

Action Plan

Grantee: Southfield, MI

Grant: B-08-MN-26-0011

LOCCS Authorized Amount:	\$ 3,241,457.00
Grant Award Amount:	\$ 3,241,457.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 2,763,518.19
Total Budget:	\$ 6,004,975.19

Funding Sources

Funding Source

Property Sales & LC Payments

Funding Type

Program Income

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 this analysis the City has determined that the entire City demonstrates a high incidence of bank owned foreclosed properties, a high concentration of subprime lending, high current foreclosure activity and a high risk of future foreclosure and abandonment. In addition to meeting the requirements of Section 2301(c)(2) of HERA, these areas also meet the local "Tipping Point" test. Investment in these neighborhoods can help ensure future stability and prevent the disinvestment that comes with vacant, foreclosed properties. The City will target acquisition, rehabilitation, and resale of foreclosed properties to income-qualified families and individuals. The full text of our NSP Substantial Amendment can be viewed at: www.cityofsouthfield.com

Distribution and and Uses of Funds:

Program funding will be used for acquisition, demolition, rehabilitation, homebuyer financing, and disposition of abandoned or foreclosed residential properties in the City of Southfield, along with other related costs (administration). The full text of our NSP Substantial Amendment can be viewed at: www.cityofsouthfield.com

Definitions and Descriptions:

NSP Definition of Blighted Structure

The NSP definition of a blighted structure is any structure that meets the definition of blighted property under state law or a structure with one or more housing code violations where the estimated cost to correct the violation(s) and rehabilitate the structure to meet NSP Housing Rehabilitation Standards exceeds 50% of the post rehabilitation market value of the property.

Blighted Structures may be considered for demolition, especially if they are contributing to an overall perception of blight in the area. For each unit considered for demolition, the city's code enforcement officer will prepare a list of code violations. Development office staff will determine the estimated cost of rehabilitation based on the most recent experience with bids submitted for similar work. This estimate will be compared to the most recent appraisals and/or assessed values for comparable properties. This comparison will be used to determine the cost of rehab as a percent of the estimated post rehabilitation market value of the property.

Affordable Rents

Definition of "affordable rents" for use with NSP assisted rental properties rents will be considered affordable for NSP assisted properties if they meet requirements for HOME assisted units at 24 CFR 92.252(a), (c), (e), and (f). Tenant income shall be determined according to 24 CFR 92.203(a) using the definition of annual income at 24 CFR 5.609 (Section 8 method.)

Requirements for Continued Affordability for NAP Assisted Housing

HOME affordability periods at 24 CFR 92.252e will apply to NSP assisted rental housing. HOME affordability

periods at 24 CFR 92.254 will apply to NSP assisted homeownership. The city will use the recapture method for ensuring affordability. NSP assisted housing that is for acquisition by home buyers must meet the sales price limitations contained in



Section 2301(d)(2) of HERA and described in Section J of the NSP regulations published in the Federal Register on October 6, 2008.

NSP Housing Rehabilitation Standards

The following standards for NSP funded activities will apply for housing rehabilitation. These NSP Rehabilitation Standards will also apply to HOME funded rehabilitation activity in for sale housing.

The City of Southfield Building Department is responsible for the enforcement of all codes, laws and ordinances for the city relating to building, wiring, plumbing, heating and cooling. The department issues all permits for building and construction, conducting inspections by registered inspectors to ensure sound work. All plans are reviewed by this office before permits are issued. City of Southfield building employees meet with builders, architects and engineers prior to the start of a large construction project to reiterate city ordinances and codes.

Low Income Targeting:

Acquisition and Relocation:

Public Comment:

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	Development of Single Family units	1	RHB-LI
2	Acquisition, Rehabilitation and	2	RHB-LMMI
3	Administration and Planning	3	ADM
4	Clearance and Demolition	4	Clearance and Demolition
5	Down payment Assistance	5	Direct Homeownership Assistance
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 1 / Development of Single Family units of Affordable Rental

Grantee Activity Number: 1
Activity Title: RHB-LI

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

1

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.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

Development of Single Family units of

Projected End Date:

03/30/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:

\$ 1,501,243.80

Other Funds

\$ 0.00

Total Funds

\$ 1,501,243.80

Program Income Account:

NSP PI account

Proposed Beneficiaries

Renter Households

Total

Low

Mod

Low/Mod%

8

8

100.00

Owner Households

3

3

100.00

of Households

11

11

100.00

Proposed Accomplishments

of Singlefamily Units

Total

8

of Housing Units

8

ELI Households (0-30% AMI)

of Properties

8



Activity is being carried out by Grantee:

No

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

City of Southfield Administration and Housing Services Department and/or Southfield Housing and Neighborhood Development Corporation

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

City of Southfield Administration and Housing Services Department and/or

Organization Type

Unknown

Proposed

\$

Funding Source Name

Property Sales & LC Payments

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

Citywide basis with a primary focus on the census block with Foreclosure-Abandonment Risk scores of 9 and 10.

Activity Description:

Acquisition, Rehabilitation, Construction of rental and/or lease to own units - \$810,400.00 will be allocated to the acquisition, rehabilitation, and construction of rental units. The rental units may be leased to own. This funding amount equals 25% of the total allocation and will be leased to families who are at or below 50% of the area median income. The City anticipates that at least 8 units will be developed. The program income resulting from the rental and possible sale of said properties will be used to acquire and rehabilitate additional units.

Project # / Title: 2 / Acquisition, Rehabilitation and Resale**Grantee Activity Number:**

2

Activity Title:

RHB-LMMI

Activity Type:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

2

Project Title:

Acquisition, Rehabilitation and Resale

Projected Start Date:

01/01/2009

Projected End Date:

03/30/2013

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:**Activity Draw Block by HUD:**

Not Blocked

Activity Draw Block Date by HUD:**Block Drawdown By Grantee:**

Not Blocked

National Objective:**Total Budget:**

\$ 3,602,831.93



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

Environmental Assessment:
COMPLETED

Benefit Report Type:
Direct (Households)

Other Funds \$ 0.00
Total Funds \$ 3,602,831.93

Program Income Account:
NSP PI account

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	1			0.00
# Owner Households	20		20	100.00
# of Households	21		20	95.24

Proposed Accomplishments	Total
# of Singlefamily Units	21
# of Housing Units	21
# of Properties	20

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Southfield Administration and Housing Services Department and/or Southfield Housing and Neighborhood Development Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Southfield Administration and Housing Services Department and/or	Unknown	\$

Funding Source Name	Matching Funds	Funding Amount
Property Sales & LC Payments	No	\$ 0.00

Location Description:

Citywide basis with a primary focus on the census block with Foreclosure-Abandonment Risk scores of 9 and 10.

Activity Description:

Acquisition, Rehabilitation and Resale of Foreclosed Properties \$1.6 million will be allocated for the acquisition, rehabilitation and sale of foreclosed properties in the neighborhood target areas or other identified areas of need City-wide. The sale of said properties will be to families and individuals with incomes at or less than 120% of area median income. Lease to own and/or Land Contracts will be considered to meet the goals of homeownership. It is estimated that approximately 20 housing units can be rehabilitated and sold to owner-occupants with the initial round of funding. Program income resulting from the sale of said properties will be used to acquire and rehabilitate additional units.

Project # / Title: 3 / Administration and Planning

Grantee Activity Number: 3
Activity Title: ADM

Activity Type:

Administration

Project Number:

3

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)

Environmental Assessment:

EXEMPT

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Administration and Planning

Projected End Date:

06/30/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 595,965.99

Other Funds \$ 0.00

Total Funds \$ 595,965.99

Program Income Account:

NSP PI account

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Southfield Administration and Housing Services Department and/or Southfield Housing and Neighborhood Development Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Southfield Administration and Housing Services Department and/or

Organization Type

Unknown

Proposed

\$ 324,145.70

Funding Source Name

Property Sales & LC Payments

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

Not Applicable.



Activity Description:

Funding for general grant administration and planning activities.

Project # / Title: 4 / Clearance and Demolition

Grantee Activity Number: 4
Activity Title: Clearance and Demolition

Activity Type:

Clearance and Demolition

Project Number:

4

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Area Benefit (Census)

Activity Status:

Under Way

Project Title:

Clearance and Demolition

Projected End Date:

03/30/2013

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:**

Total Budget: \$ 92,068.41

Other Funds \$ 0.00

Total Funds \$ 92,068.41

Proposed Accomplishments

of Housing Units

Total
3

of Properties

3

LMI%:



Activity is being carried out by Grantee:

No

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

City of Southfield Administration and Housing Services Department and/or Southfield Housing and Neighborhood Development Corporation

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

City of Southfield Administration and Housing Services Department and/or

Organization Type

Unknown

Proposed

\$ 92,068.41

Funding Source Name

Property Sales & LC Payments

Matching Funds

No

Funding Amount

\$ 0.00

Location Description:

Citywide basis with a primary focus on the census block with Foreclosure-Abandonment Risk scores of 9 and 10.

Activity Description:

Clearance, Demolition and Open Space Preservation - \$150,000.00 has been allocated for the demolition of vacant residential structures throughout the city. Units that are selected for demolition will meet the definition of blighted and require more investment to save than the property will be worth. Units which are foreclosed, vacant structure and adjacent to public park lands or located in floodplain may also be acquired. This will provide public recreational benefit to income eligible neighborhoods.

Project # / Title: 5 / Down payment Assistance**Grantee Activity Number:**

5

Activity Title:

Direct Homeownership Assistance

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

5

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:**Activity Status:**

Under Way

Project Title:

Down payment Assistance

Projected End Date:

03/30/2013

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:**

\$ 212,865.06



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

Environmental Assessment:
COMPLETED

Benefit Report Type:
Direct (Households)

Other Funds \$ 0.00
Total Funds \$ 212,865.06

Program Income Account:
NSP PI account

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Owner Households	10			0.00
# of Households	10			0.00
Proposed Accomplishments	Total			
# of Singlefamily Units	10			
# of Housing Units	10			

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:

City of Southfield Administration and Housing Services Department and/or Southfield Housing and Neighborhood Development Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed
City of Southfield Administration and Housing Services Department and/or	Unknown	\$ 212,865.06
Funding Source Name	Matching Funds	Funding Amount
Property Sales & LC Payments	No	\$ 0.00

Location Description:

Citywide basis with a primary focus on the census block with Foreclosure-Abandonment Risk scores of 9 and 10.

Activity Description:

Direct Homeownership Assistance The City will allocate \$356,911.00 to provide assistance for down payments or closing costs. The assistance may come in the form of a grant, deferred loan, or reduced interest rate. It is anticipated that at least 10 families will be assisted.

Action Plan Comments:

Reviewer - Changes in order to meet obligation deadline. Funds from Activity 4, which is Demolition, were moved to Activity 2. Grantee not able to locate enough homes to demolish given the remaining



amount of time.

- Reviewer - The Grantee updated the NSP Action Plan as requested in the January 28, 2011 email. The Grantee did not add or delete any activities nor did change any funding allocations. Housing Activities data was updated.
- Reviewer - Minor modifications to improve tracking. kjph 10/29/2011
- Reviewer - Grantee modified budget to incorporate 25% of Program Income after 10/19/10 to serve LH25 as required. kjph 3/1/2011; Recommend approval.
- Reviewer - 07/03/2012 - action plan amendment approved for input of program income estimate which is reflective of the actual amount generated to date per grantee.
- Reviewer - minor modifications to budget. 10/4/2012 kjph
- Reviewer - Reviewer Gerald Henry & Activities are allowable activities. Action Plan approved.
- Reviewer - Reviewer Gerald Henry - Reviewer Gerald Henry - Activities are allowable activities. Action Plan approved.
- Reviewer - G. Henry approved the City of Southfield's NSP1 Action Plan in order for the QPR to be submitted in DRGR. As the grantee continues to work with the HUD staff and the HUD NSP TA consultants, there could be more revisions made to the DRGR action plan.
- Reviewer - The grantee forgot to include in the budget the Program Income generated from its Land Contract payments.

Action Plan History

Version	Date
B-08-MN-26-0011 AP#1	04/28/2016
B-08-MN-26-0011 AP#2	11/16/2015
B-08-MN-26-0011 AP#3	06/22/2015
B-08-MN-26-0011 AP#4	03/11/2015
B-08-MN-26-0011 AP#5	11/21/2014
B-08-MN-26-0011 AP#6	10/07/2014
B-08-MN-26-0011 AP#7	10/01/2014
B-08-MN-26-0011 AP#8	04/29/2014
B-08-MN-26-0011 AP#9	02/27/2013
B-08-MN-26-0011 AP#10	11/16/2012
B-08-MN-26-0011 AP#11	11/08/2012
B-08-MN-26-0011 AP#12	10/04/2012
B-08-MN-26-0011 AP#13	07/03/2012
B-08-MN-26-0011 AP#14	03/08/2012



B-08-MN-26-0011 AP#15

10/28/2011

B-08-MN-26-0011 AP#16

03/23/2009

