

City of Westland Neighborhood Stabilization Program

THE NSP SUBSTANTIAL AMENDMENT

| | |
|---|--|
| Jurisdiction(s): City of Westland, MI | Contact Person: Joanne Inglis, Director |
| Jurisdiction Web Address: www.ci.westland.mi.us/services/ communitydevelopment | Housing & Community Development Dept. Address: 32715 Dorsey Road Westland, MI 48186 |
| | Telephone: 734.595.0288 |
| | Fax: 734.595.1680 |
| | Email: jinglis@cityofwestland.com |

TABLE OF CONTENTS:

| | |
|--|-----------|
| <i>Introduction</i> | 1 |
| <i>Areas of Greatest Need</i> | 1 |
| <i>Distribution and Uses of Funds</i> | 4 |
| <i>Definitions and Descriptions</i> | |
| Blighted Structures | 4 |
| Affordable Rents | 6 |
| Continued Affordability | 6 |
| Housing Rehabilitation Standards | 7 |
| <i>Low Income Targeting</i> | 7 |
| <i>Acquisition and Relocation</i> | 8 |
| <i>Public Comment</i> | 8 |
| <i>NSP Information by Activity</i> | 9 |
| <i>Appendix</i> | |
| NSP HUD Checklist | 14 |
| Certifications | 17 |
| SF 424 | 19 |
| Public Notices | 20 |
| Areas of Greatest Need | 21 |
| HUD Risk Analysis for City of Westland | 22 |

INTRODUCTION

The Housing and Economic Recovery Act (HERA) of 2008 appropriates \$3.92 billion of grant funds under the Neighborhood Stabilization Program (NSP) for states and local governments to address the nation's severe housing crisis. These funds are distributed as a substantial amendment to the 2008-09 Community Development Block Grant (CDBG) annual allocation. The U.S. Department of Housing and Urban Development (HUD) has targeted funding to areas with the greatest need based on the extent of foreclosures, subprime mortgages, and mortgage delinquencies and defaults.

The City of Westland has been allocated \$2,061,722 in NSP funds for use in neighborhoods with the highest risk factor, based on the above factors. According to Title III Section (c) 3 of HERA, NSP grantees may use funding to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight. The City of Westland proposes to use the NSP funds under the following eligible uses:

- Buying foreclosed homes,
- Buying vacant land and property,
- Demolishing or rehabilitating abandoned properties,
- Constructing new homes for homeownership opportunities, and
- Offering down payment and closing cost assistance to moderate income home buyers

All funds must be obligated for use on a specific project within 18 months of receipt.

AREAS OF GREATEST NEED

The City of Westland's areas of greatest need, determined by the risk factors set forth by the HERA legislation and provided by HUD, are in the Norwayne neighborhood and the southeast and northeast corners of the City (see Attachment 1, Areas of Greatest Need).

The Neighborhood Stabilization Program has three specific targeting responsibilities for how funds may be used:

1. All funds must go towards programs that serve individuals and families whose income does not exceed 120 percent of area median income;
2. At least 25 percent of the funds must be used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals and families whose incomes are less than 50 percent of area median income;
3. Jurisdictions that receive NSP funds must give priority to the areas of greatest need, based on the criteria described above.

Through data provided by HUD, the City of Westland Assessor's Office and the City of Westland Building Department, the City of Westland has developed a determination of high priority areas.

High Cost Loans

The City utilized Home Mortgage Disclosure Act (HMDA) data provided by HUD to determine areas that contained the highest percentage of homes financed by a subprime mortgage loan or "high cost loan". The data identifies the percent of conventional loans made between 2004 and 2006 from Home Mortgage Disclosure Act data where the rate spread is three percentage points above the Treasury security of comparable maturity. The data is calculated at Census Tract level.

18 Month Foreclosure Rate

Data provided by HUD and the Assessor's Office allows the City to identify areas with a high percentage of foreclosures. The HUD model estimated count of foreclosure starts over 18 months through June 2008 and is divided by estimated number of mortgages times 100. This data was calculated at Census Tract level.

Foreclosed Properties

Research completed by the City's Assessor's Office identified addresses as foreclosed homes. There are over 150 foreclosed properties in the areas of greatest need.

Foreclosure and Abandonment Risk Score

Data provided by HUD provides a score for each Census Block Group from 1 to 10, where 1 indicates that HUD data suggests a very low risk and a 10 suggests a very high risk for foreclosure and abandonment. Using HUD's Foreclosure and Abandonment Risk Scoring System, the City identified the areas of greatest need that will likely face a significant rise in the rate of home foreclosures. This information is presented in Attachment 1, Areas of Greatest Need. As can be seen in the Areas of Greatest Need map, the City of Westland is at the highest risk of foreclosure in the Norwayne neighborhood and the southeast and northeast corners of the City. According to HUD data, these areas contain a risk factor of 10.

Vacant and Abandoned Structures Surveys

The City of Westland Building Department conducted street surveys in the areas of highest risk and identified vacant/abandoned structures by address. This list includes both residential and commercial buildings. Nearly 65 vacant structures were identified in the areas of highest risk.

Areas of Greatest Need Determination

All of the above indicators show that the City of Westland's areas of greatest need include the Norwayne neighborhood and the southeast and northeast corners of the City. Although the risk assessment determined other areas of the City to have a risk factor of 9, the City of Westland proposes to use all of the NSP funds in the areas of highest risk.

The NSP program encourages grantees to allocate funding in such a way as to have the greatest impact. The City of Westland has determined that, in order to meet this goal, the majority of NSP funds will be allocated to the Norwayne neighborhood, bordered by Grand Traverse on the south, Merriman Road on the east, Palmer Road on the north and Wildwood on the west.

The Norwayne subdivision is one of the oldest areas of our city, having existed for over 65 years. The area was built immediately after World War II to provide temporary housing for returning soldiers who worked in nearby factories. Presently, Norwayne is an area that has long been neglected and includes substandard multi-unit duplexes and four-plexes in various degrees of disarray. This has contributed to the City spending a disproportionate amount of city resources in Norwayne in an effort to elevate the standard of living. Income levels fall within the CDBG eligible category of 80 percent or below of area median income. The NSP Program is a demonstration of the continual effort by the City to revitalize this area from the ground up. The City will use NSP funds to demolish vacant structures that are beyond repair and replace them with affordable homeownership opportunities for families with incomes at or below 120 percent of area median income. Increasing the level of homeownership will help to stabilize the neighborhood. The City will also use NSP funds to rehabilitate structures that do not require demolition to provide affordable rental opportunities for families with incomes at or below 50 percent of area median income. Increasing the amount of renovated, affordable rental housing will also help to stabilize the neighborhood.

All of the NSP activities described in this section will be used in all of the areas of greatest risk; however, the main emphasis will be in the Norwayne neighborhood. Specifically, these activities include:

1. Demolition of blighted structures;
2. Acquisition of land for new construction;
3. Rehabilitation and redevelopment of rental structures; and
4. Financing mechanisms for down payment/closing cost assistance.

All individual properties will be purchased at a minimum of 5 percent less than the appraised value. Properties within a portfolio will be purchased

at an average discount of 15 percent. The City will attempt to acquire properties for little or no cost where possible. Appraisals shall be consistent with the appraisal requirements of the Uniform Relocation Act.

DISTRIBUTION AND USES OF FUNDS

NSP Program Allocation Table

| Activity | Total Funds | Performance Measure |
|-----------------------------------|--------------------|----------------------------|
| Demolition of Blighted Structures | \$200,000 | 40 |
| Acquisition | \$600,000 | 60 |
| Rehabilitation/Redevelopment | \$961,000 | 60 |
| Homebuyer Assistance | \$100,000 | 20 |
| Planning & Administration | \$200,722 | N/A |
| TOTAL | \$2,061,722 | |

Note: City of Westland will allocate \$515,430 (25 percent of NSP Program grant) to families with incomes at or below 50 percent of area median income.

The City of Westland's distribution and use of the NSP Program funds will meet the requirements of Section 2301(c)(2) of HERA by administering projects to the areas of greatest need, as described above.

DEFINITIONS AND DESCRIPTIONS

~ Dangerous Buildings/Blighted Structures

As defined in the HERA Federal Register Notice, Vol. 73, No. 194 (II) (A), a blighted structure is generally described as follows:

"A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare."

It has been determined by HUD that the Federal Register definition be used as a base in which a Grantee should further define a blighted structure for the purposes of implementing the clearance of such

structures through the NSP Program. The City of Westland defines a blighted or dangerous structure in the 2006 International Property Maintenance Code and Ordinance #191-b-8, Sec. 22-458. Causes of blight or blighting factors are defined as:

2006 International Property Maintenance Code®

SECTION 108

UNSAFE STRUCTURES AND EQUIPMENT

108.1 General. When a structure or equipment is found by the code official to be unsafe, or when a structure is found unfit for human occupancy, or is found unlawful, such structure shall be condemned pursuant to the provisions of this code.

108.1.1 Unsafe structures. An unsafe structure is one that is found to be dangerous to the life, health, property or safety of the public or the occupants of the structure by not providing minimum safeguards to protect or warn occupants in the event of fire, or because such structure contains unsafe equipment or is so damaged, decayed, dilapidated, structurally unsafe or of such faulty construction or unstable foundation, that partial or complete collapse is possible.

108.1.3 Structure unfit for human occupancy. A structure is unfit for human occupancy whenever the code official finds that such structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is unsanitary, vermin or rat infested, contains filth and contamination, or lacks ventilation, illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the occupants of the structure or to the public.

City of Westland Ordinance #191-b-8

Sec. 22-458. Causes of blight or blighting factors.

It is hereby determined that the following uses, structures, conditions and activities are causes of blight, or blighting factors, which, if allowed to exist, will tend to result in blighting and undesirable neighborhoods, and which if alleviated or remedied will tend to rehabilitate already blighted areas. No person shall maintain or permit to be maintained any of these causes of blight or blighting upon any premises in the city owned, leased, rented or occupied by any such person:

- (4) In any area, the existence of any structure or part of a structure which because of fire, wind or other natural disaster, or physical deterioration, is no longer habitable as a dwelling, nor useful for any other purpose for which it may have been intended;
- (5) In any area, the existence of any vacant dwelling, commercial building, garage or other outbuilding, unless the same are kept securely

locked, with windows kept glazed or neatly boarded up, and otherwise protected to prevent entrance thereto by vandals or unauthorized members of the public; provided, however, that the existence of any vacant boarded-up building for a period in excess of six months shall be deemed to be a cause of blight or a blighting factor;

(6) In any area, the existence of any partially completed structure, unless such structure is in the course of construction in accordance with a valid and subsisting building permit issued by the city, and unless such construction is completed within a reasonable time.

~ Affordable Rents

City of Westland is committed to supplying affordable rental units to City of Westland residents. The City currently administers the HOME Rental Rehabilitation Program. Rents for this program are equal to the Fair Market Rent (FMR) for the Detroit-Warren-Livonia MSA. Housing that is rehabilitated for rental purposes using NSP funds will use the same affordable rents as the existing program. The following table shows the FMRs by unit size.

FY 2009 Fair Market Rent by Bedroom Size

| | Efficiency | 1Bedroom | 2Bedroom | 3 Bedroom | 4 Bedroom |
|--------------------|------------|----------|----------|-----------|-----------|
| FY 2009 FMR | \$594 | \$676 | \$809 | \$968 | \$997 |

~ Continued Affordability

City of Westland currently administers the HOME Rental Rehabilitation Program. Current program provisions provide a matching grant of up to \$14,999 per unit in rehabilitation funds. Owners/developers must agree to rent to low income families and maintain affordable rents for a five year period following rehabilitation. Rehabilitation using NSP Program funds will require the same affordability period.

City of Westland currently administers the Homebuyers Assistance Program. Current program provisions provide \$5000 assistance for structures built prior to 2000 and \$10,000 assistance for structures built since 2000. The program requires a five year affordability period. If the home is sold or refinanced during the affordability period, the entire assistance must be repaid to the City. Homebuyer assistance using NSP funds will require the same affordability period.

NSP regulations require sale of properties developed or rehabilitated with NSP funds to be sold at or below the cost of acquisition plus development or rehabilitation. City of Westland will require a ten year affordability period for these sales. If the home is sold during the affordability period,

1/10th for each year left in the affordability period must be repaid to the City. For example, if the house is sold in the fifth year of the affordability period, half of the original sale price would have to be paid back to the City. In addition, the house must be sold to a family with an income at or below 120 percent of area median income, based on HUD income limits during the entire affordability period.

~ Housing Rehabilitation Standards

City of Westland will use housing rehabilitation standards that were developed as a part of the City of Westland HOME Rental Rehabilitation Program. Rehabilitation of housing units will meet all current City of Westland and State of Michigan building codes. The City will address the lead based paint hazards that are found in all homes rehabilitated with the City's NSP funds. Further information regarding City of Westland HOME Rental Rehabilitation Program can be viewed in the Neighborhood Development Program Guidelines manual.

LOW INCOME TARGETING

The City of Westland will use HUD established income limits to ensure that families with very low, low, moderate, and middle incomes benefit from the NSP program. The income table below shows these income categories and limits.

The City of Westland will use at least \$515,430 (25% of the City's NSP allocation, as required) for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income. Primarily, these funds will provide affordable rental opportunities.

FY 2008 Income Limits (Detroit-Warren-Livonia Metro FMY Area)

Area Median Income: \$68,400

| Income Limit Category | 1 person | 2 person | 3 person | 4 person | 5 person | 6 person | 7 person | 8 person |
|-----------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Very Low (50%) | 24,450 | 27,950 | 31,450 | 34,950 | 37,750 | 40,550 | 43,350 | 46,150 |
| Low (80%) | 39,150 | 44,750 | 50,350 | 55,900 | 60,400 | 64,850 | 69,350 | 73,800 |
| Middle (120%) | 58,725 | 67,125 | 75,525 | 83,850 | 90,600 | 97,275 | 104,025 | 110,700 |

ACQUISITIONS AND RELOCATION

The City does not anticipate funding any activities that will displace any resident or businesses as part of the NSP Program. If displacement does occur, the residents or businesses displaced would be entitled to compensation and/or assistance under applicable federal laws. Should the need for displacement ever arise, the City will officially notify the residents or businesses expected to be displaced as soon as practicable following approval of the activity. The notice will include a description of the proposed action, a discussion of how the resident or business owner might be affected, and information concerning their rights and benefits.

PUBLIC COMMENT

In accordance with the NSP Program requirements, the City of Westland invited public comment regarding the proposed fiscal year 2008-09 CDBG substantial amendment.

The NSP Program and proposed use of funds was discussed at the October 21, 2008 Westland Housing Commission meeting. The Westland City Council held a study session on November 3, 2008 and voted to approve the proposed substantial amendment at the following City Council meeting.

The proposed substantial amendment was published on the City of Westland website (www.ci.westland.mi.us/services/communitydevelopment) on November 7, 2008. The Mayor's Office issued a press release on November 14, 2008, which resulted in an article in the Westland Observer on November 16, 2008. The proposed substantial amendment was also published as a public notice in the November 20, 2008 Wayne/Westland Eagle and the November 23, 2008 Westland Observer.

The City of Westland will include any public comments that are received in the NSP Program substantial amendment. The public comment period will begin on November 7, 2008 and will end on December 1, 2008. Copies of the proposed substantial amendment will be available for viewing at the Department of Housing and Community Development. Copies of the substantial amendment will be made available upon request. All correspondence, records, written proposals and minutes of the public meetings will be retained at the Department of Housing and Community Development.

Summary of Citizen Comments

As of the submission date (November 26, 2008), no public comments have been received. Should any be received by December 1, 2008, they shall be presented to the City for review and consideration.

NSP INFORMATION BY ACTIVITY

Activity #1 - Demolition of Blighted/Dangerous Structures

1. Activity Name:

~ Demolition of Blighted/Dangerous Structures

2. Activity Type: (Include NSP eligible use and CDBG eligible activity)

~ NSP – HERA, 2301(c)(3)(D), Demolish blighted structures

~ CDBG – 24 CFR 570.201

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

~ Housing assistance with NSP funds will provide permanent housing to low, moderate and middle income persons. (24 CFR 570.208(c))

4. Activity Description:

~ Funding will be allocated for the demolition and clearance of blighted or dangerous structures as deemed by the City of Westland Dangerous Buildings Ordinance. In addition to demolition, this funding will be used for redevelopment of housing and/or public facilities, housing counseling services limited to the prospective purchaser or tenants of the developed properties and direct homeownership assistance.

~ Use of demolished parcels:

- hold for future development;
- sell to adjoining owner / combine lots into 1 taxable unit (for non-buildable lots);
- maintain as green space, to reduce density.

5. Location Description:

~ Norwayne neighborhood, southeast and northeast corners of the City. (Areas identified as "Areas of Greatest Need").

6. Performance Measures:

~ City of Westland hopes to demolish 40 blighted or dangerous structures.

7. Total Budget: **\$200,000**

8. Responsible Organization:

~ City of Westland, Department of Housing and Community Development
32715 Dorsey Road, Westland, MI 48186
Joanne Inglis, Director
Phone: 734.595.0288, Fax: 734.595.0826, email:
jinglis@cityofwestland.com.

9. Projected Start Date: Upon HUD signing of NSP Grant Agreement

10. Projected End Date: January 31, 2013

Activity #2 - Acquisition

1. Activity Name:

~ Acquisition

2. Activity Type: ((Include NSP eligible use and CDBG eligible activity)

~ NSP – HERA, 2301(c)(3)(B), acquisition/rehabilitation/rental

- ~ CDBG – 24 CFR 570.201(a) acquisition, (b) disposition; 24 CFR 570.202, rehabilitation.

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

- ~ Housing assistance with NSP funds will provide permanent housing to low, moderate and middle income persons. (24 CFR 570.208(c))

4. Activity Description:

- ~ Funding will be allocated to the acquisition of vacant or foreclosed properties. Properties to be demolished, rehabilitated or redeveloped depending on their location and condition.

5. Location Description:

- ~ Norwayne neighborhood, southeast and northeast corners of the City. (Areas identified as "Areas of Greatest Need").

6. Performance Measures:

- ~ City of Westland hopes to acquire 60 properties/structures with the initial NSP grant award.

7. Total Budget: **\$600,000**

8. Responsible Organization:

- ~ City of Westland, Department of Housing and Community Development
32715 Dorsey Road, Westland, MI 48186
Joanne Inglis, Director
Phone: 734.595.0288, Fax: 734.595.0826, email:
jinglis@cityofwestland.com.

9. Projected Start Date: Upon HUD signing of NSP Grant Agreement

10. Projected End Date: January 31, 2013

11. Specific Activity Requirement

- ~ Discount Rate: City of Westland will use a discount rate of at least 5 percent less than the appraised value for individual properties and an average discount rate of 15 percent for properties within a portfolio.

Activity #3 – Rehabilitation and Redevelop Demolished or Vacant Properties

1. Activity Name:

- ~ Rehabilitation and Redevelop Demolished or Vacant Properties

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

- ~ NSP – HERA, 2301(c)(3)(D), Demolish blighted structures; HERA, 2301(c)(3)(E), redevelop demolished or vacant properties, HERA, 2301(c) (3)(B), acquisition/rehabilitation/rental
- ~ CDBG – 24 CFR 570.201; 24 CFR 570.204; 24 CFR 570.202, rehabilitation.

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

- ~ Housing assistance with NSP funds will provide permanent housing to low, moderate and middle income persons. (24CFR 570.208(c))

4. Activity Description:

- ~ Funding will be allocated for the redevelopment and rehabilitation of foreclosed, vacant and/or demolished properties with the intent to sell or rent the properties to those that meet the income eligibility requirements. Rehabilitation activity will include affordable rental for families with incomes at or below 50% of area median income.

5. Location Description:

- ~ Norwayne neighborhood, southeast and northeast corners of the City. (areas identified as "Areas of Greatest Need").

6. Performance Measures:

- ~ City of Westland hopes to redevelop or rehabilitate 60 structures.

7. Total Budget: **\$961,000**

8. Responsible Organization:

- ~ City of Westland will solicit, through an application process, for non-profit and for-profit organizations and partners to participate in the redevelopment and rehabilitation of vacant and/or foreclosed properties. City of Westland will be responsible for project oversight.

- ~ City of Westland, Department of Housing and Community Development
32715 Dorsey Road, Westland, MI 48186
Joanne Inglis, Director
Phone: 734.595.0288, Fax: 734.595.0826, email:
jinglis@cityofwestland.com.

9. Projected Start Date: Upon HUD signing of NSP Grant Agreement

10. Projected End Date: January 31, 2013

**Activity #4 - Financing Mechanisms for Purchase of Foreclosed Homes
(Down Payment Assistance)**

1. Activity Name:

- ~ Financing Mechanisms for Purchase of Foreclosed Homes - Down Payment Assistance

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

- ~ NSP – HERA, 2301(c)(3)(A), financing mechanisms
- ~ CDBG – 24 CFR 57.201(n), direct homeownership assistance, 24 CFR 570.206, as part of an activity delivery cost for an eligible activity

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

- ~ Housing assistance with NSP funds will provide permanent housing to low, moderate and middle income persons. (24 CFR 570.208(c))

4. Activity Description:

- ~ Funding will be allocated to income eligible candidates for the purpose of down payment/closing cost assistance.

5. Location Description:

- ~ Norwayne neighborhood, southeast and northeast corners of the City. (Areas identified as "Areas of Greatest Need").

6. Performance Measures:

- ~ City of Westland hopes to assist 20 households.

7. Total Budget: **\$100,000**

8. Responsible Organization:

- ~ City of Westland, Department of Housing and Community Development
32715 Dorsey Road, Westland, MI 48186
Joanne Inglis, Director
Phone: 734.595.0288, Fax: 734.595.0826, email:
jinglis@cityofwestland.com.

9. Projected Start Date: Upon HUD signing of NSP Grant Agreement

10. Projected End Date: January 31, 2013

Activity #5 – Planning and Administration

1. Activity Name:

- ~ NSP Planning and Administration

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

- ~ NSP and CDBG

24 CFR 570.205 and 206: An amount of up to 10 percent of an NSP grant and up to 10 percent of program income earned may be used for general administration and planning activities. 24 CFR 570.206: Activity delivery costs may be charged to the particular activity performed above and will not count as general administration and planning costs.

24 CFR 570.200(h): A grantee may incur pre-award costs necessary to develop the NSP Application and undertake other administrative and planning actions necessary to receive the NSP grant.

3. National Objective:

- ~ Administration is exempt from meeting a national objective.

4. Activity Description:

- ~ This activity will provide the general administration and planning activities required to receive NSP funding and implement a successful NSP program, including preparation of the substantial amendment, required noticing, monitoring, financial reporting and other required administrative tasks.

5. Location Description:

- ~ Norwayne neighborhood, southeast and northeast corners of the City. (Areas identified as "Areas of Greatest Need").

6. Performance Measures:

- ~ City of Westland will complete necessary planning activities to receive NSP funds; 100% of NSP funds will be accurately administered.

7. Total Budget: **\$200,722** from initial NSP allocation.

8. Responsible Organization:

~ City of Westland, Department of Housing and Community Development
32715 Dorsey Road, Westland, MI 48186
Joanne Inglis, Director
Phone: 734.595.0288, Fax: 734.595.0826, email:
jinglis@cityofwestland.com.

9. Projected Start Date: September 29, 2008

10. Projected End Date: January 31, 2013

Specific Activity Requirements for Housing Related Activities

The duration or term of assistance, tenure of rental and homeownership beneficiaries and a description of continued affordability are included in ***"Continued Affordability"*** on Page 6.

APPENDIX

1. Areas of Greatest Need
2. HUD Risk Analysis for City of Westland
3. Public Notices
4. Certifications
5. SF 424
6. NSP HUD Checklist

NSP Substantial Amendment Checklist

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

| Contents of an NSP Action Plan Substantial Amendment | |
|---|---|
| Jurisdiction(s): City of Westland, MI Jurisdiction Web Address: www.ci.westland.mi.us/services/communitydevelopment | Contact Person: Joanne Inglis, Director Housing & Community Development Dept. 32715 Dorsey Road Westland, MI 48186 Address: 32715 Dorsey Road Westland, MI 48186 Telephone: 734.595.0288 Fax: 734.595.1680 Email: jinglis@cityofwestland.com |

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

A. AREAS OF GREATEST NEED

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

Yes No Verification found on page 1.

B. DISTRIBUTION AND USES OF FUNDS

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

Yes No Verification found on page 4.

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

C. DEFINITIONS AND DESCRIPTIONS

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

- a definition of "blighted structure" in the context of state or local law,
Yes No Verification found on page 4.
- a definition of "affordable rents,"
Yes No Verification found on page 6.
- a description of how the grantee will ensure continued affordability for NSP assisted housing,
Yes No Verification found on page 6.

- a description of housing rehabilitation standards that will apply to NSP assisted activities?

Yes No Verification found on page 7.

D. LOW INCOME TARGETING

- Has the grantee described how it will meet the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?

Yes No Verification found on page 7.

- Has the grantee identified how the estimated amount of funds appropriated or otherwise made available will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of area median income?

Yes No Verification found on page 4.

Amount budgeted = \$515,430.

E. ACQUISITIONS & RELOCATION

Does grantee plan to demolish or convert any low- and moderate-income dwelling units?

Yes No (If no, continue to next heading)

Verification found on page ____.

If so, does the substantial amendment include:

- The number of low- and moderate-income dwelling units—i.e., $\leq 80\%$ of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities?

Yes No Verification found on page ____.

- The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., $\leq 120\%$ of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion)?

Yes No Verification found on page ____.

- The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income?

Yes No Verification found on page ____.

F. PUBLIC COMMENT PERIOD

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

Yes No Verification found on pages 8, 20.

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

Yes No Verification found on page 8.

G. INFORMATION BY ACTIVITY

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

- eligible use of funds under NSP,
Yes No Verification found on page 9 – 13.
- correlated eligible activity under CDBG,

Yes No Verification found on page 9 – 13.

- the areas of greatest need addressed by the activity or activities,
Yes No Verification found on page 9 – 13.
- expected benefit to income-qualified persons or households or areas,
Yes No Verification found on page 9 – 13.
- does the applicant indicate which activities will count toward the statutory requirement that at least 25% of funds must be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals and families whose incomes do not exceed 50% of area median income?
Yes No Verification found on page 11.
- appropriate performance measures for the activity,
Yes No Verification found on page 9 – 13.
- amount of funds budgeted for the activity,
Yes No Verification found on page 9 – 13.
- the name, location and contact information for the entity that will carry out the activity,
Yes No Verification found on page 9 – 13.
- expected start and end dates of the activity?
Yes No Verification found on page 9 – 13.
- If the activity includes acquisition of real property, the discount required for acquisition of foreclosed upon properties,
Yes No Verification found on page 10.
- If the activity provides financing, the range of interest rates (if any),
Yes No Verification found on page Not applicable.
- If the activity provides housing, duration or term of assistance,
Yes No Verification found on page – Not applicable.
- tenure of beneficiaries (e.g., rental or homeownership),
Yes No Verification found on page 13.
- does it ensure continued affordability?
Yes No Verification found on page 13.

H. CERTIFICATIONS

The following certifications are complete and accurate:

| | | |
|--|---|-----------------------------|
| (1) Affirmatively furthering fair housing | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) Anti-lobbying | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) Authority of Jurisdiction | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) Consistency with Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (5) Acquisition and relocation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (6) Section 3 | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (7) Citizen Participation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (8) Following Plan | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (9) Use of funds in 18 months | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (10) Use NSP funds ≤ 120 of AMI | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (11) No recovery of capital costs thru special assessments | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

| | | |
|--|---|-----------------------------|
| (12) Excessive Force | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (13) Compliance with anti-discrimination laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (14) Compliance with lead-based paint procedures | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (15) Compliance with laws | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

CERTIFICATIONS

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

(11) **Assessments.** The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

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

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

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

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

Signature/Authorized Official

November 26, 2008

Date

Mayor, City of Westland
Title