

THE NSP SUBSTANTIAL AMENDMENT – REVISED

01/04/2010

(Please Note: Revisions are shown in dark red)

Jurisdiction(s): Charter Township of Waterford	NSP Contact Person: Robert W. Vallina
Jurisdiction Web Address: www.twp.waterford.mi.us/cpd/nsp_program <i>(URL where NSP Substantial Amendment materials are posted)</i>	Address: 5200 Civic Center Dr.
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EXECUTIVE SUMMARY:

The U.S. Department of Housing and Urban Development (HUD) established the Neighborhood Stabilization Program (NSP) to implement the objectives of Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). NSP funds have been established as supplementary Community Development Block Grant (CDBG) funds and unless specifically addressed by statute all of the rules and regulations covering CDBG apply to NSP. The purpose of NSP is to provide emergency assistance to reduce the inventory of foreclosed residential properties. A substantial amendment to Waterford Township's 2008-2009 Housing and Community Development Action Plan is being adopted to provide for the receipt and expenditure of NFP funds. The Township anticipates receiving \$2,014,489 in NSP entitlement funds. These funds must be spent on eligible NSP activities to benefit households meeting the following area median income limits established by HUD:

- Low Income (Low) \leq 50% Area Median Income
- Moderate Income (Mod) $>$ 50% AMI and \leq 80% Area Median Income
- Middle Income (Mid) $>$ 80% AMI and \leq 120% Area Median Income

In addition, 25 percent of all NSP funds must benefit low income households. The Township proposes to focus its NSP efforts within the areas identified by HUD as low/moderate/middle-income eligible, which are displayed on **Map 1** which can be found at the end of this document. The areas identified on Map 1 all possess a HUD-developed Estimated Foreclosure Abandonment Risk Score range of 6 to 8, where 0 indicates a very low foreclosure abandonment risk and 10 suggest a very high foreclosure abandonment risk. The Township intends to assist in reducing the risk factor within the identified areas by leveraging its NSP funds with private sector resources through the proposed NSP activities listed in **Table 1** below, with a time schedule commencing on March 15, 2009 and with all activities completed by July 15, 2010.

Table 1 - Charter Township of Waterford Proposed NSP Activities

Activity Title	Proposed Allocation	NSP/CDBG Eligibility	Performance Measures
Low-Income Down Payment Assistance Program	\$1,230,000	NSP (A)/ 24 CFR 570.201(n) and 202	20 low-income households assisted
Moderate/Middle-Income Down Payment Assistance Program	\$500,000	NSP (A)/ 24 CFR 570.201(n) and 202	30 low/moderate/middle-income households assisted
Acquisition/Demolition/Redevelopment	\$100,000	NSP (B), (D), & (E)/ 24 CFR 570.201(a), (d), & (b)	2 blighted residential properties demolished
Housing Counseling Assistance Program	\$24,489	NSP (A)/ 24 CFR 570.201(e)	This activity will be implemented as part of the down payment assistance programs and measured as part of those activities.
Program Administration	\$160,000	24 CFR 570.206(a)	n/a

NEIGHBORHOOD STABILIZATION PROGRAM PROJECT FUNDING ADJUSTMENTS

Project Name	Original Budget	Revised Budget
1. Low-Income Down Payment Assistance Program	\$710,000	\$1,230,000
2. Moderate/Middle-Income Down Payment Assistance Program	700,000	500,000
3. Acquisition/Demolition/Redevelopment	500,000	100,000
4. Housing Counseling Assistance Program	24,489	24,489
5. Program Administration	80,000	160,000
TOTAL	\$2,014,489	\$2,014,489

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.

Response:

The Charter Township of Waterford encompasses an area of nearly 36 square miles. According to the U.S. Census totals for 2000, there are 73,150 persons residing in Waterford Township and 30,404 total housing units. Of the total housing units, 96.7 percent, or 29,387 housing units, were occupied. Of the total occupied units in 2000, 22,428 were owner-occupied housing units, and 6,959 were renter-occupied housing units. According to the U.S. Census Bureau's 2006 American Community Survey, there are 68,000 persons residing in Waterford Township and 31,000 total housing units. Of the total housing units, 96 percent, or 29,760 housing units, were estimated to be occupied. Of the total estimated occupied units in 2006, 23,510 were owner-occupied housing units, and 6,250 were renter-occupied housing units. Since over 75 percent of Waterford's occupied housing stock is single-family residential housing units, the housing foreclosure crisis will impose the greatest negative impact on the Township's single-family residential housing inventory. A prime indicator of the negative impact already placed on the Township's single-family housing inventory by the foreclosure crisis can be measured through the total number of foreclosed vacant single family housing units on September 30, 2008. According to the listings provided by realtytrac.com, HUD, VA, FHA, Fannie Mae, and Freddie Mac, there were 839 foreclosed single-family properties available for purchase on September 30, 2008.

While these currently available foreclosed properties are evenly distributed throughout the Township, over 50 percent of these foreclosed properties are located in the census tract block groups identified by HUD as low/moderate/middle income eligible areas. The Township has created an NSP Target Area ID for each of these income eligible areas. A location map of these NSP Target Areas is displayed on Map 2 which can be found at the end of this document. The following table provides the location of the 416 currently available foreclosed properties within these NSP Target Areas.

Table 2 - Charter Township of Waterford NSP Target Area Information

Census Tract	Block Group	NSP Target Area ID <i>(Please refer to Map 1)</i>	2004-2006 High Cost Loan Rate <i>(per Federal Reserve Home Mortgage Disclosure Act)</i>	Predicted 18 month Underlying Problem Foreclosure Rate <i>(per Department of Housing and Urban Development)</i>	June 2008 Residential Vacancy Rate <i>(per U.S. Postal Service)</i>	Estimated Foreclosure Abandonment Risk Score <i>(per Department of Housing and Urban Development)</i>	Number of Vacant Foreclosed Properties for Sale <i>(on September 30, 2008)</i>
1440	1	2	15.1%	5.6%	1.1%	6	9
1440	3	1	15.1%	5.6%	1.1%	6	5
1441	3	3	20.2%	6.5%	1.9%	7	10
1441	4	8	20.2%	6.5%	1.9%	7	17
1442	3	5	22.8%	7.0%	1.0%	7	15
1442	4	4	22.8%	7.0%	1.0%	7	16
1443	3	6	27.3%	7.8%	1.1%	7	19
1443	4	14	27.3%	7.8%	1.1%	7	11
1444	2	7	25.8%	7.5%	1.2%	7	14
1444	4	13	25.8%	7.5%	1.2%	7	7
1445	1	9	21.9%	6.8%	2.6%	7	12
1446	1	12	17.5%	6.1%	1.3%	6	18
1446	3	10	17.5%	6.1%	1.3%	6	6
1446	4	11	17.5%	6.1%	1.3%	6	11
1447	1	23	22.5%	6.9%	1.1%	7	11
1447	2	22	22.5%	6.9%	1.1%	7	12
1447	3	21	22.5%	6.9%	1.1%	7	9
1448	1	20	29.6%	8.2%	1.2%	7	16
1448	2	24	29.6%	8.2%	1.2%	7	9
1449	1	16	23.4%	7.1%	2.0%	7	14
1449	2	17	23.4%	7.1%	2.0%	7	10
1449	3	18	23.4%	7.1%	2.0%	7	4
1449	4	19	23.4%	7.1%	2.0%	7	8
1451	2	32	25.5%	7.4%	0.8%	7	8
1452	2	28	19.8%	6.5%	2.6%	7	17
1453	1	31	24.5%	7.3%	2.3%	7	15
1453	2	30	24.5%	7.3%	2.3%	7	21
1453	3	29	24.5%	7.3%	2.3%	7	14
1454	1	25	25.8%	7.5%	3.4%	8	9
1454	3	27	25.8%	7.5%	3.4%	8	41
1454	4	26	25.8%	7.5%	3.4%	8	13
1455	2	33	18.4%	6.2%	1.1%	6	16
1456	1	15	16.9%	6.0%	1.1%	6	8

Since NSP Target Area 27 has the highest relative concentration of foreclosed properties among the thirty-three NSP Target Areas, the Township shall provide particular emphasis on addressing the foreclosure issues in this target area. However, the numerical distribution of the foreclosed properties is spread fairly evenly across all thirty-three NSP target areas so the Township has determined that all of the NSP Target Areas must be identified as areas of greatest need.

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:

Section A above describes how the Township identified its areas of greatest need as the NSP Target Areas. These NSP Target Areas include all census tract block groups where:

- over 51 percent of the persons residing in such block groups earn less than 120 percent of the area median income;
- the 2004-2006 Home Mortgage Disclosure Act high cost loan rate is greater than 15%;
- the eighteen month underlying problem foreclosure rate is greater than 5.5%;
- the HUD estimated abandonment risk score is 6 or larger;

and

- the June 2008 area residential vacancy rate is 0.8% or greater.

These criteria indicate that the NSP Target Areas include the Township's greatest percentage of home foreclosures, the highest percentages of homes financed by subprime mortgage related loans, and if left unchecked, are likely to face a significant rise in the rate of home foreclosures.

In order to address the impact of home foreclosures in the Township's areas of greatest need, the Township is proposing to distribute and use NSP funds through the following activities that will substantially reduce the number of vacant housing units created by home foreclosures, encourage utilization of stable mortgage tools that will reduce the percentage of homes financed by subprime mortgage related loans, and significantly reduce the rate of home foreclosures:

- The Township shall use **five** percent of its NSP funds to identify at least **two** vacant foreclosed single-family residential properties within its NSP Target Areas that are blighted structures, acquire such properties at a discount of at least 20 percent less than the current market appraised value after repair and demolish all blighted structures. Once the acquired properties are cleared, they will be donated to the 501(c)3 organization Christmas in Action which will partner with Habitat for Humanity to construct new housing for low-income homeowners. This activity is intended to assist in substantially reducing the number of vacant housing units created by home foreclosures. The redevelopment of the property through the partnership of Christmas in Action and Habitat for Humanity will result in affordable housing for low/moderate-income households that will contribute to a reduction in the percentage of homes financed by subprime mortgage related loans as well as assist in the significant reduction in the rate of home foreclosures.
- The Township shall use **86** percent of its NSP funds to provide down payment assistance to at least **50** eligible low/moderate/middle-income home buyers to purchase vacant foreclosed single-family residential properties within the NSP Target Areas. The Township will place its highest priority on reducing the number of vacant housing units created by home foreclosures within NSP Target Area 27 and then work to reduce the number of vacant housing units within the other thirty-two NSP Target Areas. The Township's downpayment assistance efforts will also result in a reduction in the percentage of homes financed by subprime mortgage related loans since the Township's

NSP downpayment assistance funds will be leveraged through FHA-approved lending institutions and limited to traditional 30-, 20-, and 15-year fixed mortgages. NSP eligible single-family homes requiring repairs necessary to achieve compliance with the Michigan Rehabilitation Code for Existing Buildings shall be assisted through FHA's streamlined 203(k) program. In order to ensure long-term affordability, the assistance the homebuyer receives from the Township will be secured in accordance with the requirements established to ensure continued affordability for NSP assisted housing as described in Section C(3) below. The Township shall also incorporate the provision of mandatory housing counseling services to those individuals receiving NSP downpayment assistance.

C. DEFINITIONS AND DESCRIPTIONS

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

Response:

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. More specifically, a blighted structure shall be any structure, in accordance with Waterford Code of Ordinances Chapter 4, Article V, Section 4-154, that becomes a blighting problem or adversely affects the public health or safety or becomes a public nuisance. A public nuisance shall include the following conditions:

- The physical condition, or occupancy of any premises regarded as a public nuisance at common law;
- Any physical condition, or occupancy of any premises or its appurtenances considered an attractive nuisance to children, including, but not limited to, abandoned wells, shafts, basements, excavations and unsafe fences or structures;
- Any premises that has unsanitary sewerage or plumbing facilities;
- Any premises designated as unsafe for human habitation or use;
- Any premises which is manifestly capable of being a fire hazard, or is manifestly unsafe or unsecured so to endanger life, limb or property;
- Any premises from which the plumbing, heating or facilities required by this code have been removed, or from which utilities have been disconnected, destroyed, removed or rendered ineffective, or the required precautions against trespassers have not been provided;
- Any premises which is unsanitary, or which is littered with rubbish or garbage, or that has an uncontrolled growth of weeds, or;
- Any structure that is in a state of dilapidation, deterioration or decay; faulty construction; overcrowded; open, vacant or abandoned; damaged by fire to the provide shelter, in danger of collapse or failure; and dangerous to anyone on or near the premises.

(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:

At the present time the Township does not propose undertaking any activities that will produce units of rental housing. If the Township did revise its action plan to undertake such an activity, the units produced would be required to be leased at or below fair market rent (FMR) and subsequent revisions in accordance with 24 CFR 92.252(a), (c), (e), and (f), and 92.254 – The monthly rent, including the cost of utilities (except telephone), as established by HUD for units

of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Such FMR shall be maintained for at least a five year period to ensure affordability.

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

Response:

For NSP assisted homeownership units the Township will ensure continued affordability by establishing down payment assistance as a no-interest, no monthly payment loan that will be secured by a second lien on the purchased property. The loan will remain due and payable by the homebuyer (the beneficiary) for the duration of the affordability period in accordance with the following schedule of per housing unit NSP assistance received:

Affordability Period for NSP Assisted Housing Units	
Affordability Period	Amount of NSP Funded Housing Unit Assistance
5 years	Less than \$15,000
10 years	\$15,000 - \$40,000
15 years	Greater than \$40,000

If the beneficiary sells the home or ceases to use it as a principal residence during the affordability period, continued affordability shall be secured through a recapture provision stipulating that upon change of principal residency or sale/transfer of title by the beneficiary to any willing buyer at any price, the NSP funds shall be recaptured in accordance with the following schedule and will be used for additional NSP eligible activities or returned to the U.S. Treasury as required by NSP rules and regulations:

NSP Fund Recapture Schedule		
Affordability Period	Timing of Recapture	Amount Due for Recapture
5 years	Inception to end of Year 5 After end of Year 5	Full amount of loan \$0, loan is forgiven
10 years	Inception to end of Year 5 Year 6 to end of Year 10 After end of Year 10	Full amount of loan Full amount of loan, less \$14,999 \$0, loan is forgiven
15 years	Inception to end of Year 5 Year 6 to end of Year 10 Year 11 to end of Year 15 After end of Year 15	Full amount of loan Full amount of loan, less \$14,999 Full amount of loan, less \$40,000 \$0, loan is forgiven

Upon payment of the recaptured NSP funds, the property is no longer subject to the affordability requirements of this section.

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

Response:

At a minimum, all homes assisted with NSP downpayment assistance funds in connection with the FHA streamlined 203(k) program will be brought into compliance with the Michigan Rehabilitation Code for Existing Buildings.

(5) Other Definitions.

Abandoned – A home is abandoned when mortgage or tax foreclosure proceedings have been initiated, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Current Market Appraised Value – The current market appraised value means the value of a foreclosed upon home or residential property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property by the Township, subrecipient, developer, or individual homebuyer.

Foreclosed – A property “has been foreclosed upon” at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

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: \$_____.

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:

The Township is proposing to dedicate **61** percent of its NSP funds, a total of **\$1,230,000**, to a low-income down payment assistance program that will assist at least 20 qualified low-income households to acquire vacant foreclosed homes in the NSP Target Areas. On a first-come, first-serve basis, eligible low-income home buyers participating in this NSP activity will first be required to complete a homeownership counseling program funded through the Township’s NSP funds; the applicants will then be eligible to receive up to \$31,000 in down payment assistance in connection with an FHA mortgage issued by an FHA-approved lending institution **that manages a streamline 203(k) loan assistance program in-house**. This amount will be distributed as follows: up to \$3,000 for assistance with the closing costs and/or prepaid expenses to purchase an NSP eligible single family home they will occupy as their primary residence, up to \$8,000 to be applied to the required down payment, and up to \$20,000 in mortgage principal subsidy. NSP eligible single-family homes requiring repairs necessary to achieve compliance with the Michigan Rehabilitation Code for Existing Buildings shall be funded through FHA’s streamlined 203(k) program and the Township shall provide up to an additional **\$35,000** for reimbursement of repairs through Waterford’s NSP rehabilitation assistance to ensure that the 203(k) assistance does not increase the monthly payment burden. The assistance the homebuyer receives from the Township will be a loan subject to recapture in accordance with the requirements outlined in Section C(3) above.

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:

The Township is proposing to dedicate \$100,000 of its NSP funds to acquire at least **two** single-family residential properties within the NSP Target Areas containing blighted structures and then demolishing such structures. Once the acquired properties are cleared, the Township will select a qualified nonprofit subrecipient or partnered nonprofit subrecipients (such as Christmas in Action and Habitat for Humanity) to whom the properties will be donated and new housing is constructed for the benefit of low-income homeowners. The Township shall ensure that such subrecipients provide the continued affordability for this form of NSP assisted housing in accordance with the requirements outlined in Section C(3) above.

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:

Waterford Township's proposed action plan amendment was published on the Township website on Monday, November 10, 2008. The Township Board agenda was published in the Oakland Press on Saturday, November 8, 2008 and contained notification that the proposed action plan amendment would be presented and considered by the Township Board on November 10, 2008. A hearing was conducted by the Township Board during its regularly scheduled meeting on November 10, 2008. There were no public comments and the Board unanimously approved the action plan amendment. Additionally, a legal notice (a copy of which is attached at the end of this document) was published in the Oakland Press on Wednesday, November 12, 2008 to provide additional notification of the public comment period. Between November 10, 2008 and November 25, 2008, only one citizen comment was received by the Township regarding the action plan amendment. This citizen comment was received via phone. The citizen stated his opposition to the Township moving what he considered unsavory elements into his neighborhood and wanted such unsavory elements moved into the neighborhoods of politicians instead. Certain code words were used by this citizen to indicate that addressing this citizen's concerns would violate the Township's fair housing objectives and therefore the Township did not revise its action plan amendment to address such a comment.

On January 4, 2010, Waterford Township revised its action plan to reflect project funding adjustments identified as a result of the income distribution and needs of the applicants. The revised action plan was published on the Township website on Monday, January 11, 2010. The Township Board was informed via memo of the project funding adjustments on Thursday, January 7, 2010. The memo stated that the grant amount is not changing and there are no changes to the projects, just an allocation adjustment based on our actual caseload, therefore if the Township Board is comfortable with the project funding adjustment, staff will proceed with the implementation of the NSP on its current path with the adjusted project funding. If the Board feels that a formal budget revision for this NSP project funding adjustment is needed, it will be added as an agenda item to their next meeting agenda. Additionally, a legal notice will be published in the Oakland Press on Tuesday, January 12, 2010 to provide additional notification to the public.

G. NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)**(1) Activity Name: Low-Income Down Payment Assistance Program**

(2) Activity Type: This is an NSP eligible activity type A – Establish financing mechanisms for purchase and redevelopment of foreclosed residential properties. Direct homeownership assistance is an eligible CDBG activity under 24 CFR 570.201(n) and rehabilitation is an eligible CDBG activity under 24 CFR 570.202.

(3) National Objective: As participation will be limited to households below 50% of area median income this activity will meet the national objective.

(4) Activity Description: \$1,230,000 in funding is allocated under this activity. On a first-come, first-serve basis, eligible low-income home buyers participating in this NSP activity will first be required to complete a homeownership counseling program funded through the Township's NSP funds; the applicants will then be eligible to receive up to \$31,000 in down payment assistance. This amount will be distributed as follows: up to \$3,000 for assistance with the closing costs and/or prepaid expenses to purchase an NSP eligible single family home they will occupy as their primary residence, up to \$8,000 to be applied to the required down payment, and up to \$20,000 in mortgage principal subsidy. NSP eligible single-family homes requiring repairs necessary to achieve compliance with the Michigan Rehabilitation Code for Existing Buildings shall be coordinated through FHA's streamlined 203(k) program and the Township shall provide up to an additional \$35,000 for reimbursement of repairs through Waterford's NSP homebuyer's rehabilitation assistance to ensure that the 203(k) assistance does not increase the monthly payment burden. The assistance the homebuyer receives from the Township will be a loan subject to recapture in accordance with the requirements outlined in Section C(3) above. All homebuyers who benefit from this activity shall be required to participate in the NSP Housing Counseling Assistance Program.

(5) Location Description: Funds made available under this activity may be used to purchase abandoned or foreclosed homes in the NSP Target Areas (see Map 1).

(6) Performance Measures: Twenty low income households will receive downpayment assistance to acquire, and rehabilitate where needed, vacant foreclosed homes within the NSP Target Areas to be used as their principal residence.

(7) Total Budget: \$1,230,000 NSP funds.

(8) Responsible Organization: NSP administration will be the responsibility of the Charter Township of Waterford Community Planning and Development Department, 5200 Civic Center Drive, Waterford, MI 48329. Administrator Contact: Robert W. Vallina – (248) 674-6239.

(9) Projected Start Date: It is anticipated that the initial down payment assistance program will be initiated on or after January 15, 2009 and initial funds will be obligated no later than March 1, 2009.

(10) Projected End Date: It is anticipated that all activity for this project will be completed by July 15, 2010.

(11) Specific Activity Requirements:

Funds allocated for this activity will be used to provide homeownership assistance as described in subparagraph (4) above. The tenure of the beneficiaries is homeownership. The purchase price must be at least five percent below the current market appraised value after repair as defined above. Homebuyer's rehabilitation assistance will be provided in coordination with the FHA streamlined 203(k) program. The assistance the homebuyer receives from the Township will be a no-interest deferred payment loan subject to recapture in accordance with the requirements outlined in Section C(3) above. This activity will address that need for continued affordability. It will also help stabilize neighborhoods by encouraging households that will be owner occupants to purchase abandoned and foreclosed homes. This activity targets those households below 50% AMI.

(1) **Activity Name: Moderate/Middle-Income Down Payment Assistance Program**

(2) **Activity Type:** This is an NSP eligible activity type A – Establish financing mechanisms for purchase and redevelopment of foreclosed residential properties. Direct homeownership assistance is an eligible CDBG activity under 24 CFR 570.201(n) and rehabilitation is an eligible CDBG activity under 24 CFR 570.202.

(3) **National Objective:** As participation will be limited to households at or below 120% of area median income this activity will meet the national objective.

(4) **Activity Description:** \$500,000 in funding is allocated under this activity. On a first-come, first-serve basis, eligible low/moderate/middle-income home buyers participating in this NSP activity will first be required to complete a homeownership counseling program funded through the Township's NSP funds; the applicants will then be eligible to receive up to \$25,000 in down payment assistance. This amount will be distributed as follows: \$4,000 for assistance to be applied to the closing costs, prepaid expenses, and required down payment to purchase an NSP eligible single family home they will occupy as their primary residence. NSP eligible single-family homes requiring repairs necessary to achieve compliance with the Michigan Rehabilitation Code for Existing Buildings shall be funded through FHA's streamlined 203(k) program and the Township shall provide up to an additional \$21,000 for a combination of mortgage principal subsidy and/or reimbursement of repairs through Waterford's NSP rehabilitation assistance to ensure that the 203(k) assistance does not increase the monthly payment burden. The assistance the homebuyer receives from the Township will be a loan subject to recapture in accordance with the requirements outlined in Section C(3) above. All homebuyers who benefit from this activity shall be required to participate in the NSP Housing Counseling Assistance Program.

(5) **Location Description:** Funds made available under this activity may be used to purchase abandoned or foreclosed homes in the NSP Target Areas (see Map 1).

(6) **Performance Measures:** Thirty low income households will receive downpayment assistance to acquire, and rehabilitate where needed, vacant foreclosed homes within the NSP Target Areas to be used as their principal residence.

(7) **Total Budget:** \$500,000 NSP funds.

(8) **Responsible Organization:** NSP administration will be the responsibility of the Charter Township of Waterford Community Planning and Development Department, 5200 Civic Center Drive, Waterford, MI 48329. Administrator Contact: Robert W. Vallina – (248) 674-6239.

(9) **Projected Start Date:** It is anticipated that the initial down payment assistance program will be initiated on or after January 15, 2009 and initial funds will be obligated no later than March 1, 2009.

(10) **Projected End Date:** It is anticipated that all activity for this project will be completed by July 15, 2010.

(11) **Specific Activity Requirements:**

Funds allocated for this activity will be used to provide homeownership assistance as described in subparagraph (4) above. The tenure of the beneficiaries is homeownership. The purchase price must be at least five percent below the current market appraised value after repair as defined above. Homebuyer's rehabilitation assistance will be provided in coordination with the FHA streamlined 203(k) program. The assistance the homebuyer receives from the Township will be a no-interest deferred payment loan subject to recapture in accordance with the requirements outlined in Section C(3) above. This activity will address that need for continued affordability. It will also help stabilize neighborhoods by encouraging households that will be owner occupants to purchase abandoned and foreclosed homes. This activity targets those households at or below 120% AMI.

(1) **Activity Name:**

Acquisition/Demolition/Redevelopment of Blighted Residential Properties

(2) **Activity Type:** This is a combination NSP eligible activity type B – Acquisition of vacant foreclosed residential properties, type D – Demolition of blighted structures, & type E – Redevelop demolished properties. Property acquisition is an eligible CDBG activity under 24 CFR 570.201(a), clearance for blighted structures is an eligible CDBG activity under 24 CFR 570.201(d), & disposition of property is an eligible CDBG activity under 24 CFR 570.201 (b).

(3) **National Objective:** As all properties acquired and structures demolished will be located in NSP Target Areas, and redeveloped properties will be sold to low/moderate/middle-income homebuyers, this activity will meet the national objective.

(4) **Activity Description:** \$100,000 in NSP funding is allocated to acquire at least two single-family residential properties within the NSP Target Areas containing blighted structures and then demolishing such structures. Once the acquired properties are cleared, the Township will select a qualified nonprofit subrecipient or partnered nonprofit subrecipients (such as Christmas in Action and Habitat for Humanity) to whom the properties will be donated and new housing is constructed for the benefit of low-income homeowners. The Township shall ensure that such subrecipients provide for the continued affordability for this form of NSP assisted housing in accordance with the requirements outlined in Section C(3) above.

(5) **Location Description:** All the structures demolished will be located in the NSP Target Areas.

(6) **Performance Measures:** It is anticipated that 2 single-family residential properties within the NSP Target Areas containing blighted structures will be acquired, the blighted structures demolished and then redeveloped for low-income homeowners.

(7) **Total Budget:** \$100,000 NSP funds.

(8) **Responsible Organization:** NSP administration will be the responsibility of the Charter Township of Waterford Community Planning and Development Department, 5200 Civic Center Drive, Waterford, MI 48329. Administrator Contact: Robert W. Vallina – (248) 674-6239.

(9) **Projected Start Date:** It is anticipated that funds will be obligated for acquisition and demolition of the first property no later than April 1, 2009.

(10) **Projected End Date:** It is anticipated that all activity for this project will be completed by July 15, 2010.

(11) **Specific Activity Requirements:**

The acquisition of properties under this activity will be implemented with the goal of purchasing such properties at a discount rate of at least 20 percent less than the current market appraised value. The Township shall ensure that construction of housing on properties acquired through this activity shall provide for the continued affordability in accordance with the requirements outlined in Section C(3) above.

(1) **Activity Name: Housing Counseling Assistance Program**

(2) **Activity Type:** This is an NSP eligible activity type A – Establish financing mechanisms for purchase and redevelopment of foreclosed residential properties. Housing counseling is an eligible CDBG activity under 24 CFR 570.201(e).

(3) **National Objective:** As participation will be limited to households below 120% of area median income this activity will meet the national objective.

(4) **Activity Description:** \$24,489 in funding is allocated under this activity to provide mandatory housing counseling services to those individuals receiving assistance through the Low-Income Down Payment Assistance Program and the Moderate/Middle Income Down Payment Assistance Program.

(5) **Location Description:** Funds made available under this activity will be used to as part of the effort to enable low/moderate/middle-income homebuyers to purchase abandoned or foreclosed homes in the NSP Target Areas (see Map 1).

(6) **Performance Measures:** This activity will be implemented as part of the low-income and the moderate/middle-income down payment assistance programs and measured as part of those activities.

(7) **Total Budget:** \$24,489 NSP funds.

(8) **Responsible Organization:** NSP administration will be the responsibility of the Charter Township of Waterford Community Planning and Development Department, 5200 Civic Center Drive, Waterford, MI 48329. Administrator Contact: Robert W. Vallina – (248) 674-6239.

(9) **Projected Start Date:** It is anticipated that the initial housing counseling services funding will be obligated no later than March 1, 2009.

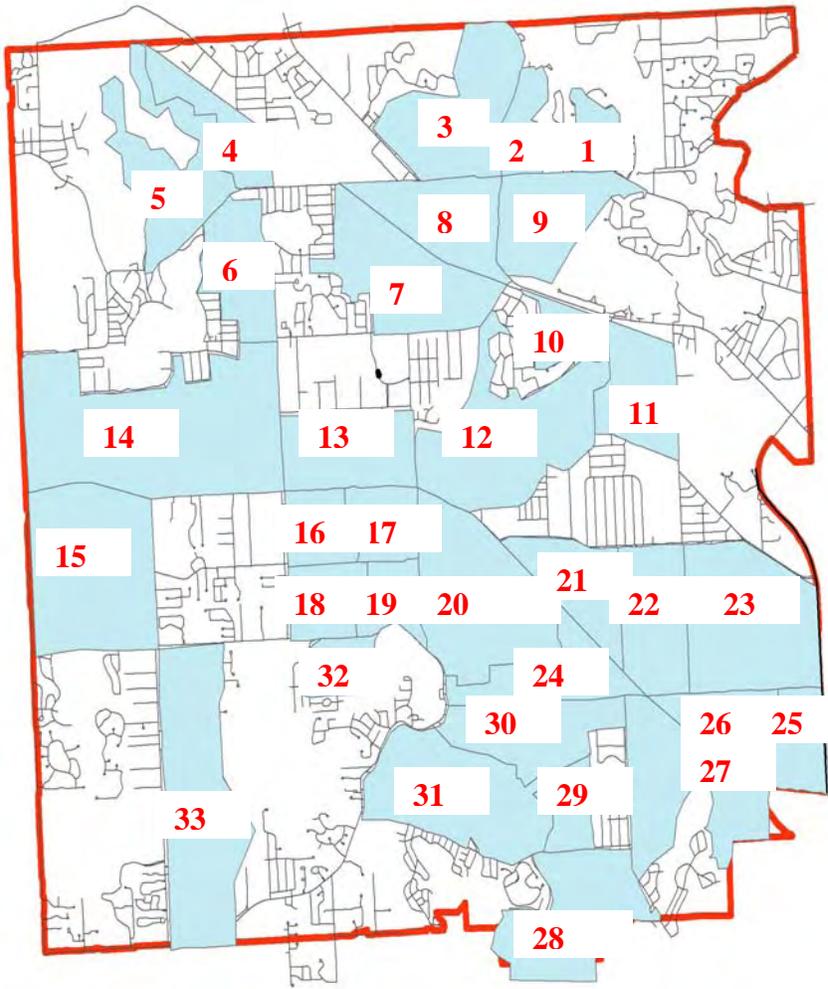
(10) **Projected End Date:** It is anticipated that all activity for this project will be completed by July 15, 2010.

(11) **Specific Activity Requirements:**

Funds allocated for this activity will be used to provide housing counseling services in conjunction with beneficiaries receiving downpayment assistance. The tenure of the beneficiaries is homeownership. This activity targets those households at or below 120% AMI.

- (1) **Activity Name:** **Program Administration**
- (2) **Activity Type:** N/A
- (3) **National Objective:** N/A
- (4) **Activity Description:**
General NSP administration
- (5) **Location Description:** N/A
- (6) **Performance Measures:** N/A
- (7) **Total Budget:** \$160,000 NSP funds.
- (8) **Responsible Organization:** NSP administration will be the responsibility of the Charter Township of Waterford Community Planning and Development Department, 5200 Civic Center Drive, Waterford, MI 48329. Administrator Contact: Robert W. Vallina – (248) 674-6239.
- (9) **Projected Start Date:** Immediately
- (10) **Projected End Date:** N/A
- (11) **Specific Activity Requirements:** N/A

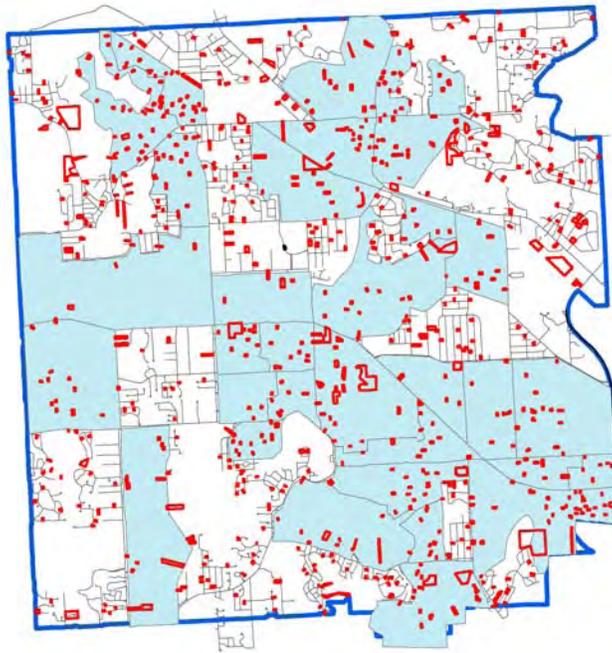
MAP 1 – NSP TARGET AREAS



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NSP TARGET AREA IDENTIFICATION NUMBER

***MAP 2 – LOCATION OF VACANT FORECLOSED PROPERTIES WITHIN WATERFORD TOWNSHIP –
SEPTEMBER 30, 2008***



IDENTIFIED FORECLOSED PROPERTY