

Grantee: Flint, MI

Grant: B-11-MN-26-0005

July 1, 2020 thru September 30, 2020 Performance Report

Grant Number: B-11-MN-26-0005	Obligation Date:	Award Date:
Grantee Name: Flint, MI	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$3,076,522.00	Grant Status: Active	QPR Contact: Sarah Quellmalz
LOCCS Authorized Amount: \$3,076,522.00	Estimated PI/RL Funds:	
Total Budget: \$3,076,522.00		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

NSP3 funds are proposed for the following uses:

Demolition - \$1,959,739 (63%)

Foreclosed and abandoned properties are creating a blighting influence on surrounding properties with a destabilizing impact on many neighborhoods in the City of Flint. NSP3 funding will support the completion of major demolition in the selected target areas. The City proposes to demolish approximately 250 units. The City has received a waiver from HUD to exceed the demolition cap and use 65% of its funds for demolition.

Demolition for Redevelopment - \$40,000 (2%)

Oak School is a currently unoccupied two-story historic school building. The building will be redeveloped as Oak Street Senior Apartments, a 24-unit low-income senior housing development.

The City intends to abate and demolish the gymnasium portion of the building. Other funds will be used to preserve the historic exterior features of the classroom building and convert the 12 classrooms to 24 one-bedroom senior apartments.

Redevelopment (to meet 25% Set-Aside) - \$769,131 (25%)

The City intends to acquire demolished or vacant units and construct approximately 17 housing units in census tract 14. 15 of these units will be made available to households at or below 50% AMI.

Administration - \$307,652 (10%)

Administration funds are used for oversight and management of the NSP3 program, including administration of related systems, preparation of required reports, and monitoring and evaluation of program components, contractors and subrecipients.

How Fund Use Addresses Market Conditions:

Determining the areas of greatest need was based on a review of historical and current projects where funds could be leveraged to complete or make a significant impact in an area. Consideration was also given to the manner in which the project would benefit the community and any partnerships that would further its development. Project criteria included direct benefit to the specific area and overall benefit to the larger community. Projects that were determined to combat blight and stabilize a neighborhood were selected. The data sources referenced above were then utilized to substantiate the need in these areas. The Areas of Greatest Need maps were created by drawing the exact location of the target neighborhoods. Data was returned, for the area, that calculated the number of housing units, Neighborhood NSP3 Score, and State Minimum threshold NSP3 score for the area drawn. The HUD Neighborhood Scores were the first element examined. Pursuant to HUD guidance, the neighborhood or neighborhoods identified as the areas of greatest need must have an individual score that is not less than the lesser of seventeen (17) or the twentieth percentile most needy score in the state. Selected projects had neighborhood scores of 19.78 and 19 respectively. Foreclosure estimates were identified and analyzed along with neighborhood characteristics. The percent of persons by AMI was used to examine potential income eligibility and area benefit. Unemployment statistics helped to understand the reasons contributing to the foreclosure and delinquency information for the neighborhood. Information on the number of "high cost" mortgages suggested the likelihood of subprime and/or predatory practices in the area.

Vacancy estimates, provided by the USPS, were utilized to project the number of demolitions, rehabilitations and new construction needed to improve, complete or stabilize the selected geographic area. These numbers were calculated using total addresses in the area to determine the percentage or significance of the potential impact. Finally, the size of the area was factored in so that the chosen areas would be small enough to have a visible and immediate improvement.



Ensuring Continued Affordability:

“Continued affordability “or “long-term affordability” for both rental and homeowner households is established through the use of the maximum of thirty percent (30%) of income for housing costs and made a part of all agreements for a minimum of five (5) years and with a maximum of twenty (20) years. All agreements contain covenants which ensure continued affordability. These covenants are currently used by the City of Flint in the administration of the HOME program. Because the 17 NSP3-invested units all had over \$45,000 of NSP3 funds per the HUD-approved allocation plan (technical assistance from TDA), all 17 houses have a 15 year period of affordability.

Definition of Blighted Structure:

This program component defines “blighted structure” in accordance with Michigan Law under P. A. 27 of 2002. A blighted structure is a property that meets any one of the following criteria:

- Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire or other related code or ordinance.
- Is an attractive nuisance because of physical condition or use.
- Is a fire hazard or otherwise dangerous to the safety of people or property.
- Has the utilities, heating, plumbing or sewage disconnected, destroyed, removed or rendered ineffective for at least one year so that the property is unfit for its intended use.
- Is improved real property that has remained vacant for five (5) consecutive years and is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.
- Has code violations that pose an immediate and severe health or safety threat and has not been substantially rehabilitated within one (1) year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later.
- Is tax reverted property owned by a municipality, a county or the State.
- Is owned or under the control of a Land Bank fast track authority under the Land Bank FastTrack Act.

Definition of Affordable Rents:

This program component defines “affordable rents” in accordance with HOME regulations set forth at 24 CFR 92.252.

Housing Rehabilitation/New Construction Standards:

The City of Flint has adopted the 2015 International Property Maintenance Code (IPMC) through ordinance and also utilizes the most current Housing Quality Standards (HQS) in carrying out it housing programs. The 2015 IPMC is available in the City’s Building Inspections Division. These requirements are included in the policies and procedures of the department, as well as in contract language. Energy Star Standards are contained in the body of contracts/agreements that are let to sub-recipients, developers and contractors.

Vicinity Hiring:

The local workforce development agency (Career Alliance) and the local community college (Mott Community College) have designed a program that provides certification, education and support for individuals and businesses seeking Section 3 designation. The City currently has a policy that requires contractors to adhere to HUD’s Section 3 hiring standards and requirements for individuals and businesses. This policy is articulated, through a clause, contained in the contract language, used by the City. As has been the requirement for NSP1 and NSP2, the policy will continue to be used and will be amended to include “vicinity hiring to the maximum extent possible”. The City will modify the current forms and procedures used to gather information for residents interested in Section 3 certification, to include a process for preference based on the vicinity proximity to the NSP3 project. This requirement will be passed along to all contractors and sub-contractors working on projects funded by the City. Adherence to this policy by contractors and sub-recipients will be monitored by designated City of Flint staff.

Procedures for Preferences for Affordable Rental Dev.:

The project is designed for homeownership which may be achieved through the use of a “purchase money mortgage”, lease-purchase” or “lender-driven financing”. Homes will be marketed to all income-qualified residents of the Flint community. If no income-qualified buyers can be identified, in accordance with HOME regulations at 24 CFR 92.252 units will be made available as rental properties.

Grantee Contact Information:

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$3,076,522.00
Total Budget	\$0.00	\$3,076,522.00
Total Obligated	\$0.00	\$3,076,522.00

Total Funds Drawdown	\$0.00	\$3,070,079.70
Program Funds Drawdown	\$0.00	\$3,070,079.70
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$3,070,079.70
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of Flint - Department of Community and Economic	\$ 0.00	\$ 3,045,079.70
City of Flint Development Division	\$ 0.00	\$ 25,000.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$307,621,434.78	\$.00	\$.00
Limit on Public Services	\$461,478.30	\$.00	\$.00
Limit on Admin/Planning	\$307,652.20	\$307,652.00	\$.00
Limit on Admin	\$.00	\$307,652.00	\$.00
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$769,130.50		\$794,130.78

Overall Progress Narrative:

The last QPR that was submitted was for the period ending 4/30/2016. Updated information will be provided in the QPR ending 1/30/2021.

The City of Flint Department of Community and Economic Development is currently working with the Detroit Field Office to close-out its NSP grants.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NSP3-01, Demolition	\$0.00	\$1,974,739.00	\$1,968,296.92
NSP3-02, Redevelopment	\$0.00	\$769,131.00	\$769,130.78
NSP3-03, Administration	\$0.00	\$307,652.00	\$307,652.00
NSP3-04, Redevelopment	\$0.00	\$25,000.00	\$25,000.00

