

Grantee: Dearborn, MI

Grant: B-08-MN-26-0003

July 1, 2009 thru September 30, 2009 Performance Report

Grant Number:

B-08-MN-26-0003

Obligation Date:

03/25/2009

Grantee Name:

Dearborn, MI

Award Date:**Grant Amount:**

\$2,436,246.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

Data supplied by HUD (Foreclosure-Abandonment Risk, Predicted Foreclosure Rate, and HMDA High Cost Loan Rates) was analyzed to determine the areas most impacted by the housing foreclosure crisis. Based upon that analysis four census tracts (573300, 563600, 573800, and 573900) in two Dearborn Communities (Fordson East and Fordson West) have been targeted to receive HUD-NSP funding assistance. All four of these target census tracts have a Foreclosure-Abandonment Risk score of 10 (out of 10); Predicted foreclosure rates of 10%, 10.3%, 11%, and 10.1%, respectively; and HMDA High Cost Loan Rates of 40.6%, 42.4%, 46.5%, and 40.9% respectively. In addition, each of these census have concentrations (51%+) of middle-income population and concentrations of moderate-income population. Census tract 573800 also has a concentration of low-income households and tract 573600 is nearing a concentration at 50.8%. The full text of our NSP Substantial Amendment and Revision No. 1 can be viewed at: www.cityofdearborn.org/nsp/hud-nsp.shtml

Recovery Needs:

Program funding will be used for acquisition, demolition, rehabilitation, homebuyer financing, and disposition of abandoned or foreclosed residential properties in our HUD-NSP target area, along with other related costs. The full text of our NSP Substantial Amendment and Revision No. 1 can be viewed at: www.cityofdearborn.org/nsp/hud-nsp.shtml

Dearborn NSP Revision No. 1, Summary of Changes

Areas of Greatest Need: No Change.

Target Area: No Change.

Definition of Blight: No Change.

Affordable Rents: No Change.

Continued Affordability: Comment added regarding demolition projects that do not involve acquisition or resale.

Rehabilitation Standards: No Change.

Low-Income Targeting: No Change.

Acquisitions & Relocation: Comment added regarding strength of private market resales of properties in good condition, and resulting proposal to increase resources for demolition of properties in poor condition.

Summary of units expected updated to reflect proposed changes in activities.

Acquisition & Rehab:

Added land contract financing as a resale disposition mechanism. Decreased budget for middle-income benefit from \$488,000 to \$200,000. Budget for low-income benefit unchanged.

Decreased estimated share of program income from 30% to 25%.

Acquisition & Clearance:

Increased budget from \$975,000 to \$1,200,000, including funding to redevelop cleared sites for public purposes (community gardens).

Decreased estimated share of program income from 55% to 50%.

Demolition of Blighted Structures:

New activity. Scattered site demolition (without acquisition) of blighted properties in the target area.

Budget of \$183,000 includes funding to redevelop cleared sites for public purposes (community gardens).

Estimated share of program income, 15%.

Land Banking: Activity and budget deleted.

Administration: No change.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,436,246.00
Total CDBG Program Funds Budgeted	N/A	\$2,436,246.00
Program Funds Drawdown	\$150,914.52	\$227,996.14
Obligated CDBG DR Funds	\$198,444.53	\$541,657.30
Expended CDBG DR Funds	\$189,069.92	\$268,166.54
Match Contributed	\$3,681.69	\$3,763.13
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$3,763.13
Limit on Public Services	\$365,436.90	\$0.00
Limit on Admin/Planning	\$243,624.60	\$7,001.14
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

182 properties reviewed or under review through 9/30/09. 22 properties approved/in-progress: 14 acquisition/clearance; 5 acquisition/rehabilitation/resale; 3 demolition only.

Homebuyer assistance policy and guidelines in rough draft form, should be ready for review/approval in the coming quarter.

Project Summary

Project #, Project Title

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
DBN-NSP, Dearborn HUD-NSP	\$0.00	\$150,914.52	\$2,436,246.00	\$227,996.14

Activities

Grantee Activity Number:	Acq-Demo
Activity Title:	Acquisition & Demolition

Activity Category:

Clearance and Demolition

Activity Status:

Under Way

Project Number:

DBN-NSP

Project Title:

Dearborn HUD-NSP

Projected Start Date:

01/01/2009

Projected End Date:

09/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Dearborn - Economic & Community Development

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,200,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,200,000.00
Program Funds Drawdown	\$94,788.95	\$120,611.89
Obligated CDBG DR Funds	\$119,686.95	\$171,778.62
Expended CDBG DR Funds	\$133,684.09	\$160,522.03
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition and clearance of blighted properties. Cleared property may be: a) sold to any buyer at current market rates; b) sold, transferred or donated to an income-eligible neighboring property; c) retained for any CDBG-eligible public purpose; or d) conveyed to a Community Based Development Organization (CBDO) for new housing construction. The clearance of blighted properties is expected to be of substantial benefit to the LMMI-neighborhoods in which the properties are located. The cleared properties may be offered for resale at current market price and sold to adjacent property owners to increase substandard lot widths, or sold to any buyer for future development. If the adjacent property owner-occupants are middle-income eligible (120% AMI), the cleared property may be conveyed or donated at less than market rate, for the purpose of increasing the adjacent property's compliance with zoning, building, or fire safety codes and standards. Cleared properties may be retained and redeveloped for CDBG-eligible public uses (such as a tot park, community garden, or expansion of a neighborhood facility). HUD-NSP funding for budgeted for this activity includes funding for the creation of approximately 12 community gardens. Property may also be conveyed or donated to a Community-Based Development Organization (CBDO) for new LMMI housing construction. Additional HUD-NSP funding assistance for that construction is contemplated by this activity and may be provided to these projects if needed. Term of assistance and continued affordability requirements shall not apply to market rate dispositions of cleared property located in LMMI-eligible areas. All other dispositions shall comply with applicable provisions of Section C3. Property acquisitions are subject to the purchase discount described in Section E. Cleared properties may be land-banked for a period not to exceed 10-years.

Location Description:

Scattered sites in Dearborn HUD-NSP target area. Target area census tracts all qualify as Low-Moderate Income (80% AMI) benefit areas, except for CT 574300 (which is middle-income eligible). Additionally, CT 573800 and 574000 qualify as low income (50% AMI) benefit areas.

Activity Progress Narrative:

15 active properties: 5 properties acquired (acq) this quarter (7 cumulative); 1 property closing on Oct 2; 6 properties approved for acquisition, awaiting HUD-FHA approval of alternate terms for Good Neighbor Program discount; 1 property acquisition awaiting City Council Approval. Working with HUD M/M contractor (Michaelson, Connor and Boul) and the Philadelphia Homeownership Center (HUD-HOC) to establish streamlined method for acquisition of HUD/FHA properties, including alternate terms (as relates to blighted properties

for demolition) for Good Neighbor Program discount.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	5	0/0	0/0	7/24
# of housing units	0	0	0	0/0	0/0	0/24
# of Public Facilities	0	0	0	0/0	0/0	0/12
# of Households benefitting	0	0	0	0/1968	0/2573	0/6458

Activity Locations

Address	City	State	Zip
7046 Barrie (acq)	Dearborn	NA	48126
7353 Maple (acq)	Dearborn	NA	48126
6046 Maple (acq)	Dearborn	NA	48126
7846 Kentucky (acq)	Dearborn	NA	48126
7027 Coleman (acq)	Dearborn	NA	48126

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: ADM

Activity Title: ADM

Activity Category:

Administration

Project Number:

DBN-NSP

Projected Start Date:

01/01/2009

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Dearborn HUD-NSP

Projected End Date:

09/30/2010

Responsible Organization:

City of Dearborn - Economic & Community Development

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources

N/A

\$243,246.00

Total CDBG Program Funds Budgeted

N/A

\$243,246.00

Program Funds Drawdown

\$3,349.63

\$6,973.21

Obligated CDBG DR Funds

\$0.00

\$243,246.00

Expended CDBG DR Funds

\$3,377.56

\$7,001.14

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Funding for general grant administration and planning activities.

Location Description:

Not applicable.

Activity Progress Narrative:

General program planning and administration.

Part-time personnel slot to be filled soon. New employee will have primary responsibility for prospective homebuyer eligibility application and education.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	DEMO
Activity Title:	Demolition of Blighted Properties

Activity Category:

Clearance and Demolition

Activity Status:

Under Way

Project Number:

DBN-NSP

Project Title:

Dearborn HUD-NSP

Projected Start Date:

05/01/2009

Projected End Date:

09/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Dearborn - Economic & Community Development

Overall	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$183,000.00
Total CDBG Program Funds Budgeted	N/A	\$183,000.00
Program Funds Drawdown	\$1,000.00	\$3,160.00
Obligated CDBG DR Funds	\$24,240.00	\$26,640.00
Expended CDBG DR Funds	\$0.00	\$3,160.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Demolition of blighted properties.
 Cleared properties that are publicly owned may be redeveloped for CDBG-eligible public uses (such as a tot park, community garden, or expansion of a neighborhood facility).
 Funding budgeted for this activity anticipates the creation of approximately 8 community gardens. The availability of community garden space will be of substantial benefit to our target area neighborhoods (due to small lot sizes in the target area owners may not have sufficient garden areas in their own yards). In addition, the introduction of the gardens will invite and encourage residents to maintain these new public spaces.
 For blighted properties acquired with other local funding that receive this federal HUD-NSP demolition assistance, a pro-rata portion of any resale revenue shall be treated as program income in accordance with HERA Section 2301.
 Land-banking not to exceed 10-years may be provided for foreclosed properties only.

Location Description:

Scattered site demolition of blighted property in the Dearborn HUD-NSP Target Area. Target area census tracts all qualify as Low-Moderate Income (80% AMI) benefit areas, except for CT 574300 (which is middle-income eligible). Additionally, CT 573800 and 574000 qualify as low income (50% AMI) benefit areas.

Activity Progress Narrative:

Utilities disconnected and demolition specifications out to bid on 3 vacant and blighted properties in our HUD-NSP target area. One (1) additional vacant property under review.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/16
# of housing units	0	0	0	0/0	0/0	0/16
# of Public Facilities	0	0	0	0/0	0/0	0/8
# of Households benefitting	0	0	0	0/1968	0/2573	0/6458

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: RHB-LI

Activity Title: RHB-LI

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

DBN-NSP

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Dearborn HUD-NSP

Projected End Date:

09/30/2010

Responsible Organization:

City of Dearborn - Economic & Community Development

Overall

	Jul 1 thru Sep 30, 2009	To Date
Total Projected Budget from All Sources	N/A	\$610,000.00
Total CDBG Program Funds Budgeted	N/A	\$610,000.00
Program Funds Drawdown	\$51,775.94	\$97,251.04
Obligated CDBG DR Funds	\$54,517.58	\$99,992.68
Expended CDBG DR Funds	\$52,008.27	\$97,483.37
Match Contributed	\$3,681.69	\$3,763.13
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Purchase and rehabilitation of housing primarily for resale or lease-purchase to low-income individuals or families, for use as their primary residence; or in limited circumstances, for: c) rental to low-income individuals or families for use as their primary residence.

Eligible homebuyers must complete an 8-hour homebuyer counseling program provided by a HUD-Approved counseling agency.

Eligible homebuyers of NSP-assisted properties may also be provided with "homebuyer financial assistance" in the form of subsidized mortgage principal amounts, reasonable closing costs and/or up to 50% of the required down payment.

Due to the strained housing credit market, the City of Dearborn may also consider land contract resales of assisted properties.

The land contracts will be offered with a balloon payment clause after an approximate three-year period (sufficient time for credit market to improve and low-income homebuyers to demonstrate proof of ability to afford a private-market mortgage).

The land contract payment will be based upon a thirty-year amortization schedule. The land contract interest rate will be the "Step Rate Loan" interest rate (interest rate increase after first three years) as established by the Michigan State Housing Development Authority (MSHDA) for its homeownership loan programs. [Rates in effect as of October 13, 2008: 6.25% for the first 36 months and 7.25% thereafter (6.367% APR).]

If rehabilitated property is disposed or transferred for the purpose of rental to low-income households, that disposition may be at a substantial discount or donation to the rental property owner/manager to ensure long-term affordability to the target group.

Properties acquired and rehabilitated may be temporarily land-banked.

Location Description:

Scattered sites in the Dearborn HUD-NSP Target Area.

Activity Progress Narrative:

2 properties acquired (acq) this period (4 cumulative); 1 acquisition in progress, 2 cancelled.

The 4 properties acquired to-date have been inspected (HQS, Local Code, Lead Hazards) and job specifications with cost estimates are in progress.

A homebuyer counseling workshop (presented by Mission of Peace, a national HUD-Approved homeownership counseling agency) is planned for October 13, 2009.

Homebuyer Assistance policies and guidelines are in rough draft form. Final draft expected by the end of October.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	2	0/0	0/0	4/6
# of housing units	0	0	0	0/0	0/0	0/6
# of Households benefitting	0	0	0	0/6	0/0	0/6

Activity Locations

Address	City	State	Zip
7050 Yinger (acq)	Dearborn	NA	48126
7754 Mead (acq)	Dearborn	NA	48126

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: RHB-LMMI

Activity Title: RHB-LMMI

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

DBN-NSP

Project Title:

Dearborn HUD-NSP

Projected Start Date:

01/01/2009

Projected End Date:

09/30/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Dearborn - Economic & Community Development

Overall

Jul 1 thru Sep 30, 2009

To Date

Total Projected Budget from All Sources	N/A	\$200,000.00
Total CDBG Program Funds Budgeted	N/A	\$200,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Purchase and rehabilitation of housing primarily for resale or lease-purchase to low, mod, or middle-income individuals or families, for use as their primary residence.

Eligible homebuyers must complete an 8-hour homebuyer counseling program provided by a HUD-Approved counseling agency.

Eligible homebuyers of NSP-assisted properties may also be provided with "homebuyer financial assistance" in the form of subsidized mortgage principal amounts, reasonable closing costs and/or up to 50% of the required down payment.

Due to the strained housing credit market, the City of Dearborn may also consider land contract resales of assisted properties.

The land contracts will be offered with a balloon payment clause after an approximate three-year period (sufficient time for credit market to improve and low-income homebuyers to demonstrate proof of ability to afford a private-market mortgage).

The land contract payment will be based upon a thirty-year amortization schedule. The land contract interest rate will be the

"Step Rate Loan" interest rate (interest rate increase after first three years) as established by the Michigan State Housing Development Authority (MSHDA) for its homeownership loan programs. [Rates in effect as of October 13, 2008: 6.25% for the first 36 months and 7.25% thereafter (6.367% APR).]

If rehabilitated property is disposed or transferred for the purpose of rental to low-income households, that disposition may be at a substantial discount or donation to the rental property owner/manager to ensure long-term affordability to the target group.

Properties acquired and rehabilitated may be temporarily land-banked.

Location Description:

Scattered sites in the Dearborn HUD-NSP target area.

Activity Progress Narrative:

No activity expected in this category (RHB-LMMI, middle-income) until our low-income (RHB-LI) expenditure threshold has been met or exceeded.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of housing units	0	0	0	0/0	0/0	0/2

# of Households benefitting	0	0	0	0/0	0/2	0/2
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Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources
