Grantee: Dearborn, MI

Grant: B-08-MN-26-0003

January 1, 2010 thru March 31, 2010 Performance Report

Grant Number: B-08-MN-26-0003

Grantee Name: Dearborn, MI

Grant Amount: \$2,436,246.00

Grant Status: Active

QPR Contact: Michelle DaRos

Disasters:

Declaration Number

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.

Obligation Date: 03/25/2009

Award Date:

Contract End Date:

Review by HUD: Reviewed and Approved 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	\$395,220.22	\$863,494.98
Obligated CDBG DR Funds	\$459,596.29	\$1,487,295.73
Expended CDBG DR Funds	\$395,220.22	\$863,494.98
Match Contributed	\$0.00	\$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%	73.484%
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	\$33,021.99
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

National Objective

NSP Only - LH - 25% Set-Aside

Target	Actual
\$609,061.50	\$610,000.00

Actual

Overall Progress Narrative:

371 foreclosed, target area residential properties reviewed or under review through 3/31/2010. 50 properties approved/in-progress including: 31 acquisition/clearance; 11 acquisition/rehabilitation; and 8 demolition only.

2 demolition only projects complete.

First-Time Homebuyer Home Sales Assistance Program approved by City Council in January 2010. Program announcement has prompted inquiries from more than 200 potential homebuyers.

Rehabilitation boiler plate contract language and procurement process template complete. Invitation to bid (ITB) process complete for 2 properties, 3rd property ITB in-progress.

\$2,168,983.40 (89% of total funding) has been set aside for specific projects; \$1,487,295.73 (61%) is obligated; and \$863,494.98 (35.4%) has been expended.

Project Summary

Project #, Project Title	This Report Period	To Dat	te
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
DBN-NSP, Dearborn HUD-NSP	\$395,220.22	\$2,436,246.00	\$863,494.98

Activities

Acq-Demo Acquisition & Demolition

Activitiy Category:	Activity Status:
Clearance and Demolition	Under Way
Project Number:	Project Title:
DBN-NSP	Dearborn HUD-NSP
Projected Start Date:	Projected End Date:
01/01/2009	09/30/2010
National Objective:	Responsible Organization:
NSP Only - LMMI	City of Dearborn - Economic & Community Development
	ony of Dearborn - Leonomic & Community Development

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,099,420.17
Total CDBG Program Funds Budgeted	N/A	\$1,099,420.17
Program Funds Drawdown	\$210,367.67	\$502,217.71
Obligated CDBG DR Funds	\$171,764.09	\$654,860.86
Expended CDBG DR Funds	\$213,080.72	\$504,930.76
City of Dearborn - Economic & Community Development	\$213,080.72	\$504,930.76
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 owner(s) to increase substandard lot widths, or sold to any buyer for future development.

If the adjacent property owner-occupants are 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&rsquos 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, landscaped buffer zone, or expansion of a neighborhood facility).

The \$35,000 redevelopment budget presented below could finance the creation of approximately 5 community gardens at an average cost of \$7,000 each. 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.

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 continued affordability provisions.

Cleared properties may be land-banked for a period not to exceed 10-years.

Property acquisitions are subject to the purchase discount policy.

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:

9 properties acquired this quarter. 7 additional acquisitions in-progress.

24 properties have been acquired through 3/31/10: 14 utility disconnects in-progress; 7 out for demolition bidding/award; and, 3 in final stages of demolition.

As of 3/31/10, Acq-Demo expenses are \$2713.05 HIGHER than total Acq-Demo funds drawn down. This difference is intentional in order to balance draws and expenses in total for the grant as a whole. Program expenses originally drawn down as Administration were reallocated to projects/activities at the recommendation/direction of our HUD Rep. Admin expenses are currently \$2713.05 LOWER than total admin funds drawn down. Over time, as additional administrative funds are expended, both accounts will adjust to a \$0 difference.

\$935,276 has been set-aside for specific properties; \$654,860.86 is obligated; and \$504,930.76 has been expended. Approximately \$200,000 of the unencumbered funding may be reallocated to the Acquisition for Rehabilitation activity.

Performance Measures

	Th	This Report Period		Cumulative	Cumulative Actual Total / Ex	
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	9	0/0	0/0	24/24
# of housing units	0	0	0	0/0	0/0	0/24
# of Public Facilities	0	0	0	0/0	0/0	0/5
# 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

No Other Funding Sources Found Total Other Funding Sources

Grantee Activity Number:	ADM	
Activity Title:	ADM	
Activitiy Category:	Activity S	Status:
Administration	Under Wa	У
Project Number:	Project 1	litle:
DBN-NSP	Dearborn	HUD-NSP
Projected Start Date:	Projecte	d End Date:
01/01/2009	09/30/201	0
National Objective:	Respons	sible Organization:
N/A	City of Dea	arborn - Economic & Community Development

Overall	Jan 1 thru Mar 31, 2010	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	\$8,886.60	\$35,735.04
Obligated CDBG DR Funds	\$0.00	\$243,246.00
Expended CDBG DR Funds	\$6,173.55	\$33,021.99
City of Dearborn - Economic & Community Development	\$6,173.55	\$33,021.99
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:

As of 3/31/10 Admin expenses are \$2713.05 LOWER than total admin funds drawn down. Program expenses originally drawn down as administration were reallocated to projects/activities at the recommendation/direction of our HUD Rep. To balance draws and expenses for the grant in total, Acq-Demo expenses are \$2713.05 HIGHER than total acq-demo funds drawn down. Over time, as additional administrative funds are expended, this will adjust to a \$0 difference in both accounts. Administrative tasks for the coming quarter will include final draft and review of legal documents (mortgage, note, etc) for use in the First-Time Homebuyer Home Sales Assistance Program.

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Grantee Activity Number:DEMOActivity Title:Demolition of Blighted Properties

Activitiy Category:	Activity Status:
Clearance and Demolition	Under Way
Project Number:	Project Title:
DBN-NSP	Dearborn HUD-NSP
Projected Start Date:	Projected End Date:
05/01/2009	09/30/2010
National Objective:	Responsible Organization:
NSP Only - LMMI	City of Dearborn - Economic & Community Development

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$83,579.83
Total CDBG Program Funds Budgeted	N/A	\$83,579.83
Program Funds Drawdown	\$22,313.86	\$37,184.86
Obligated CDBG DR Funds	\$35,313.86	\$70,484.86
Expended CDBG DR Funds	\$22,313.86	\$37,184.86
City of Dearborn - Economic & Community Development	\$22,313.86	\$37,184.86
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 may be redeveloped for CDBG-eligible public uses (such as a tot park, community garden, or expansion of a neighborhood facility). The redevelopment budget presented below could finance the creation of 1 community garden, at an approximate cost of \$7,000 each. 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. Land-banking not to exceed 10-years may be provided for foreclosed properties only.

For blighted properties acquired with 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.

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:

8 properties identified/approved for demo only assistance, with current status as follows: 1 utility disconnect in progress; 4 demo bid awards in progress; 1 demolition nearing completion; 2 demolitions complete.

1 property demolished this quarter (2 cumulative).

\$88,461.40 set-aside for identified properties; \$70,484.86 obligated; \$37,184.86 expended.

LMMI Area Benefit Statistics: all households located in the same census tract/block group (neighborhood) as the demolished blighted structures are presumed to benefit from the demolition activity. The demolition completed this period is located in

Census Tract 5740 Block Group 1 which includes: 99 low-income, 111 moderate-income, 29 middle-income, and 61 other-income households.

Cumulative LMMI Area Benefit Statistics: 964 LMMI Households (86.4%) out of 1,116 total households benefitted. It has been observed that voluntary demolition without property ownership or control is not as likely as anticipated. Therefore, approximately \$90,000 may be reallocated to other approved NSP activity types.

Performance Measures

	Thi	This Report Period		Cumulativ	/ Expected	
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	2/8
# of housing units	0	0	1	0/0	0/0	2/8
# of Public Facilities	0	0	0	0/0	0/0	0/1
# of Households benefitting	99	111	300	723/1968	125/2573	1116/6458

Activity Locations

Address	City	State	Zip
5275 Hartwell (dem)	Dearborn	NA	48126

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

No Other Funding Sources Found Total Other Funding Sources

Grantee Activity Number:	RHB-LI	
Activity Title:	RHB-LI	
Activitive Cotogory		A attivity Status
Activitiy Category:		Activity Status:
Rehabilitation/reconstruction of residential struc	tures	Under Way
Project Number:		Project Title:
DBN-NSP		Dearborn HUD-NSP
Projected Start Date:		Projected End Date:
01/01/2009		09/30/2010
National Objective:		Responsible Organization:
NSP Only - LH - 25% Set-Aside		City of Dearborn - Economic & Community Development

Overall	Jan 1 thru Mar 31, 2010	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	\$40,990.75	\$175,696.03
Obligated CDBG DR Funds	\$92,107.00	\$358,292.67
Expended CDBG DR Funds	\$40,990.75	\$175,696.03
City of Dearborn - Economic & Community Development	\$40,990.75	\$175,696.03
Match Contributed	\$0.00	\$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: a) resale to low-income individuals or families; or b) resale or leasepurchase 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 &ldquohomebuyer financial assistance&rdquo 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 &ldquoStep Rate Loan&rdquo 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).]

The City of Dearborn is seeking input from area service providers to identify special needs groups within the low-income target population for this activity. If so identified, the acquisition, rehabilitation, and disposition of properties may be tailored to the needs of that special needs group(s).

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.

The term of assistance and continued affordability requirements shall be as described in definition #3.

Property acquisitions are subject to the purchase discount policy.

Location Description:

Scattered sites in the Dearborn HUD-NSP Target Area.

Activity Progress Narrative:

1 foreclosed property acquired this quarter (7 cumulative). Current status of acquired properties: 1 out for inspections (code,

HQS, lead-based paint); 3 job specifications and cost estimating in-progress; and, 3 rehabilitation bidding/construction contract award.

Rehabilitation boiler plate contract language and procurement process template complete. Invitation to bid (ITB) process complete for 2 properties, 3rd property ITB in-progress.

First-Time Homebuyer Home Sales Assistance Program approved by City Council in January 2010. Program announcement has prompted inquiries from more than 200 potential homebuyers.

\$568,000 set-aside for specific properties; \$358,292.67 obligated; \$175,696.03 expended.

Set-asides do not include funds for financial assistance (affordability discount, down payment, closing costs) at the time of resale. Financial assistance is anticipated to be \$5,000-\$15,000 per property.

Performance Measures

	Th	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total	
# of Properties	0	0	1	0/0	0/0	7/6	
# 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

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

No Other Funding Sources Found Total Other Funding Sources

Grantee Activity Number: RHB-LMMI

Activity Title:

RHB-LMMI

Activitiy Category:	Activity Status:
Rehabilitation/reconstruction of residential structures	Under Way
Project Number:	Project Title:
DBN-NSP	Dearborn HUD-NSP
Projected Start Date:	Projected End Date:
01/01/2009	09/30/2010
National Objective:	Responsible Organization:
NSP Only - LMMI	City of Dearborn - Economic & Community Development

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$400,000.00
Total CDBG Program Funds Budgeted	N/A	\$400,000.00
Program Funds Drawdown	\$112,661.34	\$112,661.34
Obligated CDBG DR Funds	\$160,411.34	\$160,411.34
Expended CDBG DR Funds	\$112,661.34	\$112,661.34
City of Dearborn - Economic & Community Development	\$112,661.34	\$112,661.34
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: a) resale to LMMI individuals or families; or b) 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 &ldquohomebuyer financial assistance&rdquo 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 &ldquoStep Rate Loan&rdquo 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).]

The City of Dearborn is seeking input from area service providers to identify special needs groups within the low-income target population for this activity. If so identified, the acquisition, rehabilitation, and disposition of properties may be tailored to the needs of that special needs group(s).

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.

The term of assistance and continued affordability requirements shall be as described in definition #3.

Property acquisitions are subject to the purchase discount policy.

Location Description:

Scattered sites in the Dearborn HUD-NSP target area.

Activity Progress Narrative:

3 properties acquired this quarter (3 cumulative), 1 acquisition pending. Current status of acquired properties: 1 out for inspection (code, HQS, lead-based paint), 2 job specifications and cost estimating in progress.

First-Time Homebuyer Home Sales Assistance Program approved by City Council in January 2010. Program announcement has prompted inquiries from more than 200 potential homebuyers.

\$334,000 set-aside for specific properties; \$160,411.34 obligated; \$112,661.34 expended. [Set asides exceed current budget allocation for this activity. As described in other activity narratives, funding will be reallocated from other activities to support the budget needs in this area.]

Set-asides do not include funds for financial assistance (affordability discount, down payment, closing costs) at the time of resale. Financial assistance is anticipated to be \$5,000-\$15,000 per property.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	3	0/0	0/0	3/2
# of housing units	0	0	0	0/0	0/0	0/2
# of Households benefitting	0	0	0	0/0	0/2	0/2

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

No Other Funding Sources Found Total Other Funding Sources