

Grantee: Oakland County, MI

Grant: B-11-UN-26-0004

October 1, 2017 thru September 30, 2018 Performance



Grant Number:

B-11-UN-26-0004

Obligation Date:**Award Date:****Grantee Name:**

Oakland County, MI

Contract End Date:**Review by HUD:**

Submitted - Await for Review

Grant Award Amount:

\$2,080,700.00

Grant Status:

Closed with Ongoing Reporting

QPR Contact:

Karry Lou Rieth

LOCCS Authorized Amount:

\$2,080,700.00

Estimated PI/RL Funds:

\$0.00

Total Budget:

\$2,080,700.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

OC Administration - \$208,070

OC Homebuyer Program LI - \$605,157 within communities with areas of greatest need census tracts with HUD NSP3 Risk Scores of 17-20.

Revised 1/9/13 OC Homebuyer Program LI - \$239,511

OC Homebuyer Program LM - \$1,059,403 within communities with areas of greatest need census tracts with HUD NSP3 Risk Scores of 17-20.

Revised 1/9/13 OC Homebuyer Program LM - \$905,049

AGN Clearance and Demolition - \$208,070 in communities with areas of greatest need census tracts with HUD NSP3 Risk Scores of 19 and 20.

Revised 1/9/13 ADDED - AGN Acquisition Rehabilitation (Resale) - \$520,000 in communities will areas of greatest need census tracts with HUD NSP 3 Risk Scores of 17-20.

How Fund Use Addresses Market Conditions:

OC Homebuyer Program LI and LM - 0% deferred loans as soft seconds to households at or below 120% of AMI with an emphasis on households at or below 50% AMI will enable homebuyers to purchase a home that meets Housing Quality Standards with improvements that meet the MI Residential Code and keep monthly mortgage payments affordable.

AGN Clearance and Demolition - These properties will be demolished because they are so blighted that the required investment to bring them up to code is much greater than the expected sales price.

Acquisition Rehabilitation (Resale) LI - 0% deferred loans as soft seconds to households at or below 50% of AMI will enable homebuyers to purchase a home that meets Housing Quality Standards with improvements that meet the MI Residential Code and keep monthly mortgage payments affordable.

Ensuring Continued Affordability:

Oakland County will minimally adopt HOME program standards for ensuring continued affordability as defined at CFR 92.254. NSP3 assisted housing must meet affordability requirements for not less than the applicable period after project completion:

Homeownership Affordability Periods

Homeownership Assistance NSP Amount Per Unit/Minimum Affordability Period

Under \$15,000/5 years

\$15,000 to \$40,000/10 years

Over \$40,000/15 years

Oakland County will impose recapture requirements that comply with 24 CFR Part 92.254 5 (i) (ii) standards and have been set forth in the County's currently approved Consolidated Plan. Recapture provisions must ensure that the County recoups all or a portion of NSP3 assistance to the homebuyers, if the housing does not continue to be the principal residence for the duration of the affordability period. The County will structure recapture provisions based on program design and market conditions. The period of affordability is based upon the total amount of NSP3 subject to recapture described in paragraph (a)(5)(ii)(A)(5). In establishing its recapture requirements, Oakland County is subject to the limitation that when the recapture requirement is



triggered by a sale (voluntary or involuntary) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the NSP3 investment due, Oakland County can only recapture the net proceeds, if any. The net proceeds are the sales price minus superior loan repayment (other than NSP3 funds) and any closing costs. Oakland County may recapture the entire amount of the NSP3 investment from the homeowner. The NSP3 investment that is subject to recapture is based on the amount of NSP3 assistance that enabled the homebuyer to buy the dwelling unit. This includes any NSP3 assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e. development subsidy). The recaptured funds must be used to carry out NSP3-eligible activities. Notwithstanding § 92.214 (a) (6), to preserve the affordability of housing that was previously assisted with NSP funds and subject to the requirements of § 92.254(a).

Definition of Blighted Structure:

In order to arrest and reverse economic decline and neighborhood disinvestment, and to foster and promote neighborhoods in viable, standard condition, the Substantial Amendment proposes the elimination of blighted structures. The October 6, 2008, Federal Register Notice defined "blighted structure" under NSP as "structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare." Oakland County is an urban county within a home rule state. As such the County does not impose its own definition of blighted structure on local units of government. In the context of state law the State of Michigan defines "blighted" (Public Act 381 of 1996, MCL 125.2562(e)) as a property that meets any 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 to children because of physical condition, use, or occupancy; is a fire hazard or is otherwise dangerous to the safety of persons or property; or has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for intended use.

Each local unit of government maintains their own definition of "blighted structure" and will be responsible for inspecting NSP properties and verifying the blighted status of each eligible structure. In the absence of local code Oakland County will use the state of Michigan definition of blighted structure as a minimum standard.

Grantee Contact Information:

NSP3 Program Administrator Contact Information

Name (Last, First) Rieth, Karry

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Phone Number 248 858-5403

Mailing Address Oakland County Community & Home Improvement Division

250 Elizabeth Lake Road Suite 1900

Pontiac MI 48341-0414

Definition of Affordable Rents:

Oakland County will use the HOME Investment Partnership Act (HOME) standards at 24 CFR 92.252(a), (c), (e), and (f) to define affordable rents:

- The maximum rent will be the lesser of: (a) the fair market rent for existing housing for comparable units in the area as established by HUD; or (b) a rent that does not exceed 30% of the adjusted income of a family whose annual income equals 65% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit.
- The maximum monthly allowances for utilities and services will be those used by the local housing authority.
- Units assisted with NSP3 funding must meet the affordability requirements for not less than the applicable period specified without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements will be imposed by use of a deed restriction on the assisted property.

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- The maximum monthly allowances for utilities and services will be those used by the local housing authority.
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2010 HOME Program Rents Detroit-Warren-Livonia, MI HUD Metro FMR Area (DET-FMR)

Detroit-Warren-Livonia, MI HUD Metro Fair Market Rent (FMR) Area

Program

Efficiency (Low HOME Rent Limit 594)(High HOME Rent Limit 594*) (Fair Market Rent 584) (50% Rent Limit 611) (65% Rent Limit 774)

1 Bed (Low HOME Rent Limit 665*) (High HOME Rent Limit 676*) (Fair Market Rent 665) (50% Rent Limit 655) (65% Rent Limit 831)

2 Bed (Low HOME Rent Limit 798*) (High HOME Rent Limit 809*) (Fair Market Rent 796) (50% Rent Limit 786) (65% Rent Limit 999)

3 Bed (Low HOME Rent Limit 923*) (High HOME Rent Limit 968*) (Fair Market Rent 952) (50% Rent Limit 907) (65% Rent Limit 1145)

4 Bed (Low HOME Rent Limit 997) (High HOME Rent Limit 997*) (Fair Market Rent 981) (50% Rent Limit 1012) (65% Rent Limit 1259)

5 Bed (Low HOME Rent Limit 1135*) (High HOME Rent Limit 1147*) (Fair Market Rent 1128) (50% Rent Limit 1117) (65% Rent Limit 1370)

6 Bed (Low HOME Rent Limit 1242*) (High HOME Rent Limit 1296*) (Fair Market Rent 1275) (50% Rent Limit 1221) (65% Rent Limit 1481)

* HOME Program Rent held at last year's level.



Definition of Affordable Rents:

Housing Rehabilitation/New Construction Standards:

Minimally all NSP3 funded activities will be completed in compliance with MI Residential Code and meet Certificate of Occupancy requirements, Lead Paint Hazard Reduction requirements (HUD 24 CFR Part 35 and MI Public Act 368 of 1978, as amended, and address all environmental review record mitigation issues. Optional standards apply including:

- Energy Efficiency measures, shall be guided by a Home Energy Rating Standards (HERS) audit. Whenever possible/practical, all required or optional improvements shall be implemented to promote energy efficiency. Replacement of aging household equipment, fixtures or structural components, e.g. roof, windows, doors, HVAC, water heater, stove, refrigerator, washer, dryer, electrical or plumbing service, flooring and cabinets shall be with Energy Star-46 labeled products. Window treatments (limited to shades and blinds) to provide privacy or enhance energy efficiency. Water efficient toilets, showers, and faucets, such as those with the WaterSense label must be installed.
 - Exterior improvements (siding, trim, landscaping) to address aged or "eyesore" conditions to enhance desirability and surrounding neighborhood property values.
 - Barrier-Free Access or visibility improvements when requested by eligible homebuyer.
 - Changes to the dwelling unit floor plan to more closely accommodate modern use patterns
- Where relevant, mitigate the impact of disasters e.g., earthquake, hurricane, flooding, fires.

Vicinity Hiring:

Section 3 of the Housing and Urban Development Act of 1968, {12 U.S.C. 1701u} (Section 3) and implementing regulations at 24 CFR 135 states the purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low and very low income persons.

The Oakland County Community & Home Improvement Division is committed to providing opportunities for Section 3 business concerns and residents to participate in productive and meaningful employment. The Oakland County NSP3 application includes two activities, the Oakland County Homebuyer Program and Demolition. Section 3 initiatives include:

Oakland County Homebuyer Program - The County's Homebuyer Program may include a housing rehabilitation element on an address basis. When housing rehabilitation is required, Oakland County Homebuyer projects are bid to Michigan Residential Builders on the County's Home Improvement contractors list. The County will identify contractors who are Section 3 business concerns based upon their qualifying officers household size and income. These contractors will be included along with non Section 3 business concerns on the bid list for all Oakland County Homebuyer projects. A secondary strategy that may be employed by the County is the identification of contractors committed to subcontract with Section 3 eligible workers. Section 3 data will also be collected by project on the Section 3 Summary Report Economic Opportunities for Low and Very-Low Income Persons HUD Form 60002 and reported to HUD annually.

Demolition - The County will provide technical assistance to the Areas of Greatest Need Targeted Communities (City of Hazel Park, City of Oak Park, and Royal Oak Township) on Section 3 requirements. The communities will be required to reach out to small businesses in the "vicinity" of their targeted areas to acquire services needed for the implementation of their programs. The communities will also encourage any business that is awarded contracts to utilize the workforce in the neighborhood in which they are working. They will be required to work closely with these businesses to reach out to the local workforce as their need for additional employees arises. Each community will be required to include Section 3 information in their solicitation process, contracting documents, procurement advertisements and flyers posted at the worksites. Section 3 data will also be collected by project on the Section 3 Summary Report Economic Opportunities for Low and Very-Low Income Persons HUD Form 60002 and reported to HUD annually.

Procedures for Preferences for Affordable Rental Dev.:

A healthy housing market includes decent safe and affordable rental and owner options. Oakland County's housing market has declined significantly due to an unprecedented number of vacant foreclosed and abandon units. The County has seen a great deal of private investment in the rental market by speculators who have converted existing single family units to rental properties. There is an overabundance of rental options which may or may not be decent and affordable on the market. Based upon the NSP3 targeted investment requirements, limited allocation, and a successful NSP1 program design which has serves as a stabilizing force in many neighborhoods Oakland County has elected to continue its strategy of focusing on expanding single family home ownership opportunities through the Oakland County Homebuyer Program.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,080,700.00
Total Budget	\$0.00	\$2,080,700.00
Total Obligated	\$0.00	\$2,080,700.00
Total Funds Drawdown	\$0.00	\$2,080,700.00
Program Funds Drawdown	\$0.00	\$2,080,700.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00



Total Funds Expended	\$0.00	\$2,080,700.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

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	\$0.00
Limit on Public Services	\$312,105.00	\$0.00
Limit on Admin/Planning	\$208,070.00	\$208,070.00
Limit on Admin	\$0.00	\$208,070.00
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$520,175.00	\$782,771.55

Overall Progress Narrative:

During the QPR Period of 10/01/2017-09/30/2018 a total of in program income was generated from the sales proceeds of the NSP 3 Oakland County Homebuyer Program.

9/18/17 Oak Park vacant lot sale 14011 Ten Mile \$1,900

9/18/17 Oak Park vacant lot sale 10130 Albany \$2,600

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, OC ADMINISTRATION	\$0.00	\$208,070.00	\$208,070.00
2, Eligible Use A: Financing Mechanisms OC Homebuyer	\$0.00	\$262,771.55	\$262,771.55
3, Eligible Use A: Financing Mechanisms OC Homebuyer	\$0.00	\$884,109.53	\$884,109.53
4, Eligible Use D: Demolition AGN DEMO - Hazel Park	\$0.00	\$32,356.92	\$32,356.92
5, Eligible Use D: Demolition AGN DEMO - Oak Park	\$0.00	\$69,357.00	\$69,357.00
6, Eligible Use D: Demolition AGN DEMO - Royal Oak	\$0.00	\$104,035.00	\$104,035.00
7, Eligible Use B: O.C. Acquisition Rehabilitation (Resale) LI	\$0.00	\$520,000.00	\$520,000.00



Activities

Project # / Title: 5 / Eligible Use D: Demolition AGN DEMO - Oak Park

Grantee Activity Number: AGN DEMO 172134-730005-40390 Oak Park

Activity Title: AGN DEMO - Oak Park

Activity Category:

Clearance and Demolition

Project Number:

5

Projected Start Date:

07/21/2010

Benefit Type:

Area ()

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Eligible Use D: Demolition AGN DEMO - Oak Park

Projected End Date:

06/30/2014

Completed Activity Actual End Date:

Responsible Organization:

City of Oak Park2

Overall

Total Projected Budget from All Sources

Oct 1 thru Sep 30, 2018

N/A

To Date

\$69,357.00

Total Budget

\$0.00

\$69,357.00

Total Obligated

\$0.00

\$69,357.00

Total Funds Drawdown

\$0.00

\$69,357.00

Program Funds Drawdown

\$0.00

\$69,357.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$69,357.00

City of Oak Park2

\$0.00

\$69,357.00

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Per NSP3 rules, subrecipients will demolish blighted residential properties only. The structures must be municipally owned or slated for court ordered demolition and be located in targeted areas of greatest need with HUD Risk Scores of 19-20. Costs to include program service delivery costs.

Location Description:

Areas of greatest need with HUD Risk Scores of 19-20.

Activity Progress Narrative:

During the QPR Period of 10/01/2017-09/30/2018 a total \$0 in program income was generated. During the prior period a total of \$4,500 was generated from the AGN DEMO 172134-730005-40390 Oak Park project as follows:



9/18/17 Vacant lot sale 14011 Ten Mile (\$1,900)
 9/18/17 Vacant lot sale 10130 Albany (\$2,600)

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	5/5
# of buildings (non-residential)	0	0/0
# of public facilities	0	0/0
# of Businesses	0	0/0
# of Non-business Organizations	0	0/0
Activity funds eligible for DREF	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/5
# of Singlefamily Units	0	5/5

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	

