

Grantee: Oakland County, MI

Grant: B-08-UN-26-0004

October 1, 2018 thru December 31, 2018 Performance



Grant Number:

B-08-UN-26-0004

Obligation Date:

03/26/2009

Award Date:**Grantee Name:**

Oakland County, MI

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

Original - In Progress

Grant Award Amount:

\$17,383,776.00

Grant Status:

Active

QPR Contact:

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LOCCS Authorized Amount:

\$17,383,776.00

Estimated PI/RL Funds:

\$3,000,000.00

Total Budget:

\$20,383,776.00

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Response: The U. S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP) was authorized by the Housing and Economic Recovery Act of 2008 (HERA). HERA provides \$4 billion in emergency assistance for the redevelopment of abandoned and foreclosed homes including \$3.92 billion in Neighborhood Stabilization Program (NSP) funds to States and Community Development Block Grant (CDBG) entitlements. The purpose of the NSP is to assist states and local governments in addressing the effects of abandoned and foreclosed properties. HUD has implemented the program by relying upon existing CDBG requirements and making appropriate adjustments to accommodate the directives of HERA.

The following NSP application is considered a substantial amendment to the Oakland County 2008 Annual Action Plan and related 2005-2009 Consolidation Plan. The information that follows is in the order and format provided by HUD. The Oakland County Community & Home Improvement Division has been allocated \$17,383,776 in NSP funds to infuse this one time emergency assistance for the redevelopment of abandoned and foreclosed homes into areas of greatest need. Federal regulations were released on September 29, 2008 which included a description of how HUD would target formula allocations to CDBG entitlement jurisdictions based on:

1. Number and percentage of home foreclosures
2. Number and percentage of homes with subprime mortgages
3. Number and percentage of homes in default

The goals of Oakland County's Neighborhood Stabilization Program (NSP) include:

1. Reduce foreclosed property vacancies
2. Arrest and reverse the decline of neighborhood housing values
3. Enhance the stability of neighborhoods negatively impacted by foreclosure and abandonment
4. Return vacant foreclosed properties to productive use

Oakland County has experienced a 969% increase in the number of Sheriff Deeds overall from 1998-2007. The entire county has been impacted by the foreclosure crisis. Data indicates that some communities lead in foreclosures, others lead in likely foreclosures because of the presence of high cost mortgages and others have been hardest hit with property value changes. Based upon 1st, 2nd, and 3rd quarter data Oakland County Equalization anticipates a 32% overall increase in 2008 Sheriff Deeds. The Sheriff Deeds- Foreclosures on Mortgages Chart below provides the most current information (10/13/08) on the County's overall foreclosure crisis.

It is evident that all of Oakland County has been affected by the foreclosure crisis. However, in distributing NSP funds, grantees are to give priority emphasis and consideration to those metropolitan areas, metropolitan cities, urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those—

1. with the greatest percentage of home foreclosures;
2. with the highest percentage of homes financed by subprime mortgage related loan;
3. identified by the State or unit of general local government as likely to face a significant rise in the rate of home foreclosures.

The process to determine the County's areas of greatest need analysis of non-urban county CDBG entitlement communities. HUD indicated that these areas including Farmington Hills, Pontiac, Royal Oak, Southfield, and Waterford Township could receive NSP funds from Oakland County and the State of Michigan. Oakland County considered the needs of Pontiac, Southfield, and Waterford and determined them to be of lower need due to the resources already available to them to address foreclosed properties through NSP. The other communities of Farmington Hills and Royal Oak were not considered to be of highest need compared to those communities that did not have any other available resources to address the effects of abandoned and foreclosed properties.

The first step in narrowing the focus of NSP resources for current urban county participating communities was to analyze data pursuant to the Act and NSP regulation starting with HUD User data on "Middle Income Eligible Areas". This data set indicates



whether or not each Census Block Group qualifies as an area of low-, moderate-, and middle-income (LMMI) benefit, where more than 51 percent of the people in the area had incomes less than 120 percent of Area Median Income (AMI). This data was analyzed first based upon the requirement that all NSP funds shall be used to benefit individuals and families whose incomes do not exceed 120 percent of area median income. The following communities contain LMMI eligible benefit areas:

OAKLAND COUNTY AREAS OF GREATEST NEED

Cities	Townships	Villages
Auburn Hills	Addison	Holly
Berkley	Brandon	Lake Orion
Birmingham	Commerce	Leonard
Clawson	Groveland	Milford
Farmington	Holly	Oxford
Ferndale	Highland	Wolverine Lake
Hazel Park	Independence	
Keego Harbor	Lyon	
Madison Heights	Milford	
Novi	Oakland	
Oak Park		Orion
Rochester	Oxford	
Rochester Hills	Rose	
South Lyon	Royal Oak	
Sylvan Lake	Springfield	
Troy	West Bloomfield	
Walled Lake	White Lake	
Wixom		

The following communities do not contain LMMI benefit areas: City of Village of Clarkston, Huntington Woods, Northville, Orchard Lake Village, Pleasant Ridge, Beverly Hills Village, and Franklin Village. Although these communities currently participate in the Oakland County Urban County CDBG program and benefit from county administered programming including the home improvement program for the purposes of NSP they are not identified as areas of greatest need.

As an entitlement, Oakland County distributes funds to participating communities through a formula grant application process. Typically one third of CDBG funds excluding administration are allocated to county administered housing programs that serve all participating communities.

The remaining two thirds are allocated to CDBG eligible programs that are administered by participating communities. The County's strategy for allocating NSP funds follows the 2008 CDBG methodology within the targeting parameters of NSP. NSP programs to be administered by Oakland County Community & Home Improvement include administration (10%), public services (3.7%) for housing counseling and the County's Homebuyer Program for Vacant Foreclosed Properties (1/3 of total allocation minus administration and public services) and target areas of greatest need as described above. The County's Homebuyer Program will provide loans to homebuyers for down payment assistance, closing costs, home improvements or other financing associated with purchasing eligible vacant foreclosed single family homes in targeted areas. Sixty percent of the County's Homebuyer Program total budget of \$4,998,467 or \$2,999,080 is reserved to finance homebuyers with incomes at or below 50% of AMI. The remaining funds of \$1,999,387 are earmarked to assist homebuyers with incomes between 51 and 120 percent of AMI. Applicants whose income falls below 50 percent AMI may qualify for an additional \$5,000 toward down payment assistance to maximize homebuyer participation at this lowest income level.

To follow CDBG allocation precedent, two thirds of available NSP funds after administration and housing counseling allocations are targeted specifically to participating communities. Targeting NSP resources within the areas of greatest need communities requires that the county analyze the most current information available from HUD data but also local data sets including foreclosure statistics from the Oakland County Clerk Register of Deeds sheriff sales as well as property value data from Oakland County Equalization. The three HUD criteria as listed below were addressed by Oakland County through an analysis of the following factor data:

1. Greatest percentage of home foreclosures:

Local Foreclosures to Local Single Family Housing Units (Factor A) - Data from the U.S. Census Bureau, SEMCOG, Oakland County Sheriff Deeds/Oakland County Clerk Register of Deeds were used to develop a ratio comparing the number of foreclosures by CVT to the number of single family housing units per CVT. Local Foreclosures to Total Urban County Foreclosures (Factor B) - This data set based upon Oakland County Sheriff Deeds/Oakland County Clerk Register of Deeds information compares the percentage of foreclosures in each CVT to the total number of foreclosures in the fifty CDBG participating community's.

2. Highest percentage of homes financed by subprime mortgage related loan:

Average Subprime Loan Rate by Community (Factor C) - Information from HUD User based on Home Mortgage Disclosure Act (HMDA) data was used to establish an average subprime loan rate for each CVT.

3. Likely to face a significant rise in the rate of home foreclosures:

Preliminary Proposed 2009 Percent Change in Residential Property Assessment (Factor D) - Oakland County Equalization provided data on the proposed 2009 percent decrease in residential property assessments per CVT. This data was key to studying the potential of future foreclosures.

Percent of Eligible NSP Areas to Total Eligible NSP Areas (Factor E) - Data from HUD User was used to identify local populations at or below 120 percent of area median income

The existing precedent set by CDBG for the distribution of funds to participating communities through a formula process was met by the development and use of an NSP formula. Data from the five factors was used in the $((A*2) + B + C + D + E)/5$ formula. The resulting calculation was used to achieve a Neighborhood Destabilization Ratio (NDR) for each participating community.

OAKLAND COUNTY NSP DESTABILIZATION FORMULA $((A*2) + B + C + D + E)/5$

Community	Neighborhood Destabilization Ratio
Hazel Park	0.12236
Oak Park	0.11764
Royal Oak Twp	0.09431
Madison Heights	0.07694
Ferndale	0.07505
Keego Harbor	0.05574

Village of Holly	0.05472
Village of Ortonville	0.05148
ose Twp	0.04995
Holly Twp	0.04035
Lathrup Village	0.04026
Village of Lake Orion	0.04021
White Lake Twp	0.03863
West Bloomfield Twp	0.03826
Brandon Twp	0.03706
Highland Twp	0.03608
Auburn Hills	0.03607
Clawson	0.03549
Oxford Twp	0.03517
Commerce Twp	0.03460
Rochester Hills	0.03288
Berkley	0.03186
Troy	0.03098
Independence Twp	 &a;m;ap;sp&nbs;0.0397
Walled Lake	0.02943
Orion Twp	0.02862
Village of Wolverine Lake	0.02744
Village of Milford	0.02733
Village of Leonard	0.02669
Groveland Twp	0.02614
Addison Twp	0.02512
Springfield Twp	0.02380
Village of Oxford	0.02360
Milford Twp	0.02294
Farmington	0.02278
South Lyon	0.02167
Sylvan Lake	0.02130
Novi	0.02074
Rochester	0.01885
Wixom	0.01759
Clarkston	0.01739
Lyon Twp	0.01615
Pleasant Ridge	0.01263
Orchard Lake Village	0.01168
Birmingham	0.01035
Huntington Woods	0.00994
Village of Franklin	0.00962
Village of Beverly Hills	0.00423
Northville	-0.00134
Oakland Twp	-0.14473

Source: Factor A - U.S. Census Bureau, SEMCOG, Oakland County Sheriff Deeds/Oakland County Clerk Register of Deeds, Factor B - Oakland County Sheriff Deeds/Oakland County Clerk Register of Deeds, Factor C - HUD User, Factor D - Oakland County Equalization, Factor E - HUD User

The net effect of these steps was the prioritization of funding to the top quartile communities with the highest NDR including:

OAKLAND COUNTY AREAS OF GREATEST NEED - TOP QUARTILE COMMUNITIES

Cities
 Ferndale
 Hazel Park
 Keego Harbor
 Lathrup Village
 Madison Heights
 Oak Park
 Townships
 Holly
 Rose
 Royal Oak
 Villages
 Holly
 Lake Orion
 Ortonville

Although the City of Lathrup Village and the Village of Ortonville do not meet the first step criteria of having "Middle Income Eligible Areas" they are included in the top quartile of areas of greatest need due to the high Neighborhood Destabilization Ratio for each community.

Distribution and and Uses of Funds:

Response: As an entitlement county, Oakland County distributes funds to participating communities through a formula grant application process. The County's strategy for budget allocations follows current County CDBG allocation methodology within parameters of NSP and allocates NSP as follows:

10% Administration funds to Oakland County
 3.7% Housing Counseling funds to Oakland County



1/3 of funds to areas of greatest need for county administered homebuyer assistance program

2/3 of funds to areas of greatest need for local administered programs in top quartile communities with highest neighborhood destabilization ratios.

Proposed Neighborhood Stabilization Program (NSP) Revenues

Program Area	Revenue
County Administration (10%)	\$1,738,377
Housing Counseling (3.7%)	\$650,000
Areas of Greatest Need – county administered homebuyer assistance program (1/3)	\$4,998,467
Areas of Greatest Need – highest quartile community allocations (2/3)	\$9,996,932
Total	\$17,383,776

Allocations to community administered programs are based on funding the top quartile of communities having the highest “Neighborhood Destabilization Ratios”.

Proposed Neighborhood Stabilization Program (NSP) Allocations

Program Area	Neighborhood Destabilization Ratio	Allocation
Hazel Park	0.12236	\$1,658,863.41
Oak Park	0.11764	\$1,630,859.79
Royal Oak Twp	0.09431	\$937,101.49
Madison Heights	0.07694	\$1,163,078.12
Ferndale	0.07505	\$1,115,160.44
Keego Harbor	0.05574	\$586,172.27
Vlg of Holly	0.05472	\$612,593.07
Vlg of Ortonville	0.05148	49,932.92
oTps; nsp;	0.04035	\$427,731.05
Lathrup Village	0.04026	\$424,379.31
Vlg of Lake Orion	0.04021	\$424,297.07

Areas of greatest need - community administered NSP programs (2/3) in targeted areas \$9,996,932.00

Areas of greatest need - county administered NSP programs (1/3) in targeted areas \$4,998,467.00

County administration (10%) \$1,738,377.00

Public services - housing counseling (3.7%) \$650,000.00

Total Budget \$17,383,776.00

Distribution and Uses of NSP Funds

NSP Eligible Use Activity	Funds
Financing Mechanisms	\$6,078,951.56
Acq Rehab Resale	\$4,948,495.65
Land Banks	\$0
Demolition	\$849,397.35
Redevelopment	\$3,118,554.44
Public Services Housing Counseling	\$650,000.00
Administration	\$1,738,377.00
Total	\$17,383,776.00

Pre-Award Costs - This NSP Substantial Amendment contemplates the expenditure of funding for eligible activities prior to the effective date of the grant agreement. In compliance with 24 CFR 570.200(h) these expenditures shall be limited to general planning and administrative costs, or other costs and activities that are in compliance with the Environmental Review Procedures stated in 24 CFR 58. These pre-award costs will be used for general planning and administration. All other activities will commence on or after the date of the grant agreement. These pre-award costs are not anticipated to have any effect on future grants.

Definitions and Descriptions:

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

Response: The U. S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP) regulations prohibit use of program funding for the “demolition of structures that are not blighted.” NSP regulations define a “blighted structure” as one that “exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.”

In order to arrest and reverse economic decline and neighborhood disinvestment, and to foster and promote neighborhoods in viable, standard condition, Oakland County’s Neighborhood Stabilization Program must plan for and include the elimination of blighted structures. The challenge in defining “blighted structure” in the context of state or local law is that Oakland County is an urban county within a home rule state. As such the County does not impose its own definition of blighted structure on local units of government. In the context of state law the State of Michigan defines “blighted” (Public Act 381 of 1996, MCL 125.2562(e)) as a property that meets any of the following criteria:

1. Has been declared a public nuisance in accordance with a local housing, building, plumbing, fire, or other related code or ordinance;
2. Is an attractive nuisance to children because of physical condition, use, or occupancy;
3. Is a fire hazard or is otherwise dangerous to the safety of persons or property; or
4. Has had the utilities, plumbing, heating, or sewerage permanently disconnected, destroyed, removed, or rendered ineffective so that the property is unfit for its intended use.

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

(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: Oakland County will utilize the Detroit Metropolitan Area Fair Market Rent Schedule and HOME Program Rent Schedules as published by the U. S. Department of Housing and Urban Development (HUD) at 24 CFR 92.252 (a), (c), and (f). As a current example, the 2008 HOME Program Rents for the Detroit-Warren-Livonia, MI HUD Metro FMR Area (DET-FMR) are listed in the table below. The DET-FMR is a gross rent figure that includes utilities. Any utilities that are required to be paid by the tenant

must be subtracted from the FMR to determine the maximum "affordable rent" rate.

2008 HOME Program Rents Detroit-Warren-Livonia, MI HUD Metro FMR Area (DET-FMR)

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

Efficiency (Low HOME Rent Limit 591)(High HOME Rent Limit 591*) (Fair Market Rent 591) (50% Rent Limit 611) (65% Rent Limit 775)

1 Bed (Low HOME Rent Limit 651 Limit 673*) (Fair Market Rent 673) (50% Rent Limit 655) (65% Rent Limit 832)

2 Bed (Low HOME Rent Limit 786*) (High HOME Rent Limit 805*) (Fair Market Rent 805) (50% Rent Limit 786) (65% Rent Limit 1001)

3 Bed (Low HOME Rent Limit 908*) (High HOME Rent Limit 963*) (Fair Market Rent 963) (50% Rent Limit 908) (65% Rent Limit 1148)

4 Bed (Low HOME Rent Limit 993) (High HOME Rent Limit 993*) (Fair Market Rent 993) (50% Rent Limit 1013) (65% Rent Limit 1260)

5 Bed (Low HOME Rent Limit 1118*) (High HOME Rent Limit 1142*) (Fair Market Rent 1142) (50% Rent Limit 1118) (65% Rent Limit 1372)

6 Bed (Low HOME Rent Limit 1223*) (High HOME Rent Limit 1291*) (Fair Market Rent 1291) (50% Rent Limit 1223) (65% Rent Limit 1485)

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

"Affordable Rent" shall be defined as:

For assisted households with income at or below 120% of the area median income—the Detroit Metropolitan Area Fair Market Rent (DET-FMR).

For households receiving assistance under NSP activities targeting individuals and families with income at or below 50% of the area median income—the Low HOME Rent, defined as the rent affordable at 50% AMI or DET-FMR, whichever is less.

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

Response: Oakland County will minimally adopt the HOME program's standards for ensuring continued affordability as defined at 24 CFR 92.252 (e) (Renter) and CFR 92.254 (Homeownership).

Periods of Affordability (renter) - The NSP-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

RENTER AFFORDABILITY PERIODS

Rental Housing Activity	Minimum Affordability Period
Rehabilitation or acquisition of existing housing per unit amount of NSP investment: under \$15,000	5 years
\$15,000 to \$40,000 per unit NSP investment	10 years
Over \$40,000 per unit NSP investment or rehabilitation involving refinancing	15 years
New construction or acquisition of newly constructed housing	20 years

Subsequent rents during the affordability period -

The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. HUD then provides the new maximum HOME rent limits to participating jurisdictions. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

Oakland County must provide project owners with information on updated HOME rent limits so that rents may be adjusted (not to exceed the maximum HOME rent limits in paragraph (f)(1) of this section) in accordance with the written agreement between the participating jurisdiction and the owner. Owners must annually provide the participating jurisdiction with information on rents and occupancy of HOME-assisted units to demonstrate compliance with this section

Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Adjustment of HOME rent limits for a particular project -

Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits in this section.

HUD may adjust the HOME rent limits for a project, only if HUD finds that an adjustment is necessary to support the continued financial viability of the project and only by an amount that HUD determines is necessary to maintain continued financial viability of the project. HUD expects that this authority will be used sparingly.

Tenant income - The income of each tenant must be determined initially in accordance with § 92.203(a) (1) (i). In addition, each year during the period of affordability the grantee must re-examine each tenant's annual income in accordance with one of the options in § 92.203 selected by the participating jurisdiction. An owner of a multifamily project with an affordability period of 10 years or more who re-examines tenant's annual income through a statement and certification in accordance with § 92.203(a)(1)(ii), must examine the income of each tenant, in accordance with § 92.203(a)(1)(i), every sixth year of the affordability period. Otherwise, an owner who accepts the tenant's statement and certification in accordance with § 92.203(a)(1)(ii) is not required to examine the income of tenants in multifamily or single-family projects unless there is evidence that the tenant's written statement failed to completely and accurately state information about the family's size or income.

Over-income tenants -

HOME-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected.

Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of

1986 (26 U.S.C. 42) must pay rent governed by section 42. In addition, in projects in which the HOME units are designated as floating pursuant to paragraph (j), tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

Fixed and floating NSP units - In a project containing NSP-assisted and other units, Oakland County may designate fixed or floating NSP units. This designation must be made at the time of project commitment. Fixed units remain the same throughout the period of affordability. Floating units are changed to maintain conformity with the requirements of this section during the period of affordability so that the total number of housing units meeting the requirements of this section remains the same, and each substituted unit is comparable in terms of size, features, and number of bedrooms to the originally designated NSP-assisted unit.

Periods of Affordability (homeownership) - For NSP-assisted homeownership units; the County will impose minimum affordability periods and resale/recapture provisions. These will also be consistent with the requirements of the HOME program. The NSP-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning 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

Resale and recapture - To ensure affordability, Oakland County must impose either resale or recapture requirements. The resale or recapture requirements comply with 24 CFR Part 92.254 5 (i) (ii) standards and have been set forth in the County's current approved consolidated plan.

Resale - Resale requirements must ensure, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability that the housing is made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence. The resale requirement must also ensure that the price at resale provides the original NSP-assisted owner a fair return on investment (including the homeowner's investment and any capital improvement) and ensure that the housing will remain affordable to a reasonable range of low-income homebuyers. The period of affordability is based on the total amount of NSP funds invested in the housing.

Except as provided in paragraph 24 CFR Part 92.254 (a) (5) (i) (B), deed restrictions, covenants running with the land, or other similar mechanisms must be used as the mechanism to impose the resale requirements. The affordability restrictions may terminate upon occurrence of any of the following termination events: foreclosure, transfer in lieu of foreclosure or assignment of an FHA insured mortgage to HUD.

Oakland County may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the termination event, obtains an ownership interest in the housing.

Certain housing may be presumed to meet the resale restrictions (i.e., the housing will be available and affordable to a reasonable range of low-income homebuyers; a low-income homebuyer will occupy the housing as the family's principal residence; and the original owner will be afforded a fair return on investment) during the period of affordability without the imposition of enforcement mechanisms by the participating jurisdiction. The presumption must be based upon a market analysis of the neighborhood in which the housing is located. The market analysis must include an evaluation of the location and characteristics of the neighborhood (e.g., sale prices, age and amenities of the housing stock, incomes of residents, percentage of owner-occupants) in relation to housing and incomes in the housing market area. An analysis of the current and projected incomes of neighborhood residents for an average period of affordability for homebuyers in the neighborhood must support the conclusion that a reasonable range of low-income families will continue to qualify for mortgage financing.

For example, an analysis shows that the housing is modestly priced within the housing market area and that families with incomes of 65% to 80% of area median can afford monthly payments under average FHA terms without other government assistance and housing will remain affordable at least during the next five to seven years compared to other housing in the market area; the size and amenities of the housing are modest and substantial rehabilitation will not significantly increase the market value; the neighborhood has housing that is not currently owned by the occupants, but the participating jurisdiction is encouraging homeownership in the neighborhood by providing homeownership assistance and by making improvements to the streets, sidewalks, and other public facilities and services. If Oakland County in preparing a neighborhood revitalization strategy under § 91.215(e)(2) of its consolidated plan or Empowerment Zone or Enterprise Community application under 24 CFR part 597 has incorporated the type of market data described above, that submission may serve as the required analysis under this section. If Oakland County continues to provide homeownership assistance for housing in the neighborhood, it must periodically update the market analysis to verify the original presumption of continued affordability.

Recapture - Recapture provisions must ensure that Oakland County recoups all or a portion of the NSP assistance to the homebuyers, if the housing does not continue to be the principal residence of the family for the duration of the period of affordability. Oakland County will structure its recapture provisions based on program design and market conditions. The period of affordability is based upon the total amount of NSP funds subject to recapture described in paragraph (a)(5)(ii)(A)(5) of this section. The following options for recapture requirements are acceptable to HUD. Oakland County may adopt, modify or develop its own recapture requirements for HUD approval. 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 NSP 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 NSP funds) and any closing costs.

Recapture entire amount - Oakland County may recapture the entire amount of the NSP investment from the homeowner.

Reduction during affordability period - Oakland County may reduce the NSP investment amount to be recaptured on a prorata basis for the time the homeowner has owned and occupied the housing measured against the required affordability period.

Shared net proceeds - If the net proceeds are not sufficient to recapture the full NSP investment (or reduced amount) under 24 CFR Part 92.254 (a) (5) (ii) (A) (2)) plus enable the homeowner to recover the amount of the homeowner's downpayment and any capital improvement investment made by the owner since purchase, Oakland County may share the net proceeds. The net proceeds are

the sales price minus loan repayment (other than NSP funds) and closing costs. The net proceeds may be divided proportionally as set forth in the following mathematical formulas:

$$\text{NSP Investment} / \text{NSP Investment} + \text{homeowner investment} \times \text{Net Proceeds} = \text{NSP amount to be recaptured}$$

$$\text{Homeowner Investment} / \text{HOME Investment} + \text{homeowner investment} \times \text{Net Proceeds} = \text{amount to homeowner}$$

Owner investment returned first - Oakland County may permit the homebuyer to recover the homebuyer's entire investment (downpayment and capital improvements made by the owner since purchase) before recapturing the HOME investment.

Amount subject to recapture - The NSP investment that is subject to recapture is based on the amount of NSP assistance that enabled the homebuyer to buy the dwelling unit. This includes any NSP 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., the development subsidy). The recaptured funds must be used to carry out NSP-eligible activities. If the NSP assistance is only used for the development subsidy and therefore not subject to recapture, the resale option must be used.

Lease-purchase - NSP funds may be used to assist homebuyers through lease-purchase programs for existing housing and for housing to be constructed. The housing must be purchased by a homebuyer within 36 months of signing the lease-purchase agreement. The homebuyer must qualify as a low-income family at the time the lease-purchase agreement is signed. If NSP funds are used to acquire housing that will be resold to a homebuyer through a lease-purchase program, the NSP affordability requirements for rental housing in § 92.252 shall apply if the housing is not transferred to a homebuyer within forty-two months after project completion.

Contract to purchase - If NSP funds are used to assist a homebuyer who has entered into a contract to purchase housing to be constructed, the homebuyer must qualify as a low-income family at the time the contract is signed.

Preserving affordability - 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), Oakland County may use additional NSP funds to acquire the housing through a purchase option, right of first refusal, or other preemptive right before foreclosure, or to acquire the housing at the foreclosure sale, to undertake any necessary rehabilitation, and to provide assistance to another homebuyer. The housing must be sold to a new eligible homebuyer in accordance with the requirements of § 92.254(a). Additional NSP funds may not be used if the mortgage in default was funded with NSP funds.

The total amount of original and additional NSP assistance may not exceed the maximum per-unit subsidy amount established under § 92.250. Alternatively to charging the cost to the NSP program under § 92.206, Oakland County may charge the cost to the NSP program under § 92.207, as a reasonable administrative cost of its NSP program, so that the additional NSP funds for the housing are not subject to the maximum per-unit subsidy amount.

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

Response: Oakland County will require at a minimum that all NSP funded activities be completed in compliance with Michigan Residential Code. Upon completion the NSP assisted housing unit will meet Certificate of Occupancy (C of O) requirements, Lead Paint Hazard Reduction requirements (HUD 24 CFR Part 35 and Michigan Public Act 368 of 1978, as amended, and all environmental review record mitigation issues have been addressed.

Optional Standards

Energy Efficiency or Conservation measures, as shall be guided by a Home Energy Rating Standards (HERS) audit. [Note: whenever possible/practical, all required or optional improvements shall be implemented in a manner that will promote increased energy efficiency.]

1. Exterior improvements (siding, trim, landscaping, etc.) to address aged or "eyesore" conditions and designed to enhance the desirability and property values of the surrounding neighborhood.
2. Replacement of aging household equipment, fixtures or structural components, such as roof, windows, doors, furnace, central air, water heater, stove, refrigerator, washer, dryer, electrical or plumbing service, flooring and cabinets and any other energy efficiency improvements.
3. Barrier-Free Access or Visibility Improvements when requested by an identified eligible homebuyer or in 20% of the assisted-units in a multi-unit structure with more than four units.
4. Changes to the dwelling unit floor plan to more closely accommodate modern use patterns (such as, sufficient closet space, master bedroom, first floor bathroom, kitchen open to family living areas).
5. Window treatments (limited to shades and blinds) to provide privacy or enhance energy efficiency.

Low Income Targeting:

Response: Oakland County and the areas of greatest need will use at least 25% of NSP funds received to purchase and rehabilitate vacant and foreclosed properties for housing that serves persons at or below 50% of the area median income. It is anticipated that at least \$4,345,944 will be used for this purpose. This targeted assistance may be provided as rental housing, lease-to-purchase, homebuyer assistance or rehabilitation assistance. If the targeted assistance is offered to low-income homebuyers, closing cost and down payment assistance may also be included in the assistance package. The Oakland County Taskforce on Homelessness and Affordable Housing (the continuum of care agency for our area), and other local housing and social service providers will be engaged to identify special needs populations that may be underserved by current availability of affordable housing.

Acquisition and Relocation:

Response: For the purposes of this Neighborhood Stabilization Program, the County and its participating communities will ensure compliance with anti-displacement through the purchase of abandoned or foreclosed properties that are vacant. The acquisition of foreclosed upon homes or residential property under this NSP plan shall be at a discount from the current-market appraised value of the property. The maximum reasonable purchase discount will be negotiated taking into consideration the likely "carrying cost" savings to the seller and the current condition of the property. The minimum purchase discount for any

NSP-assisted acquisition shall be 5%. The average purchase discount for all NSP-assisted acquisitions shall be not less than 15%.

1. It is expected that after a thorough inspection demolition may be the best and most prudent option for the use of NSP funds. Though the exact number will not be known until a full assessment has taken place it is expected that approximately 39 dwelling units located in low- and moderate-income areas will be demolished as a result of NSP-assisted activities. All units rehabilitated or constructed with NSP funds will be made available to households making no more than 120% of the area median income (AMI).

2. Based upon conservative cost estimates, the twelve targeted communities will use NSP funds to acquire 83 abandoned or foreclosed housing units. 10 of those units may be cleared and the remaining 73 units will be rehabilitated for sale, lease-to-purchase, or rental to LMMI individuals and families.

3. Approximately 102 units will be made available to households making no more than 50% AMI.

Public Comment:

Response: The Oakland County Contract Review process and subsequent request for Board of Commissioner authorization to prepare and submit this amendment provided several opportunities for public input: 1) Oakland County Budget Taskforce Meeting, September 30, 2008; 2) Community & Home Improvement Citizen Advisory Council Meeting, October 22, 2008; 3) Oakland County Board of Commissioners Planning and Building Committee Meeting, November 10, 2008; 4) Oakland County Board of Commissioners Finance Committee Meeting, November 13, 2008; 5) Oakland County Board of Commissioners Full Board Meeting, November 20, 2008. The publication for the 15-day comment period was completed from November 12, 2008 through November 27, 2008 in the Oakland Press. Several comments were received. The substantial amendment to the 2008 action plan was posted on the Oakland County web page at www.oakgov.com/chi from November 12, 2008 until November 27, 2008 and several comments were received. All comments were taken into consideration by the Oakland County Community & Home Improvement Division.

Public Comments Received - NSP regulations require all funds to be used within 18 months from the date of HUD signature on the grant agreements. Any funds not contractually obligated within 18 months must be returned the federal government. Oakland County is requiring NSP funded communities to obligate funds within nine months allowing the County time to reallocate unobligated NSP funds and avoid federal recapture. In response to this requirement a consortium of areas of greatest need communities from southeast Oakland County including the Cities of Ferndale, Hazel Park, Lathrup Village, Madison Height, and Oak Park sent comments encouraging the County to lengthen its nine month timetable for obligation of NSP funds to eighteen months.

Oakland County Community & Home Improvement is a HUD approved housing counseling agency and maintains certified foreclosure counselors on staff. Oakland County is allocating NSP funds to a comprehensive financing/rehabilitation assistance program available throughout its fifty participating communities. In order to maintain control of the process and expedite services within the required NSP timeframe Oakland County has elected to hire one additional NSP foreclosure housing counselor. Oakland Livingston Human Service Agency (OLHSA) submitted a comment requesting the county to reconsider its decision and share some of the NSP housing counseling funds with their agency.

Oakland County recognizes that NSP funds may be used to address rental housing needs as a redevelopment activity and have included rental as an NSP activity in Section G. Community Housing Network submitted a comment recommending that the NSP substantial amendment include the development of affordable rental housing.

Future amendments and opportunities for public comment - Oakland County's Neighborhood Stabilization Program, as described in this document anticipates the generation of program income (net proceeds from resales). Programming and reuse of that program income for any of the activities already described in this document are contemplated by this program and therefore shall not be considered to be an amendment to this plan and shall not be subject to further publiccomment requirements.

Due to the emergency nature of this funding and the desire to implement and complete projects and activities as rapidly as possible, the reallocation of program funding between activities already described in this document is also contemplated by this plan. Therefore, such reallocations shall not be considered to be an amendment to this plan and shall not be subject to further public comment requirements.

The Community & Home Improvement Division along with corresponding local agencies are identified as the responsible parties in each of the activities described in this plan. The subsequent engagement of other municipal departments, non-profit service providers, contractors is possible and contemplated during the life of this plan. These engagements, if any, shall not be subject to public comment requirements. The addition of activities not already described in this plan or changes to the Oakland County NSP target area defined in Section B shall be treated as a substantial amendment to this NSP plan and shall be the subject of a 15-day public comment period. Any plan amendment, with or without a required public comment period as described above, shall be subject to any applicable local and federal requirements, reviews and approvals.

Public Comments - There have been no public comments to date.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$20,383,776.00
Total Budget	\$0.00	\$20,383,776.00
Total Obligated	\$0.00	\$20,383,776.00
Total Funds Drawdown	\$0.00	\$19,709,829.77
Program Funds Drawdown	\$0.00	\$17,383,776.00
Program Income Drawdown	\$0.00	\$2,326,053.77
Program Income Received	\$0.00	\$2,326,053.77
Total Funds Expended	\$0.00	\$19,536,085.48
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	\$2,607,566.40	\$0.00
Limit on Admin/Planning	\$1,738,377.60	\$1,971,820.62
Limit on Admin	\$0.00	\$1,971,820.62
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$5,095,944.00	\$6,819,052.37

Overall Progress Narrative:

During the 10/01/2018-12/31/2018 QPR report period no activities occurred. This is the final QPR for NSP 1 Grant Number: B-08-UN-26-0004.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, FIN MECH-LMMI	\$0.00	\$4,086,785.13	\$3,550,161.78
2, FIN MECH LI	\$0.00	\$3,244,939.84	\$2,235,642.00
3, ADMIN	\$0.00	\$1,971,820.62	\$1,738,377.00
4, ARR-LI	\$0.00	\$3,139,531.07	\$2,299,711.00
5, ARR-LMMI	\$0.00	\$2,504,137.62	\$2,504,137.62
6, DEMO	\$0.00	\$1,212,479.37	\$1,161,615.83
7, REDEV	\$0.00	\$4,229,740.10	\$3,894,130.77
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



Activities

Project # / Title: 7 / REDEV

Grantee Activity Number: City Madison Hts REDEV PF PI Streets 172134-731575

Activity Title: City of Madison Heights REDEV PF PI Street Improv

Activity Category:

Construction/reconstruction of streets

Project Number:

7

Projected Start Date:

09/04/2012

Benefit Type:

Area Benefit (Census)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

REDEV

Projected End Date:

11/30/2012

Completed Activity Actual End Date:

Responsible Organization:

Madison Heights

Overall

Total Projected Budget from All Sources

Oct 1 thru Dec 31, 2018

N/A

To Date

\$175,370.18

Total Budget

\$0.00

\$175,370.18

Total Obligated

\$0.00

\$175,370.18

Total Funds Drawdown

\$0.00

\$175,370.18

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$175,370.18

Program Income Received

\$0.00

\$175,370.18

Total Funds Expended

\$0.00

\$175,370.18

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Sectional street improvements will be made to the most deteriorated road surface of Connie Avenue. This will include the replacement of sidewalk approach where necessary.

Location Description:

One block of Connie Avenue between Couzens and Park Court
CT 1813 BG 2
CT 1813 BG 4

Activity Progress Narrative:



Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Linear feet of Public	0	0/4075

Beneficiaries Performance Measures

	Beneficiaries - Area Benefit Census Method			
	Low	Mod	Total	Low/Mod
# of Persons	530	850	2996	46.06

LMI%:	46.06
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Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: Twp Rose REDEV HSG 50% 172134-731572-40150

Activity Title: Twp Rose REDEV HSG 50%

Activity Category:

Construction of new housing

Project Number:

7

Projected Start Date:

09/28/2008

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Completed

Project Title:

REDEV

Projected End Date:

07/31/2013

Completed Activity Actual End Date:

Responsible Organization:

Twp of Rose

Overall

Total Projected Budget from All Sources

Oct 1 thru Dec 31, 2018

N/A

To Date

\$69,787.16

Total Budget

\$0.00

\$69,787.16

Total Obligated

\$0.00

\$69,787.16

Total Funds Drawdown

\$0.00

\$69,787.16

Program Funds Drawdown

\$0.00

\$69,787.16

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$69,787.16

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Redevelopment of demolished or vacant properties with new housing on parcels of land where a vacant, blighted, foreclosed property was demolished.

Location Description:

CT 1250 BG 1, 2

CT 1256 BG 1, 2

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
#Units with solar panels	0	0/0
#Low flow toilets	0	0/1



#Low flow showerheads	0	0/1
#Units with bus/rail access	0	0/0
#Units exceeding Energy Star	0	0/0
#Sites re-used	0	0/1
#Units w/ other green	0	0/0
Activity funds eligible for DREF	0	0/0
# ELI Households (0-30% AMI)	0	0/0

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/1	0/0	0/1	0
# Owner Households	0	0	0	0/1	0/0	0/1	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number:	Vlg Lake Orion REDEV 120% HSG 172170-731573-40560
Activity Title:	Vlg Lake Orion REDEV 120% HSG

Activity Category:

Construction of new housing

Project Number:

7

Projected Start Date:

09/28/2008

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Completed

Project Title:

REDEV

Projected End Date:

07/31/2013

Completed Activity Actual End Date:
Responsible Organization:

Vlg of Lake Orion

Overall
Total Projected Budget from All Sources
Oct 1 thru Dec 31, 2018

N/A

To Date

\$2,008.22

Total Budget

\$0.00

\$2,008.22

Total Obligated

\$0.00

\$2,008.22

Total Funds Drawdown

\$0.00

\$2,008.22

Program Funds Drawdown

\$0.00

\$2,008.22

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$2,008.22

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Staff wages April 15, 2009 - June 9, 2009.

Location Description:

Eligible Areas

Activity Progress Narrative:
Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/1
# of Singlefamily Units	0	0/1



Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	0/1	0/1	0
# Owner Households	0	0	0	0/0	0/1	0/1	0

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	
