearance, and Demolition of Blighted structures. Definition changes for Continued Affordability; development subsidies are now excluded from the calculation of homebuyer assistance. This assists with the LTV; loan-to-value calculation. The definition for Rehabilitation Standards has also been changed to include that appliances now have to remain in the house if it is sold.



- Reviewer - Budget adjustment of \$6,420.17 from one Activity to another; both Demo related.
- Reviewer - Additional comments: Contains budget reallocation of \$50,000 from RHB-LMMI (Acq-Rehab LMMI) to Acq-Demo (Acq-Clearance).
- Reviewer - Moved \$35,579.83 from Admin to Acq-Demo, and updated Action Plan per instructions for Housing Activities.
- Reviewer - \$40,000 moved from Admin to RHB-LI.
- Reviewer - Changes deal with Program Income issues. Overall progress on NSP-1 is outstanding. Changes are: (1) Acq-Clearance: NSP Grant= 1,220,000.00, EST PI= 430,000.00, Total Budget=1,650,000.00. (2) Acq-Rehab LI: NSP Grant= 640,000.00, EST PI=35,000.00, TI Bgt.= 675,000.00. (3) Acq-Rehab LMMI: NSP Grant= 350,000.00, EST PI=35,000.00, TI Bgt=385,000.00. (4) Demolition Only: NSP Grant=83,579.83, EST PI=0, TI Bgt=83,579.83
 ***Projects Subttl: NSP Grant= 2,293,579.83, EST PI= 500,000.00, TI Bgt=2,793,579.83
 ***Administration: NSP Grant=142,666.17 Est PI=0, TI Bgt=142,666.17.
 ***Total Budget: NSP Grant=2,436,246.00, EST PI=500,000.00, TL BGT=2,936,246.00.
 ***Less: Anticipated PI: (333,526.32), TI Bgt= (333,526.32).
 ***Funds Available: NSP Grant=2,436,246.00, EST PI=166,473.68, TL Bgt= 2,602,719.68
- Reviewer - NSP1 Action plan revision to reallocate \$40,000 budget from our Acq-Demo activity to RHB-LI (\$25,000) and RHB-LMMI (\$15,000) activities. The reallocation will accommodate current activity estimates and provide sufficient budget for the potential addition of marketing/realtor expenses.
- There are no other changes at this time.
- Reviewer - 12/18/2012 Reviewed by Cynthia Cooper Vails, Financial Analyst - Recommend approval of the City of Dearborn's NSP1 Action Plan modified for the purpose of transferring \$50,000 in budgeted funds from LMMH activity #RHB-LMMI to LH25 activity #RHB-LI. This is a positive transaction in an effort by the grantee to meet the 25 percent low-income housing set-aside requirement. This modified action plan has more than 25 percent of the combined program and program income funds budgeted for low income housing. This transaction does not represent a substantial amendment to the NSP1 action plan.

MARGUERIT Dearborn NSP1 Revision No. 5

Summary of Changes

Areas of Greatest Need: No change.

Target Area: No change.

Definition of Blight: Revised to be consistent with the NSP3.

Affordable Rents: Revised to be consistent with the NSP3.

Continued Affordability: Revised to be consistent with the NSP3.

Rehabilitation Standards: Revised to be consistent with the NSP3.

Low-Income Targeting: No change.

Acquisitions & Relocation: No change.

Land Banking: No change.

Side-Yard Program: No change.

Homebuyer Selection: No change.

NSP1 Activities:

Acquisition & Rehab: Add eligible use E (redevelopment).

Acquisition & Clearance: Budget updated.

Demolition of

Blighted Structures: Budget updated.

Administration: Budget updated.

NSP3 Project Support: NEW. Allows use of NSP1 program income to support ongoing NSP3 projects and activities

- Reviewer - 08/14/2014 Reviewed by Cynthia Cooper Vails, Financial Analyst - Approving the revised action plan for the purpose of allowing the City of Dearborn to submit its QPR that was due on July 30, 2014. There are sufficient funds budgeted and obligated to exceed the LH25 set-aside requirement and the administration budget and obligated amounts do not exceed the cap.



Action Plan History

Version	Date
B-08-MN-26-0003 AP#1	06/28/2010
B-08-MN-26-0003 AP#2	07/21/2011
B-08-MN-26-0003 AP#3	01/20/2012
B-08-MN-26-0003 AP#4	07/06/2012
B-08-MN-26-0003 AP#5	12/19/2012
B-08-MN-26-0003 AP#6	10/29/2013
B-08-MN-26-0003 AP#7	03/26/2014
B-08-MN-26-0003 AP#8	08/14/2014
B-08-MN-26-0003 AP#9	08/27/2014
B-08-MN-26-0003 AP#10	02/10/2015
B-08-MN-26-0003 AP#11	09/26/2016
B-08-MN-26-0003 AP#12	05/15/2017
B-08-MN-26-0003 AP#13	10/27/2017
B-08-MN-26-0003 AP#14	11/27/2017
B-08-MN-26-0003 AP#15	05/24/2019
B-08-MN-26-0003 AP#16	06/05/2019
B-08-MN-26-0003 AP#17	03/02/2020

