

# Action Plan

**Grantee: Dearborn, MI**

**Grant: B-11-MN-26-0003**

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<b>LOCCS Authorized Amount:</b>	\$ 1,027,354.00
<b>Grant Award Amount:</b>	\$ 1,027,354.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 257,314.00
<b>Total Budget:</b>	\$ 1,284,668.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

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

The City of Dearborn has identified three target areas, each with an NSP3 Needs Score at or exceeding the State of Michigan minimum threshold of 17:

NSP3-East. Census Tracts 573300-574100 and 574300. Needs Score 18.30.

EDDDA (East Dearborn Downtown Development Authority). A downtown redevelopment area which is a subset of the NSP3-East target area. Needs Score 18.

NSP3-West. Census Tracts 575100-575500. Needs Score 17.

Geographically, census tracts 573300 through 574300 are located east of the Southfield Freeway (M39); and census tracts 574400 through 575600 are located west of the Southfield Freeway. All east Dearborn census tracts have an NSP3 Needs Score at or exceeding the Michigan minimum threshold of 17, excluding census tract 574200 (Springwells) which has a score of 15. Five census tracts in west Dearborn, 575100 through 575500, have an NSP3 Needs score of 17.

All three of the identified NSP3 target areas have concentrations ( 51%) of middle-income persons (income at or below 120% of the Area Median Income). Both East Dearborn target areas also have a concentration of moderate-income persons (income at or below 80% AMI).

The NSP3-East target area experiences high cost (subprime) mortgages at a rate of 32.67% and has housing units in foreclosure or 90+ days delinquent at a rate of 15.64%. 55.6% of the foreclosure starts in the past year are located in this target area.

### Low Income Targeting:

Not less than 25% of NSP3 grant funding (\$256,838.50) shall be used to provide housing for individuals or families whose income does not exceed 50% of area median income.

The original substantial amendment proposed to achieve this goal through a multi-family rental housing development activity in the EDDDA target area (Redico-Senior Living, multi-family housing development). After considering program requirements, the project developer, while still committed to construction of this multi-family development, decided to decline NSP3 financial assistance (June 2011).

This Substantial Amendment Revision No. 1 proposes to achieve the NSP3 low-income targeting requirement through target area new housing construction and/or acquisition and rehabilitation for resale to low-income homebuyers.

The City of Dearborn may 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.

### Demolition or Conversion of Low-Moderate Income Units

A housing unit is considered to be a low-moderate income unit if it is:

- In standard condition suitable for occupancy, with an affordable rental or mortgage value; or
- Legally occupied by a low-moderate income household.

NSP3 financed demolition activities will be limited to vacant, blighted/substandard structures. Therefore, the demolition of low-



moderate income units is not contemplated. [Demolition activity is expected tearance of 7-25 blighted properties.]

The City of Dearborn is a built-out community with an aging housing stock. More significantly, NSP3 target areas have a higher incidence of pre-1940 housing construction and it is very common for that housing to be situated on lots that are just 30 feet or 35 feet wide. These narrow lot widths do not meet modern housing, zoning, or fire safety standards. Removal of any such blighted structures provides the opportunity for wider lot widths, greater open space, reduced fire hazards, decreased number of parked vehicles and congestion on neighborhood streets, and may inspire private investment in the remaining housing stock.

The City of Dearborn requests a waiver of the 10% limitation on demolition funding and requests an increased limit not to exceed 25%. NSP3 financed acquisition-rehabilitation of single-family homes (1-2 unit structures), could include the conversion/loss of low-moderate income units in certain circumstances. If funded, the acquisition-rehabilitation activity will occur in the NSP3-East target area. Due to small lot frontages, this target area is very densely populated and congested. Density reduction is one of the primary stabilization tools in use in this area. [The activity is estimated to provide one housing unit per \$120,000 invested.]

If a two-family structure is selected and acquired for NSP3 rehabilitation assistance, renovation plans may include conversion to a one-family structure. In the unlikely circumstance that both of the units are in standard condition at the time of acquisition, one of the two standard, low-moderate units may be lost.

**Side-Yard Disposition Program.** In the target neighborhoods, it is very common for pre-1940 housing to be situated on a lot that is just 30 feet or 35 feet wide. These narrow lot widths do not meet modern housing, zoning, or fire safety standards. Rehabilitating homes that are situated on these narrow lot will certainly provide benefit to the new occupant; and will provide neighborhood relief from the current impacts of vacant, foreclosed and abandoned housing. However, due to the age and condition of many of these same homes, the City of Dearborn believes that the whole neighborhood will realize a more substantial, longer-term stabilizing benefit from the removal of these structures and reuse of the cleared land to increase the lot widths of neighboring properties.

The City of Dearborn has developed a side lot disposition program to govern the resale of vacant/cleared residential property throughout the city (not limited to our designated HUD-NSP target area). The program establishes a deeply discounted sale price for eligible properties. The discounted 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). The city's side lot disposition program is hereby incorporated into this HUD-Neighborhood Stabilization Program Substantial Amendment, with the belief that side yard reuse 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.

Revision #1: Includes a request for waiver of the 10% limitation (up to 25%) on demolition funding.

Revision #2: Adds a description of the Side Yard Disposition Program (above).

## **How Fund Use Addresses Market Conditions:**

Real estate professional members of the Dearborn Area Board of Realtors (DABOR) provide residential home sale services throughout Dearborn and Dearborn Heights.

DABOR residential sales data, as provided through Realcomp II Ltd, reflect a positive but leveling trend in the number of homes sales over the period from January 2008 to December 2010.

The spikes in the number of home sales in mid-2010 may be attributed to the homebuyer tax credit that was authorized by the "Homebuyers Assistance and Improvement Act of 2010."

The improving number of sales is only one indicator of the health of the housing market. The trend in housing sale prices (see chart in online version, available at [www.cityofdearborn.org](http://www.cityofdearborn.org)) is of equal or greater importance.

The chart depicts a continuing decline in median home sale prices, from a high of \$106,800 in January 2008 to \$47,600 in December 2010. The most significant declines occurred in 2008. Median sales figures for 2009 and 2010, while declining, appear to be leveling out.

Although the charts display improvement (housing sales) and stabilization (sale price), there is still much work to be done. Without continued effort, the market improvements realized through the homebuyer tax credit program will not be sustained.

DABOR data does not track sales data by transaction type (investor-owner vs. owner-occupant). Declining median sale prices are attracting significant investment from rental housing developers/managers. The increasing numbers of rental housing units in our already stressed, single-family housing neighborhoods is reducing the appeal and demand for owner-occupied housing in those same neighborhoods.

To address the trend toward rental housing, NSP3 funding in our single-family neighborhoods will be limited to demolition activities, acquisition and renovation for resale to owner-occupants, or new single-family housing construction for resale to owner-occupants. Blighted properties have a considerable negative impact on adjacent property values. Demolition activities will not only help to stabilize property values, but will also keep those substandard properties out of investor hands. Homebuyer activities will help to increase the number of owner-occupied units, while ensuring that those renovated or newly constructed units set a new, higher standard for neighborhood housing conditions. Rental housing preference activities (as previously described in the "Definitions and Descriptions" section) will be limited to multi-family housing projects in the downtown target area.

The estimated number of properties to make an impact in the NSP3-East target area is 111. The City of Dearborn has already made significant efforts in this area through its Operation Eyesore and Neighborhood Stabilization Programs, including 58 properties assisted or in progress through HUD-NSP1. NSP3 funding will enable the City to continue its efforts in this area. Activities in this target area may include: new housing development, acquisition and renovation of foreclosed properties for resale to low-middle income homebuyers and/or the demolition of blighted properties.

The estimated number of properties to make an impact in the NSP3-West target area is 38. The City of Dearborn has also made significant locally funded efforts in this area. The needs (vacancy, foreclosures/delinquencies, concentration of low-middle income persons) for this target area are not as significant as those in NSP-East. Therefore, NSP3 assistance in this target area will be limited to the demolition of blighted properties. Blight removal provides the greatest positive impact to surrounding properties; while, the failure to address blight would contribute to further decline.



The estimated number of properties to make an impact in the EDDDA target area is three. The East Dearborn Downtown Development Authority utilizes tax increment funding and other resources to implement its long-range downtown development plan. NSP3 funding will support housing development on the site of the former Montgomery Ward property. The introduction of a multi-family housing project in this location will provide additional foot traffic and disposable income to this important downtown area. This additional activity is also expected to spark the development of a two-story retail/office structure that is planned for this site. Note: After considering program requirements, the project developer, while still committed to construction of this multi-family development, has decided to decline NSP3 financial assistance (June 2011).

Revision #1: New housing construction added to list of potential activities in NSP3-East target area. Note added at EDDDA target area (developer decision to decline funding).

### Ensuring Continued Affordability:

a. Homebuyer purchase transactions, regarding the sale of city-owned and renovated residential properties will be subject to the City of Dearborn's First-Time Homebuyer Program Guidelines adopted by Council Resolution #2-108-12, as may be amended. Homebuyer transactions will be secured by a recorded document that will require either:

i. Resale of the property to LI or LMMI-income homebuyers at a purchase price that does not exceed current market value (certified appraisal provided by lender or Department of Assessment value) or the FHA 203 B mortgage limit, whichever is lower, during an established affordability period. Resale transaction must include all appliances that were provided by the program. Subsequent LI or LMMI-income homebuyers must agree to program terms and conditions for the remainder of the affordability period. OR,

ii. If the home is resold to an unqualified purchaser during the affordability period, repayment of certain proceeds will be required. After repayment, there will be no further obligations to the program.

The Affordability Period for homebuyer purchase transactions shall be:

iii. 10 years for purchase transactions with total homebuyer assistance of \$15,000 or less.

iv. 15 years for purchase transactions with total homebuyer assistance of \$15,000-\$40,000. Or,

v. 20 years for purchase transactions with total homebuyer assistance greater than \$40,000.

b. Homebuyer purchase transactions, regarding the sale of new housing constructed by a developer, shall at a minimum comply with HUD-HOME Improvement Partnerships Program (HOME) affordability standards, which shall be documented in any agreement between the City of Dearborn and the developer.

c. Assisted Rental Property transactions will be subject to terms and conditions enumerated in an executed development agreement. The NSP3 rental subsidy will be secured by a recorded document that requires either:

i. Rental of assisted units to LI or LMMI-income qualified tenants at affordable rents throughout the affordability period.

· Rents must not exceed "affordable rents" for the full term of the affordability period.

· Tenants must be income qualified at the time they move in, but do not have to be re-certified annually. A tenant's income may increase over time without displacement from the project, but any new tenant moving into an assisted unit must be income qualified.

ii. Or, repayment of certain assistance amounts.

The Affordability Period for rental property transactions shall be:

iii. 5 years if per unit rental subsidy is \$15,000 or less.

iv. 10 years if per unit rental subsidy exceeds \$15,000 but does not exceed \$40,000.

v. 15 years if per unit rental subsidy exceeds \$40,000.

vi. 20 years if project is new construction.

If the City of Dearborn or its Housing Commission acquires or retains ownership of an assisted rental property, a recorded document shall not be required. Default and recapture payments shall be limited to the amount of net resale proceeds. All other applicable terms and conditions of this section shall be fully enforced.

d. Resale or transfer of vacant land (as side yard) to income eligible (120% AMI) owner-occupant households of adjacent property at less than market rate shall be secured by a recorded document that will require repayment of certain assistance amounts during a ten-year period following the transfer.

For this purpose, the assistance amount shall be calculated as follows: the current market value ("minimum market bid price" as determined by the Department of Assessment or the "current market appraised value" as determined by an independent appraiser certified by the State of Michigan) of the land, reduced by the sale price, and further reduced by any purchaser financed improvements required as a condition of the sale or transfer.

If the calculated assistance amount is \$2,000 or less, no repayment shall be required.

If the calculated assistance amount exceeds \$2,000, the recorded document shall, upon sale, transfer, demise, or conversion of the property, require repayment of 100% of the assistance amount during the first five year period, 80% during the sixth year, 60% during the seventh year, 40% during the eighth year, 20% during the ninth year and any incomplete portion of the tenth year, and fully satisfied after the completion of the tenth year.

If the cleared-improved property is resold, along with the adjacent property to which it was attached, to a new income-eligible (120% AMI) owner-occupant household during the 10-year assistance term, the terms and conditions of the assistance may be assumed by the new property-owner.

Note: this section is only applicable to the resale or transfer of properties that were acquired with HUD-NSP funding. For blighted properties acquired with local resources, that received HUD-NSP demolition cost assistance, a pro-rata portion of any resale revenue shall be treated as program income in accordance with HERA Section 2301.

Revision #1: Standard added (b, above) regarding new housing construction.

Revision #2: Standard added (d, above) regarding resale or transfer of vacant land (as side yard).

### Definition of Blighted Structure:

Blighted structure, a property that is either:

a. Condemnable and "unfit for human habitation" as defined at Section 11-227 of the Housing Chapter (Chapter 11) of the Dearborn Code of Ordinances; and, measured as a property for which the estimated cost of improvements exceeds

i. The State Equalized Value (SEV) of the property or

ii. The current appraised value of the property, whichever is less.

OR

b. A property for which the estimated cost of improvements exceeds 50% of the State Equalized Value (SEV) of the property or



50% of the current appraised value of the property, whichever is less; and exhibits one or more of the following substantial deviations from code:

- i. Structure is located less than 10 feet from structures on adjacent properties;
- ii. Structure has an inadequate or temporary foundation;
- iii. Structure provides less than 750 square feet of usable floor space;
- iv. Structure is not connected to the public water and/or sewer system;
- v. Property does not provide the required front or rear yard setback and the front setback provided is not compatible with that of adjacent properties.
- vi. Lot is less than 40 feet in width does not provide all of the required individual and combined side yard setbacks.
- vii. Structural integrity compromised (examples: supporting wall removed, ceiling/floor joist severed).
- viii. Structure damaged by fire.
- ix. Structure damaged by water or mold.

Revision #1: The City of Dearborn is a built-out community with an aging housing stock. More significantly, NSP3 target areas have a higher incidence of pre-1940 housing construction and it is very common for that housing to be situated on lots that are just 30 feet or 35 feet wide. These narrow lot widths do not meet modern housing, zoning, or fire safety standards. Removal of any such blighted structures provides the opportunity for wider lot widths, greater open space, reduced fire hazards, decreased number of parked vehicles and congestion on neighborhood streets, and may inspire private investment in the remaining housing stock.

The City of Dearborn requests a waiver of the 10% limitation on demolition funding and requests an increased limit not to exceed 25%.

### **Definition of Affordable Rents:**

The City of Dearborn utilizes the Detroit Metropolitan Area Fair Market Rent Schedule (DET-FMR) and HOME Program Rent Schedules as published by the US Department of Housing and Urban Development (HUD) in its Community Development Block Grant (CDBG) and HOME Program funded housing rehabilitation assistance programs.

The DET-FMR is a gross rent figure that includes utilities. Any utilities that are required to be paid by the tenant must be subtracted from the FMR to determine the maximum "affordable rent" rate. MSHDA's Region I Utility Schedule may be used for this calculation.

The City of Dearborn will continue to rely on these same published rates for its Neighborhood Stabilization Program projects. Affordable Rent shall be defined as:

- a. For assisted households with income at or below 120% of the area median income—the Detroit Metropolitan Area Fair Market Rent (DET-FMR).
- b. For households receiving assistance under activities targeting individuals and families with income at or below 50% of the area median income—the Low HOME Rent, defined as the rent affordable at 50% AMI or DET-FMR, whichever is less.
- c. Affordable rents may change over the life of a project, but shall not be reduced below the affordable rent established at the time of project commitment.

### **Housing Rehabilitation/New Construction Standards:**

Whenever City of Dearborn NSP3 funds are utilized for housing rehabilitation the following standards will apply:

- a. Local Code. Upon completion, housing units will meet local Residential Certificate of Occupancy (C of O) requirements.
- b. Lead Paint Hazard Reduction requirements (HUD 24 CFR Part 35 and Michigan Public Act 368 of 1978, as amended).
- c. Energy Efficiency.
  - i. All gut rehabilitation or new construction projects of residential structures up to three stories will be designed to meet the standard for Energy Star Qualified New Homes.
  - ii. Mid-high rise new construction of multi-family housing will be designed to meet the Energy Star standard for multi-family building piloted by the Environmental Protection Agency and the Department of Energy.
  - iii. Other rehabilitation projects will meet these standards to the extent applicable to the rehabilitation undertaken (example, replace older/obsolete products and appliances with Energy Star labeled products).
- d. Exterior improvements (siding, trim, landscaping, etc.) to address aged or "eyesore" conditions and designed to enhance the desirability and property values of the surrounding neighborhood. (Optional)
- e. Barrier-Free Access or Visitability Improvements when requested by a developer or an identified eligible homebuyer or in 20% of the assisted-units in a multi-unit structure with more than four units.

Revision #1: Energy Efficiency standards updated to include new single-family construction.

### **Vicinity Hiring:**

NSP3 regulations require that grantees "shall, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity ... or contract with small businesses that are owned and operated by persons residing in the vicinity of" assisted projects.

If a new hire opportunity shall occur among the City of Dearborn Economic and Community Development Department staff assigned to administer any portion of this NSP3 grant, the posting for that position shall be outreached/forwarded to non-profit agencies serving area residents, such as ACCESS, SEMCA-Michigan Works!, JVS Detroit, Henry Ford Community College, the University of Michigan-Dearborn, and Dearborn Section 8 Voucher holders. The application, testing, interview and ranking process shall be dictated by current Dearborn Civil Service procedures. Once ranked, the names of the top-rated candidates (top three) are forwarded to the hiring department. Vicinity applicants appearing on this listing of top-rated applicants may be given extra consideration by the hiring authority.

Similarly, any subrecipient engaged to administer NSP3 activities or any developer receiving more than \$100,000 in NSP3 assistance, shall be expected to outreach and "provide for the hiring of employees who reside in the vicinity" whenever a new hire opportunity arises within the performance of their subrecipient or developer agreement.

For contract opportunities with an estimated cost of \$25,000 or greater, the City of Dearborn (and NSP3 subrecipients, if any) shall follow its Purchasing Ordinance, City Code of Ordinances Section 2568A "Preference for local bidders / Dearborn-based



businesses.”

In part, this section provides that:

“The person or business submitting the lowest responsive, responsible bid, according to the requirements of the bidding documents, shall be deemed the lowest bidder. If the lowest bidder is not a Dearborn-based business, a Dearborn-based business with a bid within five percent of the lowest bid shall be deemed the lowest bidder if it agrees to reduce its bid to match the bid of the lowest bidder. A lowered bid by a Dearborn-based business which is premised upon, in whole or in part, changes to or variances to the bid specifications, contract requirements, or scope of work shall be considered nonresponsive and will not be considered.” [Sec 2568A (d) (1)]

Vicinity preferences shall not apply to:

1. Purchases resulting from exigent emergency conditions;
2. Purchases from sole source vendors;
3. Purchases made through the state’s extended program or other cooperative agreement;
4. The procurement of goods or services utilizing an award process that is based upon criteria other than lowest cost.

Following the monitoring visit from the Detroit Field Office, this provision has been REMOVED.

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

The NSP3-East target area (which includes the Fordson-East, Fordson-West, Salina and eastern half of the Fairlane Master Plan Communities) is predominantly zoned for single-family housing.

According to the City of Dearborn’s 2010-2015 Consolidated Plan (which relied upon 2000 US Census data and 2009 CHAS data), 26.5% of Dearborn’s occupied housing is rental-occupied. This concentration is disproportionately higher in the NSP3-East target area: Fordson-East, 36.5%, Fordson-West, 37.6%, Salina, 62.4%, and Fairlane, 48.2%.

2010 US Census data is expected to reveal a sharp increase in the percentage of rental-occupied housing. Due to recent economic conditions, homes that are unable to resell to owner-occupants are converted to investment properties or remain vacant.

Therefore, the City of Dearborn’s rental housing preference will be limited to multi-family projects in the mixed-use zoning, downtown EDDDA target area.

More specifically, the City of Dearborn plans to provide NSP3 resources to support the Redico-Senior Living multi-family housing development at the site of the former Montgomery Ward department store. The senior housing project is phase two of a planned mixed-use project at the southeast corner of Michigan Avenue and Schaefer.

Redico (owner/developer) purchased the vacant property from the City of Dearborn after an extensive Request for Development Partner (RFDP) process that commenced in February 2006. The planned mixed-use redevelopment project includes three phases.

Phase one included the development of a medical office building and a public parking structure. Oakwood Hospital (the long-term tenant of the medical facility) began its operations at this site on January 3, 2011.

Phase two will provide the residential component of the mixed-use project along the eastern edge of the site (abutting and providing a buffer for the adjacent single-family neighborhood).

Phase three plans a two-story retail/office structure to be located to the west of the public parking structure, with Schaefer road frontage. The new activity and disposable income resulting from the completion of phase one and phase two is expected to provide the economic synergy necessary to obtain financing for this final development phase.

If a viable rental housing project cannot be initiated in compliance with NSP3 expenditure requirements (50% within two-years and 100% within four-years), NSP3 funding will be reallocated to eligible homeownership and/or demolition projects.

Revision #1: Note added--After considering program requirements, the project developer, while still committed to construction of this multi-family development, has decided to decline NSP3 financial assistance (June 2011).

### Grantee Contact Information:

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## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
9999	Restricted Balance	<i>No activities in this project</i>	
DBN-NSP3	Dearborn HUD-NSP3	Acq-Rehab LI	Acquisition-Rehabilitation (Homebuyers)
		Acq-Rehab LMMI	Acquisition-Rehabilitation (Homebuyers)
		Admin	Planning and Administration
		Demo	Demolition of Blighted Structures
		Habitat-LI	New Housing - LI



Habitat-LMMI  
Rental-LI  
Rental-LMMI

New Housing - LMMI  
Downtown Rental Housing Development



# Activities

**Project # / Title:** DBN-NSP3 / Dearborn HUD-NSP3

**Grantee Activity Number:** Acq-Rehab LI  
**Activity Title:** Acquisition-Rehabilitation (Homebuyers)

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

**Project Number:**  
 DBN-NSP3

**Projected Start Date:**  
 07/01/2011

**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:**  
 UNDERWAY

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

**Activity Status:**  
 Under Way

**Project Title:**  
 Dearborn HUD-NSP3

**Projected End Date:**  
 03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 154,000.00  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 154,000.00

**Program Income Account:**  
 NSP3 Program Income

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
#Low flow toilets	1
#Light fixtures (outdoors) replaced	1
#Replaced hot water heaters	1
#Replaced thermostats	1
# of Properties	1



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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Dearborn, Economic & Community Development

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

**Responsible Organization**

City of Dearborn, Economic & Community Development

**Organization Type**

Local Government

**Proposed**

\$ 156,000.00

**Location Description:**

NSP3-East Target Area. Needs score 18.3.

**Activity Description:**

Acquisition and rehabilitation of vacant, abandoned or foreclosed single-family residential properties, for resale to qualified LI or LMMI homebuyers.

Homebuyer financial assistance may be provided in the form of subsidized mortgage principal amounts, reasonable closing costs, and up to 50% of required down payment amounts. Homebuyer financial assistance shall be subject to adopted guidelines and procedures as may be amended. Current adopted guidelines provide that the assistance is provided in the form of a zero-interest, deferred loan.

Revision #2: adds Eligible Use E for redevelopment of vacant properties.



<b>Grantee Activity Number:</b>	<b>Acq-Rehab LMMI</b>
<b>Activity Title:</b>	<b>Acquistion-Rehabilitation (Homebuyers)</b>

**Activitiy Type:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

DBN-NSP3

**Projected Start Date:**

01/01/2011

**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:**

UNDERWAY

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Under Way

**Project Title:**

Dearborn HUD-NSP3

**Projected End Date:**

03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 374,500.00

**Other Funds** \$ 0.00

**Total Funds** \$ 374,500.00

**Program Income Account:**

NSP3 Program Income

**Proposed Beneficiaries**

# Owner Households

	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	2			0.00
# of Households	2			0.00

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

#Low flow toilets

#Light Fixtures (indoors) replaced

#Replaced hot water heaters

#Replaced thermostats

#Energy Star Replacement Windows

# of Properties

**Total**

2

2

2

2

2

2

2

2



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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Dearborn, Economic & Community Development

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

**Responsible Organization**

City of Dearborn, Economic & Community Development

**Organization Type**

Local Government

**Proposed**

\$ 374,500.00

**Location Description:**

NSP3-East target area. Needs score 18.3.

**Activity Description:**

Acquisition and rehabilitation of vacant, abandoned or foreclosed single-family residential properties, for resale to qualified LI or LMMI homebuyers.

Homebuyer financial assistance may be provided in the form of subsidized mortgage principal amounts, reasonable closing costs, and up to 50% of required down payment amounts. Homebuyer financial assistance shall be subject to adopted guidelines and procedures as may be amended. Current adopted guidelines provide that the assistance is provided in the form of a zero-interest, deferred loan.

Revision #2: adds Eligible Use E for redevelopment of vacant properties.



**Grantee Activity Number:** Admin  
**Activity Title:** Planning and Administration

**Activity Type:**

Administration

**Project Number:**

DBN-NSP3

**Projected Start Date:**

04/01/2011

**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)

**Environmental Assessment:**

EXEMPT

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Dearborn HUD-NSP3

**Projected End Date:**

03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 65,580.00

**Other Funds** \$ 0.00

**Total Funds** \$ 65,580.00

**Program Income Account:**

NSP3 Program Income

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Dearborn, Economic & Community Development

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

Responsible Organization	Organization Type	Proposed
City of Dearborn, Economic & Community Development	Local Government	\$ 65,580.00

**Location Description:**

Not Applicable.

**Activity Description:**

Grant administration and planning activities.



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<b>Grantee Activity Number:</b>	<b>Demo</b>
<b>Activity Title:</b>	<b>Demolition of Blighted Structures</b>

**Activity Type:**  
Clearance and Demolition

**Activity Status:**  
Under Way

**Project Number:**  
DBN-NSP3

**Project Title:**  
Dearborn HUD-NSP3

**Projected Start Date:**  
04/01/2011

**Projected End Date:**  
03/31/2014

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

**Total Budget:** \$ 134,016.28

**Other Funds:** \$ 0.00

**Total Funds:** \$ 134,016.28

**Environmental Assessment:**  
COMPLETED

**Program Income Account:**  
NSP3 Program Income

**Benefit Report Type:**  
Area Benefit (Census)

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
<b># of Persons</b>	69294	26795	13601	58.30

<b>Proposed Accomplishments</b>	<b>Total</b>
<b># of Properties</b>	7

<b>LMI%:</b>	58.3
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**Activity is being carried out by Grantee:**  
No

**Activity is being carried out through:**

**Organization carrying out Activity:**  
City of Dearborn, Economic & Community Development

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

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
City of Dearborn, Economic & Community Development	Local Government	\$ 134,016.28

**Location Description:**  
NSP3-East Target Area. Needs score 18.3. 83.08% LMMI benefit area.  
NSP3-West Target Area. Needs score 17.0. 58.32% LMMI benefit area.

**Activity Description:**

Demolition only of blighted structures.

For city-owned (acquired with local funds) blighted properties that receive this assistance, a pro-rata share of any resale proceeds shall be treated as NSP3 program income.

Revision #1: Requesting a waiver of the 10% limit, with increased limit not to exceed 25%.

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**Grantee Activity Number:** Habitat-LI  
**Activity Title:** New Housing - LI

**Activity Type:**

Construction of new housing

**Project Number:**

DBN-NSP3

**Projected Start Date:**

01/01/2013

**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:**

UNDERWAY

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Under Way

**Project Title:**

Dearborn HUD-NSP3

**Projected End Date:**

03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 500,402.80

**Other Funds** \$ 0.00

**Total Funds** \$ 500,402.80

**Program Income Account:**

NSP3 Program Income

**Proposed Beneficiaries**

# Owner Households

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

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

**Total**

6

6

6

6

6

6

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Dearborn, Economic & Community Development

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

Responsible Organization	Organization Type	Proposed
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**Location Description:**

NSP3-East Target Area—Needs Score 18.30

**Activity Description:**

Acquisition and redevelopment (construction of new single-family homes) of target area vacant or blighted and cleared residential properties, for sale to qualified LI or LMMI homebuyers.

Homebuyer financial assistance may be provided in the form and amount determined by the project developer, subject to review and approval of the program administrator.

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**Grantee Activity Number:** Habitat-LMMI  
**Activity Title:** New Housing - LMMI

**Activity Type:**

Construction of new housing

**Project Number:**

DBN-NSP3

**Projected Start Date:**

01/01/2013

**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:**

UNDERWAY

**Benefit Report Type:**

Direct (Households)

**Activity Status:**

Under Way

**Project Title:**

Dearborn HUD-NSP3

**Projected End Date:**

12/31/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 56,168.92

**Other Funds:** \$ 0.00

**Total Funds:** \$ 56,168.92

**Program Income Account:**

NSP3 Program Income

**Proposed Beneficiaries**

# Owner Households

Total	Low	Mod	Low/Mod%
4		4	100.00
4		4	100.00

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

# of Housing Units

#Sites re-used

#Units exceeding Energy Star

#Units with bus/rail access

#Low flow showerheads

**Total**

4

4

4

4

4

4

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

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

City of Dearborn, Economic & Community Development

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

Responsible Organization	Organization Type	Proposed
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**Location Description:**

NSP3-East Target Area—Needs Score 18.30

**Activity Description:**

Acquisition and redevelopment (construction of new single-family homes) of target area vacant or blighted and cleared residential properties, for sale to qualified LI or LMMI homebuyers.

Homebuyer financial assistance may be provided in the form and amount determined by the project developer, subject to review and approval of the program administrator.

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**Grantee Activity Number:** Rental-LI  
**Activity Title:** Downtown Rental Housing Development

**Activity Type:**  
 Construction of new housing

**Project Number:**  
 DBN-NSP3

**Projected Start Date:**  
 04/10/2011

**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:**  
 UNDERWAY

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

**Activity Status:**  
 Cancelled

**Project Title:**  
 Dearborn HUD-NSP3

**Projected End Date:**  
 03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 0.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	2	2		100.00
# of Households	2	2		100.00

Proposed Accomplishments	Total
# of Multifamily Units	2
# of Housing Units	2
# ELI Households (0-30% AMI)	

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

**Activity is being carried out through:**

**Organization carrying out Activity:**  
 City of Dearborn, Economic & Community Development

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

Responsible Organization	Organization Type	Proposed
City of Dearborn, Economic & Community Development	Local Government	\$ 256,838.50

**Location Description:**

EDDDA (downtown) target district. Needs score 18.

**Activity Description:**

New construction of multi-family rental housing as part of the redevelopment of demolished or vacant properties. After considering program requirements, the project developer, while still committed to construction of this multi-family development, has decided to decline NSP3 financial assistance (June 2011). Funding has been reallocated to other approved activities.

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**Grantee Activity Number:** Rental-LMMI  
**Activity Title:** Downtown Rental Housing Development

**Activity Type:**  
 Construction of new housing

**Project Number:**  
 DBN-NSP3

**Projected Start Date:**  
 04/01/2011

**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:**  
 UNDERWAY

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

**Activity Status:**  
 Cancelled

**Project Title:**  
 Dearborn HUD-NSP3

**Projected End Date:**  
 03/31/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 0.00  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 0.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	3		3	100.00
# of Households	3		3	100.00

Proposed Accomplishments	Total
# of Multifamily Units	3
# of Housing Units	3

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

**Activity is being carried out through:**

**Organization carrying out Activity:**  
 City of Dearborn, Economic & Community Development

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

Responsible Organization	Organization Type	Proposed
City of Dearborn, Economic & Community Development	Local Government	\$ 565,045.50

**Location Description:**

EDDDA (downtown) target district. Needs score 18.

### Activity Description:

New construction of multi-family rental housing as part of the redevelopment of demolished or vacant properties. After considering program requirements, the project developer, while still committed to construction of this multi-family development, has decided to decline NSP3 financial assistance (June 2011). Funding has been reallocated to other approved activities.

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## Action Plan Comments:

- Reviewer - Initial set-up.
- Reviewer - NSP3 Action Plan Amendment. Changes to activity budgets only, no changes to narratives. Budget change reflects shift from Rental Development LI and LMMI to Acquisition-Rehab LI and LMMI due to decision of senior housing developer to decline NSP3 funding.
- Reviewer - Amendment deals with demo waiver surpassing the normal 10% level.
- Reviewer - 12/18/2012 Reviewed by Cynthia Cooper Vails, Financial Analyst - Recommend approval of the City of Dearborn's NSP3 Action Plan modified for the purposes of creating activities for Habitat for Humanity housing projects and for transferring funds to those activities. The demolition activity was also increased by \$17,265. The City of Dearborn was granted a waiver to go to approximately 25 percent of its grant for demolition equaling \$256,839 of the award amount. This modified action plan budgets \$120,000 for demolition which is under the cap and \$540,000 for the low income housing national objective which currently exceeds the minimal requirement for LH25 set aside requirement. These modifications do not constitute a substantial amendment to the grantee's NSP3 action plan.
- MARGUERIT 03/25/2017 Reviewer: Marguerite Sykes  
Grantee reduced the budget for Acquisition-Rehabilitation LMMI from \$156,000 to \$151,000 due to increased costs incurred by Habitat for Humanity in its LMMI activity
- MARGUERIT 05/01/2014 Marguerite Sykes Plan resubmitted in error. No changes were made.
- 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 and demolition budgets amounts do not exceed the caps.

## Action Plan History

### Version

B-11-MN-26-0003 AP#1

### Date

06/08/2016



B-11-MN-26-0003 AP#2	03/11/2016
B-11-MN-26-0003 AP#3	10/08/2015
B-11-MN-26-0003 AP#4	08/05/2015
B-11-MN-26-0003 AP#5	02/10/2015
B-11-MN-26-0003 AP#6	08/25/2014
B-11-MN-26-0003 AP#7	08/14/2014
B-11-MN-26-0003 AP#8	05/01/2014
B-11-MN-26-0003 AP#9	03/26/2014
B-11-MN-26-0003 AP#10	10/29/2013
B-11-MN-26-0003 AP#11	01/15/2013
B-11-MN-26-0003 AP#12	07/24/2012
B-11-MN-26-0003 AP#13	07/22/2011

