

Action Plan

Grantee: Michigan

Grant: B-11-DN-26-0001

LOCCS Authorized Amount:	\$ 5,000,000.00
Grant Award Amount:	\$ 5,000,000.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 0.00
Total Budget:	\$ 5,000,000.00

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

MSHDA originally chose three projects in which to invest NSP3 funding. The Benjamin Manor project may be financed with other funding sources and is therefore not shown within the projects or activities identified within the action plan at this time. The two projects that have been added into the system are preservation projects involving foreclosed properties. Since they are relatively large projects, they have a strong impact on their surroundings. Their improvement is necessary for the maintenance of their surrounding neighborhoods, and the use of NSP3 funding in each case is pivotal in the revitalization process.

The Village Park neighborhood is roughly seven blocks large, and is bounded by St. Paul Street to the north, Seminole Street to the east, Lafayette Street East to the south and Seyburn Street to the west. The neighborhood is located northeast of Detroit's Central Business District, and about two blocks north of the Detroit River waterfront.

The Madison Square project is located in the City of Grand Rapids. The neighborhood is bounded by Umatilla Street SE to the north, Paris Avenue to the east, Oakdale Street SE to the south and Madison Avenue SE to the west. It encompasses about five city blocks, and has a mix of land uses, from multifamily residential to neighborhood commercial along both Hall Street and Madison Avenue.

How Fund Use Addresses Market Conditions:

Michigan's NSP3 allotment will engage two neighborhoods with vacancy and foreclosure rates far in excess of Michigan's averages. Without this aid, the decay that would result from not rehabilitating these two multifamily projects will increase the level of future vacancy in these neighborhoods.

Ensuring Continued Affordability:

MSHDA will adopt the HOME programs standards for ensuring continued affordability as defined at 24 CFR 92.252 (e) and CFR 92.254.

MSHDA will primarily use the recapture provisions but reserves the right to use the reuse provision at its discretion. All projects assisted with NSP funds will be subject to the following affordability restrictions:

Investment per Unit Minimum Length of the Affordability Period

Less than \$15,000 - 5 years

\$15,000 - \$40,000 - 10 years

More than \$40,000 - 15 years

New construction of rental housing - 20 years

Definition of Blighted Structure:

A blighted property is a blighted/abandoned/uninhabitable property that meets any of the following criteria:

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- Declared a public nuisance in accordance with local housing, building, plumbing, fire, or other related code or ordinance.
- Attractive nuisance because of physical condition or use.
- Fire hazard or is otherwise dangerous to the safety of persons or property.
- Has had 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.
- Has a subsurface structure or demolition debris that renders the property unfit for its intended use.

Definition of Affordable Rents:

MSHDA will adopt the following definitions of “affordable rents” based on the mix of funding sources within specific transactions:

For NSP assisted housing units that are also subject to the income and rent restrictions of Sections 42 or 142 of the Internal Revenue Code, respectively relating to Low Income Housing Tax Credits and Tax-Exempt Bond financing, MSHDA will adopt as “affordable rents” the rents required by Section 42 and/or Section 142.

For NSP assisted units meeting the Low Income Set Aside that are also subject to the income and rent restrictions of Sections 42 or 142 of the Internal Revenue Code, respectively relating to Low Income Housing Tax Credits and Tax-Exempt Bond financing, MSHDA will adopt as “affordable rents” the rents required by Section 42 and/or Section 142 for 50% AMI units.

(Generically, combined these provisions will result in a gross rent limit equal to either the 60% AMI tax credit rent, or, for units designated within the NSP Low Income Set Aside, the 50% AMI tax credit rent.)

For NSP assisted housing units income restricted at or below 80% of the area median income and not otherwise assisted with Low Income Housing Tax Credits or Tax-Exempt Bond Financing, MSHDA will adopt the HOME definition of “affordable rents” at 24 CFR 92.252 (a)(2), (c), and (f).

For NSP assisted housing unit income restricted at or below 120% of the area median income and not otherwise assisted with Low Income Housing Tax Credits or Tax-Exempt Bond Financing, MSHDA will adopt as “affordable rents” a rent limit, without consideration of tenant paid utilities, calculated to be one-twelfth (1/12th) of 30% of the 100% area median income limit, as determined HUD, with adjustments for the number of bedrooms in unit.

Housing Rehabilitation/New Construction Standards:

MSHDA will require that all NSP3 funded rehabilitation activities be completed in compliance with the 2006 State of Michigan Rehabilitation Code for Existing Buildings, Incorporating the 2006 Edition of the International Existing Building Code, published by the Michigan Department of Energy, Labor, and Economic Growth, Bureau of Construction Codes and Fire Safety. MSHDA will require, to the extent feasible, that NSP3 housing construction meet Green Building Standards.

NSP3 housing construction will meet the accessibility standards at 24 CFR part 8, and will be energy efficient and incorporate cost effective green improvements. All gut rehabilitation (i.e., general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. All gut rehabilitation of mid -or high-rise multifamily housing will be designed to meet American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy). Other rehabilitation will meet these standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, will be installed.

Where relevant, the housing will be improved to mitigate the impact of disasters (e.g., earthquake, hurricane, flooding, fires); specifically, MSHDA will not approve new construction or rehabilitation of properties within a 100-year floodplain.

Specifically, all new construction undertaken with NSP3 will meet the HIGHER of the following standards:

- A 5-star Energy Star or better rating. By 2011 it is anticipated that the proposed “third generation” guidelines for energy star qualified homes. These standards will be adopted and used for NSP3 projects initiated after the adoption and publication of these standards.
- The requirements of the Michigan Uniform Energy Code promulgated in 2003 but held up in court until October 24, 2008. The code is published at: http://www.michigan.gov/documents/dleg/dleg_bcc_muec_print_version_102408_254281_7.pdf

All moderate rehabilitation and energy retrofits of multifamily properties will purchase only Energy Star products appliances.

Vicinity Hiring:

MSHDA has an existing Section 3 policy and protocol for federally assisted projects. These provisions are stated in the developer agreement/mortgage loan documents. MSHDA will incorporate the additional requirement of vicinity hiring, to the maximum extent possible, into the hiring provisions of the developer agreement/mortgage loan documents.

Procedures for Preferences for Affordable Rental Dev.:

MSHDA determined that its NSP3 allocation is best used for rental housing and has selected two multi-family developments from its NSP1 pipeline for processing.

Grantee Contact Information:

Steve Lathom
Michigan State Housing Development Authority
735 E Michigan Avenue, P.O. Box 30044
Lansing, MI 48909

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
3425	Madison Square Senior Apartments	Madison Square - 3435	Madison Square Senior Apartments - 3435
693-2	Village Park Apartments	Village Park - 693-2	Village Park Apartments - 693-2
9999	Restricted Balance	<i>No activities in this project</i>	
Admin	NSP3 Administration	NSP3 Administration	NSP3 Administration



Activities

Project # / Title: 3425 / Madison Square Senior Apartments

Grantee Activity Number: Madison Square - 3435
Activity Title: Madison Square Senior Apartments - 3435

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

3425

Projected Start Date:

06/01/2011

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:

Madison Square Senior Apartments

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 4,127,849.00

Other Funds: \$ 0.00

Total Funds: \$ 4,127,849.00

Proposed Beneficiaries

Renter Households

Total	Low	Mod	Low/Mod%
60	30	30	100.00
60	30	30	100.00

of Households

Proposed Accomplishments

of Multifamily Units

Total

60

of Housing Units

60

ELI Households (0-30% AMI)



Activity is being carried out by Grantee:

No

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

State of Michigan - Michigan State Housing Development Authority

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

State of Michigan - Michigan State Housing Development Authority

Organization Type

State

Proposed Budget

\$ 4,127,849.00

Location Description:

500 Hall Street SE in the City of Grand Rapids, Kent County

Activity Description:

All NSP3 funds will be directed at financing the preservation of 30 units for Seniors at or below 50% AMI.

Project # / Title: 693-2 / Village Park Apartments**Grantee Activity Number:**

Village Park - 693-2

Activity Title:

Village Park Apartments - 693-2

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

693-2

Projected Start Date:

06/01/2011

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:**Activity Status:**

Completed

Project Title:

Village Park Apartments

Projected End Date:

07/31/2012

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

Total Budget: \$ 372,157.00

Other Funds: \$ 0.00

Total Funds: \$ 372,157.00



Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	56	47		83.93
# of Households	56	47		83.93

Proposed Accomplishments

	Total
# of Multifamily Units	56
# of Housing Units	56
# ELI Households (0-30% AMI)	

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

State of Michigan - Michigan State Housing Development Authority

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
State of Michigan - Michigan State Housing Development Authority	State	\$ 372,157.00

Location Description:

1085 and 1099 Van Dyke Street in the City of Detroit, Wayne County

Activity Description:

The preservation of 56 units of family housing in two historic buildings at the gateway to the historic Indian Village Neighborhood.

Project # / Title: Admin / NSP3 Administration

Grantee Activity Number: NSP3 Administration
Activity Title: NSP3 Administration

Activity Type:

Administration

Project Number:

Admin

Projected Start Date:

01/01/2012

Activity Status:

Completed

Project Title:

NSP3 Administration

Projected End Date:

01/10/2012



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:

COMPLETED

Benefit Report Type:

NA

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

Total Budget: \$ 499,994.00

Other Funds: \$ 0.00

Total Funds: \$ 499,994.00

Activity is being carried out by Grantee:

No

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

State of Michigan - Michigan State Housing Development Authority

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

State of Michigan - Michigan State Housing Development Authority

Organization Type

State

Proposed Budget

\$ 500,000.00

Location Description:**Activity Description:**

Administration of the NSP3 grant.

Action Plan Comments:

Reviewer - 07/11/2011 ccv - rejected the state of Michigan NSP-3 action plan in DRGR because of missing information. The projects, activities, budgeted amounts, responsible organizations, national objectives, estimates for rent/own households and single family/multifamily housing units, proposed beneficiaries (at a minimum a projection for households and a projection for housing units), and proposed accomplishments need to be entered.

- Reviewer - 07/25/2011 ccv - Approved the State of Michigan NSP-3 action plan in DRGR because the requested data was entered for the projects, activities, budgeted amounts, responsible organizations, national objectives, estimates for rent/own households and single family/multifamily housing units, proposed beneficiaries and proposed accomplishments. The grantee is proposing to fund to two multi-family rental activities that will exceed the low-income housing set-aside requirement. No other activities are proposed at this time.
- Reviewer - 01/30/2012 - Action Plan conditionally approved to allow grantee to timely submit its QPR for the quarter ending 12/31/2011.
- Reviewer - 7/30/2013 ccv - approved action plan modified by the grantee to reflect final activity costs. The budgets comply with the demo and adm caps and the LH25 set-aside requirement. There were no substantial changes made.

Action Plan History

Version

Date

B-11-DN-26-0001 AP#1	01/26/2017
B-11-DN-26-0001 AP#2	07/30/2013
B-11-DN-26-0001 AP#3	01/30/2012
B-11-DN-26-0001 AP#4	07/25/2011