

Action Plan

Grantee: Macomb County, MI

Grant: B-11-UN-26-0003

LOCCS Authorized Amount:	\$ 2,536,817.00
Grant Award Amount:	\$ 2,536,817.00
Status:	Reviewed and Approved

Estimated PI/RL Funds:

Total Budget:	\$ 2,536,817.00
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Funding Sources

Funding Source	Funding Type
State of Michigan Low-Income Housing Tax	State Funds
Macomb County	Other Federal Funds
Bank of America	Financial Institution Money

Narratives

Summary of Distribution and Uses of NSP Funds:

NSP3 funds will provide \$2,468,801.66, or roughly 45% of the financing necessary, in the form of a grant, to convert the Former Oakwood Middle School into affordable senior citizen housing for LH25 and LMMI households. The remainder of funding will come from NSP1 and HOME funding. The Developer/Owner will contribute \$11,240 as well. The site was acquired by the City of Eastpointe with NSP1 funding and they will sell it to the Developer/Owner at a nominal fee. NSP 3 funds may be used for any of the activities necessary to construct the residential development. These include demolition, installation of site improvements and utilities on site, housing construction costs, and project management, and administrative fees and expenses. \$68,015.34 or 2.7% of the grant will be used for administrative purposes.

How Fund Use Addresses Market Conditions:

Foreclosures plague the entire County, but are particularly high along the southern tier of communities bordering the City of Detroit. Extensive numbers of foreclosures, sub-prime loans, and a high risk of future foreclosure, compounded by severe declines in property value characterize this area. The population is aging, schools are closing, and the tax base is severely compromised. All increase the potential for additional home foreclosure and, ultimately, a significant erosion of the developed environment and quality of life. This warrants a concentration of NSP3 funding.

Ideally, the County would employ a tiered approach to investing its NSP3, targeting, in the following order: Eastpointe, Mt. Clemens, and Centerline. This would assure almost continuous treatment across the County's southern edge. Given scarce resources, however, this is impractical. The County, instead, will focus attention in Eastpointe, where it is believed that a precise and substantial investment can have a significant and positive impact. As mentioned, an aging population and a decline in the number of students led to the closing of 8 schools in this community, two being acquired through NSP1. One, the former Oakwood Middle School, is being converted into elderly housing, and NSP3 will partly finance this project. The property is highly visible and its redevelopment will provide a huge psychological boost in the neighborhood and in the community at large. It will also provide quality housing for 40 senior citizen families who want to leave their homes but wish to stay in Eastpointe.

The property is located in the City of Eastpointe, Census Tract 2589, BG4, an area bounded by 9 Mile Rd. on the north, Beechwood Rd. on the west, Crescentwood Rd. on the south, and Gratiot Ave. on the east. It scores 19 of 20 on HUD's Needs Scale. The area is underdeveloped in terms of senior rental housing and the project will provide a needed housing option for long-time residents who wish to remain in the community but can no longer remain in their homes. A market study was conducted as part of the developer's due diligence. NSP1, NSP3, and HOME funds will completely finance the project.



Ensuring Continued Affordability:

The project will create forty new senior citizen rental units, with 22 units dedicated to households < 50% AMI, and 18 units dedicated to households < 60% AMI. The Developer will adhere to the County's definition of income (HUD's definition of income using the IRS 1040 Method.)

Definition of Blighted Structure:

A structure is blighted when 1) it has deteriorated to the point where it constitutes a threat to human health, safety, and public welfare (as determined by the municipal building official) and the estimated cost of repair to correct the deficiencies exceeds 50% of the structure's State Equalized Value (SEV), or 2) it constitutes a nuisance to the public, or 3) it is structurally and/or functionally obsolete and therefore no longer has a useful economic purpose.

Definition of Affordable Rents:

The County defines the term as outlined in HOME Regulation 24CFR 92.252 (a), which limits rents to the lesser of the Fair Market Rents established for the area, or 30% of annual income for households whose incomes do not exceed 65% of AMI.

Housing Rehabilitation/New Construction Standards:

Although the County does not, at this point, intend to rehabilitate structures for residential use, it would use the standards contained in its housing rehabilitation manual. This document applies the State of Michigan Residential Building Code (for existing dwelling units) and, when applicable, HQS standards. The County would, moreover, adopt HUD-mandated green energy and resource technologies.

Vicinity Hiring:

The Developer and Contractor are knowledgeable of the Vicinity Hiring, Fair Housing, Equal Employment, W/MBE, and Section 3, and Vicinity hiring requirements. Primary responsibility for hiring will fall to the contractor, who will make every reasonable effort to use workers from the NSP3 vicinity but, in truth, that area is so small that it may be impractical. If necessary, the developer would then revert to the standard Section 3 model. The County has assured that it will comply with Vicinity Hiring requirements and accepts these responsibilities.

Procedures for Preferences for Affordable Rental Dev.:

Macomb County has allocated \$2,468,801.66, or 97% of its NSP3 grant, to develop senior citizen rental housing in the City of Eastpointe. The property was acquired through NSP1, and is being converted to affordable rental use. The owner is experienced and has committed to making every unit (40 units) provided to families < 60% AMI. 22 units will be provided to families < 50% AMI. \$1,409,321.77 or approximately 55% of the grant will be used to achieve the set-aside. The County defines the term as outlined in HOME Regulation 24CFR 92.252 (a), which limits rents to the lesser of the Fair Market Rents established for the area, or 30% of annual income for households whose incomes do not exceed 65% of AMI.

Macomb County will apply the rental affordability standards by assisting in the creation of 40 senior citizen rental units limited specifically to occupancy by households at or below 50% AMI (22 units) and 60% AMI (18 units), at affordable rents, enforced for 20 years through a lien on the property secured by a Mortgage and Note. Failure to comply would result in default and require repayment of the NSP assistance provided. The County will monitor compliance throughout the 20-year affordability period to ensure compliance.

Grantee Contact Information:

Macomb County Community Services Agency
Attn: Stephanie Burgess, Program Manager
21885 Dunham Road Suite 10
Clinton Township, MI 48036

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1	NSP3 Program Administration	C1-27-10A	NSP3 Program Administration
2	Oakwood Manor Senior Living New	C1-27-10B	Oakwood Senior Housing
		C1-27-10C	Oakwood Senior Housing LH25
9999	Restricted Balance	No activities in this project	



Activities

Project # / Title: 1 / NSP3 Program Administration

Grantee Activity Number: C1-27-10A
Activity Title: NSP3 Program Administration

Activity Type:

Administration

Project Number:

1

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:

Completed

Project Title:

NSP3 Program Administration

Projected End Date:

03/31/2014

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 68,015.34

Other Funds: \$ 0.00

Total Funds: \$ 68,015.34

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

County of Macomb

Proposed budgets for organizations carrying out Activity:

Responsible Organization

County of Macomb

Organization Type

Local Government

Proposed Budget

\$ 68,015.34

Funding Source Name

State of Michigan Low-Income Housing Tax Credits

Bank of America

Matching Funds

No

No

Funding Amount

\$ 0.00

\$ 0.00



Location Description:

MCCSA Offices, 21885 Dunham Rd., Suite 10, Clinton Twp., MI 48036

Activity Description:

Plan (as necessary) and implement NSP3 Program activities. Funds will pay for salaries and operating expenses.

Project # / Title: 2 / Oakwood Manor Senior Living New Construction

Grantee Activity Number: C1-27-10B
Activity Title: Oakwood Senior Housing

Activity Type:

Construction of new housing

Project Number:

2

Projected Start Date:

06/07/2012

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

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Oakwood Manor Senior Living New

Projected End Date:

07/31/2013

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

Total Budget: \$ 1,059,479.89

Other Funds: \$ 0.00

Total Funds: \$ 1,059,479.89

Proposed Beneficiaries

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

Proposed Accomplishments

	Total
# of Multifamily Units	7
# of Housing Units	7



#Sites re-used	1
#Units with bus/rail access	7
#Low flow showerheads	7
#Low flow toilets	7

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

MHT Housing, Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
County of Macomb	Local Government	\$ 1,059,479.89
MHT Housing, Inc.	Non-Profit	\$ 0.00

Location Description:

The project will be located at the Oakwood School site, 14825 Nehls Road, in Eastpointe. Although the project will involve direct-benefit housing, the site is located in CT2589.01.

Activity Description:

The City of Eastpointe will acquire the property, the vacant former Oakwood Middle School. The developer will demolish the existing structure, install necessary site improvements to support the housing development, and construct a 38,517 sq ft residential structure (three stories) to create forty (40) one bedroom and two bedroom units for senior households. All units will be dedicated to households at or below 60% Area Median Income (AMI), with 55% of the total (or 22 units) dedicated to households having incomes at or below 50% AMI.

The project will be financed with a combination of NSP1, NSP3, and HOME funds. NSP3 funds, in the amount of \$1,059,479.89, will be used to construct three (3) one bedroom units and four (4) two bedroom units to be rented and occupied by households with incomes at or below 50% AMI.

Grantee Activity Number: C1-27-10C
Activity Title: Oakwood Senior Housing LH25

Activity Type:

Construction of new housing

Project Number:

2

Projected Start Date:

06/07/2012

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.

Environmental Assessment:

COMPLETED

Benefit Report Type:

Direct (Households)

Activity Status:

Completed

Project Title:

Oakwood Manor Senior Living New

Projected End Date:

12/31/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 1,409,321.77

Other Funds: \$ 0.00

Total Funds: \$ 1,409,321.77

Proposed Beneficiaries

Renter Households

Total	Low	Mod	Low/Mod%
10	10		100.00
10	10		100.00

of Households

Proposed Accomplishments

of Multifamily Units

of Housing Units

#Sites re-used

#Units with bus/rail access

#Low flow showerheads

#Low flow toilets

Total

10

10

1

10

10

10

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

MHT Housing, Inc.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
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The project will be financed with a combination of NSP1, NSP3, and HOME funds. NSP3 funds, in the amount of \$1,409,321.77, will be used to construct 3 one bedroom units and 7 two bedroom units to be rented and occupied by households with incomes at or below 50% AMI.

Action Plan Comments:

- Reviewer - DJH rejected the plan on 5/6/2011 due to incomplete and nonconforming entry for Planning and Administrative expenses (less than 10%)
- Reviewer - The changes to the action plan are appropriate.
- Reviewer - Approved so that grantee could submit QPR timely.
- Reviewer - Action plan amended as to include two activities (LH25 & non-LH25) under Oakwood project; which would allow for proper accounting of LH25 expenditures.
- Substantial Amendment submitted and approved 11-20-2014.
- P.M.
- Reviewer - Grantee is working with Kathleen Hines to close out this grant. Per KH, this plan is approved.
- PMcGoy

Action Plan History

Version	Date
B-11-UN-26-0003 AP#1	12/15/2016
B-11-UN-26-0003 AP#2	11/20/2014
B-11-UN-26-0003 AP#3	10/30/2013

B-11-UN-26-0003 AP#4	10/29/2012
B-11-UN-26-0003 AP#5	05/23/2012
B-11-UN-26-0003 AP#6	10/24/2011

