

Community Policing Action Council
November 18, 2008
Haab Building
6 p.m.

Minutes

6:00 – 6:01 Call to order 6:10

(see attached; Teresa Gillotti from MSU-E also in attendance, but didn't scan in well)

6:01 – 6:05 Approval of Minutes 6:10

Steve moved, Bonnie seconded; motion passed.

6:05 – 6:10 Treasurer's Report 6:11

All DUES for 2008 are due!

2009 dues are due at our January 27th meeting! \$35 for Full Members, \$25 for Associate Members.

(Robert absent; no report given)

6:10 – 6:20 Old Business 6:12

a. Nominations for Secretary (Alan > Linda; unanimous Bonnie wins)

6:20 – 7:00 New Business 6:15

a. East Prospect Park Neighborhood Association

(NE corner of the city)

Welcomed to CoPAC (Steve > Ruth; unanimous)

Mackenzi Rettie will be the official rep

(see attached bylaws)

SIDEBAR: OLD BUSINESS: letter to city council re: residential parking permits (see attachment).

Questions/comments? Email to Steve Pierce/Exec board. Letter will be sent.

b. Letter of Support: City of Ypsilanti EPA Cleanup Grant Application for Water Street

Bylaws prevented us from approving the letter without a full meeting; letter was "due" the Friday before the meeting.

c. Steve: Meeting time change? Verdict: unnecessary due to our "regular meeting" not conflicting; do need to double-check when we reschedule.

d. Update of Federal Neighborhood Stabilization Program (Teresa Gillotti:

gillottit@ewashtenaw.org)

See attachment. County applying for HUD grant; public comment open. It would be for housing: purchase & rehab (encourage homeownership- assistance, education, rehab- up to \$36k available per owner); rental rehab (\$740k; 12+unit hsg; rehab, make continuously affordable hsg); demolition (\$500k); land bank (\$300k; buy & hold/rehab/resell problem property). For houses that are already "gone"- not for houses that are "about to be gone". Admin'd by county community development. Ypsi City, Ypsi Twp, Pittsfield Twp.

7:00 – 7:30 Police Report 6:35

Chief Harshberger

Good news: Fewer robberies to date than last year (69 vs 80)! Bad news: recent spike in robberies. Good news: 14/25 robberies have resulted in 22 arrests. Also, maybe some false reports, and maybe some of the people that have been caught were involved in other robberies, so could be even better. Mainly juveniles or young adults (16-22yo), mainly around/involving campus, but still stepping up enforcement on it, in cooperation with EMU, since these are violent crimes.

Forest knoll: family murder, individual still at large.

Ainsworth: drug buy murder, individual still at large.

Brandy's Party Store: action taken! Complaint in Circuit Ct filed 2 wks ago; city pressing charges; Brandy's is circulating a "keep our store open" petition; case going to ct on dec 12th at 9am (Judge Connors) in Ann Arbor; neighboring neighborhood associations asked to come on

down to the court and support the case. Midtown, woods road, etc- the neighboring ones.
(UPDATE POST-MEETING: Circuit Court case postponed due to supporters of Brandy's showing up at City Council meeting (concurrent/immediately after CoPAC meeting. Contact the Chief or Lt Walker for more details.)

Crime Statistics Mapping: Bonnie & Chief met w/mappers & EMUPD; start w/part I crimes; up and public by January, possibly; get NAs on the map.

Lt. Amy Walker - Report on NAT & CPA (Congrats on her promotion to Lieutenant!)

NAT: working with Planning for the FHNSP, Brandy's, and the Kircher properties! Kircher's in prison & his manager recently passed on; things are kind of in flux at the moment. Some properties are occupied, some are not. Properties in question: 313, 315 washtenaw; 413 washtenaw; 107 e cross.

Citizen's Police Academy: January! 10 week program. Need applicants, application available on website (<http://ypsilantipolice.org/community/academy.shtml>). 1 night per week (night TBA, 6pm to 9pm); starts last week in January. Location downtown-ish (TBA- Haab or St Lukes). Sponsored by Friends of the YPD- so, free! Hooray! Remember: CoPAC reps are strongly urged to attend if they haven't already.

7:30 – 7:35 Committee Reports 7:04

none

7:35 – 7:55 Neighborhood Reports (2 minutes each if needed) 7:06

Eastside (& many others): Luna Lake! Massive event. Looks fabulous!

Midtown: yearly election, Harvey is still CoPAC rep. Karen Mauer is still president.

East Prospect Park: New! December 3rd = next meeting

Prospect Park: new CoPAC rep! Curt! Also president. Talking to Cady's about a prix fixe dinner for the nhoo assn party.

Stadium Meadows: nothing to report

Normal park: Halloween parade went well. Night of Lights on Dec 6th- luminaries and cider stops.

Woods Road: nothing new- trying to get rid of Brandy's.

Heritage: same stuff, nothing new

CHNA: skipped a nhoo meeting; things kind of in flux now (moving from 18-mo schedule to 12-mo schedule)

PGNA: scheduling nhoo holiday party- brainstorming ideas. Co-neighborhood association party a possibility, talk to Ruth if interested. Date in flux- so get back to PGNA soon.

7:55 – 8:00 Calendar Review & Agenda Items for next meeting 7:14

Decide on picnic host

As you come up with ideas for nhoo events- email Bonnie so she can put it on the website.

Need any pencils? CoPAC's got thousands! Contact the Chief. They've got CoPAC's website on them- use for promos!

Adjourned at 7:15

**Next Executive Board meeting: Jan 6th (YPD)
Next Regular meeting: January 27, 2008 (Haab)**

CoPAC Attendance Sheet

For meeting: Tuesday November 18th, 2008

| Abbv | Association Name | Representative in attendance | Alternate in attendance |
|------|-----------------------------------|------------------------------|-------------------------|
| CHE | College Heights East NA | <i>Allen B. Meyer</i> | |
| DAY | Downtown Association of Ypsilanti | | |
| DTA | Depot Town Association | | |
| EPP | East Prospect Park Neigh Assn | <i>Melissa Schulte</i> | <i>Mark Namatevs</i> |
| EMU | Eastern Michigan University | | |
| FYPD | Friends of the YPD | | |
| GCC | Gateway Community Council | | |
| GER | Gerganoff NA | | |
| HER | Heritage Park NA | <i>Fred Williams Jr.</i> | |
| EST | Historic Eastside | <i>Rod Johnson</i> | |
| HSS | Historic Southside | | |
| MID | Midtown | <i>Harvey Krag</i> | |
| MLS | Miles Area NA | | |
| NOP | Normal Park NA | <i>Claudia Pettit</i> | |
| PPK | Prospect Park NA | <i>Pat Kelly</i> | |
| PRG | Prospect Gardens NA | <i>Ruth Halsey</i> | |
| RS | Riverside NA | <i>Bill Smith</i> | |
| SM | Stadium Meadows | <i>Bill Smith</i> | |
| WDR | Woods Rd NA | | |
| WGR | Worden Gardens NA | <i>Janice Thompson</i> | |
| YCC | Ypsilanti Chamber of Commerce | | |
| YHC | Ypsilanti Housing Commission | | |
| YPD | Ypsilanti Police Department | <i>Matt Harshbarger</i> | |

Other Attendees

| Abbv | Association Name | Representative in attendance | Alternate in attendance |
|------|------------------|------------------------------|-------------------------|
| | | | |
| | | | |
| | | | |
| | | | |

Last updated: September 23, 2008

** Informal "head of Nhead assn" group - how to start a checking acct, event scheduling*

Ypsilanti, Michigan

Bylaws

(As of November, 2008)

1. Name

The name of this organization shall be “East Prospect Park Neighborhood Association”, hereinafter referred to as “EPPNA”, which is located in the City of Ypsilanti. The governing area of EPPNA consists of all lots containing dwellings bounded by the north with the south side of Holmes Road, on the east with the Ypsilanti City line, on the south by the north side of Cross Street, and on the west by the east side of Prospect Street.

2. Mission

The mission of the EPPNA is to provide a forum for the discussion of political, social, and other issues of interest to the neighborhood, and to provide an organization to inform members and coordinate member action on matters relating to the quality of neighborhood life for all residents, take action on issues, disseminate relevant information through the neighborhood, and organize and maintain a Neighborhood Watch.

3. Membership

Membership is per street address, rental unit or dwelling. Any adult person (18 or older) who is an owner, co-owner or resident of a residence in the EPPNA area and whose resident membership dues are paid up to date shall be a member in good standing and eligible for individual membership, voting, and holding office.

4. Membership Dues; Fiscal Year

4.1 Annual dues shall be \$12.00 per street address, rental unit or dwelling.. Payment of dues entitles all owners or renters of that street address, rental unit or dwelling to be individual EPPNA members. Dues are to support the efforts of the EPPNA, as authorized by the Board, and to pay the dues as required to maintain membership in CoPAC.

4.2 Dues for all members shall be collected when the member joins EPPNA or renews membership. Dues for each fiscal year shall be collected from all members annually on or before the first meeting of October. Dues may be reduced by 1/2 for first-time members joining after April 1 in a given year.**4.3** The fiscal year shall run from October 1 to September 30.

5. General Membership Meetings

EPPNA general membership meetings will be held at the discretion of the members. The Board shall set the time and place of meetings, and may set additional regular or special meetings. A three-day notice shall be given to members for special meetings. Minutes shall be recorded at each meeting. Meetings shall be run according to Robert's Rules of Order, with one of the Co-Chairperson's serving as the meeting Chairperson. Meetings shall be open to the public.

6. Voting

6.1 The qualified members of each dues paying street address, rental unit or dwelling in good standing shall have the right to cast one vote per household on any given proposal or election, regardless of the number of voting persons at the address. The qualified members in good standing at each dues paying street address shall decide among themselves how to cast the vote for that address. If the qualified members of a household present and voting on an issue are unable to agree unanimously on how to cast the vote of their address, the vote of their address shall be deemed an abstention regardless of the number of voting persons at the address.

6.2 Decisions on any regular agenda item and elections shall be determined by a simple majority vote. All proposals on which votes are cast shall be worded so that the members vote either “yes”, “no” or “abstain”.

6.3 There shall be no proxy voting by members or officers.

6.4 There must be a quorum at a general membership meeting in order to hold membership votes. A quorum consists of at least 1/3 of members in good standing and at least one member present from each of at least three service areas. Abstentions count toward the quorum.

7. Executive Board

7.1 Executive Board. The Executive Board will consist of two (2) Co-Chairpersons, Secretary/Treasurer, CoPAC Representative, and Field Captains. Officers must be members in good standing. Officers and Field Captains shall serve without compensation, but may be reimbursed for out-of-pocket expenses at the discretion of the Board.

7.2 Field Captains. There shall be one Field Captain from each designated service area. Field Captains for a given service area will be selected from among members in that service area by the voting members from that service area.

7.3 Field Service Areas. Field service areas to be represented by the Field Captains are as follows:

TBD

7.4 Election of Officers. Officers shall serve for a term that runs concurrently with the fiscal year. At the first fiscal year meeting; the Executive Board will be elected by those members in good standing who are present. Officers and Field Captains shall serve without compensation, but may be reimbursed for out-of-pocket expenses at the discretion of the Board. Officers and Field Captains may be re-elected indefinitely.

7.5 Vacancies and Absences. A vacancy in the position of an elected Officer or Field Captain shall be filled by a substitute chosen by vote of existing Officers for the remainder of the term of that office. The duties of an Officer not present at a given meeting or temporarily unable to perform a particular function may be temporarily filled by a substitute chosen by the Board.

8. Duties and Powers of Executive Board and Officers; Committees

8.1 In addition to any additional specific authority or directions the membership may approve by majority vote, Officers and the Board shall have the powers and responsibilities provided in this Article.

8.2 Co-Chairpersons. The Co-Chairpersons shall develop an agenda for Board and membership meetings, plan and preside at all regular and special meetings, and supervise the direction of EPPNA events and committees; maintain important records while in office; consult with and keep the Officers informed and obtain their approval for all important pending activities and expenditures; with the Secretary/Treasurer, summarize yearly income and expenses of EPPNA and present a budget for approval by the Board and the membership prior to the fiscal year. The Co-Chairpersons shall represent EPPNA at appropriate community meetings, activities, or events as authorized by the Board.

8.3 Secretary/Treasurer. The Secretary/Treasurer shall prepare and maintain minutes of meetings, maintain an up-to-date membership list, collect, distribute and oversee all EPPNA funds, present precise fiscal reports to the leadership team and members at meetings, deposit the collection of dues or other proceeds into an appropriate account and maintain the records of that account and, together with the Board, ensure that funds are used for the exclusive support of EPPNA’s mission.

8.4 Field Captains. Field Captains shall assist in communication of EPPNA news and matters to and from the membership as well as the storage and maintenance of meeting signs within their area.

8.5 CoPAC Representative. The CoPAC representative shall be any Officer as designated by the Board. The CoPAC representative shall attend and represent EPPNA at CoPAC meetings and functions, shall vote on behalf of EPPNA at CoPAC meetings, and shall report on CoPAC matters to the membership.

8.6 Executive Board. The Board or its officers as designated in these bylaws or by Board vote shall decide matters concerning dissemination of information to members, arrange meetings, propose matters for membership votes, execute decisions approved by the membership, authorize and review expenditures, review accounts and financial records of the organization, and represent and vote for the EPPNA in other community activities and organizations, including CoPAC. The Board shall also act within the limits of any authority granted by a proposal passed by the general membership. Decisions on matters within the Board's authority shall be decided by majority vote of Board members present.

8.7 Committees and Committee Chairpersons. Committees may be created and Committee Chairpersons chosen by vote of the Board or general membership to address specific issues in an ongoing way or to conduct specific activities on an ad hoc basis. Committee members and chairpersons will be volunteers and shall be approved by the leadership committee and serve without compensation.

Chairpersons shall coordinate events and functions pertaining to their committees, will collect ideas and suggestions from the membership, and will gather volunteers to help organize events. The Chairpersons will prepare a projection of anticipated expenditures of the committee, when appropriate, and obtain approval from the Executive Committee prior to expenditures.

9. Amendments

9.1 Proposals for amending the bylaws must be circulated to the EPPNA membership at least one month prior to voting on them.

9.2 Changing or adding articles of the bylaws of EPPNA requires approval by a three-fifths (3/5) majority of households in good standing who are present and voting at a general membership meeting. Amendments to the bylaws may be proposed by EPPNA, the Executive Committee, or at a request made to an Officer by two (2) members of EPPNA, all of whom have been members in good standing during the preceding six months.

10. Notices

Notices of meetings, bylaw changes, and other proposals may be disseminated to members by mail, e-mail, distribution of flyers, telephone, bulletin board, or personal contact. Proposed bylaw changes shall be disseminated in written form to all members in good standing.

11. Dissolution

Upon dissolution of the EPPNA, any assets remaining after payment of debts and liabilities shall be given to a non-profit community group, as directed by a majority of the Executive Committee.

12. Approved Amendments and Revisions

Resolution

At the September 23, 2008 meeting of the **Ypsilanti Community Policing Action Council** (CoPAC), the council passed a resolution asking the Ypsilanti City Council *to reconsider the annual fees charged to homeowners for the renewal of Residential Parking Permits.*

One of the seven stated Goals of the City Council says “Continue to pursue a variety of strategies for improving the physical condition of neighborhoods and increasing the rate of home ownership in the community.”

By creating an exception to the parking fee for the renewal of an annual parking permit, it creates an incentive and benefit of homeownership in the City. By eliminating the renewal fee it will also create an incentive to encourage neighborhoods to stay in the parking program.

Background

The City of Ypsilanti’s Residential Parking Permit was developed and implemented in 2005 in response to complaints from neighborhoods who were having excessive on street parking occurring primarily from EMU students who, instead of purchasing parking permits for on campus parking, parked in the neighborhood and walked to classes, events, or work.

The Parking Permit Program has been very effective as neighborhoods and property owners for the first time in years could park in front of their homes. But like many new programs, it needed to be tweaked over time.

For example, contractors such as plumbers and the cable company were getting tickets when parking in the neighborhood. The City changed the permit program to not ticket commercial vehicles.

All property owners were required to buy an initial permit. There was no charge for annual renewals for permit holders. At the time the program was implemented, it was estimated that that the majority of permit holders would be renters that move every couple of years. It was expected the fees from new permits would cover the costs of issuing new and renewal permits. At the last moment, a substantial penalty was implemented of \$50 for a parking permit violation.

This summer, the city implemented a new policy requiring all permit holders including renewals to pay the annual parking permit fee. The reason given was the cost of the renewals was more than the fees collected. However, the analysis did not include the revenue from the \$50 tickets.

CoPAC asks the City Council to reconsider the renewal permit fee and consider an exemption for permit renewal by homeowners.

Respectfully submitted by

Rod Johnson, Chair
Ypsilanti CoPAC

NSP GRANT SUBMISSION TEMPLATE

& CHECKLIST

(UPDATED 10.21.08)

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

- (1) The NSP Substantial Amendment (attached below)
- (2) Signed and Dated Certifications (attached below)
- (3) Signed and Dated [SF-424](#).

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

THE NSP SUBSTANTIAL AMENDMENT

| | |
|--|--|
| Jurisdiction(s): Washtenaw County <i>(identify lead entity in case of joint agreements)</i> | NSP Contact Person: Jennifer Hall |
| Jurisdiction Web Address: http://www.ewashtenaw.org/government/departments/community_development/index_html | Address: Community Development PO Box 8645 Ann Arbor MI 48107-8645 |
| <ul style="list-style-type: none"><i>(URL where NSP Substantial Amendment materials are posted)</i> | Telephone: 734 622-9006 |
| | Fax: 734 622-9022 |
| | Email: hallj@ewashtenaw.org |

A. AREAS OF GREATEST NEED

Provide summary needs data identifying the geographic areas of greatest need in the grantee's jurisdiction.

***Note:** An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction's consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State's own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions' consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity's own plan.*

HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult this data, in developing this section of the Substantial Amendment. WWW.HUD.GOV/NSP

Response:

The Urban County of Washtenaw has been allocated \$3,024,719 out of a total national allocation of \$3,920,000,000 under Title III of Division B of the Housing and Economic Recovery Act (HERA) by Congress for the Neighborhood Stabilization Program (NSP). These funds are a special Community Development Block Grant (CDBG) allocation. The member Urban County jurisdictions include:

- Ann Arbor Township
- Bridgewater Township
- Pittsfield Township
- Northfield Township
- Salem Township
- Scio Township
- Superior Township
- City of Ypsilanti
- Charter Township of Ypsilanti

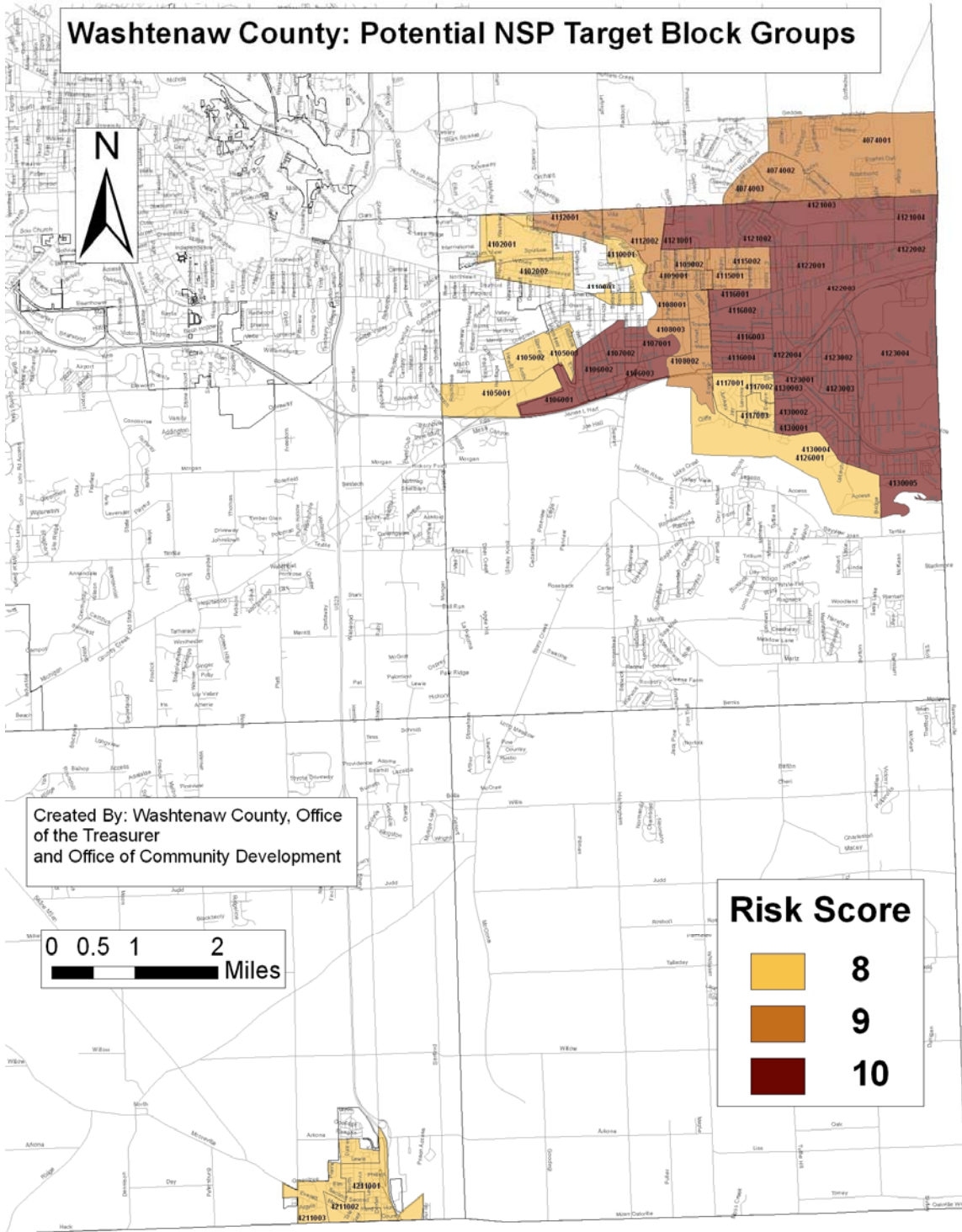
- York Township

Under this act, Washtenaw County must distribute these funds to the areas with the greatest need, defined as those Census Block Groups with the:

- Greatest percentage of home foreclosures;
- Highest number and percentage of homes financed by sub-prime mortgage related loans
- Greatest number and percentage of homes likely to face a significant rise in the rate of home foreclosures based on default or delinquency rates

The Urban County will continue to fund projects in all member jurisdictions using HOME and regular CDBG funds, however, NSP funds will be targeted to the highest need areas identified by census block group in the following map. The jurisdictions with census block groups with the highest need include Superior Township, the Charter Township of Ypsilanti and the City of Ypsilanti. HUD pre-ranked all census blocks from 1 to 10, with 1 being the lowest and 10 being the highest.

Washtenaw County: Potential NSP Target Block Groups



All of the identified high need census block groups are also in Low- Moderate and Middle- Income (LMMI) census tracts, meaning that at least 51% of the households have an income that does not exceed 120% of the Area Median Income, [measured as 2.4 times the current Section 8 income limit for households below 50% of median income, adjusted for household size].

FY 2008 Income Limits for 120% of HUD Area Median Income

| <u>1 person household</u> | <u>2 person household</u> | <u>3 person household</u> | <u>4 person household</u> | <u>5 person household</u> | <u>6 person household</u> | <u>7 person household</u> | <u>8 person household</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 69,200 | 79,100 | 89,000 | 98,900 | 106,800 | 114,700 | 122,600 | 130,500 |

All NSP funds must be spent on activities that meet the CDBG National Objective of benefitting low-, moderate- and middle income households (LMMI).

B. DISTRIBUTION AND USES OF FUNDS

*Provide a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. **Note:** The grantee’s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.*

Response:

The Urban County of Washtenaw will only allocate funds to projects that are located in the HUD high priority Census Block groups identified on the map in Section A. The Washtenaw County Office of Community Development (CD) will administer the funds allocated to the Urban County.

Due to job losses, more people are moving out of Michigan and Washtenaw County than moving in. The supply of housing exceeds the demand. Incentives including down payment assistance and rehabilitation funds will be offered to home buyers to encourage the purchase of abandoned and foreclosed homes in the target areas. Unfortunately, many abandoned and foreclosed homes will not find buyers and if the cost to bring them up to code far exceeds the value of the homes, they will need to be demolished to prevent a blighting influence on the neighborhood. NSP funds will not be used for the new construction of owner or rental housing until the market reverses and demand begins to exceed supply.

The CD has met with elected officials and employees of the three jurisdictions impacted: Superior Township, the City of Ypsilanti and the Charter Township of Ypsilanti. These jurisdictions have identified current properties that are foreclosed, blighted, vacant or abandoned in the high priority areas. The CD will

work with building officials, assessors, planners, attorneys, and financial staff in the jurisdictions as well as the County Treasurer's office to research the eligibility of properties under the NSP program. NSP funds will be used to demolish both private and publicly owned properties that are blighted. The CD will work with the impacted jurisdictions and neighborhood associations to prioritize projects and plan for future redevelopment. The County Treasurer has spearheaded the formation of a Land Bank to acquire, demolish and redevelop some of these properties. It will take 4-6 months for the Land Bank to become operational.

In addition, the CD is working with the Washtenaw Housing Education Partners (WHEP) which consists of seven non-profits that provide counseling and financial education for households who wish to become homebuyers as well as homeowners who are facing potential mortgage or tax foreclosure. WHEP has an existing program to ensure that potential homebuyers are ready and able to purchase a home. WHEP will provide HUD-certified counseling and home maintenance classes. The CD will market this program along with other CD programs.

A Request for Proposal will be issued to non-profit housing providers to implement three homeownership programs: Down Payment Assistance (DPA), Homebuyer Purchase and Rehab (HPR), and Acquisition Rehabilitation and Resale (ARR). The homeowner program will emphasize qualified homebuyers as the first step and letting the homebuyer select the home to purchase using DPA alone or with rehabilitation through the HPR program. The ARR program will only be used for HUD \$1 homes, which must be purchased by Washtenaw County, and Habitat homes, which have a qualified buyer. The NSP funds will not be used to purchase and rehabilitate single family homes on speculation.

Finally, the CD will work with non-profit housing providers to acquire and redevelop abandoned or foreclosed multi-family rental housing in the targeted census block groups. NSP funds will not be used to support conversion of single family owner housing to rental housing in traditional single family neighborhoods, unless no other option exists. A Request for Proposal will be issued to provide funding to high performing non-profit housing providers to acquire and rehabilitate rental properties that are large enough to be self-sustaining. A market study will be required to support the redevelopment of rental properties. Partial demolitions may be requested to eliminate blighted rental properties that are too costly to rehabilitate, given a lack of market demand.

The needs in the community exceed the resources available through the NSP program. NSP funds must be committed to project addresses within 18 months of allocation by HUD. Therefore, the NSP budget is based on both the need and capacity of community partners to commit the funds to specific addresses.

NEIGHBORHOOD STABILIZATION PROGRAM BUDGET

| | |
|-----------------------------|------------------|
| Purchase and Rehabilitation | |
| Home Ownership | \$1,122,248 |
| Education | \$60,000 |
| Rental | \$740,000 |
| Land Bank | \$300,000 |
| Demolition | \$500,000 |
| <u>Administration</u> | <u>\$302,471</u> |
| | TOTAL |
| | \$3,024,719 |

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

For the NSP program, we will use the definition of “blighted” property approved in the State of Michigan House Bill 6638 of 2008, with 3 additions at the bottom. A blighted property must meet one of the following conditions:

- The property has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance.
- The property is an attractive nuisance because of physical condition or use.
- The property is a fire hazard or is otherwise dangerous to the safety of persons or property.
- The property has had the utilities, plumbing, heating, or sewerage disconnected, destroyed, removed, or rendered ineffective for at least one year so that the property is unfit for its intended use.
- The property is tax reverted property owned by a qualified local governmental unit, by a county, or by the state. (The property would retain its “blighted” status, after a sale, lease, or transfer of tax reverted property by a local governmental unit, county, or the state.)
- The property is owned or under the control of a Land Bank Fast Track Authority, whether located within a qualified local governmental unit as that term is defined in the Brownfield Redevelopment Financing Act. (The property would retain its “blighted” status, after a sale, lease, or transfer of the property by the Land Bank Fast Track Authority for purposes of the statute.)
- The property is improved real property that has remained vacant for five consecutive years and that is not maintained in accordance with applicable local housing or property maintenance codes or ordinances.
- The property has code violations posing a severe and immediate health or safety threat and has not been substantially rehabilitated within one year after the receipt of notice to rehabilitate from the appropriate code enforcement agency or final determination of any appeal, whichever is later.

- The existence of any structure or part of such structure which, because of fire, wind or other natural disaster or physical deterioration, is no longer habitable as a dwelling, nor useful for any other purpose for which it may have been intended or lawfully used.
- The existence of any vacant dwelling, garage or other accessory building, unless the same is securely locked, with windows intact or neatly boarded up, and otherwise protected to prevent entrance thereto by unauthorized persons.
- The existence of any partially completed structure, unless such structure is in the course of construction in accordance with a valid and subsisting building permit issued by the township and unless such construction is completed within the time specified by existing ordinances.

(2) Definition of “affordable rents.” Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program –specific requirements such as continued affordability.

Response:

The HOME definition of affordable rents at 24 CFR 92.252 (a), (c), and (f) will be adopted for the NSP program

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

HOMEOWNERSHIP PROGRAMS

- a) A 20-year 0% interest, deferred lien shall be placed on the property in the amount that the homeowner borrowed (“Subsidy Amount”). If the OWNER sells or transfers Property or an interest therein or discontinues use of Property as a primary residence on or before the **20 year term**, the Subsidy Amount shall be repaid according to the following:
 - i) County Appreciation Percentage. The County Appreciation Percentage shall be determined by taking the Subsidy Amount and dividing it by the After Rehab Value. The County Appreciation Percentage shall then be multiplied times the total amount of Appreciation; and
 - ii) Appreciation. Appreciation of Property shall be the difference between the Owner’s original After Rehab Value and the appraised value at the time Owner sells, transfers, or discontinues using Property as a primary residence. Owner expenses such as after acquired liens, equity liens, or other encumbrances shall not be considered in computing appreciation; and
 - iii) County Repayment Amount. The County Appreciation Percentage shall be multiplied times the Appreciation to determine the amount that must be repaid to County (“County Repayment Amount”). In the event that the County Repayment Amount is equal to or greater

than the lien, then that amount shall be repaid to the County. In the event that the County Repayment Amount is less than the lien, then the Owner shall be responsible for the balance of the Subsidy Amount at the time of closing. In the event that the total amount available to the Owner at the time of closing after paying the first mortgage, closing costs, realtor commissions, and recovering the initial owner cash investment is less than the Subsidy Amount, then that amount shall be paid to County and Owner shall be relieved of any further obligation under the terms of this Lien Agreement.

- iv) Forgiveness of Subsidy Amount. In the event Owner retains and resides in the Property continuously for a period of twenty (20) years, all obligations to repay the Subsidy Amount shall be forgiven and this Lien shall be discharged.

Recapture Formula:

| | |
|--|----------|
| Initial Appraised After Rehab Value (IARV) | \$90,000 |
| Initial Purchase Price (IPP) | \$75,000 |
| NSP investment (\$15K DPA & \$20K Rehab) | \$35,000 |
| NSP investment as percent of IARV | 39% |

Sold 10 years later with increase in value

| | |
|--|-----------|
| Appraised Value (AV) | \$150,000 |
| Increase in Appraised Value (IARV - IAV) | \$60,000 |
| 39% of Increase in Value | \$23,400 |

\$35,000 is greater than \$23,400, so the homeowner repays \$35,000

Sold 10 years later with decrease in value

| | |
|---------------------------------------|-----------------|
| Appraised Value/Sales Price | \$85,000 |
| Owner Private Mortgage Lien repayment | -\$60,000 |
| Owner initial cash investment | -\$1,000 |
| Closing Costs and Realtor | <u>-\$6,000</u> |
| Balance | \$19,000 |

\$19,000 is repaid instead of \$35,000

RENTAL PROGRAMS

A 30-year lien will be placed on all NSP funded rental housing projects. The lien will be equal to the amount of assistance provided to the buyer (acquisition and rehabilitation). At the time of sale or transfer of the property or discontinuation as a rental property, the lien must be repaid in full or based on a formula, whichever is greater. The formula is based on a shared increase in the appraised value at the time of sale or transfer. At the time of initial purchase, the percent of NSP funds

as a percent of the appraised value will be calculated. At the time of sale or transfer, the same percent of increase in the appraised value between the initial purchase and the new appraised value will be repaid to Washtenaw County. The greater of this formula and the actual lien amount will be repaid out of net sales proceeds (after paying all liens, closing costs, realtor fees and deducting the initial owner cash investment).

If the property remains a rental property for 30 years, then the lien will be forgiven. NSP funds can be applied to the entire project cost or designated to specific units. All units funded with NSP funds will be occupied by households at 50% AMI or less at the time of initial occupancy.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

All rehabilitation activities assisted under the NSP program shall address health and safety violations, correct substandard conditions and make essential improvements. Such improvement shall include but are not limited to: performing energy related repairs or improvements including the installation of Energy Star appliances and energy efficient windows, providing for handicapped accessibility under reasonable accommodation and reasonable modification standards, the abatement of lead-based paint hazards and the repair or replacement of major housing systems in danger of failure. All rehabilitation must meet applicable local standards, codes and ordinances. Lead Based Paint standards apply to housing built prior to 1978. For the NSP program, all repairs will need to meet the 2006 Michigan Residential Rehabilitation Code and all units will, at minimum, adhere to the standards outlined in the 2006 International Property Maintenance Code.

D. LOW INCOME TARGETING

*Identify the estimated amount of funds appropriated or otherwise made available under the NSP to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: **\$1,000,000.***

Note: *At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.*

Response:

Twenty-five percent of \$3,024,719 is \$756,180. The estimated amount of NSP funds to be used for households whose incomes do not exceed 50% of the area median income is \$700,000 for rental housing and \$300,000 for homeowner housing. Home buyers whose income is less than 50% of AMI will not be eligible for NSP funds unless they are purchasing a Habitat home. Habitat provides 0%

financing which enables home buyers with incomes below 50% AMI to purchase a home, who would otherwise not qualify for a private mortgage.

E. ACQUISITIONS & RELOCATION

Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., $\leq 80\%$ of area median income).

If so, include:

- *The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.*
- *The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).*
- *The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.*

Response:

Properties that will be demolished due to blight are unlikely to be habitable. If the home is occupied, then it is likely to be occupied by a household under 80% AMI. The number of homes with habitants that will be demolished is expected to be less than 10. Those residents will be relocated to safe and decent housing. No units occupied by households under 80% AMI will be converted to another use.

Acquisition and Relocation activities will begin in March 2009 and will end in December 2011.

Activity: Purchase and Rehabilitation

- No units will be demolished or converted under this activity

Activity: Land Bank

- No units will be demolished or converted under this activity

Activity: Demolition

- 10 rental units that are occupied by households under 80% AMI may be demolished. The residents will be relocated to safe and decent housing.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Note: proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction's website for no less than 15 calendar days for public comment.

Response:

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)

(1) Activity Name: **PURCHASE AND REHABILITATION**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP eligible Use: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties

CDBG eligible Activity:

- 570.201 (a) Acquisition
- 570.201 (b) Disposition
- 570.201 (i) Relocation
- 570.201 (n) Direct homeownership assistance
- 570.202 Rehabilitation and preservation, including homeownership counseling

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

This activity will directly benefit low, moderate and middle income persons as defined as households with incomes less than 120% of the area median income.

FY 2008 Income Limits for 120% of HUD Area Median Income

| <u>1 person household</u> | <u>2 person household</u> | <u>3 person household</u> | <u>4 person household</u> | <u>5 person household</u> | <u>6 person household</u> | <u>7 person household</u> | <u>8 person household</u> |
|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| 69,200 | 79,100 | 89,000 | 98,900 | 106,800 | 114,700 | 122,600 | 130,500 |

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

NSP-funded purchase and rehabilitation activities will include acquisition and rehabilitation of both homeowner and rental housing by eligible households and non-profits serving eligible households in the areas of greatest need as identified on the map in Section A. Similar activities outside the areas of greatest need will be funded with other funding sources such as HOME and CDBG funds.

The following housing programs will be included under this activity.

1. Down Payment Assistance
 - a. RFP issued to select a non-profit organization to administer
 - b. Maximum of \$15,000 per household
 - c. Household income between 50% AMI and 120% AMI

2. Homebuyer Purchase and Rehabilitation
 - a. Minor Rehab required
 - i. Administration by CD
 - ii. \$25,000 Maximum including up to \$15,000 DPA
 - iii. Household income between 50% AMI and 120% AMI
 - b. Major Rehab required
 - i. RFP issued to select high capacity non-profit organizations to administer
 - ii. \$37,500 Maximum including up to \$15,000 DPA
 - iii. Household income between 50% AMI and 120% AMI
3. Acquisition Rehabilitation and Resale
 - a. \$1 FHA foreclosed homes
 - i. Acquired by Washtenaw County
 - ii. RFP issued to select high capacity non-profits to purchase, redevelop and resell to eligible homebuyers
 - iii. \$37,500 Maximum including up to \$15,000 DPA
 - iv. Household income between 50% AMI and 120% AMI
 - b. Habitat for Humanity
 - i. Buyer has been pre-qualified by Habitat
 - ii. House is acquired and rehabbed by Habitat then sold to buyer
 - iii. \$37,500 Maximum including up to \$15,000 DPA
 - iv. Household income between 30% AMI and 60% AMI
4. Acquisition and Rehabilitation of Rental properties
 - a. RFP issued to select high capacity non-profits to purchase and rehabilitate multi-family rental properties
 - b. Household income at 50% AMI or less
 - c. Maximum of \$25,000 per unit

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Location is limited to the census block groups identified on the map in Section A

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Homeowner Units

| | |
|---------------------|----------|
| 0 – 50% AMI | 8 units |
| 51% AMI to 80% AMI | 20 units |
| 81% AMI to 120% AMI | 8 units |

Rental Units

| | |
|---------------------|----------|
| 0 – 50% AMI | 40 units |
| 51% AMI to 80% AMI | 0 units |
| 81% AMI to 120% AMI | 0 units |

(7) Total Budget: (Include public and private components)

| | | |
|---------------------------|-------|------------------|
| Homeowner Units | | |
| NSP funds | | \$1,182,248 |
| Private Mortgage | | \$2,160,000 |
| Private Donations/In-Kind | | \$300,000 |
| Purchaser Contribution | | <u>\$108,000</u> |
| | TOTAL | \$3,750,248 |

| | | |
|--------------|--|-----------------------------------|
| Rental Units | | |
| NSP Funds | | \$740,000 |
| Other | | Unknown until properties selected |

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Washtenaw County
Community Development
PO Box 8645
Ann Arbor MI 48107-8645

NSP Contact Person: Jennifer Hall
Telephone: 734 622-9006
Fax: 734 622-9022
Email: hallj@ewashtenaw.org

(9) Projected Start Date:

January 1, 2009

(10) Projected End Date:

December 1, 2011

(11) Specific Activity Requirements:

For acquisition activities, include:

- discount rate

15% average discount rate, with a minimum of a 10% discount rate

For financing activities, include:

- range of interest rates

Not applicable

For housing related activities, include:

- duration or term of assistance;

- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*

HOMEOWNERSHIP PROGRAMS

- b) A 20-year 0% interest, deferred lien shall be placed on the property in the amount that the homeowner borrowed (“Subsidy Amount”). If the OWNER sells or transfers Property or an interest therein or discontinues use of Property as a primary residence on or before the **20 year term**, the Subsidy Amount shall be repaid according to the following:
- i) County Appreciation Percentage. The County Appreciation Percentage shall be determined by taking the Subsidy Amount and dividing it by the After Rehab Value. The County Appreciation Percentage shall then be multiplied times the total amount of Appreciation; and
 - ii) Appreciation. Appreciation of Property shall be the difference between the Owner’s original After Rehab Value and the appraised value at the time Owner sells, transfers, or discontinues using Property as a primary residence. Owner expenses such as after acquired liens, equity liens, or other encumbrances shall not be considered in computing appreciation; and
 - iii) County Repayment Amount. The County Appreciation Percentage shall be multiplied times the Appreciation to determine the amount that must be repaid to County (“County Repayment Amount”). In the event that the County Repayment Amount is equal to or greater than the lien, then that amount shall be repaid to the County. In the event that the County Repayment Amount is less than the lien, then the Owner shall be responsible for the balance of the Subsidy Amount at the time of closing. In the event that the total amount available to the Owner at the time of closing after paying the first mortgage, closing costs, realtor commissions, and recovering the initial owner cash investment is less than the Subsidy Amount, then that amount shall be paid to County and Owner shall be relieved of any further obligation under the terms of this Lien Agreement.
 - iv) Forgiveness of Subsidy Amount. In the event Owner retains and resides in the Property continuously for a period of twenty (20) years, all obligations to repay the Subsidy Amount shall be forgiven and this Lien shall be discharged.

Recapture Formula:

| | |
|--|----------|
| Initial Appraised After Rehab Value (IARV) | \$90,000 |
| Initial Purchase Price (IPP) | \$75,000 |
| NSP investment (\$15K DPA & \$20K Rehab) | \$35,000 |
| NSP investment as percent of IARV | 39% |

Sold 10 years later with increase in value

| | |
|--|-----------|
| Appraised Value (AV) | \$150,000 |
| Increase in Appraised Value (IARV - IAV) | \$60,000 |
| 39% of Increase in Value | \$23,400 |

\$35,000 is greater than \$23,400, so the homeowner repays \$35,000

Sold 10 years later with decrease in value

| | |
|---------------------------------------|-----------------|
| Appraised Value/Sales Price | \$85,000 |
| Owner Private Mortgage Lien repayment | -\$60,000 |
| Owner initial cash investment | -\$1,000 |
| Closing Costs and Realtor | <u>-\$6,000</u> |
| Balance | \$19,000 |

\$19,000 is repaid instead of \$35,000

RENTAL PROGRAMS

A 30-year lien will be placed on all NSP funded rental housing projects. The lien will be equal to the amount of assistance provided to the buyer (acquisition and rehabilitation). At the time of sale or transfer of the property or discontinuation as a rental property, the lien must be repaid in full or based on a formula, whichever is greater. The formula is based on a shared increase in the appraised value at the time of sale or transfer. At the time of initial purchase, the percent of NSP funds as a percent of the appraised value will be calculated. At the time of sale or transfer, the same percent of increase in the appraised value between the initial purchase and the new appraised value will be repaid to Washtenaw County. The greater of this formula and the actual lien amount will be repaid out of net sales proceeds (after paying all liens, closing costs, realtor fees and deducting the initial owner cash investment).

If the property remains a rental property for 30 years, then the lien will be forgiven. NSP funds can be applied to the entire project cost or designated to specific units. All units funded with NSP funds will be occupied by households at 50% AMI or less at the time of initial occupancy.

(1) Activity Name: **LAND BANK**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:

Establish land banks for homes that have been foreclosed upon

CDBG eligible Activity:

- 570.201 (a) Acquisition
- 570.201 (b) Disposition

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

The NSP acquisition activity will only occur in the high priority LMMI neighborhoods identified on the map in Section A as an area benefit.

If a property is disposed of for use as a residential property, the household's income will be less than or equal to 120% of the area median income.

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

NSP-funded land bank activities will include creation of a county-wide land bank in order to acquire, maintain and dispose of vacant and foreclosed residential and commercial properties in the areas of greatest need as identified on the map in Section A. Similar activities outside the areas of greatest need will be funded with other funding sources such as HOME and CDBG funds.

The intent of the land bank is to acquire the properties in the community that are in the worst condition and are not marketable. These properties are expected to be vacant blighted properties, and may or may not also be tax and/or mortgage foreclosed. The buildings will be demolished and the land bank will maintain the properties until they are sold or donated for another purpose within 10 years. The land bank has not been created and therefore disposition guidelines have not been adopted. Potential disposition strategies include:

- Selling the properties to adjacent LMMI homeowners as side lots
- Public facility
- Public park
- Redevelopment as commercial property to serve the needs of the LMMI neighborhood and create jobs
- Redevelopment as residential property for LMMI households

The Land Bank will work with local officials, and community groups to develop a strategic approach to redeveloping and disposing of the properties.

It is not expected that funds for this activity will be used to meet the low income housing requirements for those below 50% of area median income. However, there may be households under 50% AMI who do end up benefitting from this activity by purchasing side lots.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Location is limited to the census block groups identified on the map in Section A

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

20 unoccupied properties are expected to be acquired through the Land Bank with NSP funds. 10 properties will be sold as side lots to adjacent LMMI homeowners.

| | |
|---------------------|---------|
| 0 – 50% AMI | 2 units |
| 51% AMI to 80% AMI | 5 units |
| 81% AMI to 120% AMI | 2 units |

(7) Total Budget: (Include public and private components)

| | |
|-------------|--------------|
| NSP Funds | \$300,000 |
| Other Funds | Unidentified |

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Washtenaw County
Community Development
PO Box 8645
Ann Arbor MI 48107-8645

NSP Contact Person: Jennifer Hall
Telephone: 734 622-9006
Fax: 734 622-9022
Email: hallj@ewashtenaw.org

(9) Projected Start Date:

January 1, 2009

(10) Projected End Date:

December 1, 2011

(11) Specific Activity Requirements:

For acquisition activities, include:

- *discount rate*

15% average discount rate, with a minimum of a 10% discount rate

For financing activities, include:

- *range of interest rates*

Not applicable

For housing related activities, include:

- *duration or term of assistance;*
- *tenure of beneficiaries--rental or homeownership;*
- *a description of how the design of the activity will ensure continued affordability*

HOMEOWNERSHIP PROGRAMS

- c) A 20-year 0% interest, deferred lien shall be placed on the property in the amount that the homeowner borrowed (“Subsidy Amount”). If the OWNER sells or transfers Property or an interest therein or discontinues use of Property as a primary residence on or before the **20 year term**, the Subsidy Amount shall be repaid according to the following:
- i) County Appreciation Percentage. The County Appreciation Percentage shall be determined by taking the Subsidy Amount and dividing it by the After Rehab Value. The County Appreciation Percentage shall then be multiplied times the total amount of Appreciation; and
 - ii) Appreciation. Appreciation of Property shall be the difference between the Owner’s original After Rehab Value and the appraised value at the time Owner sells, transfers, or discontinues using Property as a primary residence. Owner expenses such as after acquired liens, equity liens, or other encumbrances shall not be considered in computing appreciation; and
 - iii) County Repayment Amount. The County Appreciation Percentage shall be multiplied times the Appreciation to determine the amount that must be repaid to County (“County Repayment Amount”). In the event that the County Repayment Amount is equal to or greater than the lien, then that amount shall be repaid to the County. In the event that the County Repayment Amount is less than the lien, then the Owner shall be responsible for the balance of the Subsidy Amount at the time of closing. In the event that the total amount available to the Owner at the time of closing after paying the first mortgage, closing costs, realtor commissions, and recovering the

initial owner cash investment is less than the Subsidy Amount, then that amount shall be paid to County and Owner shall be relieved of any further obligation under the terms of this Lien Agreement.

- iv) Forgiveness of Subsidy Amount. In the event Owner retains and resides in the Property continuously for a period of twenty (20) years, all obligations to repay the Subsidy Amount shall be forgiven and this Lien shall be discharged.

Recapture Formula:

| | |
|--|----------|
| Initial Appraised After Rehab Value (IARV) | \$90,000 |
| Initial Purchase Price (IPP) | \$75,000 |
| NSP investment (\$15K DPA & \$20K Rehab) | \$35,000 |
| NSP investment as percent of IARV | 39% |

Sold 10 years later with increase in value

| | |
|--|-----------|
| Appraised Value (AV) | \$150,000 |
| Increase in Appraised Value (IARV - IAV) | \$60,000 |
| 39% of Increase in Value | \$23,400 |

\$35,000 is greater than \$23,400, so the homeowner repays \$35,000

Sold 10 years later with decrease in value

| | |
|---------------------------------------|-----------------|
| Appraised Value/Sales Price | \$85,000 |
| Owner Private Mortgage Lien repayment | -\$60,000 |
| Owner initial cash investment | -\$1,000 |
| Closing Costs and Realtor | <u>-\$6,000</u> |
| Balance | \$19,000 |

\$19,000 is repaid instead of \$35,000

RENTAL PROGRAMS

A 30-year lien will be placed on all NSP funded rental housing projects. The lien will be equal to the amount of assistance provided to the buyer (acquisition and rehabilitation). At the time of sale or transfer of the property or discontinuation as a rental property, the lien must be repaid in full or based on a formula, whichever is greater. The formula is based on a shared increase in the appraised value at the time of sale or transfer. At the time of initial purchase, the percent of NSP funds as a percent of the appraised value will be calculated. At the time of sale or transfer, the same percent of increase in the appraised value between the initial purchase and the new appraised value will be repaid to Washtenaw County. The greater of this formula and the actual lien amount will be repaid out of net sales proceeds (after paying all liens, closing costs, realtor fees and deducting the initial owner cash investment).

If the property remains a rental property for 30 years, then the lien will be forgiven. NSP funds can be applied to the entire project cost or designated to specific units. All units funded with NSP funds will be occupied by households at 50% AMI or less at the time of initial occupancy.

(1) Activity Name:

DEMOLITION

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use:
Demolish blighted structures

CDBG eligible Activity:

- 570.201 (d) Clearance for blighted structures only

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., $\leq 120\%$ of area median income).

The NSP demolition activity will only occur in the high priority LMMI neighborhoods identified on the map in Section A as an area benefit.

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Community Development has met with elected officials and employees of the three jurisdictions impacted: Superior Township, the City of Ypsilanti and the Charter Township of Ypsilanti. These jurisdictions have identified current properties that are blighted in the high priority areas. The CD will work with code officials, assessors, planners, attorneys, and financial staff in the jurisdictions as well as the County Treasurer's office to research the eligibility of properties under the NSP program. A revolving loan fund will be used to demolish blighted properties as a last resort, that are in violation of local codes and the owner has not responded to local efforts to enforce the code. Reimbursement from insurance companies and private owners will be recorded as program income and reinvested in the revolving loan fund.

In addition, blighted properties will be purchased by the Land Bank and demolished with NSP funds.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Location is limited to the census block groups identified on the map in Section A

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

The activity of demolition will result in a cleared site. Relocation will apply to properties occupied by tenants in a condemned structure, however, there will not

be any housing units produced under this activity. 50 units are expected to be demolished under this activity

(7) Total Budget: (Include public and private components)

| | |
|---------------|------------------|
| NSP Funds | \$500,000 |
| Private Funds | <u>\$300,000</u> |
| TOTAL | \$800,000 |

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Washtenaw County
Community Development
PO Box 8645
Ann Arbor MI 48107-8645

NSP Contact Person: Jennifer Hall
Telephone: 734 622-9006
Fax: 734 622-9022
Email: hallj@ewashtenaw.org

(9) Projected Start Date:

January 1, 2009

(10) Projected End Date:

December 1, 2010

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate

Not applicable

For financing activities, include:

- range of interest rates

Not applicable

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Not applicable

CERTIFICATIONS

- (1) **Affirmatively furthering fair housing.** The jurisdiction will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) **Anti-lobbying.** The jurisdiction will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (3) **Authority of Jurisdiction.** The jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (4) **Consistency with Plan.** The housing activities to be undertaken with NSP funds are consistent with its consolidated plan, which means that NSP funds will be used to meet the congressionally identified needs of abandoned and foreclosed homes in the targeted area set forth in the grantee's substantial amendment.
- (5) **Acquisition and relocation.** The jurisdiction will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD.
- (6) **Section 3.** The jurisdiction will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (7) **Citizen Participation.** The jurisdiction is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (8) **Following Plan.** The jurisdiction is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
- (9) **Use of funds in 18 months.** The jurisdiction will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using, as defined in the NSP Notice, all of its grant funds within 18 months of receipt of the grant.
- (10) **Use NSP funds \leq 120 of AMI.** The jurisdiction will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income.
- (11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(12) **Excessive Force.** The jurisdiction certifies that it has adopted and is enforcing: (1) a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and (2) a policy of enforcing applicable State and local laws against physically barring entrance to or exit from, a facility or location that is the subject of such non-violent civil rights demonstrations within its jurisdiction.

(13) **Compliance with anti-discrimination laws.** The NSP grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(14) **Compliance with lead-based paint procedures.** The activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(15) **Compliance with laws.** The jurisdiction will comply with applicable laws.

Signature/Authorized Official

Date

Title

NSP Substantial Amendment Checklist

For the purposes of expediting review, HUD asks that applicants submit the following checklist along with the NSP Substantial Amendment and SF-424.

Contents of an NSP Action Plan Substantial Amendment

| | |
|---|---|
| Jurisdiction(s): _____ Lead Agency Jurisdiction Web Address: <i>(URL where NSP Substantial Amendment materials are posted)</i> | NSP Contact Person: Address: Telephone: Fax: Email: |
|---|---|

The elements in the substantial amendment required for the Neighborhood Stabilization Program are:

A. AREAS OF GREATEST NEED

Does the submission include summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction?

Yes No . Verification found on page ____.

B. DISTRIBUTION AND USES OF FUNDS

Does the submission contain a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures?

Yes No . Verification found on page ____.

Note: The grantee’s narrative must address the three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.

C. DEFINITIONS AND DESCRIPTIONS

For the purposes of the NSP, do the narratives include:

- a definition of “blighted structure” in the context of state or local law,
 Yes No . Verification found on page ____.

- a definition of “affordable rents,”
 Yes No . Verification found on page ____.

- a description of how the grantee will ensure continued affordability for NSP assisted housing,
 Yes No . Verification found on page ____.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?
Yes No . Verification found on page _____.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page _____.
- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?
Yes No . Verification found on page _____.
Amount budgeted = \$ ____.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?
Yes No . (If no, continue to next heading)
Verification found on page _____.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?
Yes No . Verification found on page _____.
- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?
Yes No . Verification found on page _____.
- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?
Yes No . Verification found on page _____.

F. PUBLIC COMMENT PERIOD

Was the proposed action plan amendment published via the grantee jurisdiction's usual methods and on the Internet for no less than 15 calendar days of public comment?
Yes No . Verification found on page _____.

Is there a summary of citizen comments included in the final amendment?

Yes No Verification found on page _____.

G. INFORMATION BY ACTIVITY

Does the submission contain information by activity describing how the grantee will use the funds, identifying:

- eligible use of funds under NSP,
Yes No Verification found on page _____.
- correlated eligible activity under CDBG,
Yes No Verification found on page _____.
- the areas of greatest need addressed by the activity or activities,
Yes No Verification found on page _____.
- expected benefit to income-qualified persons or households or areas,
Yes No Verification found on page _____.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No Verification found on page _____.
- appropriate performance measures for the activity,
Yes No Verification found on page _____.
- amount of funds budgeted for the activity,
Yes No Verification found on page _____.
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page _____.
- expected start and end dates of the activity?
Yes No Verification found on page _____.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No Verification found on page _____.
- If the activity provides financing, the range of interest rates (if any),
Yes No Verification found on page _____.

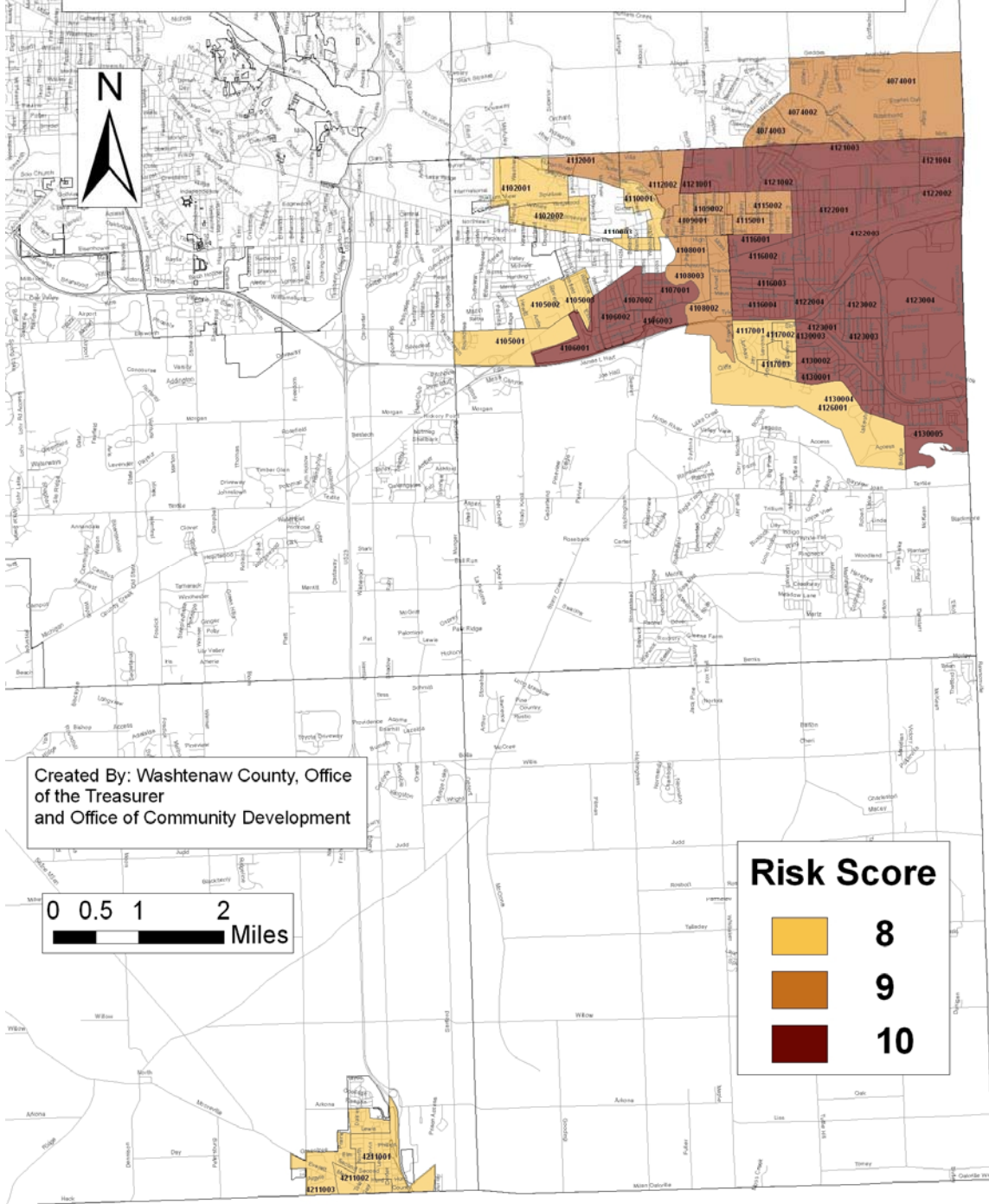
- If the activity provides housing, duration or term of assistance,
Yes No . Verification found on page ____.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No . Verification found on page ____.
- does it ensure continued affordability?
Yes No . Verification found on page ____.

H. CERTIFICATIONS

The following certifications are complete and accurate:

- | | | |
|--|------------------------------|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds \leq 120 of AMI | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (12) Excessive Force | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Washtenaw County: Potential NSP Target Block Groups



Public Comment for Office of Community Development Neighborhood Stabilization Program

| | | | |
|---|--------------------|-------------------|--|
| I am a: <i>(Check all that apply)</i> | | | |
| <input type="checkbox"/> Resident | Municipality _____ | Check one: | <input type="checkbox"/> Renter <input type="checkbox"/> Homeowner |
| <input type="checkbox"/> Business Owner | Municipality _____ | | |
| <input type="checkbox"/> Local Official | Municipality _____ | | |
| <input type="checkbox"/> Nonprofit Provider | Municipality _____ | | |
| Please indicate key services your agency provides and target clients | | | |
| Optional (Please complete if you would like a written response from us): | | | |
| Name: | | | |
| Address: | | | |

Comments, concerns, questions: *(feel free to use the back of this form if you need more room)*

Please e-mail, fax or mail your comments no later than November 28, 2008 to:
Jennifer Hall
hallj@ewashtenaw.org

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