Grantee: Dearborn, MI

Grant: B-08-MN-26-0003

October 1, 2018 thru December 31, 2018 Performance

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

Obligation Date:
03/20/2009

Award Date:

Grantee Name:
Dearborn, MI

Contract End Date:

Review by HUD:
Reviewed and Approved

Grant Award Amount:
$2,436,246.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$2,436,246.00

Estimated PI/RL Funds:
$725,000.00

Total Budget:
$3,161,246.00

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

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%.
Revision No. 3 (11/20/09): Target area expanded to include all of Fordson-East (census tracts 573600, 573700, 573800), all of Fordson-West (573300, 573400, 573900, 574000, 574100) and two census block groups (574300, BG 1 and 2) in the Fairlane Master Plan Communities. The expanded target area is experiencing moderate to high concentrations of foreclosure or abandonment risk, predicted foreclosure rates, and HMDA high cost loan rates.
Revision No. 4 (6/24/10): No change.
Revision No. 5 (10/31/13): No change.

Distribution and and Uses of Funds:

Dearborn NSP Revision No. 4 (June 24, 2010). Summary of Changes: Areas of Greatest Need- No Change. Target Area- No Change. Definition of Blight-No Change. Affordable Rents – No Change. Continued Affordability- Mortage lenders include all homebuyer assistance in calculations of loan-to-value (LTV). Including development subsidies in the LTV calculation will disqualify most homebuyers. Development subsidies have now been excluded from the calculation of homebuyer assistance. Rehabilitation Standards- Allow energy efficient washers and dryers as an optional rehabilitation exense. Appliances must remain in home upon subsequent resale to qualified LMMI homebuyer. Low-Income targeting- No Change. Acquisitions and Relocation- No Change. Land Banking- No Change. Side-Yard Disposition Program – No Change. Homebuyer Selection- No Change. Acquisition & Rehab- Budget adjustment. Administration-No Change. Dearborn NSP1 Revision No. 5 (October 31, 2013). Summary of Changes: Areas of Greatest Need-No Change. Target Arrea-No Change. Defiition of Blight-Revised to be Consistent with NSP3. Affordable Rents- Revised to be Consistent with NSP3. Continued Affordability- Revised to be Consistent with NSP3. Rehabilitation Standards- Revised to be Consistent with NSP3. Low-Income Targeting-No Change. Acquisitions and Relocation-No change. Land Banking – No change. Side-Yard Disposition Program- No change. Homebuyer Selection- No change. Acquisition & Rehab-Add Eligible Use E (redevelopment). Acquisition & Clearance- No change. Demolition of Blighted Structures- No change. Administration- No change. NSP3 Project Support- NEW Activity, allows use of NSP1 program income to support ongoing NSP3 projects and activities.

Public Comment:

non-profit service providers, contractors, or subrecipients is possible and contemplated during the life of this plan. These engagements, if any, shall not be subject to public comment requirements.
The addition of activities not already described in this plan or changes to the Dearborn HUD-NSP target area defined in Section B shall be treated as a substantial amendment to this NSP plan as shall be the subject of a 15-day public comment period.
Any plan amendment, with or without a required public comment period as described above, shall be subject to any applicable localandfederal requirements, reviews and approvals.

Definitions and Descriptions:

The City of Dearborn is developing a side lot disposition program and policy to govern the resale of cleared city-owned residential properties throughout the city (not limited to our designated HUD-NSP target area). The program is expected to establish a nominal fee or deeply discounted sale price for eligible properties. The nominal fee or reduced sale price reflects the city's desire to promote neighborhood stability and homeownership, return properties to the tax rolls, decrease property maintenance expenses, and reflects current economic conditions on land valuation ("current market value" for side yards).
Once adopted the Administration and City Council, the policies of the city's side lot disposition program will be incorporated into this HUD-Neighborhood Stabilization Program Substantial Amendment, with the intention that side lot re-sales of properties that were acquired with HUD-NSP funding will provide an equivalent or greater benefit to the target neighborhoods and adjacent property owners, while adhering to federal regulations and guidelines.
Adoption of the city's side yard disposition program is unlikely to result in the need for a further revision of this NSP Amendment, unless it results in a change to the continuing affordability standards for the resale or transfer of cleared property.
Definition #7. Eligible Homebuyer. Household Selection Process.
The City of Dearborn and/or its subrecipients and developers shall establish written policies for the identification and selection of households to be directly assisted.
At a minimum, written selection policies shall identify:

- The method of income eligibility determination (Section 8, Census Long Form, or IRs 1040 method):
- Waiting list or prioritization procedures – firs come, first served; bid process: preference point system; random process; etc.; and,
- Outreach methods.

If a selection policy establishes a preference for a class of households with a financial relationship to the City, the subrecipient, or the developer (income qualified city employees, for example), that preference shall be subject to the review of the City of Dearborn's Board of Ethics.
Prioritization and outreach procedures shall be established and administered in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and implementing regulations.
Subrecipients and developers may adopt selection policies established by the City of Dearborn for projects/activities of a similar nature or may adopt unique policies and procedures, subject to the review and approval of the City of Dearborn.

Low Income Targeting:

No less than $610,000 of the "Acquisition & Rehabilitation" activity shall be used to provide housing for individuals or families whose income does not exceed 50% of area median income.
This targeted assistance may be provided as rental housing, lease-to-purchase, or homebuyer assistance. If the targeted assistance is offered to low-income homebuyers, closing cost and down payment assistance may also be included in the assistance package.
The City of Dearborn will engage its Public Housing Authority (PHA), members of the Out-Wayne County Homeless Services Coalition (the continuum of care agency for our area), and other local housing and social service providers to identify special needs populations that may be underserved by current availability of affordable housing.
These same agencies may also be engaged to provide rental housing management and resident support services, if the need and opportunity arises.

Acquisition and Relocation:

The City of Dearborn has a long and successful history of removing eyesore properties and reusing the cleared land as described above. It is therefore our intention to invest a portion of this HUD-NSP funding for the acquisition and clearance of "blighted" properties.
Revision 1: Since the original submission of our HUD-NSP amendment in November 2008, the City of Dearborn has been researching and tracking foreclosure activity in its designated target area. Target area foreclosed properties that are in reasonably sound condition are attracting private market homebuyers without program assistance. On the other hand, target area foreclosed properties that are in poor/blighted condition, are not attracting buyers and remain vacant, unattended, and are an attractive nuisance for vandals. This revision therefore redirects additional HUD-NSP resources for the clearance of "blighted" properties.
Based on conservative cost estimates, the City of Dearborn will use its HUD-NSP funding to acquire 45 abandoned or foreclosed housing units. Thirty-five of those units may be cleared (as described above) and the remaining ten units will be rehabilitated for sale, lease-to purchase, or rental to LMMI individuals and families. Eight blighted residential properties will receive financial assistance for demolition.
The housing unit estimates presented above are based upon the original allocation of HUD-NSP funding and the assumption that acquisition and clearance will cost approximately $50,000 per property, demolition activities will average $11, 500 per property and the acquisition and rehabilitation will cost approximately $100,000 per property. These housing unit estimates are expected to increase as the net proceeds from property re-sales are reinvested into similar activities.
It is estimated that blighted properties acquired for the purpose of demolition will be cleared within six months of purchase. Cleared properties may be land banked, for a period not to exceed 10 years, until a final disposition has been determined. Refer to Section C(5) for more information.
It is estimated that properties acquired for the purpose of rehabilitation will be available for resale or transfer (to owner-occupant, rental housing manager, etc.) twelve to fifteen months after purchase, depending upon the complexity of the rehabilitation project.
The acquisition of a foreclosed upon home or residential property under this HUD-NSP plan shall be at a discount from the current-market appraised value of the property. Dearborn's NSP will negotiate the maximum reasonable purchase discount, taking into consideration the likely "carrying cost" savings to the seller and the current condition of the property. The minimum purchase discount for any NSP-assisted acquisition shall be 1%.
The City of Dearborn will use the NSP funds for the purchase of vacant foreclosed/abandoned properties.

Public Comment:

The City of Dearborn included the HUD Neighborhood Stabilization Program (HUD-NSP) as a topic at its annual Housing & Community Development Needs and Priorities public hearing on October 22, 2008. A notice announcing the public hearing was published in the October 8, 2008 edition of the Dearborn Press & Guide and was also mailed to members of our Citizen Participation Plan (CPP) mailing list.
Covenant House of Southeast Michigan, a non-profit provider of shelter and services for displaced youth, commented that there is a need for transitional and permanent housing for displaced youth after they leave the shelter. They also commented that this population is likely to require substantial supportive and financial services to be successful homeowners or tenants. The commenter did not believe that Covenant House has the current capacity or resources to fill these needs.
The Office of the Mayor and Economic and Community Development Department request for City Council authorization to prepare and submit this amendment provided three additional opportunities for public input: 1) Mayor's Briefing Session, October 28, 2008; 2) Council Committee of the Whole, October 29, 2008; and, 3) regular Council Meeting, November 3, 2008.
Council members commented that there is a disproportionately high volume of rental housing in the proposed target areas due to recent conversions of formerly owner-occupied single-family structures. Therefore, it is essential that rehabilitated properties be made available primarily, if not solely, to homebuyers. This comment was incorporated into the proposed substantial amendment: the disposition of rehabilitated properties to LMMI households (120% AMI) will be resales to homebuyers; the disposition of rehabilitated properties to low-income households (50% AMI) to meet the 25% income targeting requirement of the HUD-NSP funding will be primarily resales to homebuyers or lease-purchase transactions, rental transactions (if any) will be limited and will require careful selection and monitoring of responsible landlords.
Council members commented that there may be public needs that could be accomplished by retaining cleared properties (tot parks, community gardens, expansion of neighborhood facilities). This comment was incorporated into the proposed substantial amendment by allowing blighted, LMMI eligible properties that have been cleared, to be retained for public purposes. The proposed substantial amendment does not currently contemplate the use of HUD-NSP resources to develop or construct those public uses. Any reallocation of HUD-NSP resources for public or neighborhood facility development will be treated as a substantial amendment to this plan.
The Administration commented that cleared properties, or portions thereof, could be sold or donated to neighboring parcels with the stipulation that the property be used to substantially increase that property's compliance with zoning, building, or fire safety codes. If the cleared property is located in an LMMI-eligible area, the clearance activity itself meets the objective of the HUD-NSP. Disposition of that property must either be a market rate transaction, or must also meet an objective of the HUD-NSP. HUD will be consulted to determine whether less than market rate disposition to a neighboring property, o

Public Comment:

tives. If so, these less than market rate dispositions will be allowed and offered when appropriate.
The Administration also commented that there is an opportunity for collaboration with the Michigan Works! JET Program (Jobs, Education & Training), particularly for the HUD-NSP funding that is targeted to low-income (50% AMI) households. JET is a fundamental change in the way families move off welfare and become self-sufficient. Under the JET approach, local workforce boards, Michigan Works! Agencies, the Michigan Rehabilitation Services, and the Michigan department of Labor and Economic Growth and Human Services county offices work together to remove barriers to work and connect Michigan families with the kinds of jobs, education and training that lead to long-term self-sufficiency. Collaboration with JET will provide a linkage to and partnership with our local colleges as well. JET collaboration will be explored, and is likely to result in a significant, beneficial partnership in the implementation phase of this HUD-NSP plan.
The draft HUD-NSP Substantial Amendment was published for a 15-day comment period beginning November 5, 2008 and ending November 19, 2008. Publication included a notice in the November 5, 2008 edition of the Dearborn Press & Guide, a mailing to members of the CPP mail list, and availability of the draft document at all Dearborn Public Library branches, the Office of the Mayor, the Economic and Community Development Department and online at www.cityofdearborn.org/nsp/hud-nsp.shtml.
No additional comments received.
Prior to submitting this Substantial Amendment, the City of Dearborn also sought or received clarification from the U. S. Department of Housing and Urban Development on several issues. Clarifications that resulted in a change to our Proposed Substantial Amendment are summarized here:
Certain equipment and fixtures that are not permanently affixed to the property and that are not required to meet minimum housing quality standards (such as washers, dryers, or window coverings) are generally not considered to be eligible rehabilitation measures (energy-efficiency measures may be an exception). Since such items are portable and will not necessarily remain available to future homeowners during the affordability period, it should be stipulated that any such items provided are attributed to the buyer's equity or private financing and not to the program or development subsidy. The City of Dearborn's HUD-NSP Rehabilitation Standards have been revised to incorporate the guidance above.
At the same time, based upon further staff research and comment, the related rehabilitation standard requiring a Home Energy Rating Standards (HERS) audit to guide optional energy efficiency upgrades, was replaced with reliance on information readily available on EnergyStar.gov and the State of Michigan Weatherization Program priorities list. City of Dearborn rehabilitation personnel are already familiar with and capable of implementing these energy standards.
Revision No. 1 was published for a 15-day comment period beginning April 15, 2009 and ending April 29, 2009. Publication included a notice in the April 15, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtmlp&;p&mgAreurebyteCtyoDabr&ma;qu;CtzePriiatoPa,

Public Comment:

notices were also mailed to members of our mailing list who may be affected by this revision.
No comments received.
Revision No. 2 was published for a 15-day comment period beginning August 19, 2009 and ending September 2, 2009. Publication included a notice in the August 19, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml.
As required by the City of Dearborn's Citizen Participation Plan, notices are also mailed to members of our mailing list who may

be affected by the revision.
No comments received.

Revision No. 3 was published for a 15-day comment period beginning November 4, 2009 and ending November 18, 2009. Publication included a notice in the Wednesday, November 4, 2009 edition of the Dearborn Press & Guide and online availability at www.cityofdearborn.org/nsp/hud-nsp.shtml.
As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.
No comments received.
Revision No. 4 was published for a 15-day comment period beginning June 9, 2010 and ending June 23, 2010. Publication included a notice in the Wednesday, June 9, 2010 edition of the Dearborn Press & Guide.
As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.
No comments received.
Revision No. 5 was published for a 15-day comment period beginning October 16, 2013 and ending October 30, 2013. Publication included a notice in the Wednesday, October 16, 2013 edition of the Dearborn Press & Guide.
As required by the City of Dearborn's Citizen Participation Plan, notices are also forwarded to members of our mailing list who may be affected by the revision.
A comment was received from a city administrator suggesting that the new "NSP3 Project Support" activity should also include Eligible Use C (Land Banking) to more closely parallel other similar NSP1 activities. Eligible Use C has been added.
No other comments received.
Future amendments and opportunities for public comment.
Dearborn's Neighborhood Stabilization Program, as described in this document anticipates the generation of program income (net proceeds from resales). Programming and reuse of that program income for any of the activities already described in this document are contemplated by this program and therefore shall not be considered to be an amendment to this plan and shall not be subject to further public comment requirements.
Due to the emergency nature of this funding and the desire to implement and complete projects and activities as rapidly as possible, the reallocation of program funding between activities, or cost categories within activities already described in this document is also contemplated by this plan. Therefore, such reallocations shall not be considered to be an amendment to this plan and shall not be subject to further public comment requirements.
The Office of the Mayor and the Economic and Community Development Department are identified as the responsible parties in each of the activities described inthisplan. Thesubsequentengagementofothercitydepartments,

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	$2,936,246.00
Total Budget	$0.00	$2,936,246.00
Total Obligated	$0.00	$2,916,246.00
Total Funds Drawdown	$0.00	$2,733,932.34
Program Funds Drawdown	$0.00	$2,383,298.94
Program Income Drawdown	$0.00	$350,633.40
Program Income Received	$5,130.00	$668,828.16
Total Funds Expended	$0.00	$2,733,932.34
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$28,013.13

Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	$0.00	$28,013.13
Limit on Public Services	$365,436.90	$0.00
Limit on Admin/Planning	$243,624.60	$128,062.50
Limit on Admin	$0.00	$128,062.50
Most Impacted and Distressed Threshold (Projected)	$0.00	$0.00
Progress towards LH25 Requirement	$790,311.50	$789,765.67

Overall Progress Narrative:

NSP1 Overall Progress Narrative:

443 foreclosed, target area residential properties were reviewed.

62 properties approved/in-progress including: 41 acquisition and clearance; 9 acquisition and rehabilitation; and 12 demolition only. 53 blighted properties have been demolished.

41 acquisition and clearance properties, 15 of those cleared properties have been sold to adjacent property owners as) side yard-lot-splits; 12 of the properties have been sold to adjacent property owners as side yard-lot-combinations; and 4 of the properties have been sold for redevelopment to build homes; 2 properties have been sold to investor-owners; Total of 33 properties sold; 8 properties remaining for sale.

9 properties completely renovated for resale. 9 properties have been sold to qualified first-time homebuyers (sevenlow-income,twomoderate-middle income). No homes remaining for sale.

Prior period changes to First-Time Homebuyer (FTHB) Program guidelines and marketing methods (a homebuyer counseling transaction fee to inspire referrals and alternate provisions for cash purchase transactions) did not generate additional interest as hoped.

Licensed real estate agents were solicited to participate in the FTHB program as buyer agents. FTHB Program guidelines revised in March 2013 to provide a Real Estate Buyers Agent Transaction Fee, in an effort to further encourage and compensate the participation of local realtors. This outreach resulted in 3 successful resale transactions.

$2,733,932.34 has been set aside for specific projects (91.8% of NSP1 grant funding); $2,733,932.34 is obligated; and $2,733,932.34 has been expended.

Additional project support will come from anticipated program income, which is currently budgeted in the amount of $725,000.00. There is $668,828.16 of program income and $115,337.43 deferred revenue (homebuyer assistance loans) has been realized to-date.

ACQ-DEMO Progress Narrative:

Acquisition of foreclosed and blighted properties completed in prior reporting periods. 2 properties were transferred to this activity after dtermination that the properties were not feasible to renovate. Program to date: 41 residential properties.

41 properties demolished (0 this quarter).

Demolished properties are land banked and will be reported as complete upon future redevelopment or resale.

Current status of identified properties: 41 utility disconnections, asbestos surveys and demolitions are complete; 15 properties sold for side yard-lot splits; 12 properties sold for side yard-lot combinations; 4 sold to investor-owner; 2 sold for redevelopment to build homes; 0 side yard resale transactions in progress; and 8 properties available for resale.

27 properties sold as side yard-lot splits or side yard-lot combined; 4 sold to investor-owner; and 2 sold for redevelopment to build-upon under CDBG change of use regulations (570.505b).

LMMI Area Benefit Statistics: all households located in the same census tract/block group (neighborhood) as a cleared property are presumed to benefit from this activity. Cumulative LMMI benefit for the 33 cleared/resold properties: 4,658 LMMI households (86.9%) out of 5,363 total households benefitted.

Projected total budget needs for the 41 identified properties total $1,400,000.00.

Additional properties may be identified in the future, as anticipated program income is realized.

ACQ-REHAB (LI) Progress Narrative:

7 properties have been acquired for this activity.

Renovation of 7 properties complete in prior reporting periods: These properties have been inspected for re-occupancy, appraised, and made available for resale.

35 potential homebuyers have fulfilled all of the requirements (income determination, homebuyer counseling, mortgage pre-approval) for the First-Time Homebuyer Home Sales Assistance Program. 26 of these applicants meet program low-income targeting requirements.

Prior period changes to First-Time Homebuyer (FTHB) Program guidelines and marketing methods (a homebuyer counseling transaction fee to inspire referrals and alternate provisions for cash purchase transactions) did not generate additional interest as hoped.

Licensed real estate agents were solicited to participate in the FTHB program as buyer agents. FTHB Program guidelines revised in March 2013 to provide a Real Estate Buyers Agent Transaction Fee, in an effort to further encourage and compensate the participation of local realtors. This outreach resulted in 4 successful resale transactions.

7 resale transactions to eligible low-income homebuyer are complete. 0 home sold this quarter. No home remaining for resale.

Projected total budget NSP1 needs for the 7 identified properties total $800,000.00 (106.3%) of the required low-income set aside of ($734,062.00). $789,765.67 is obligated and $789,765.67 is expended.

Prject budget needs do not include the funds for financial assistance (affordability discount, down payment, and closing costs) that will be provided at the time of resale. Financial assistance is anticipated to be $5,000-$25,000 per property.

The 7 properties resold have generated $300,591.40 in program income along with deferred mortgage (long term notes) receivables in the total amount of $87,150.90.

Note: renovated properties may be transferred to or from the LMMI-Homebuyer (RHB-LMMI) category when qualified buyers select a property, while ensuring that program low-income targeting requirements will be met.

ACQ-REHAB (LMMI) Progress Narrative:

4 property acquisitions were completed in prior report periods. 2 of those properties (Tireman and

Kendal), originally acquired for purpose of renovation and resale to qualified homebuyers were determined to be infeasible and were transferred to the ACQ-DEMO activity. Costs incurred prior to the determination (acquisition, inspection, and rehabilitation costs) remain in this activity category.

The 2 remaining properties have been completely renovated. 2 properties have been inspected for re-occupancy, appraised, and sold to qualified LMMI first-time homebuyers.

NSP1 budget needs total $405,000.00; $327,498.11 is obligated and $327,498.11 is expended.

Project budget needs do not include the funds for financial assistance (affordability discount, down payment, and closing costs) that will be provided at the time of resale. Financial assistance is anticipated to be $5,000-$25,000 per property.

35 potential homebuyers (26 low-income, 6 moderate-income, and 3 middle-income) have fulfilled all of the requirements (income determination, homebuyer counseling, mortgage pre-approval) for the First-Time Homebuyer Home Sales Assistance Program.

Prior period changes to First-Time Homebuyer (FTHB) Program guidelines and marketing methods (a homebuyer counseling transaction fee to inspire referrals and alternate provisions for cash purchase transactions) did not generate additional interest as hoped.

Licensed real estate agents were solicited to participate in the FTHB program as buyer agents. FTHB Program guidelines revised in March 2013 to provide a Real Estate Buyers Agent Transaction Fee, in an effort to further encourage and compensate the participation of local realtors. This outreach resulted in 4 successful resale transactions.

2 resale transactions to eligible LMMI-income homebuyers are complete. 0 home remaining for resale.

The 2 properties resold have generated $110,373.35 in program income along with deferred mortgage (long term notes) receivables in the total amount of $28,186.53.

Additional properties may be identified in the future, subject to the availability of funding from program income.

Note: renovated properties may be transferred to or from the LI-Homebuyer (RHB-LI) category when qualified buyers select a property, while ensuring that program low-income targeting requirements will be met.

DEMO ONLY Progress Narrative:

Activity re-opened in January 2017.

A total of 12 demolitions completed for this activity.

ADMINISTRATION Progress Narrative:

General program planning and administration.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
DBN-NSP, Dearborn HUD-NSP	$0.00	$2,936,246.00	$2,383,298.94

Activities

Project # / Title: DBN-NSP / Dearborn HUD-NSP

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

Activitiy 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:
09/30/2013

Benefit Type:
Area ( )

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Dearborn - Economic & Community

Program Income Account:
NSP1 Program Income

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$1,400,000.00
Total Budget	$0.00	$1,400,000.00
Total Obligated	$0.00	$1,400,000.00
Total Funds Drawdown	$0.00	$1,349,839.24
Program Funds Drawdown	$0.00	$1,226,705.00
Program Income Drawdown	$0.00	$123,134.24
Program Income Received	$5,130.00	$232,994.94
Total Funds Expended	$0.00	$1,349,839.24
City of Dearborn - Economic & Community	$0.00	$1,349,839.24
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$24,250.00

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'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, 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:

ACQ-DEMO Progress Narrative:

Acquisition of foreclosed and blighted properties completed in prior reporting periods. 2 properties were transferred to this activity after determination that the properties were not feasible to renovate. Program to date: 41 residential properties.

41 properties demolished (0 this quarter).

Demolished properties are land banked and will be reported as complete upon future redevelopment or resale.

Current status of identified properties: 41 utility disconnections, asbestos surveysand demolitions are complete; 15 properties sold for side yard-lot splits; 12 properties sold for side yard-lot combinations; 4 sold to investor-owner; 2 sold for redevelopment to build homes; 0 side yard resale transactions in progress; and 8 properties available for resale.

27 properties sold as side yard-lot splits or side yard-lot combined; 4 sold to investor-owner; and 2 sold for redevelopment to build-upon under CDBG change of use regulations (570.505b).

LMMI Area Benefit Statistics: all households located in the same census tract/block group (neighborhood) as a cleared property are presumed to benefit from this activity. Cumulative LMMI benefit for the 32cleared/resold properties: 4,658 LMMI households (86.9%) out of 5,363 total households benefitted.

Projected total budget needs for the 41 identified properties total $1,400,000.00.

Additional properties may be identified in the future, as anticipated program income is realized.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	91/24
# public facilities	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/0

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	0/0	0/0	0

LMI%:	65.92

Activity Locations

Address	City	County	State	Zip	Status / Accept
4805 Williamson	Dearborn		Michigan	48126	Match / N
5067 Middlesex	Dearborn		Michigan	48126	Match / N
6120 Yinger	Dearborn		Michigan	48126	Match / N
7538 Neckel	Dearborn		Michigan	48126	Match / N

Address Support Information

Address: 4805 Williamson, Dearborn, Michigan 48126

Property Status:

Completed

Affordability Start Date:

Affordability End Date:

Description of Affordability Strategy:

Demolition with Acquisition - Eligible use D (EU D) 24 CFR 570.201(d). Dearborn¿s Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Concentrated neighborhood demolition strategy. No other NSP regulations or affordability periods apply.

Activity Type for End Use:

Clearance and Demolition

Projected Disposition Date:

08/16/2010

Actual Disposition Date:

08/16/2010

National Objective for End Use:

N/A

Date National Objective is met:

11/09/2016

Deadline Date:

11/09/2016

Description of End Use:

Vacant lot sold to investor-owner to build single family home. Part of the Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Demolition is limited to vacant/substandard structures. Therefore, demolition of low/moderate income units is not contemplated.

Address: 5067 Middlesex, Dearborn, Michigan 48126

Property Status:	Affordability Start Date:	Affordability End Date:
Completed		

Description of Affordability Strategy:

Demolition with Acquisition - Eligible use D (EU D) 24 CFR 570.201(d). Dearborn¿s Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Concentrated neighborhood demolition strategy. No other NSP regulations or affordability periods apply.

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Clearance and Demolition	12/09/2010	12/09/2010
National Objective for End Use:	**Date National Objective is met:**	**Deadline Date:**
N/A	04/22/2014	04/22/2014

Description of End Use:

Vacant lot sold to investor-owner to build single family home. Part of the Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Demolition is limited to vacant/substandard structures. Therefore, demolition of low/moderate income units is not contemplated.

Address: 6120 Yinger, Dearborn, Michigan 48126

Property Status:	Affordability Start Date:	Affordability End Date:
Completed		

Description of Affordability Strategy:

Demolition with Acquisition - Eligible use D (EU D) 24 CFR 570.201(d). Dearborn¿s Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Concentrated neighborhood demolition strategy. No other NSP regulations or affordability periods apply.

Activity Type for End Use:	Projected Disposition Date:	Actual Disposition Date:
Clearance and Demolition	05/11/2011	05/11/2011
National Objective for End Use:	**Date National Objective is met:**	**Deadline Date:**
N/A	11/16/2018	11/16/2018

Description of End Use:

Vacant lot sold as lot split in the Side-yard Disposition Program that govern the resale of vacant/cleared residential property throughout the City and in the designated HUD-NSP target areas. Demolition is limited to vacant/substandard structures. Therefore, demolition of low/moderate income units is not contemplated.

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

Activitiy Category:
Administration

Activity Status:
Under Way

Project Number:
DBN-NSP

Project Title:
Dearborn HUD-NSP

Projected Start Date:
01/01/2009

Projected End Date:
06/30/2018

Benefit Type:
( )

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
City of Dearborn - Economic & Community

Program Income Account:
NSP1 Program Income

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$147,666.17
Total Budget	$0.00	$147,666.17
Total Obligated	$0.00	$137,666.17
Total Funds Drawdown	$0.00	$128,062.50
Program Funds Drawdown	$0.00	$75,293.37
Program Income Drawdown	$0.00	$52,769.13
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$128,062.50
City of Dearborn - Economic & Community	$0.00	$128,062.50
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$0.00

Activity Description:

Funding for general grant administration and planning activities.

Location Description:

Not applicable.

Activity Progress Narrative:

ADMINISTRATION Progress Narrative:

General program planning and administration.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries 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

Activitiy 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:
04/30/2017

Benefit Type:
Area ( )

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Dearborn - Economic & Community

Program Income Account:
NSP1 Program Income

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$183,579.83
Total Budget	$0.00	$183,579.83
Total Obligated	$0.00	$183,579.83
Total Funds Drawdown	$0.00	$138,766.82
Program Funds Drawdown	$0.00	$83,579.83
Program Income Drawdown	$0.00	$55,186.99
Program Income Received	$0.00	$24,868.47
Total Funds Expended	$0.00	$138,766.82
City of Dearborn - Economic & Community	$0.00	$138,766.82
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$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:

DEMO ONLY Progress Narrative:

Activity re-opened in January 2017.

A total of 12 demolitions completed for this activity.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	16/12
# of public facilities	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	8/0

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	1275/0	731/0	2575/0	77.90

LMI%:	65.92

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

Activitiy Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
DBN-NSP

Project Title:
Dearborn HUD-NSP

Projected Start Date:
01/01/2009

Projected End Date:
01/13/2015

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LH - 25% Set-Aside

Responsible Organization:
City of Dearborn - Economic & Community

Program Income Account:
NSP1 Program Income

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$800,000.00
Total Budget	$0.00	$800,000.00
Total Obligated	$0.00	$790,000.00
Total Funds Drawdown	$0.00	$789,765.67
Program Funds Drawdown	$0.00	$697,966.83
Program Income Drawdown	$0.00	$91,798.84
Program Income Received	$0.00	$300,591.40
Total Funds Expended	$0.00	$789,765.67
City of Dearborn - Economic & Community	$0.00	$789,765.67
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$0.00	$3,763.13

Activity Description:

Purchase and rehabilitation of housing primarily for: a) resale to low-income 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 “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).]
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:

ACQ-REHAB (LI) Progress Narrative:

7 properties have been acquired for this activity.

Renovation of 7 properties complete in prior reporting periods: These properties have been inspected for re-occupancy, appraised, and made available for resale.

35 potential homebuyers have fulfilled all of the requirements (income determination, homebuyer counseling, mortgage pre-approval) for the First-Time Homebuyer Home Sales Assistance Program. 26 of these applicants meet program low-income targeting requirements.

Prior period changes to First-Time Homebuyer (FTHB) Program guidelines and marketing methods (a homebuyer counseling transaction fee to inspire referrals and alternate provisions for cash purchase transactions) did not generate additional interest as hoped.

Licensed real estate agents were solicited to participate in the FTHB program as buyer agents. FTHB Program guidelines revised in March 2013 to provide a Real Estate Buyers Agent Transaction Fee, in an effort to further encourage and compensate the participation of local realtors. This outreach resulted in 4 successful resale transactions.

7 resale transactions to eligible low-income homebuyer are complete. 0 home sold this quarter. No home remaining for resale.

Projected total budget NSP1 needs for the 7 identified properties total $800,000.00 (106.3%) of the required low-income set aside of ($734,062.00). $789,765.67 is obligated and $789,765.67 is expended.

Project budget needs do not include the funds for financial assistance (affordability discount, down payment, and closing costs) that will be provided at the time of resale. Financial assistance is anticipated to be $5,000-$25,000 per property.

The 7 properties resold have generated $300,591.40 in program income along with deferred mortgage (long term notes) receivables in the total amount of $87,150.90.

Note: renovated properties may be transferred to or from the LMMI-Homebuyer (RHB-LMMI) category when qualified buyers select a property, while ensuring that program low-income targeting requirements will be met.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	12/6
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	6/6
# of Singlefamily Units	0	6/6

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	6/6	0/0	6/6	100.00
# Owner Households	0	0	0	6/6	0/0	6/6	100.00

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-LMMI
Activity Title:	RHB-LMMI

Activitiy Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
DBN-NSP

Project Title:
Dearborn HUD-NSP

Projected Start Date:
01/01/2009

Projected End Date:
02/25/2013

Benefit Type:
Direct (HouseHold)

Completed Activity Actual End Date:

National Objective:
NSP Only - LMMI

Responsible Organization:
City of Dearborn - Economic & Community

Program Income Account:
NSP1 Program Income

Overall	Oct 1 thru Dec 31, 2018	To Date
Total Projected Budget from All Sources	N/A	$405,000.00
Total Budget	$0.00	$405,000.00
Total Obligated	$0.00	$405,000.00
Total Funds Drawdown	$0.00	$327,498.11
Program Funds Drawdown	$0.00	$299,753.91
Program Income Drawdown	$0.00	$27,744.20
Program Income Received	$0.00	$110,373.35
Total Funds Expended	$0.00	$327,498.11
City of Dearborn - Economic & Community	$0.00	$327,498.11
Most Impacted and Distressed Expended	$0.00	$0.00
Match Contributed	$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 “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).]
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:

ACQ-REHAB (LMMI) Progress Narrative:

4 property acquisitions were completed in prior report periods. 2of those properties (Tireman and Kendal), originally acquired for purpose of renovation and resale to qualified homebuyers were determined to be infeasible and were transferred to the ACQ-DEMO activity. Costs incurred prior to the determination (acquisition, inspection, and rehabilitation costs) remain in this activity category.

The 2 remaining properties have been completely renovated. 2 properties have been inspected for re-occupancy, appraised, and sold to qualified LMMI first-time homebuyers.

NSP1 budget needs total $405,000.00; $327,498.11 is obligated and $327,498.11 is expended.

Project budget needs do not include the funds for financial assistance (affordability discount, down payment, and closing costs) that will be provided at the time of resale. Financial assistance is anticipated to be $5,000-$25,000 per property.

35 potential homebuyers (26 low-income, 6 moderate-income, and 3 middle-income) have fulfilled all of the requirements (income determination, homebuyer counseling, mortgage pre-approval) for the First-Time Homebuyer Home Sales Assistance Program.

Prior period changes to First-Time Homebuyer (FTHB) Program guidelines and marketing methods (a homebuyer counseling transaction fee to inspire referrals and alternate provisions for cash purchase transactions) did not generate additional interest as hoped.

Licensed real estate agents were solicited to participate in the FTHB program as buyer agents. FTHB Program guidelines revised in March 2013 to provide a Real Estate Buyers Agent Transaction Fee, in an effort to further encourage and compensate the participation of local realtors. This outreach resulted in 4 successful resale transactions.

2 resale transactionsto eligible LMMI-income homebuyers are complete. 0 home remaining for resale.

The 2 properties resold have generated $110,373.35 in program income along with deferred mortgage (long term notes) receivables in the total amount of $28,186.53.

Additional properties may be identified in the future, subject to the availability of funding from program income.

Note: renovated properties may be transferred to or from the LI-Homebuyer (RHB-LI) category when qualified buyers select a property, while ensuring that program low-income targeting requirements will be met.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	6/3

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	2/3
# of Singlefamily Units	0	2/3

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	2/3	2/3	100.00
# Owner Households	0	0	0	0/0	2/3	2/3	100.00

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	