

**Grantee: Canton Township, MI**

**Grant: B-08-MN-26-0001**

**October 1, 2013 thru December 31, 2013 Performance Report**

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**Grant Number:**

B-08-MN-26-0001

**Obligation Date:**

03/24/2009

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

Canton Township, MI

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

Submitted - Await for Review

**LOCCS Authorized Amount:**

\$2,182,988.00

**Grant Status:**

Active

**QPR Contact:**

Mike Sheppard

**Estimated P/RL Funds:**

\$1,116,155.97

**Total Budget:**

\$3,299,143.97

## Disasters:

### Declaration Number

NSP

## Narratives

### Areas of Greatest Need:

Canton Township is affected heavily by the foreclosure crisis, with more than 400 homes foreclosed upon as of September 2008. The foreclosures are located throughout the community, affecting well-off neighborhoods as well as low and moderate income neighborhoods. Canton has devised a strategy to meet the foreclosure crisis by buying homes in low/mod and middle-income neighborhoods and reselling them to qualified individuals and families. These individuals and families will be helped with downpayment and homebuyer assistance.

### Distribution and and Uses of Funds:

INTRODUCTION The Neighborhood Stabilization Program (NSP) is authorized by the Title III of Division B of the Housing and Economic Recovery Act, 2008 (HERA). Funds under the act may be used to buy foreclosed and abandoned homes; to buy land and property; to demolish or rehabilitate abandoned properties; and to offer downpayment and closing cost assistance to middle income (less than 120% of Area Median Income (AMI)) homebuyers. Canton's allocation is \$2,182,988. The funds must be obligated within 18 months of receipt of the award agreement from the Department of Housing and Urban Development (HUD), and all funds must be spent within four years of agreement receipt. Any funds remaining at the end of the four years are recaptured by HUD. NSP funds must be distributed to geographic "areas of greatest need" in the community. Need is determined by areas which meet the three qualifiers of the greatest percentages of home foreclosures, the highest percentages of homes financed by subprime mortgage instruments, and which have been identified by the community as likely to face a significant rise in the rate of foreclosures, At least 25 percent of Canton's funds (\$545,747) must be used for the purchase or redevelopment of abandoned or foreclosed residential properties to house individuals or families whose incomes do not exceed 50 percent of the Area Median Income. (\$34,950 for a family of four.) The remaining funds (a maximum of \$1,637,241) must be used to assist individuals and families whose incomes do not exceed 120 percent of the Area Median Income. (\$83,900 for a family of four.) Canton must ensure that homebuyers undergo at least eight hours of homebuyer counseling and do not use a subprime mortgage in the purchase. A. AREAS OF GREATEST NEED Canton Township has identified the geographic areas of greatest need based on HUD supplied foreclosure and abandonment risk scores and middle-income census tracts for Canton Township. Unfortunately, Canton has been unable to spend all of the title III funds as we are unable to find enough homes in the originally selected census tracts. With the increase in foreclosure rates throughout Canton we will target all census block groups. Canton will buy vacant foreclosed upon and abandoned single family homes in all census tract block groups and resell or rent them to individuals and families meeting the 120 percent Area Median Income requirement. B. DISTRIBUTION AND USES Home Foreclosure Risk The risk score for home foreclosures is reflective of the number of home foreclosures incensus tract. . C. DEFINITIONS AND DESCRIPTIONS (1) "Blighted Structure" Canton uses the term "dangerous building" to describe a blighted structure. The definition of "dangerous building" follows the State law reference "Dangerous Buildings," MCL 125.538 et seq., Housing Law of Michigan, Act 167 of 1917, as amended. The local citation is Ord. No. 72, as amended, Sec. 3, 9-1-1994. (2) "Affordable Rents" If a property acquired through NSP is rented, the rent will not exceed one-third of a household's income as defined by the HUD applicable Fiscal Year Income Limits Documentation System for the Detroit-Warren-Livonia, Michigan HUD Metro Fair Market Rent (FMR) Area. (3) "Continued Affordability" Canton will assure affordability by ensuring that homebuyers get eight hours of homebuyer counseling and do not use a subprime mortgage for financing. Canton will work with counseling agencies and financing companies to assure these preconditions are met and documented. Canton will adopt the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 as the minimal standards for continued affordability. (4) Housing Rehabilitation Standards The housing rehabilitation standards Canton will apply to NSP assisted properties are the 2006 International Building Code and the 2006 Michigan Residential Code. The Municipal Department Building Division inspectors will inspect all residential properties before sale. D. LOW INCOME TARGETING The minimum amount of funds made available under NSP to be used to purchase and redevelop vacant foreclosed upon or abandoned homes for housing individuals or families whose incomes do not exceed 50 percent of area median income shall be \$545,747. These funds will be targeted to all census tracts, where home values are commensurate with 50 percent



area median incomes and hence more affordable to low income individuals and families. Canton recognizes the incentive towards rental housing as the means to comply with this requirement, it is not in a practical position to become a landlord since it manages no residential rental properties. Consequently, Canton will meet the mandate with homeownership activities. The Township is confident it can find suitable housing that is affordable to this income group, and that it can use homeownership tools, such as downpayment assistance and homeownership counseling, to successfully fulfill the 25 percent requirement. E. ACQUISITIONS AND RELOCATION Canton may demolish or convert any low- and moderate-income dwelling units. F. PUBLIC COMMENT The substantial amendment was advertised on November 13, 2008, in the Canton Observer, the Canton newspaper of record. The amendment was posted to the Canton website on that date and remained available for public scrutiny through December 1, 2008. The public comments on the program were generally positive. A resident of Macomb County called to ask about getting her name on the waiting list, since she and her husband were interested in moving back to Canton. A contractor called to inquire about doing rehabilitation work for the program. A Canton resident stated the program was "wonderful" for Canton. Another Canton resident questioned who was the intended beneficiary of the program. (1) Activity Name: Purchase of foreclosed upon and abandoned residential properties. (2) Activity Type NSP—Eligible Use: (B) Purchase and rehabilitate homes and residential properties that have been abandoned and foreclosed upon in order to sell, rent, or redevelop such homes and properties. CDBG—Eligible Activities: 24 CFR 570.201 (a) Acquisition and (b) Disposition. (3) National Objective: The activity will benefit middle-income individuals and families (< 120% AMI), who will occupy the rehabilitated properties through purchase or rental. (4) Projected Start Date: April 1, 2009. (5) Projected End Date: March 19, 2013 (6) Responsible Organization: Charter Township of Canton 1150 South Canton Center Road Canton, Michigan 48188-1699 Administration: 734-394-5225 (7) Activity Description: The purchase of foreclosed upon and abandoned residential properties for sale or rental to middle- and low-income individuals and families will take place in all census block groups. The activity will include funds (at least \$545,747) dedicated to housing individuals or families whose incomes do not exceed 50 percent of Area Median Income. The tenure of the beneficiaries will be homeownership or rental. Continued affordability will be ensured through downpayment and closing cost assistance, and "soft seconds" where appropriate. The discount rate for property acquisition will be at least 15 percent for portfolio purchases, and five percent for individual acquisitions. For financing activities the range of interest rates shall be the standard rates in effect at the time of the loan. Subprime rates shall not be applicable to any loan instrument used. I. TOTAL BUDGET The total NSP budget shall be \$2,182,988. J. PERFORMANCE MEASURES The price of homes purchased will be between \$1 and \$500,000, based on the current asking price for affordable single family detached foreclosed homes in Canton. It is anticipated that all purchases will be under \$200,000. Approximately 15 homes will be purchased. All homebuyers will receive at least eight hours of homebuyer counseling, none will make use of subprime mortgage instruments, and Canton will provide downpayment and closing cost assistance, and "soft seconds" if warranted. When appropriate, properties will be rented at "affordable rents" as dictated by then current HUD determinations.

**Definitions and Descriptions:**

**Low Income Targeting:**

**Acquisition and Relocation:**

**Public Comment:**

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$3,299,143.97
Total Budget	\$0.00	\$3,299,143.97
Total Obligated	\$0.00	\$2,804,143.97
Total Funds Drawdown	\$10,370.22	\$2,644,113.09
Program Funds Drawdown	\$0.00	\$1,868,244.01
Program Income Drawdown	\$10,370.22	\$775,869.08
Program Income Received	\$0.00	\$994,266.78
Total Funds Expended	\$60,421.17	\$2,709,182.19
Match Contributed	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$327,448.20	\$0.00
Limit on Admin/Planning	\$218,298.80	\$188,812.54
Limit on State Admin	\$0.00	\$188,812.54

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$545,747.00	\$824,785.99

## Overall Progress Narrative:

Canton Township expensed \$10,370.22 in Housing Rehab during the 4th Quarter and \$50,050.95 for the 2013 year.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
BCKT, BucketProject	\$0.00	\$3,299,143.97	\$1,868,244.01



## Activities

**Grantee Activity Number:** 09-1  
**Activity Title:** 25%AMI

**Activity Category:**

Acquisition - general

**Project Number:**

BCKT

**Projected Start Date:**

03/17/2009

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

BucketProject

**Projected End Date:**

03/19/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Charter Township of Canton

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2013**

N/A

**To Date**

\$824,785.99

**Total Budget**

\$0.00

\$824,785.99

**Total Obligated**

\$0.00

\$701,035.99

**Total Funds Drawdown**

\$10,370.22

\$632,606.17

**Program Funds Drawdown**

\$0.00

\$545,747.00

**Program Income Drawdown**

\$10,370.22

\$86,859.17

**Program Income Received**

\$0.00

\$224,394.77

**Total Funds Expended**

\$10,370.22

\$647,624.32

Charter Township of Canton

\$10,370.22

\$647,624.32

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Acquisition and sale of homes to individuals or families making less than 50% of AMI. We have not completed renovating the homes so we dont have data about renters versus homeowners, or single family versus multi-family.

**Location Description:**

Throughout Canton Township.

**Activity Progress Narrative:**

Canton Township spent \$10,370.22 in Q4. \$3,191.83 on 8243 Holly and \$7,178.39 on 49720 Mott. Both of these homes will be sold to at person/family meeting the 50% AMI requirement.

**Accomplishments Performance Measures**

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	2/4



## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	3/4	0/0	3/4	100.00

## 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	

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**Grantee Activity Number:** 09-3

**Activity Title:**

**Activity Category:**

Administration

**Project Number:**

BCKT

**Projected Start Date:**

03/17/2009

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

BucketProject

**Projected End Date:**

03/19/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Charter Township of Canton

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2013**

**To Date**

N/A

\$329,913.60

**Total Budget**

\$0.00

\$329,913.60

**Total Obligated**

\$0.00

\$280,413.60

**Total Funds Drawdown**

\$0.00

\$188,812.54

**Program Funds Drawdown**

\$0.00

\$123,360.09

**Program Income Drawdown**

\$0.00

\$65,452.45

**Program Income Received**

\$0.00

\$89,757.91

**Total Funds Expended**

\$50,050.95

\$238,863.49

Charter Township of Canton

\$50,050.95

\$238,863.49

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Program administration

**Location Description:**

N/A

**Activity Progress Narrative:**

Canton Township expnsed \$50,050.95 for the 2013 Year. The money will be drawn in Q1 of 2014.

**Accomplishments Performance Measures**

**No Accomplishments Performance Measures found.**

**Beneficiaries Performance Measures**

**No Beneficiaries Performance Measures found.**



## Activity Locations

Address	City	County	State	Zip	Status / Accept
				-	Not Validated / N

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

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

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