

Grantee: Oakland County, MI

Grant: B-11-UN-26-0010

January 1, 2017 thru March 31, 2017 Performance Report



Grant Number:

B-11-UN-26-0010

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

Oakland County, MI

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

Reviewed and Approved

Grant Award Amount:

\$1,410,621.00

Grant Status:

Active

QPR Contact:

No QPR Contact Found

LOCCS Authorized Amount:

\$1,410,621.00

Estimated PI/RL Funds:**Total Budget:**

\$1,410,621.00

Disasters:

Declaration Number

No Disasters Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Administration - \$141,061

Demolition (Eligible Use D) - \$916,903 within the City of Pontiac areas of greatest need census tracts with HUD NSP3 Risk Scores of 19-20.

Acquisition/Rehab/Resale (Eligible Use B) - \$352,657 to develop 4-5 housing units within the City of Pontiac areas of greatest need census tracts with HUD NSP3 Risk Scores of 19-20.

How Fund Use Addresses Market Conditions:

Demolition - The properties to be demolished are so blighted that the required investment to bring them up to code is much greater than the expected sales price.

Acquisition/Rehab/Resale - Households at or below 50% of AMI will be able to purchase affordable housing that meets Uniform Physical Condition Standards (UPCS) by receiving homebuyer assistance as a 0% deferred loan (soft second).

Ensuring Continued Affordability:

Oakland County will minimally adopt HOME program standards for ensuring continued affordability as defined at CFR 92.254. NSP3-P 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-P 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-P 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-P 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-P funds) and any closing costs. Oakland County may recapture the entire amount of the NSP3-P investment from the homeowner. The NSP3-P investment that is subject to recapture



is based on the amount of NSP3-P assistance that enabled the homebuyer to buy the dwelling unit. This includes any NSP3-P 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-P-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. State of Michigan Law 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. The City of Pontiac maintains its own definition of blighted structure and will be responsible for inspecting NSP 3-P properties and verifying 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.

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-P 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.

2013 HOME Program Rents

Effective 2/9/12

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

Efficiency/1 Bed/2 Bed/3 Bed/4 Bed/5 Bed/6 Bed

Low HOME Rent Limit 594*665*798*923*997*1135*1242*

High HOME Rent Limit 594*676*809*968*997*1147*1296*

Fair Market Rent 495*629*821*1,095*1,196

50% Rent Limit 572*613*735*849*947*1045*1142

65% Rent Limit 724*777*934*1070*1174*1277*1380

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

* Fair Market Rent = Final FY 2013

Housing Rehabilitation/New Construction Standards:

Minimally all NSP3-P funded activities will be completed in compliance with UPCS and 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.

Grantee Contact Information:

NSP3-P Program Administrator Contact Information

Name (Last, First) Rieth, Karry

Email Address riethk@oakgov.com

Phone Number 248 858-5403

Mailing Address Oakland County Community & Home Improvement Division

250 Elizabeth Lake Road Suite 1900

Pontiac MI 48341-0414



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.

Oakland County is committed to providing opportunities for Section 3 business concerns and residents to participate in productive and meaningful employment. Section 3 initiatives may include a housing rehabilitation element on an address basis. Housing Rehabilitation - When housing rehabilitation is required, 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 required 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 City of Pontiac on Section 3 requirements. The City will be required to reach out to small businesses in the vicinity of their targeted areas to acquire services needed for the implementation of programs. The City 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 the businesses to reach out to the local workforce as their need for additional employees arises. The City 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.:

Due to current conditions, Oakland County has seen a great deal of private investment in the rental market. The requirement for targeted investment combined with funding constraints and a strong need for clearance and demolition supports the continued strategy of focusing on single family home ownership opportunities.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$1,410,621.00
Total Budget	\$0.00	\$1,410,621.00
Total Obligated	\$0.00	\$1,410,621.00
Total Funds Drawdown	\$0.00	\$1,410,621.00
Program Funds Drawdown	\$0.00	\$1,410,621.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$1,410,621.00
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	\$211,593.15	\$0.00
Limit on Admin/Planning	\$141,062.10	\$141,061.00
Limit on State Admin	\$0.00	\$141,061.00
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00

Overall Progress Narrative:



During the QPR period of 10/1/16-12/31/16 the FINAL QPR for NSP 3 Pontiac B-11-UN-26-0010 was submitted. During the QPR period 01/01/2017-03/31/2017 no activity occurred.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Administration	\$0.00	\$141,061.00	\$141,061.00
2, Demolition (Eligible Use D)	\$0.00	\$916,903.00	\$916,903.00
3, Acquisition Rehab Resale (Eligible Use B)	\$0.00	\$352,657.00	\$352,657.00



Activities

Project # / Title: 1 / Administration

Grantee Activity Number: 172131-702010/722740/27008

Activity Title: Administration

Activity Category:

Administration

Project Number:

1

Projected Start Date:

03/14/2013

Benefit Type:

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National Objective:

N/A

Activity Status:

Completed

Project Title:

Administration

Projected End Date:

03/13/2016

Completed Activity Actual End Date:

Responsible Organization:

Oakland County

Overall	Jan 1 thru Mar 31, 2017	To Date
Total Projected Budget from All Sources	N/A	\$141,061.00
Total Budget	\$0.00	\$141,061.00
Total Obligated	\$0.00	\$141,061.00
Total Funds Drawdown	\$0.00	\$141,061.00
Program Funds Drawdown	\$0.00	\$141,061.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$141,061.00
Oakland County	\$0.00	\$141,061.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Program administration costs associated with implementation of the Oakland County Neighborhood Stabilization Program 3-Pontiac (NSP3-P). Funding for general grant administration and planning activities.

Location Description:

Oakland County Community & Home Improvement
 Suite 1900
 250 Elizabeth Lake Road
 Pontiac MI 48341-0414

Activity Progress Narrative:



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

Project # / Title: 2 / Demolition (Eligible Use D)

Grantee Activity Number: 172134-730005-40420

Activity Title: Clearance and Demolition

Activity Category:

Clearance and Demolition

Project Number:

2

Projected Start Date:

03/14/2013

Benefit Type:

Area ()

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

Demolition (Eligible Use D)

Projected End Date:

03/13/2016

Completed Activity Actual End Date:

Responsible Organization:

Oakland County

Overall

Total Projected Budget from All Sources

Jan 1 thru Mar 31, 2017

N/A

To Date

\$916,903.00

Total Budget

\$0.00

\$916,903.00

Total Obligated

\$0.00

\$916,903.00



Total Funds Drawdown	\$0.00	\$916,903.00
Program Funds Drawdown	\$0.00	\$916,903.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$916,903.00
Oakland County	\$0.00	\$916,903.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Per NSP 3 rules, subrecipient 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:

City of Pontiac Areas of Greatest Need with HUD Risk Scores of 19-20.

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/69

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/69
# of Singlefamily Units	0	0/69

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	



