

Action Plan

Grantee: Grand Rapids, MI

Grant: B-08-MN-26-0006

LOCCS Authorized Amount:	\$ 6,187,686.00
Grant Award Amount:	\$ 6,187,686.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,203,715.00
Total Budget:	\$ 7,391,401.00

Funding Sources

Funding Source	Funding Type
NSP	Other Federal Funds

Narratives

Areas of Greatest Need:

The City of Grand Rapids has determined the areas of greatest need for recovery funds, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures. Greatest need was determined by considering 1) risk of abandonment, 2) high cost subprime loans, and 3) predicted 18-month foreclosure rate. The abandonment risk score of the targeted areas is 10, where 10 indicates the area is in the highest 10% of risk nationwide for foreclosure and abandonment based on the combination of HUD's foreclosure risk estimate and vacancy rate; and has a high cost loan rate of 41% or higher; and has a predicted 18-month foreclosure rate over 9.1%. The targeted areas are those most impacted and in greatest need of revitalization. In addition, these areas have been historically targeted with investment to improve the neighborhoods, which have not only seen a high rate of foreclosure, but mostly are of an aged housing stock. High unemployment, older housing, and a concentration of low-income persons in the target have exacerbated the need of assistance since the housing crisis.

Distribution and Uses of Funds:

Through the NSP, the City of Grand Rapids will assist in preserving neighborhood property values, protecting previous investments, and encouraging additional public and private investment. The City's approach considers the "triple bottom line" in stabilizing our neighborhoods hardest hit by foreclosure. Specifically, the environment, the economy and social equity will be addressed through redevelopment of foreclosed, abandoned, or vacant residential properties that increase housing affordability, employment opportunities, and investment from public and private sources. The distribution of NSP funds will coincide with HERA's requirement that funds be distributed to the areas of greatest need and are represented in Section A. Neighborhood and community stakeholder input will be used along with the following factors to determine final selection of specific properties suitable for use of NSP funds: 1) The area has received significant federal or private investment for revitalization efforts; 2) property acquisition will maximize neighborhood impact; and/or other public or private investments may be leveraged. It is anticipated that 62 units will be reconstructed, and all qualified homebuyers will receive homebuyer assistance.

All workmanship will meet or exceed industry standards, meet all applicable codes and regulation, including lead and asbestos, and energy efficiency and include water conservation improvements to assist with future affordability.

Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law.

Response:

Michigan Public Act 344 of 1945 defines "blighted property" as a property that meets any of the following criteria:

(i) The property has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related



code or ordinance.

(ii) The property is an attractive nuisance because of physical condition or use.

(iii) The property is a fire hazard or is otherwise dangerous to the safety of persons or property.

(iv) The property has had the utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for a period of 1 year or more so that the property is unfit for its intended use.

(v) The property is tax reverted property owned by a municipality, by a county, or by this state. The sale, lease, or transfer of tax reverted property by a municipality, a county, or this state shall not result in the loss to the property of eligibility for any project authorized under this act for the rehabilitation of a blighted area, platting authorized under this act, or tax relief or assistance, including financial assistance, authorized under this act or any other act.

(vi) The property is owned or is under the control of a land bank fast track authority under the land bank fast track act, 2003 PA 258, MCL 124.751 to 124.774. The sale, lease, or transfer of the property by a land bank fast track authority shall not result in the loss to the property of eligibility for any project authorized under this act for the rehabilitation of a blighted area, platting authorized under this act, or tax relief or assistance, including financial assistance, authorized under this act or any other act.

(vii) The property is improved real property that has remained vacant for 5 consecutive years and that is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.

(viii) The property has code violations posing a severe and immediate health or safety threat and has not been substantially rehabilitated within 1 year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later.

Low Income Targeting:

At least 25% of total NSP funds will be used for activities to benefit households whose income does not exceed 50% of area median income.

Acquisition and Relocation:

No property acquisition that involves the relocation of tenants or occupants will be assisted.

Public Comment:

The Consolidated Housing and Community Development (HCD) Plan is a five-year planning document that establishes performance goals and guides funding allocations for the following federal entitlement programs: Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME) and Emergency Shelter Grants (ESG). NSP funding is a special allocation of the CDBG program, requiring an amendment to the HCD Plan and FFY 2009 Annual Action Plan.

Prior to drafting the NSP Substantial Plan Amendment, input was sought from nonprofit and for-profit developers, neighborhood association representatives, local foundations and the local homelessness and foreclosure response coalitions. A public notice was published in the Grand Rapids Press on October 31, 2008 notifying the public of the opportunity to comment on the draft plan amendment from November 10-24, 2008. The draft amendment was available for public review and comment at the Community Development Department, 300 Monroe Avenue, NW, Suite 460 and online at www.grcd.info.

The City Commission was provided copies of all comments directed to the Community Development Department prior to approving the Plan Amendment on November 25, 2008. Five (5) written comments were received supportive of proposed activities. One (1) comment suggested an expansion of the NSP target area resulting in the enlargement of NSP Area 5 to include census tracts 16 and 19.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance		<i>No activities in this project</i>
NSP Admin	NSP Administration	Adm-001	NSP Administration
NSP G1	Acquisition/Construction	G1-001	Acquisition / Construction
NSP G2	Homebuyer Assistance	G2-001	Homebuyer Assistance
NSP G4	25%-50AMI	G4-001 25% Set-aside	LH - 25% Set-Aside
NSP G5	Redevelop Demolished or Vacant	G5-001	Redevelop Demolished or Vacant Properties
		G5-002	Redevelop Demolished or Vacant Properties: LH-25%



Activities

Project # / Title: NSP Admin / NSP Administration

Grantee Activity Number: Adm-001
Activity Title: NSP Administration

Activity Type:

Administration

Project Number:

NSP Admin

Projected Start Date:

03/15/2009

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

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Completed

Project Title:

NSP Administration

Projected End Date:

07/30/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 593,490.45

Other Funds: \$ 0.00

Total Funds: \$ 593,490.45

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Grand Rapids Community Development Department
300 Monroe, NW, City Hall Suite 460
Grand Rapids, MI 49503
Contact: Connie M. Bohatch
Phone: 616.456.3677
Email: communitydev@grcity.us

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City of Grand Rapids Community Development Department

Unknown

\$ 593,490.45



Funding Source Name

NSP

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

N/A - Administration Activity

Activity Description:

Administration of Neighborhood Stabilization Program Grant.

Project # / Title: NSP G1 / Acquisition/Construction**Grantee Activity Number: G1-001****Activity Title: Acquisition / Construction****Activity Type:**

Rehabilitation/reconstruction of residential structures

Project Number:

NSP G1

Projected Start Date:

03/20/2009

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Acquisition/Construction

Projected End Date:

08/30/2014

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 4,296,927.41**Other Funds:** \$ 0.00**Total Funds:** \$ 4,296,927.41**Proposed Beneficiaries**

Owner Households

Total

39

Low**Mod****Low/Mod%**

0.00

of Households

39

0.00

Proposed Accomplishments**Total**

# of Singlefamily Units	39
# of Housing Units	39
# of Properties	39

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

The City of Grand Rapids Community Development Department in partnership with Community Housing Development Organizations currently working with the City, and other nonprofit and for-profit housing developers.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
The City of Grand Rapids Community Development Department in partnership with	Unknown	\$ 4,296,927.41
Funding Source Name	Matching Funds	Funding Amount
NSP	No	\$ 0.00

Location Description:

Specific addresses will vary depending on criteria as described in Section B of this amendment, Distribution and Uses of Funds. Specific addresses must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Vol. 73, No. 194.

Activity Description:

This activity will allow the acquisition and rehabilitation of homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop. Properties to be acquired will be selected by the City in consultation with developers and other interested parties, such as neighborhood associations. Foreclosed properties will be acquired by the City or by a developer with NSP funds from various entities holding property title such as HUD, and local and national financial institutions. Developers will be responsible for preparing work specifications for review and approval by the City and contracting with properly licensed contractors in accordance with City prescribed procedures. The developer will be responsible for completing rehabilitation of the property, marketing of the property, and identifying qualified households to occupy NSP-assisted units. NSP-assisted properties must comply with applicable building codes, lead-based paint and asbestos abatement requirements; City housing code, and rehabilitation and energy standards.

Project # / Title: NSP G2 / Homebuyer Assistance

Grantee Activity Number: G2-001
Activity Title: Homebuyer Assistance

Activity Type:
 Homeownership Assistance to low- and moderate-income

Activity Status:
 Completed

Project Number: **Project Title:**

NSP G2

Projected Start Date:

03/20/2009

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Homebuyer Assistance

Projected End Date:

03/20/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 143,200.00

Other Funds: \$ 0.00

Total Funds: \$ 143,200.00

Proposed Beneficiaries

Owner Households

of Households

Total	Low	Mod	Low/Mod%
26	17	9	100.00
26	17	9	100.00

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Grand Rapids Community Development Department
300 Monroe, NW, City Hall Suite 460
Grand Rapids, MI 49503
Contact: Mary Thornton
Phone: 616.456.3677
Email: communitydev@grcity.us

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City of Grand Rapids Community Development Department

Unknown

\$ 143,200.00

Funding Source Name

NSP

Matching Funds

No

Funding Amount

\$ 0.00



Location Description:

Specific addresses will vary depending on criteria as described in Section B of this amendment, Distribution and Uses of Funds. Specific addresses must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Vol. 73, No. 194.

Activity Description:

Homebuyer assistance for the NSP program will be administered much like the existing Homebuyer Assistance Fund (HAF) Program. An amount up to 20% of the home purchase price will be available to each eligible household; and there will be no restriction of being a first-time homebuyer. Program subsidies will be provided as five-year, zero-interest forgivable loans which are secured by a promissory note and mortgage subordinate to those of the primary lenders. Although there are no restrictions on the type of mortgage that can be used as a first mortgage in conjunction with the Program, it is anticipated that mortgages approved by the Federal Housing Administration (FHA) will be widely used. The City will execute a Memorandum of Understanding with each eligible lender who wishes to participate in the program. All underwriting and execution of required state and federal certifications or affidavits will be performed by the participating lenders. Lenders will process financing of all types, using normal procedures, with additional procedures as necessary to satisfy Program requirements. A purchaser of an eligible new or existing single- or two-family residence may apply for homebuyer assistance through a HAF participating lender. The lender must process the application in conjunction with the processing of a mortgage loan and obtain approval of the application from the City of Grand Rapids before the loan closing. A homeowner cannot apply for program funds after the mortgage loan has been closed. Program funds cannot be provided to a homebuyer who is refinancing an existing mortgage or land contract, or purchasing a home on a land contract. A homebuyer may be required to repay a pro-rated amount of the Program subsidy upon the sale or disposition of their interest in the assisted-property and/or upon vacation of the property.

Project # / Title: NSP G4 / 25%-50AMI

Grantee Activity Number: G4-001 25% Set-aside
Activity Title: LH - 25% Set-Aside

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP G4

Projected Start Date:

03/20/2009

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.

Environmental Assessment:

COMPLETED

Activity Status:

Completed

Project Title:

25%-50AMI

Projected End Date:

08/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,970,437.91

Other Funds: \$ 0.00

Total Funds: \$ 1,970,437.91



Benefit Report Type:

Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	20	20		100.00
# of Households	20	20		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	20
# of Housing Units	20
# ELI Households (0-30% AMI)	
#Sites re-used	20
# of Properties	20

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

The City of Grand Rapids Community Development Department in partnership with Community Housing Development Organizations currently working with the City, and other nonprofit and for-profit housing developers.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
The City of Grand Rapids Community Development Department in partnership with	Unknown	\$ 1,905,305.00

Location Description:

Specific addresses will vary. Target areas are based on need and additional criteria as described in Section A of this amendment, Areas of Greatest Need. Specific properties must meet the definition of a foreclosed or abandoned property as defined on pages 58331 and 58332 of the Federal Register Volume 73, No. 194.

Activity Description:

Acquisition and rehabilitation of residential properties that have been abandoned or foreclosed in order to sell or rent to households at or below 50% of Area Median Income. Houses will be rehabbed to comply with building codes, lead-based paint and asbestos abatement requirements, City housing code and energy standards.

Project # / Title: NSP G5 / Redevelop Demolished or Vacant Properties

Grantee Activity Number: G5-001
Activity Title: Redevelop Demolished or Vacant Properties



Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP G5

Projected Start Date:

11/01/2012

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Redevelop Demolished or Vacant Properties

Projected End Date:

07/30/2015

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 291,947.54**Other Funds:** \$ 0.00**Total Funds:** \$ 291,947.54**Proposed Beneficiaries**

Owner Households

Total**Low****Mod****Low/Mod%**

2

1

50.00

of Households

2

1

50.00

Proposed Accomplishments

of Singlefamily Units

Total

2

of Housing Units

2

#Units exceeding Energy Star

2

of Properties

2

Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

The City of Grand Rapids Community Development Department in partnership with Community Housing Development Organizations currently working with the City, and other nonprofit and for-profit housing developers.

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

The City of Grand Rapids Community Development Department in partnership with

Organization Type

Unknown

Proposed Budget

\$ 291,947.54



Location Description:

Specific addresses to be determined, within NSP1 Target Area.

Activity Description:

This activity will allow the acquisition and rehabilitation of residential properties that are vacant or have been demolished in order to sell, rent, or redevelop. Properties to be acquired will be selected by the City in consultation with developers and other interested parties, such as neighborhood associations. Developers will be responsible for preparing work specifications for review and approval by the City and will contract with properly licensed contractors in accordance with City prescribed procedures. The developer will be responsible for completing rehabilitation of the property, marketing, and identifying qualified households to occupy NSP-assisted units. NSP-assisted properties must comply with applicable building codes, lead-based paint and asbestos abatement requirements, City housing code, and rehabilitation and energy standards.



Grantee Activity Number: G5-002
Activity Title: Redevelop Demolished or Vacant Properties: LH-25%

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 NSP G5

Projected Start Date:
 08/01/2014

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.

Environmental Assessment:
 COMPLETED

Benefit Report Type:
 Direct (Households)

Activity Status:
 Completed

Project Title:
 Redevelop Demolished or Vacant Properties

Projected End Date:
 07/31/2015

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 95,397.69

Other Funds: \$ 0.00

Total Funds: \$ 95,397.69

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	1	1		100.00
# of Households	1	1		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	1
# of Housing Units	1
# of Properties	1

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 The City of Grand Rapids Community Development Department in partnership with Community Housing Development Organizations currently working with the City, and other nonprofit and for-profit housing developers.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
The City of Grand Rapids Community Development Department in partnership with	Unknown	\$ 95,397.69



Location Description:

Specific address to be determined, within NSP1 Target Area.

Activity Description:

This activity will allow the acquisition and development of residential properties that are vacant or have been demolished in order to sell, rent, or redevelop. Upon completion, units will be occupied by households having income at or below 50% AMI. Properties to be acquired will be selected by the City in consultation with developers and other interested parties, such as neighborhood associations. Developers will be responsible for preparing work specifications for review and approval by the City and will contract with properly licensed contractors in accordance with City prescribed procedures. The developer will be responsible for completing development of the property, marketing, and identifying qualified households to occupy NSP-assisted units. NSP-assisted properties must comply with applicable building codes, lead-based paint and asbestos abatement requirements, City housing code, and rehabilitation and energy standards.

Action Plan Comments:

Reviewer - Rejected per grantee request. They did not intend to submit. Mark Mitchell

Reviewer - Reviewed by: PMcGoy-Please do not resubmit until "all" of the requested adjustments have been made.

Reviewer - Reviewer - K. Myers - Rejected per grantee request. Grantee submitted to reflect updated estimated program income, however, the grantee wants to make additional adjustments.

Reviewer - Reviewer - K. Myers
Approved

A/P amendment to update estimated program income and associated budget/obligation adjustments per latest DRGR Release, 7.3.

Reviewer - Grantee has been advised to contact DRGR Help or OneCPD for guidance on entering the progress towards activity types. This quarter will be the third consecutive time that the QPR was approved with missing information. The grantee has been advised that all information must be in the next QPR in order to approve.

PMcGoy.



Action Plan History

Version	Date
B-08-MN-26-0006 AP#1	10/24/2016
B-08-MN-26-0006 AP#2	11/23/2015
B-08-MN-26-0006 AP#3	09/08/2014
B-08-MN-26-0006 AP#4	07/28/2014
B-08-MN-26-0006 AP#5	07/30/2013
B-08-MN-26-0006 AP#6	04/30/2013
B-08-MN-26-0006 AP#7	10/23/2012
B-08-MN-26-0006 AP#8	12/16/2011
B-08-MN-26-0006 AP#9	03/22/2011
B-08-MN-26-0006 AP#10	02/18/2010

