

Action Plan

Grantee: Detroit, MI

Grant: B-11-MN-26-0004

LOCCS Authorized Amount:	\$ 21,922,710.00
Grant Award Amount:	\$ 21,922,710.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 895,735.95
Total Budget:	\$ 22,818,445.95

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Executive Summary On October 19, 2010, HUD released the Neighborhood Stabilization Program Three (NSP3) Notice with the requirements for the new allocation of NSP funds that we authorized under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The Act provides \$970 million in new NSP funding to states and local governments to continue to assist in the redevelopment of abandoned and foreclosed homes. NSP3 represents a third round of funding through HUD's Neighborhood Stabilization Program. As one of the cities with the highest home foreclosure rate among the nation's 100 largest metropolitan areas, the city of Detroit has suffered tremendous impacts as a result of this crisis. With over 67,000 foreclosed properties, 65% of which remain vacant, the City of Detroit recognizes that the \$21.9 million allocation must be implement in a manner that is strategic, efficient and yields great results. Noting that Detroit faced several challenges prior to this crisis, including a shrinking population still spread across a large land mass, a market where the supply of housing exceeded the demand, a declining tax base, older housing stock, and an old infrastructure system to name a few, we recognize the need to strategically utilize these funds to stabilize neighborhoods hardest hit by the foreclosure crisis, devise proactive remedies for anticipated future foreclosure activity, and foster market recovery for enhanced quality of life. This plan details the City of Detroit's strategy for utilizing these funds to achieve the goals for which the program was designed. While the foreclosure problem is widespread, touching almost every neighborhood in the city, investing these funds on a citywide basis will not yield the impact or results needed. As such, we have used the data to determine a targeted approach, focusing on five neighborhoods. By targeting the allocation, the opportunity for sustained impact is significantly higher. Once implemented, this plan will result in stabilization of neighborhoods most severely impacted by foreclosure and abandonment, reversal of the decline of neighborhood housing values, significant elimination of blighted and abandoned structures, and stimulation of other investment in and around the target neighborhoods. To apply for the allocation of \$21,922,710, the City of Detroit, through the Planning and Development Department has proposed the following use of funds in the Substantial Amendment to the 2010-11 Consolidated Annual Action Plan. The proposed budget breakdown is as follows:

Planning and General Administration	\$	2,192,271
Acquisition/Rehabilitation	\$	13,538,168
Financing Mechanisms	\$	3,500,000
Demolition		
Redevelopment	\$	1,192,271
Total	\$	1,500,000

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How Fund Use Addresses Market Conditions:

NSP3 funds will be used to implement activities in all of the Eligible use categories. The use of NSP funds will address market conditions described in the plan in the following ways that are intended to counter the negative effects: , , The high volume of housing units that have been foreclosed upon in Detroit and their relatively low sales prices have created an opportune time for lower income households who typically may not qualify for market rate mortgages to enter the housing market. This will increase homeownership levels in many of eth target communities that are losing residents. , The provision of first and second mortgages using NSP funding through financing mechanisms are intended to provide alternative mortgage sources and thereby stimulate lending through traditional lenders. , The use of NSP for development financing and the City's work with lenders and



the appraisal community is intended to slow down the decline in housing values in the City. , The securing of vacant and foreclosed upon properties through the use of NSP and land banking strategies will reduce incidence of declining values due to the actions of irresponsible real estate investors in the target areas. , The removal of blighted structures and redevelopment through new construction has the dual effect of enhancing the physical environment and providing homeownership opportunities in the NSP target areas. , The acquisition, redevelopment and resale or rental of vacant abandoned and foreclosed houses will reduce the attendant community decay caused by these structures and return revenue to the City coffers. , The use of lease-purchase options for buyers who have no credit or poor credit will create phased homeownership opportunities and improve the financial conditions of families. , , NSP3 METHODOLOGY The Neighborhood NSP3 Score. The minimum needs score for NSP3 targeting eligibility within target area geography's state: the neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood

The high cost mortgage rate. Home Mortgage Disclosure Act data showing the percent of primary mortgages executed between 2004 and 2007 that were high cost. This is the Census Tract level rate. The estimated rate of mortgages Serious Delinquent (90+ or more days delinquent or in foreclosure) in June 2010. HUD used a July 20 extract of countytes from McDash Analytics to develop a predictive model using public data that was available for every Census Tract in the United States. The predictive model, which was weighted on number of mortgages in each county, was able to predict most of the variance between counties in their serious delinquency rate (R-square of 0.821). The model used is as follows: NSP3 Downloadable Data Files – Data Reflect Market Conditions For the Second Quarter of 2010 0.523 (intercept) +0.476 Unemployment Change 3/2005 to 3/2010 (BLS LAUS) -0.176 Rate of low cost high leverage loans 2004 to 2007 (HMDA) +0.521 Rate of high cost high leverage loans 2004 to 2007 (HMDA) +0.090 Rate of high cost low leverage loans 2004 to 2007 (HMDA) -0.188 Fall in Home Value Since Peak (FHFA Metro and Non-Metro Area) The predictive model was applied at the Census Tract level to calculate a Ser

Ensuring Continued Affordability:

The City of Detroit, as part of the NSP 3 requirement, "forsale" property, "rental" units and "lease-to-own" properties will require a "deed restriction" and/or "affordable housing restriction" that will mandate and require compliance during the continued period of affordability, described in the City of Detroit's NSP requirements, policies and procedures. In addition, the continued affordability compliance will be a part of any "Development Agreement" implemented between the City and the Developer/Non-profit owner/sponsor.

Definition of Blighted Structure:

The City of Detroit's definition of blighted structure is as follows: (A) "Blighted area" and "slum" mean an area in which at least seventy per cent of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

(B) "Blighted parcel" means either of the following:

(1) A parcel that has one or more of the following conditions:

- (a) A structure that is dilapidated, unsanitary, unsafe, or vermin infested and that because of its condition has been designated by an agency that is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;
- (b) The property poses a direct threat to public health or safety in its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;
- (c) Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid thirty-five days after notice to pay has been mailed.

Definition of Affordable Rents:

The City of Detroit shall use, as a minimum, the HOME regulations definition for affordable rents. The NSP program adopted section 92.252(a), (c), (d) and (f) of the HOME rental requirements and therefore the maximum HOME rents that can be charged are the lesser of: (1) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR Part 888.111; or (2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The City of Detroit has adopted that HOME Low rents can be used for families below 50% AMI, the HOME High rents for persons between 51 and 80% and the HUD fair market rents for families between 81% and 120% of AMI.

The NSP assisted rental units shall remain affordable for terms relative to per unit subsidy. (Affordable terms will range from five (5) to twenty (20) years, based on per unit subsidy).

The maximum HOME rent limits are recalculated by HUD periodically after determination of fair market rents and median incomes. The City will issue the most current affordable rent charts as they become available from HUD. Regardless of changes in fair market rents and median income over time, the rents for a NSP project are not required to be lower than the rent limits for the project in effect at the time of the project commitment.



Housing Rehabilitation/New Construction Standards:

The City of Detroit, Planning and Development Department (P&DD) continually reviews, upgrades and enhances its property rehabilitation standards. The last formal comprehensive revision to the Performance Standards occurred in November 2008. In addition to rehabilitation and new construction standards, all projects must address lead based paint and other environmental hazards. "Green Building Practices" are strongly encouraged and energy efficiency upgrades are required. Please be advised that additional requirements are listed below:

- All moderate rehabilitation must meet these standards, which shall include replacing 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.
- All gut rehabilitation or new construction (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 must be designed to meet the standard for Energy Star Qualified New Homes.
- All gut rehabilitation or new construction of mid - or high-rise multifamily housing must 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).
- Water efficient toilets, showers, and faucets, such as those with the Water Sense label, must be installed.

Vicinity Hiring:

The City of Detroit, to the maximum extent possible, will encourage the hiring of qualified and skilled City of Detroit residents for employment opportunities resulting from the implementation of the NSP 3 program, who reside within the vicinity of the NSP 3 project. In addition, the City will seek to contract with contractors and small-business owners who reside within the vicinity of the project. Contractors will be encouraged to advertise in the local newspapers and conduct outreach with local non-profit partnerships and the City's Detroit Workforce Development Department to identify eligible residents for employment opportunities, when feasible.

Procedures for Preferences for Affordable Rental Dev.:

Beneficiaries will be permitted to rent for a period consistent with the HOME Program guidelines relative to per unit subsidy. (Affordable terms will range from five (5) to fifteen (15) years, based on per unit subsidy).

Grantee Contact Information:

NSP3 Program Administrator Contact Information:

Name (Last, First): Winters, Marja

Email Address: mwinters@detroitmi.gov

Phone Number: 313-224-1598

Mailing Address: 65 Cadillac Square, Suite 2300, Detroit, MI 48226

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
001	Acquisition and Rehabilitation	NSP3 001-2A	Piety Hill LLC
		NSP3 001-2A-LH-25% Set-Aside	Piety Hill LLC LH-25%
		NSP3 001-2B	Grandmont Rosedale Development Corp
		NSP3 001-2C	Villages Community Development Corp
		NSP3 001-2C-LH-25% Set-Aside	Villages Community Development Corp LH 25%



		NSP3 001-2D	Northend Development LLC
		NSP3 001-2D-LH - 25% Set Aside	
		NSP3 001-A DLBA	NSP3 DLBA Aquisition/Rehab
		NSP3 001-A DLBA-LH - 25% Set-Aside	NSP3 DLBA Aquisition/Rehab - 25% Set- Aside
		NSP3 001-acquisition & rehabilitation	NSP3 Acquisition & Rehabilitation
002	Demolition	NSP3002-demolition	NSP 3 Demolition
003	New Construction of Houses	NSP3003-new construction	NSP 3 New Construction
004	Administration	NSP3004-administration	NSP 3 Administration
005	Financing Mechanisms	<i>No activities in this project</i>	
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 001 / Acquisition and Rehabilitation

Grantee Activity Number: NSP3 001-2A
Activity Title: Piety Hill LLC

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 001

Projected Start Date:
 09/03/2013

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

Activity Status:
 Under Way

Project Title:
 Acquisition and Rehabilitation

Projected End Date:
 04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,804,408.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,804,408.50

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	12	6	6	100.00
# of Households	12	6	6	100.00

Proposed Accomplishments	Total
# of Singlefamily Units	4
# of Housing Units	4
#Sites re-used	7
#Units exceeding Energy Star	12
#Units with bus/rail access	12
#Low flow showerheads	13
#Low flow toilets	12
#Units with solar panels	
#Dishwashers replaced	12
#Clothes washers replaced	12
#Refrigerators replaced	12



#Light fixtures (outdoors) replaced	14
#Light Fixtures (indoors) replaced	131
#Replaced hot water heaters	12
#Replaced thermostats	12
#Efficient AC added/replaced	7
#High efficiency heating plants	12
#Additional Attic/Roof Insulation	7
#Energy Star Replacement Windows	195
# of Properties	12

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Piety Hill LLc	For Profit	\$ 3,050,673.00

Location Description:

Northend NSP Area

Activity Description:

NSP3 Rehabilitation

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2A-LH-25% Set-Aside
Activity Title: Piety Hill LLC LH-25%

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

09/03/2013

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.

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,804,408.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,804,408.50

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	12	6	6	100.00
# of Households	12	6	6	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	4
# of Housing Units	4
#Sites re-used	7
#Units exceeding Energy Star	12
#Units with bus/rail access	12
#Low flow showerheads	13
#Low flow toilets	12
#Units with solar panels	14
#Dishwashers replaced	12
#Clothes washers replaced	12
#Refrigerators replaced	12
#Light fixtures (outdoors) replaced	
#Light Fixtures (indoors) replaced	131
#Replaced hot water heaters	12
#Replaced thermostats	12
#Efficient AC added/replaced	7



#High efficiency heating plants	12
#Additional Attic/Roof Insulation	7
#Energy Star Replacement Windows	195
# of Properties	12

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Piety Hill LLc	For Profit	\$ 1,525,337.00

Location Description:

Northend NSP area

Activity Description:

NSP 3 Rehabilitation

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2B
Activity Title: Grandmont Rosedale Development Corp

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

09/03/2013

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

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,250,000.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,250,000.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	9			0.00
# of Households	9			0.00

Proposed Accomplishments

	Total
# of Singlefamily Units	9
# of Housing Units	9
#Units deconstructed	
#Sites re-used	9
#Units exceeding Energy Star	9
#Units with bus/rail access	9
#Low flow showerheads	14
#Low flow toilets	20
#Units with solar panels	9
#Dishwashers replaced	9
#Clothes washers replaced	9
#Refrigerators replaced	9
#Light fixtures (outdoors) replaced	9
#Light Fixtures (indoors) replaced	126
#Replaced hot water heaters	9
#Replaced thermostats	17



#Efficient AC added/replaced	9
#High efficiency heating plants	9
#Additional Attic/Roof Insulation	17
#Energy Star Replacement Windows	188
# of Properties	9

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Grandmont Rosedale Development Corp	Non-Profit	\$ 2,250,000.00

Location Description:

Activity Description:

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2C
Activity Title: Villages Community Development Corp

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

11/25/2013

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

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,318,601.46

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,318,601.46

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	2		2	100.00
# Owner Households	3		3	100.00
# of Households	5		5	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	3
# of Housing Units	3
# ELI Households (0-30% AMI)	3
#Sites re-used	7
#Units exceeding Energy Star	7
#Units with bus/rail access	7
#Low flow showerheads	13
#Low flow toilets	16
#Dishwashers replaced	7
#Clothes washers replaced	7
#Refrigerators replaced	7
#Light fixtures (outdoors) replaced	19
#Replaced hot water heaters	7
#Replaced thermostats	10
#Efficient AC added/replaced	10



#High efficiency heating plants	10
#Additional Attic/Roof Insulation	49
#Energy Star Replacement Windows	193
# of Properties	7

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Villages Community Development Corp	For Profit	\$ 1,431,065.00

Location Description:

NSP3 Areas

Activity Description:

Rehab

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2C-LH-25% Set Aside
Activity Title: Villages Community Development Corp LH 25%

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 001

Projected Start Date:
 11/25/2013

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.

Activity Status:
 Under Way

Project Title:
 Acquisition and Rehabilitation

Projected End Date:
 04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,046,718.83
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 1,046,718.83

Benefit Report Type:
 Direct (Households)

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

Proposed Accomplishments	Total
# of Singlefamily Units	2
# of Housing Units	2
#Sites re-used	2
#Units exceeding Energy Star	2
#Units with bus/rail access	2
#Low flow showerheads	4
#Low flow toilets	4
#Units with solar panels	
#Dishwashers replaced	2
#Clothes washers replaced	2
#Refrigerators replaced	2
#Light fixtures (outdoors) replaced	5
#Light Fixtures (indoors) replaced	30
#Replaced hot water heaters	2
#Replaced thermostats	2



#Efficient AC added/replaced	2
#High efficiency heating plants	2
#Additional Attic/Roof Insulation	49
#Energy Star Replacement Windows	31
# of Properties	2

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Villages Community Development Corp	For Profit	\$ 953,758.00

Location Description:

NSP3 Areas LH 25% Set Aside

Activity Description:

Rehab

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2D
Activity Title: Northend Development LLC

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

11/01/2013

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

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,999,037.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,999,037.50

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	7		7	100.00
# of Households	7		7	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	7
# of Housing Units	7
#Sites re-used	7
#Units exceeding Energy Star	7
#Units with bus/rail access	7
#Low flow showerheads	7
#Low flow toilets	15
#Dishwashers replaced	7
#Clothes washers replaced	7
#Light fixtures (outdoors) replaced	15
#Light Fixtures (indoors) replaced	96
#Replaced hot water heaters	7
#Replaced thermostats	7
#Efficient AC added/replaced	7
#High efficiency heating plants	7
#Energy Star Replacement Windows	143



of Properties

7

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Detroit Planning & Dev Dept

Northend Development LLC

Organization Type

Unknown

For Profit

Proposed Budget

\$ 0.00

\$ 2,237,489.00

Location Description:

NSP3 area

Activity Description:

Rehab housing units

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-2D-LH - 25% Set Aside
Activity Title: Northend Development LLC

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

02/03/2014

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

08/08/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,999,037.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,999,037.50

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

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

Proposed Accomplishments

	Total
# of Singlefamily Units	2
# of Housing Units	2
#Sites re-used	6
#Units exceeding Energy Star	6
#Units with bus/rail access	6
#Low flow showerheads	6
#Low flow toilets	16
#Dishwashers replaced	6
#Clothes washers replaced	6
#Refrigerators replaced	6
#Light fixtures (outdoors) replaced	16
#Light Fixtures (indoors) replaced	78
#Replaced hot water heaters	6
#Replaced thermostats	6
#Efficient AC added/replaced	6
#High efficiency heating plants	6



#Additional Attic/Roof Insulation	3
#Energy Star Replacement Windows	232
# of Properties	6

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00
Northend Development LLC	For Profit	\$ 1,999,037.50

Location Description:

Activity Description:

Full gut Rehabilitation

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-A DLBA
Activity Title: NSP3 DLBA Aquisition/Rehab

Activity Type:
 Acquisition - general

Project Number:
 001

Projected Start Date:
 03/08/2013

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

Benefit Report Type:
 NA

Activity Status:
 Under Way
Project Title:
 Acquisition and Rehabilitation

Projected End Date:
 04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,430,595.21
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 2,430,595.21

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

Activity is being carried out by Grantee:
 No

Activity is being carried out through:

Organization carrying out Activity:
 City of Detroit Land Bank

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Land Bank	Unknown	\$ 2,814,697.00
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00

Location Description:



Activity Description:

Environmental Assessment: UNDERWAY

Environmental Reviews: None



Grantee Activity Number: NSP3 001-A DLBA-LH - 25% Set-Aside
Activity Title: NSP3 DLBA Aquisition/Rehab - 25% Set-Aside

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

001

Projected Start Date:

03/01/2013

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.

Activity Status:

Under Way

Project Title:

Acquisition and Rehabilitation

Projected End Date:

04/01/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 209,208.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 209,208.00

Benefit Report Type:

Direct (Households)

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
#Sites re-used	1
#Units exceeding Energy Star	1
#Units with bus/rail access	1
#Low flow toilets	2
#Clothes washers replaced	1
#Refrigerators replaced	1
#Light fixtures (outdoors) replaced	5
#Light Fixtures (indoors) replaced	5
#Replaced hot water heaters	1
#Efficient AC added/replaced	1
#High efficiency heating plants	1
#Energy Star Replacement Windows	3
# of Properties	1



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Land Bank

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Land Bank	Unknown	\$ 123,588.00
City of Detroit Planning & Dev Dept	Unknown	\$ 0.00

Location Description:

NSP3 8810 W. Lafayette

Activity Description:

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Grantee Activity Number: NSP3 001-acquisition & rehabilitation
Activity Title: NSP3 Acquisition & Rehabilitation

Activity Type:
Acquisition - general

Project Number:
001

Projected Start Date:
05/01/2011

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.

Benefit Report Type:
Direct (Households)

Activity Status:
Planned
Project Title:
Acquisition and Rehabilitation

Projected End Date:
04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 258,000.00
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 258,000.00

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	65			0.00
# Owner Households	70			0.00
# of Households	135			0.00

Proposed Accomplishments	Total
# of Singlefamily Units	100
# of Housing Units	100
# of Properties	135

Activity is being carried out by Grantee:
No

Activity is being carried out through:

Organization carrying out Activity:
City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 258,000.00



Location Description:

NSP 3 target areas

Activity Description:

Rehabilitation activities will be used to stabilize, redevelop and preserve the housing stock and help attract population to areas hard hit by foreclosures and property abandonment. Rehabilitation of single-family rentals and lease-purchase will benefit individuals/families at or below 50% AMI.

To the extent required, a portion of the funds, used for this activity, will benefit individuals/households at or below 50% AMI.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Project # / Title: 002 / Demolition

Grantee Activity Number: NSP3002-demolition
Activity Title: NSP 3 Demolition

Activity Type:

Clearance and Demolition

Project Number:

002

Projected Start Date:

05/01/2011

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

Activity Status:

Under Way

Project Title:

Demolition

Projected End Date:

04/30/2014

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

Total Budget: \$ 3,416,585.95

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 3,416,585.95

Benefit Report Type:

Area Benefit (Census)



Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# of Persons	11032	5598	1983	68.72

Proposed Accomplishments	Total
# of Singlefamily Units	70
# of Multifamily Units	49
# of Housing Units	119
# of Properties	119

LMI%:	68.72
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Activity is being carried out by Grantee: No **Activity is being carried out through:**

Organization carrying out Activity:
City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 3,416,585.95

Location Description:
NSP 3 Target areas

Activity Description:
Demolition activities will help secure areas devastated by foreclosure, property abandonment and vacant homes. To also stabilize areas and prevent further deterioration and decline in property values.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Project # / Title: 003 / New Construction of Houses

Grantee Activity Number: NSP3003-new construction
Activity Title: NSP 3 New Construction

Activity Type: Construction of new housing **Activity Status:** Cancelled

Project Number:

003

Projected Start Date:

05/01/2011

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.

Project Title:

New Construction of Houses

Projected End Date:

04/30/2014

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:** \$ 0.00**Most Impacted and Distressed Budget:** \$ 0.00**Other Funds:** \$ 0.00**Total Funds:** \$ 0.00**Benefit Report Type:**

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	15	15		100.00
# Owner Households	5	5		100.00
# of Households	20	20		100.00

Proposed Accomplishments

	Total
# of Multifamily Units	20
# of Housing Units	20
# ELI Households (0-30% AMI)	
#Units \geq other green	20
#Units exceeding Energy Star	20
#Units with bus/rail access	20
#Low flow showerheads	20
#Low flow toilets	20
#Units with solar panels	2



Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Detroit Planning & Dev Dept

Organization Type

Unknown

Proposed Budget

\$ 1,500,000.00

Location Description:

NSP 3 target areas.

Activity Description:

New Construction activities will redevelop demolished or vacant properties to help stabilize neighborhoods and/or redevelop housing stock and regain population to areas hard hit by foreclosures and abandonment. Various affordable housing projects will be developed for sale, rent, or lease purchase.

Environmental Assessment: UNDERWAY

Environmental Reviews: None

Project # / Title: 004 / Administration

Grantee Activity Number: NSP3004-administration

Activity Title: NSP 3 Administration

Activity Type:

Administration

Project Number:

004

Projected Start Date:

05/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

04/30/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:



Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Total Budget:	\$ 2,281,844.50
Most Impacted and Distressed Budget:	\$ 0.00
Other Funds:	\$ 0.00
Total Funds:	\$ 2,281,844.50

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

City of Detroit Planning & Dev Dept

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Detroit Planning & Dev Dept	Unknown	\$ 2,281,844.50

Location Description:

NA

Activity Description:

Administration of NSP 3 activities

Environmental Assessment: EXEMPT

Environmental Reviews: None

Action Plan Comments:

Reviewer - 07/27/2011 ccv - rejected the City of Detroit NSP-3 action plan in DRGR because the projects are over budgeted by \$8,384,542.00, the administration project exceeds the cap by \$2,192,271.00, there was a shortage of \$168.00 not budgeted to an activity, the census tracts and block groups were not selected for the Area Benefit Data for the demolition activity (Activity No. NSP3002-demolition) and therefore the proposed beneficiaries data was missing.



- Reviewer - 07/29/2011 ccv - approved the City of Detroit NSP-3 action plan in DRGR on an interim basis in order to get the QPR processed and to allow for more time for the City to get the program set-up. Once more of the program is in place, the City must break out activities in DRGR by responsible organizations and multi-family developments.
- Reviewer - 1/30/2013 ccv - Recommend approving the revised action plan. None of the changes represent substantial amendments to the plan. The housing financing mechanisms activity was reprogrammed to finance housing new construction with \$2,500,000 and \$1,000,000 to demolition. The function of redeveloping abandoned and foreclosed upon homes that was under the housing financing mechanisms activity was not eliminated. It will be covered by the NSP3 Rehabilitation activity. The grantee increased demolition by \$1,000,000 to \$2,192,271, which still complies with the 10% demolition cap. The grantee is still working with HUD's TA provider to revise the activities with the proper set-up in DRGR.
- Reviewer - 4/30/2013 ccv - permission to approve the modified action plan was given by Shannon Baltimore, Program Manager
- Reviewer - 12/12/2013 ccv - The City of Detroit submitted the revised NSP3 action plan on December 10, 2013 for review. Changes were made by the City of Detroit to break out activities by developer and national objective. This action plan is being rejected so that the grantee can correct activity set-ups to separate out multi-family properties from single-family property activities.
- Reviewer - 12/27/2013 ccv - rejected the revised action plan in order for the City of Detroit to edit activity number NSP3 001-acquisition so that the Proposed Accomplishments no longer include both single family and multifamily units and to edit activity number NSP3 001-rehabilitation so that the Proposed Accomplishments and the Activity Description no longer include both single family and multifamily units. In addition, if there is a chance that the same address is covered in both activities, please either collapse the acquisition and rehabilitation activities into one activity or modify the Proposed Beneficiaries and Proposed Accomplishments in the acquisition and rehabilitation activities to avoid double-counting.
- Reviewer - 1/16/2014 ccv - Recommend approving the revised action plan. None of the changes represent substantial amendments to the plan. The grantee made changes to break-out single-family activity from multi-family activity. The grantee has sufficient funds budgeted to satisfy the LH25 set-aside requirement and is budgeted within the demolition and administration caps. The grantee is still working with HUD's TA provider to revise the activities with the proper set-up in DRGR.
- Reviewer - 4/24/2014 ccv - review by Cynthia Vails, Financial Analyst: recommend approving the City of Detroit's NSP3 action plan in DRGR so that the City can submit a QPR for the April 30, 2014 deadline. The City is working on separating activities by responsible entity and single-family units from multi-family units. None of the changes represent substantial amendments to the plan.
- Reviewer - 7/29/14 ccv - review by Cynthia Vails, Financial Analyst, approved the action plan for the purpose of enabling the City of Detroit to submit a QPR in DRGR before the July 30, 2014 deadline.
- Reviewer - 10/28/14 ccv - review by Cynthia Vails, Financial Analyst, approved the action plan for the purpose of enabling the City of Detroit to submit a QPR in DRGR before the October 30, 2014 deadline. According to the grantee, changes were made to the developers' information.
- Reviewer - 5/1/15 ccv - review by Cynthia Vails, Senior Financial Analyst, approved the action plan for the purpose of enabling the City to submit a QPR in DRGR.
- Reviewer - 7/24/15 ccv - review by Cynthia Vails, Senior Financial Analyst, approved the action plan for the purpose of enabling the City to submit a QPR in DRGR by July 30. Currently our office is working with Detroit providing guidance and requiring bi-weekly check-in calls.
- Reviewer - 1/22/2016, review by Cynthia Vails, Senior Financial Analyst, approved the action plan for the purpose of enabling the City to submit a QPR in DRGR by January 30. The City amended the plan to add program income and increase the administration budget.
- Reviewer - 4/15/16, ccv, the City revised its budget to add funds to administration and acquisition and rehabilitation. The revised budget maintains 10 percent for administration and more than 25 percent for the low income housing set-aside.

Reviewer - Noted issues regarding Lee Plaza will be addressed under separate cover due to time constraints.

Action Plan History

Version	Date
B-11-MN-26-0004 AP#1	07/29/2011
B-11-MN-26-0004 AP#2	01/30/2013
B-11-MN-26-0004 AP#3	04/30/2013
B-11-MN-26-0004 AP#4	01/16/2014
B-11-MN-26-0004 AP#5	04/25/2014
B-11-MN-26-0004 AP#6	07/29/2014
B-11-MN-26-0004 AP#7	10/28/2014
B-11-MN-26-0004 AP#8	05/01/2015
B-11-MN-26-0004 AP#9	07/24/2015
B-11-MN-26-0004 AP#10	01/22/2016
B-11-MN-26-0004 AP#11	04/15/2016
B-11-MN-26-0004 AP#12	10/30/2017

