

# Action Plan

**Grantee:** Northern Mariana Islands

**Grant:** B-11-SN-69-0001

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|                                 |                       |
|---------------------------------|-----------------------|
| <b>LOCCS Authorized Amount:</b> | \$ 300,002.00         |
| <b>Grant Award Amount:</b>      | \$ 300,002.00         |
| <b>Status:</b>                  | Reviewed and Approved |
| <b>Estimated PI/RL Funds:</b>   | \$ 21,000.00          |
| <b>Total Budget:</b>            | \$ 321,002.00         |

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## Funding Sources

| Funding Source                     | Funding Type        |
|------------------------------------|---------------------|
| Neighborhood Stabilization Program | Other Federal Funds |

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The activities that NMHC has selected will address the local market conditions in the following ways: eliminate blight and increase the housing stock in the area identified as the area of greatest need. Subsequent to the rehabilitation of the abandoned/foreclosed unit using NSP funding, the CNMI will utilize NMHC's HOME Program's waiting list for homebuyers who are deemed to be at 80% or below of area median income, for which these applicants will be given the option to construct their own homes on their own property or purchase a newly rehabilitated NSP-funded unit. Eligibility requirements for the NSP and HOME program are identical. For qualified homebuyers who elect to purchase the newly rehabilitated NSP-funded unit, as with the HOME New Construction program rules, interest rates will range from 2% to 5% with a term of assistance of 30 years and will benefit homeowners, as rental housing will not apply to this particular activity. The Grantee will ensure continued affordability for NSP assisted housing by applying affordability restrictions as established by HOME program rules. HOME rules require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded. As applied to HOME, the following rules will also apply to NSP assisted housing:

|                          |  |                    |          |
|--------------------------|--|--------------------|----------|
| NSP invested 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 |

The affordability requirements are to be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. NMHC may use its right of first refusal, as set forth in the loan documents, to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original term, during the original affordability period, the owner of record before the termination event, or any entity that includes the former owner or those whom, the owner has or had family business ties, obtains an ownership interest in the project or property. If a home purchased with NSP assistance is sold during the affordability period, resale provisions shall apply to ensure the continued provision of affordable homeownership. Loan payoffs also do not end the affordability period. **RESALE Provision:** If the housing unit designated as an affordable unit does not continue to be the principal residence of the approved homebuyer(s) for the duration of the period of affordability, the housing shall be made available for subsequent purchase only to a purchaser whose family qualifies as a low-income family, meeting the HOME Program definition, and will use the property as the family's principal residence. The price at resale must provide the homebuyer(s) a fair return on investment, defined as the homebuyer(s) original investment and any capital improvements, and ensure that the housing

### How Fund Use Addresses Market Conditions:

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homes on their own property or purchase a newly rehabilitated NSP-funded unit. Eligibility requirements for the NSP and HOME program are identical. For qualified homebuyers who elect to purchase the newly rehabilitated NSP-funded unit, as with the HOME New Construction program rules, interest rates will range from 2% to 5% with a term of assistance of 30 years and will benefit homeowners, as rental housing will not apply to this particular activity.

**Ensuring Continued Affordability:**

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| More than \$40,000    | 15 years                                   |

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**Definition of Blighted Structure:**

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

**Definition of Affordable Rents:**

CNMI does not intend to create rental units with its NSP funds. The CNMI has not implemented any rental activities under the HOME Program. Currently, the CNMI only implements the Homebuyer and Homeowner activities. The lack of funding prevents the CNMI from implementing rental assistance. Also, the demand is greater for homeowners, as families prefer to build their own homes/rehab existing homes on their own property or purchase a property to consider theirs. In the CNMI, there are many houses and apartments available for LMMH households but the demand for homeownership is greater, especially for the local population. Moreover, the area of greatest need, Kagman, is not located in a centralized area and is not a preferred area for renters. However, shou

**Housing Rehabilitation/New Construction Standards:**

NMHC will ensure that the properties meet the design standards set forth by NMHC (design standards will be the same for rehabilitation and new construction). When substandard conditions are encountered in a unit to be rehabilitated, they must be addressed accordingly so that the building or portion thereof which is determined to be unsafe in accordance with the Department of Public Works' Building Safety Code will be brought up to International Building Code 2009 Standards. Moreover, although the properties meet the applicable codes, all other minor repairs and necessary maintenance will be addressed by the NMHC, as required by HUD. (Please see Attachment A: Design Standards for Single Family Housing New/Rehabilitation) Please view design standards at the Northern Marianas Housing



Corporation.

**Vicinity Hiring:**

The CNMI will comply with vicinity hiring requirements by including a vicinity hiring preference in RFP or ITB announcement. The CNMI will also ensure that the selected contractor complies with the vicinity hiring requirement by requiring the contractor to submit all necessary Section 3 material.

**Procedures for Preferences for Affordable Rental Dev.:**

Rental Housing does not apply to the activities under NSP3.

**Grantee Contact Information:**

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Agency: Northern Marianas Housing Corporation

PO Box 500514

Saipan, MP 96950

Telephone Nos: 670-234-6866/9447/7670

Fax No: 670-234-9021

## Project Summary

| Project #   | Project Title              | Grantee Activity #                   | Activity Title                                     |
|-------------|----------------------------|--------------------------------------|--|
| 9999        | Restricted Balance         | <i>No activities in this project</i> |  |
| NSP-ADM-002 | Administrative Fees        | NSP-ADM-002A                         | NSP3 Planning and Administrative Costs             |
| NSP-B-001   | Acquisition/Rehabilitation | MP-NSP-B-001A                        | LH25 Rehab and Resale of NMHC-owned FC Properties  |
|             |                            | MP-NSP-B-001B                        | LMMI- Rehab and Resale of NMHC-owned FC Properties |



# Activities

**Project # / Title:** NSP-ADM-002 / Administrative Fees

**Grantee Activity Number:** NSP-ADM-002A  
**Activity Title:** NSP3 Planning and Administrative Costs

**Activity Type:**

Administration

**Project Number:**

NSP-ADM-002

**Projected Start Date:**

10/01/2011

**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:**

Administrative Fees

**Projected End Date:**

03/01/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 30,614.70

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 30,614.70

**Program Income Account:**

NSP3 PROGRAM INCOME

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Northern Marianas Housing Corporation2

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

**Responsible Organization**

Northern Marianas Housing Corporation2

**Organization Type**

State

**Proposed Budget**

\$ 30,614.70

**Location Description:**



**Activity Description:**

Administrative activities will be handled at the NMHC office located on Saipan, the largest island and capital of the CNMI.

**Environmental Assessment:** EXEMPT

**Environmental Reviews:** None

**Project # / Title: NSP-B-001 / Acquisition/Rehabilitation**

**Grantee Activity Number:** MP-NSP-B-001A  
**Activity Title:** LH25 Rehab and Resale of NMHC-owned FC Properties

**Activity Type:**  
 Rehabilitation/reconstruction of residential structures

**Project Number:**  
 NSP-B-001

**Projected Start Date:**  
 03/01/2012

**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:**  
 Under Way

**Project Title:**  
 Acquisition/Rehabilitation

**Projected End Date:**  
 03/01/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 101,024.64

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 101,024.64

**Program Income Account:**  
 NSP3 PROGRAM INCOME

| Proposed Beneficiaries | Total | Low | Mod | Low/Mod% |
|------------------------|-------|-----|-----|----------|
| # Owner Households     | 2     | 2   |     | 100.00   |



|                 |   |   |        |
|-----------------|---|---|--------|
| # of Households | 2 | 2 | 100.00 |
|-----------------|---|---|--------|

**Proposed Accomplishments**

|                         |              |
|-------------------------|--------------|
|                         | <b>Total</b> |
| # of Singlefamily Units | 2            |
| # of Housing Units      | 2            |
| # of Properties         | 2            |

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Northern Marianas Housing Corporation2

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

| Responsible Organization               | Organization Type | Proposed Budget |
|--|-------------------|-----------------|
| Northern Marianas Housing Corporation2 | State             | \$ 101,024.64   |

**Location Description:**

Saipan is the largest island and capital of the Commonwealth of the Northern Marianas Islands (CNMI), a chain of 15 tropical islands belonging to the Marianas archipelago in the western Pacific Ocean a total area of 115.39 square kilometers. The 2000 Census population of the island of Saipan was 62,392. The village of Kagman is located on the island of Saipan with a population of 3,026 (based on Census 2000). Moreover, the village of Kagman is most likely to face a significant rise in the rate of home foreclosures in the future, as it is a fast growing community that is projected to increase to a residential population of 20,000 in the next decade (figure was calculated based on 4,000 homesteads currently in Kagman with an average size of 5 persons per household).

**Activity Description:**

[LH25)] (occupied by a household whose income is at or below 50% percent of area median income); The activity that NMHC has selected will address the local market conditions in the following ways: eliminate blight and increase the housing stock in the area identified as the area of greatest need. Subsequent to the rehabilitation of the abandoned/foreclosed unit using NSP funding, the CNMI will utilize NMHC's HOME Program's waiting list for homebuyers who are deemed to be at 50% or below of area median Income, for which these applicants will be given the option to construct their own homes on their own property or purchase a newly rehabilitated NSP-funded unit. Eligibility requirements for the NSP and HOME program are identical. For qualified homebuyers who elect to purchase the newly rehabilitated NSP-funded unit, as with the HOME New Construction program rules, interest rates will range from 2% to 5% with a term of assistance of 30 years and will benefit homeowners, as rental housing will not apply to this particular activity. The Grantee will ensure continued affordability for NSP assisted housing by applying affordability restrictions as established by HOME program rules. HOME rules require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded. As applied to HOME, the following rules will also apply to NSP assisted housing:

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**Environmental Assessment:** COMPLETED

**Environmental Reviews:** None



**Grantee Activity Number:** MP-NSP-B-001B  
**Activity Title:** LMMI- Rehab and Resale of NMHC-owned FC Properties

**Activity Type:**  
 Rehabilitation/reconstruction of residential structures

**Project Number:**  
 NSP-B-001

**Projected Start Date:**  
 03/01/2012

**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

**Activity Status:**  
 Completed

**Project Title:**  
 Acquisition/Rehabilitation

**Projected End Date:**  
 03/01/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 186,963.66

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 186,963.66

**Benefit Report Type:**  
 Direct (Households)

| 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     |
| # of Properties          | 6     |

**Activity is being carried out by Grantee:**  
 No

**Activity is being carried out through:**

**Organization carrying out Activity:**  
 Northern Marianas Housing Corporation2

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

| Responsible Organization               | Organization Type | Proposed Budget |
|--|-------------------|-----------------|
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**Activity Description:**

(LMMH [Low, Moderate, Middle-income Household] (occupied by a household whose income is at or below 120 percent of area median income); The activity that NMHC has selected will address the local market conditions in the following ways: eliminate blight and increase the housing stock in the area identified as the area of greatest need. Subsequent to the rehabilitation of the abandoned/foreclosed unit using NSP funding, the CNMI will utilize NMHC's HOME Program's waiting list for homebuyers who are deemed to be at 51% to 80% area median Income, for which these applicants will be given the option to construct their own homes on their own property or purchase a newly rehabilitated NSP-funded unit. Eligibility requirements for the NSP and HOME program are identical. For qualified homebuyers who elect to purchase the newly rehabilitated NSP-funded unit, as with the HOME New Construction program rules, interest rates will range from 2% to 5% with a term of assistance of 30 years and will benefit homeowners, as rental housing will not apply to this particular activity. The Grantee will ensure continued affordability for NSP assisted housing by applying affordability restrictions as established by HOME program rules. HOME rules require that assisted properties remain affordable for a specific period of time, depending on the level of HOME funds invested in the property and the nature of the activity funded. As applied to HOME, the following rules will also apply to NSP assisted housing:

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**Environmental Assessment:** COMPLETED



**Environmental Reviews:** None

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## Action Plan Comments:

Reviewer - Per CNMI, only the following items were revised in the Plan:  
1)Increased the estimated PI to match the PI receipted (inputted a slightly larger estimate than what was actually receipted)  
2)Changed the EA status to *completed* from *underway*  
3)Changed the activity type to rehabilitation/reconstruction of residential structures from Acquisition

Reviewer - Plan corrections accepted and approved.

## Action Plan History

| Version               | Date       |
|-----------------------|------------|
| B-11-SN-69-0001 AP#1  | 03/12/2013 |
| B-11-SN-69-0001 AP#2  | 03/14/2013 |
| B-11-SN-69-0001 AP#3  | 04/10/2013 |
| B-11-SN-69-0001 AP#4  | 01/16/2014 |
| B-11-SN-69-0001 AP#5  | 01/23/2014 |
| B-11-SN-69-0001 AP#6  | 04/30/2014 |
| B-11-SN-69-0001 AP#7  | 04/30/2014 |
| B-11-SN-69-0001 AP#8  | 09/05/2014 |
| B-11-SN-69-0001 AP#9  | 03/11/2015 |
| B-11-SN-69-0001 AP#10 | 11/13/2015 |
| B-11-SN-69-0001 AP#11 | 07/05/2016 |
| B-11-SN-69-0001 AP#12 | 08/18/2016 |
| B-11-SN-69-0001 AP#13 | 03/09/2018 |



