

Proposed
City of Southfield, Michigan NSP3 Plan
Application for NSP3 Funds

Jurisdiction: City of Southfield, Michigan
Jurisdiction web address: Cityofsouthfield.com
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Executive Summary

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional \$1 billion for the Neighborhood Stabilization Program (NSP) that was originally established under the Housing and Economic Recovery Act of 2008. HUD will award grants to 50 states and 220 selected local governments to mitigate the negative impact of the nation's economic decline and housing market collapse and to stabilize and revitalize communities/areas hit the hardest.

The City of Southfield, Michigan anticipates receiving \$1,084,254 in Neighborhood Stabilization Program Three (NSP 3) Funds from the U.S. Department of Housing and Urban Development (HUD). To achieve this funding, the City is required to submit an acceptable program plan to the U.S. Department of Housing and Urban Development (HUD) by March 1, 2011.

NSP3 funds were allocated by a formula based on the number of foreclosures and vacancies in the 20 percent of U.S. neighborhoods (Census Tracts) with the highest rates of homes which were financed by a subprime mortgage, are delinquent, or are in foreclosure. The minimum grant for non-state grantees was \$1 million and the basic allocation is adjusted to ensure that every state receives a minimum of \$5 million. The net result is that these funds are highly targeted to communities with the most severe neighborhood problems associated with the foreclosure crisis.

Under NSP3, grantees have 2 years from the date HUD signed their grant agreements to expend 50% of these funds and 3 year to expend an amount equal to these allocations.

Targeted Neighborhoods

For the purpose of selecting targeted neighborhoods, HUD established guidelines for communities. HUD is funding the Neighborhood Stabilization Program 3 (NSP3) to revitalize neighborhoods across the country using the existing housing stock by rehabilitating vacant foreclosed homes. Utilizing the guidelines set by HUD for the NSP3 program the community must outline specific area(s) that have been hardest hit by foreclosure. In HUD's own words:

“The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.”

In addition to the factors used by HUD to calculate the Index of the neighborhood, the City of Southfield also included others in our decisions, including area census tract data, 2010 quarterly data from the City, proximity to public transportation, and distance from major city employment centers.

Appendix 1 – 4 Titled: Non – Occupied Buildings: March 2010; Non – Occupied Buildings: June 2010; Non – Occupied Buildings: September 2010; Non – Occupied Buildings: December 2010. These appendices provide a quarterly “snap shot” of building vacancies in the City of Southfield.

Appendix 5 Titled: Business in Southfield. This appendix provides an overview of the major employment centers in Southfield, Michigan.

Appendix 6 Titled: SMART & DDOT bus routes in Southfield. This appendix shows the bus routes operated by SMART (Southeastern Michigan Area Regional Transit) and DDOT (Detroit Department of Transportation).

Appendix 7 Titled: NSP3 Target Neighborhood. This appendix identifies the proposed NSP3 target neighborhood.

Using a mapping tool provided by HUD, Southfield employees have submitted several areas to be checked for compliance with these guidelines, and have received word back. These areas were selected based on data collected from the Building Department and mapped by our GIS team. Included are maps highlighting local business centers, bus stops, and average household incomes by area.

The NSP3 Targeted Neighborhood begins at the northeastern corner of the city at Greenfield and Thirteen Mile. From there it follows Greenfield south all the way to the city's southern border at

Eight Mile which it follows west to Lahser. It follows Lahser North up to Ten Mile which it travels along until it turns north at a point directly south of The Lodge and Civic Center Drive, which it meets. It then follows Civic Center Drive across the Civic Center to Lincoln, the southern border of Lathrup Village, which it follows along to the eastern border where it tracks along north. The border then meets Twelve Mile it briefly follows west to Southfield, where it tracks north to Thirteen Mile. Finally, the border stretches east along Thirteen Mile to meet its beginning at Greenfield.

This neighborhood has good public transportation, local retailing and large employment centers. It also includes the business districts along Greenfield; Southfield; Evergreen; Lahser; The Lodge (US 10); Eight, Nine, Ten, Eleven, Twelve, and Thirteen Mile Roads; and the entire Cornerstone District.

The NSP3 Targeted Neighborhood Score (as scored by HUD) within the City of Southfield is:

Neighborhood NSP3 Score: 19.4
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 14586

Definitions for NSP3

Abandoned – A home or residential property is abandoned if either (a) mortgage, tribal leasehold, or tax payment are at least 90 days delinquent, or (b) a code enforcement inspection has determined that the property is not habitable and the owner has not taken corrective actions within 90 days or notification of the deficiencies, or (c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to state or local law or otherwise meets a state definition of an abandoned home or residential property.

Dangerous Building – A structure is dangerous when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. More specifically, a structure must be a dangerous building as defined in MCL 125.539 section 139.

Blighted Structure – A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Per City of Southfield Code a blighted structure is defined in Ordinance 1198 per SECTIONS 8.141, 8.142, 8.143 and 8.144 of CHAPTER 100 OF TITLE VIII OF THE CODE OF THE CITY OF SOUTHFIELD.

In addition, the estimated cost to rehabilitate the structure in compliance with the City's Property Maintenance Code must be greater than 50 percent of the estimated cost to replace the structure.

Current Market Appraised Value – The current market appraised value means the value of the foreclosed upon home or residential property that is established through appraisal mode in conformity with either (1) The appraisal requirements of the Uniform Relocation Act (URA) at

49 CRF 24.103, or (2) the Uniform Standards of Professional Appraisal Practice (USPAP), or (3) the appraisal requirements of the Federal Housing Administration (FHA) or a government sponsored enterprise; and the appraisal must be completed or updated within 60 days of the final offer made for the property by the grantee, sub-recipient, developer, or homebuyer. However, if the anticipated value of the proposed acquisition is estimated at \$25,000 or less the current market appraised value of the property may be established by a valuation of the property that is based on a review of the available data and is made by a person the grantee determines is qualified to make the valuation.

Foreclosed – A home or residential property “has been foreclosed upon” if any of the following conditions apply: (a) The property’s current delinquency status is at least 60 days delinquent under the Mortgage Banker of America delinquency calculation and the owner has been notified; (b) the property owner is 90 days or more delinquent on tax payments (c) under state, local, or tribal law, foreclosure proceedings have initiated or completed; or (d) foreclosure proceedings have been completed and title has been transferred to a intermediary aggregator or servicer that is not an NSP grantee, contractor, sub-recipient, developer, or end user.

Affordable Rents – Rents will be considered affordable for NSP assisted properties if they meet requirements for HOME assisted units at 24 CFR 92.252(a), (c), (e), and (f). Tenant income shall be determined according to 24 CFR 92.203(a) using the definition of annual income at 24 CFR 5.609 (Section 8 methods).

Rental Housing Preference

Possible preferences have not been developed nor have properties been identified as of yet. However, the City of Southfield may work with non-profits (Community Housing Network, Habitat for Humanity) who might have preferences such as veterans or special needs populations.

Southfield will follow all relevant fair housing laws and will seek guidance from HUD for procedures regarding preferences.

Southfield will explore a partnership with the Southfield Housing commission regarding the feasibility of utilizing Section 8 housing choice vouchers (as project based Section 8 Housing). This will follow the Housing Commission’s Section 8 Housing Choice Voucher Program Administrative Plan regarding waiting list and preferences.

General NSP3 Client Requirements

The City of Southfield’s NSP3 will be market driven. As the NSP3 funds are limited and available based the customer’s ability to obtain a qualified mortgage plus other conditions listed below. The NSP program is not first come first served. The Client must be able to afford the home. The commitment of NSP3 funds from the City of Southfield will be subject to the following:

1. The subject property must be located within the NSP3 Targeted Neighborhood in the City of Southfield.
2. Purchaser must be able to secure a fixed mortgage with an interest rate consistent with market rates and will be required to have funds of at least 3.5% of the purchase price for the down payment and/or other closing cost
3. Monthly housing costs (mortgage including taxes and insurance costs) cannot exceed 30% of gross monthly income (based on the initial review of the annual income at \$xx,xxxx monthly income of \$xx,xxx; 30% is \$x,xxx).
4. Subject property must be foreclosed and vacant.
5. Subject property must be acquired at a discount (at least 1% of the appraised price).
6. The subject property must have a qualified appraisal within 60 days of purchase.
7. Purchaser must complete the required eight (8) hours of Home Buyer Education/Training provided by a HUD Certified Counselor.
8. Subject property must have the required HUD environmental inspection.
9. Other federal regulations will apply.

Program Household Income Qualifications

The following table details the NSP3 Program Household Income Qualifications as defined by the U.S. Department of Housing and Urban Development (HUD). These income qualifications will periodically change as updated by HUD.

Detroit – Warren – Livonia MI HUD Metro Income Limits								
Year 2010				Area Median = \$69,800				
<i>Income Category</i>	<i>1 Person</i>	<i>2 People</i>	<i>3 People</i>	<i>4 People</i>	<i>5 People</i>	<i>6 People</i>	<i>7 People</i>	<i>8 People</i>
Very Low 50% of Area Median	\$24,450	\$27,350	\$31,450	\$34,900	\$37,700	\$40,500	\$43,300	\$46,100
Low 80% of Area Median	\$39,100	\$44,700	\$50,300	\$55,850	\$60,350	\$64,800	\$69,300	\$73,750
Moderate 120% of Area Median	\$58,650	\$67,000	\$75,400	\$83,750	\$90,450	\$97,150	\$103,850	\$110,550

Vicinity Hiring

Through the bidding process, the City of Southfield will adhere to Section 3 of the Housing and Urban Development Act of 1968 as described in 24 CFR, Part 135. Contractors will be required to do due diligence (report required information to Grantee) to obtain employees who reside in the targeted area.

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NSP3 Activities

The following is a summary of the City of Southfield's NSP3 Activities.

Activity #1: Acquisition, Rehabilitation, Construction of rental and/or sale, land contract, or lease to own units \$271,064.00 of the entitlement will be allocated for the purpose of acquisition, rehabilitation, construction of rental units. The rental units may be lease to own. This funding amount equals 25% of the total allocation and will be leased to families who are at or below 50% of the area median income. At least 3 units will be developed. The Program income resulting from the rental and possible sale of the properties will be used to acquire and rehabilitate additional units.

For a home which may be a sale, land contract or lease to own, the City, during rehabilitation, will have the home appraised to determine a fair market value and each home will be sold to an NSP3 eligible homebuyer whose household income is below 50% AMI (Area Median Income). The home will be sold at market value or an amount equal to the project cost, whichever is less. The homebuyer must use the home as their primary residency. The buyer may receive Direct Homeowner Assistance (DHA) in the form of down payment assistance from NSP3 – Activity #4.

All homes assisted under this activity (#1 - Acquisition, Rehabilitation, Construction of rental and/or lease to own units) will be brought into compliance with the City's Property Maintenance Code. In addition, all work completed will comply with the City's Building Code. Environmental hazardous conditions, e.g. lead based paint hazards will also be addressed as required by HUD.

It is anticipated that this activity will start on July 1, 2011 with a completion date March 31, 2014.

NSP3 - Activity #2: Acquisition, Rehabilitation and resale of foreclosed properties \$162,637 will be allocated for the acquisition, rehabilitation and sale of foreclosed properties in the neighborhood target areas. The sale of said properties will be to families and individuals with incomes at or less that 120% of area median income. This funding amount equals 15% of the total allocation, it is estimated that approximately 2 housing units can be rehabilitated and sold to owner-occupants with the initial round of funding. Program income resulting from the sale of said properties may be used to acquire and rehabilitate additional units.

During rehabilitation, the homes will be appraised to determine a fair market value and each home will be sold to an NSP3 eligible homebuyer whose household income is at or below 120% AMI. The home will be sold at market value or an amount equal to the project cost, whichever is less. The homebuyer must use the home as their primary residency. The buyer may receive

Direct Homeowner Assistance (DHA) in the form of down payment assistance from NSP3 – Activity #4.

All homes assisted under this activity (# 2 - Acquisition, Rehabilitation and resale of foreclosed properties) will be brought into compliance with the City's Property Maintenance Code. In addition, all work completed will comply with the City's Building Code. Environmental hazardous conditions, e.g. lead based paint hazards will also be addressed as required by HUD.

The City of Southfield may utilize a land contract financing mechanism if the other financing is not available.

It is anticipated that this activity will start on July 1, 2011 with a completion date March 31, 2014.

NSP3 - Activity #3: Direct Homeownership Assistance (DHA) The City will allocate \$542,119 for the purpose of providing assistance for direct homeowner assistance to qualified NSP3 clients. These funds may be used for the following:

- (a) Down payment and/or closing cost not to exceed \$5,000.00
- (b) General modernization of home, e.g., new roof, siding, interior repairs, new floor coverings, bathroom and kitchen upgrades, abatement of hazardous environmental conditions when necessary to complete a particular modernization improvement, etc. The general modernization cannot exceed \$20,000.00
- (c) Purchase of energy efficiency appliances not to exceed \$6,000.00
- (d) Weatherization of the home, e.g., installation of insulation, new windows, new doors, HVAC systems, environmental abatement services associated with a particular weatherization improvement, etc, not to exceed \$15,000.00
- (e) Abatement of hazardous environmental conditions abatement (separate from the above), e.g., removal of septic system, installation of new sewer line, installation of waterline, lead paint abatement, asbestos abatement, mold remediation, etc. The abatement of hazardous environmental conditions cannot exceed \$15,000.00.

The total aggregate of the Direct Homeownership Assistance (DHA) will not exceed 49.5% of the property's purchase price or the appraised value whichever is greater.

The DHA will come in the form of an interest free deferred loan equal to the amount of Direct Homeownership Assistance provided to the purchaser secured by a mortgage on the subject real estate. It is anticipated that approximately 10 housing units can be impacted by this activity.

Housing Market Conditions/Program Design

The acquisition and investment to vacated/foreclosed homes will have an immediate impact on the elimination of the vacated and blighted properties, for example, increase of property values and encouragement of more investment in the community will likely occur. It will also have an impact on the pride of the residents.

The Plan is consistent with the CDBG Consolidated Plan. Roughly 1/3 of the targeted neighborhoods (Census Tract) qualify as low-to-moderate income. The targeted neighborhood analysis included: identification of major employers (employment opportunities) and an analysis of public transportation, health care and other social service providers.

It is consistent with one of CDBG's main objectives – Create a suitable living environment for low-to-moderate income families emphasizing sustainability of neighborhoods and affordability.

Historically, the City of Southfield has utilized CDBG funding to assist with code enforcement. The activities of the NSP3 program address many of the concerns identified by code enforcement.

Low Income

Upon residing in the home for a period of not less than 15 years the interest free loan may be forgiven providing that the family's household income is at less than 50% of the AMI.

Low-To-Moderate Income

Upon residing in the home for a period of not less than 15 years, 50% of the interest free loan may be forgiven providing that the family's household income is at greater than 50% of the AMI but less than 80% of the AMI.

Moderate-To-Middle Income

Upon residing in the home for a period of not less than 15 years, 0% of the interest free loan may be forgiven providing that the family's household income is at greater than 80% of the AMI.

NSP3 - Activity #4: Administration The City will allocate \$108,425.00 (10% of the grant award) for the administration of the activities associated with the HUD NSP3.

It is anticipated that this activity will start on July 1, 2011 with a completion date March 31, 2014.

Tenure of Beneficiaries

Activity #1: Clients who are renting, income will be verified annually. If income is greater than 50% of area median income, an evaluation will be performed on a case by case basis.

Activity #2 and Activity #3: Program administration will monitor annually to confirm that the resident is still residing in the subject property. If verification is not possible, the Direct Homeownership Assistance would be due for non-compliance of the mortgage agreement.

Definition of "affordable rents" for use with NSP assisted rental properties rents will be considered affordable for NSP assisted properties if they meet requirements for HOME assisted units at 24 CFR 92.252(a), (c), (e), and (f). Tenant income shall be determined according to 24 CFR 92.203(a) using the definition of annual income at 24 CFR 5.609 (Section 8 method).

Benefits for income-qualified persons, household, area

Some will become first-time homeowners. An opportunity is created through the Grantee's investment for income eligible families to obtain quality housing and build wealth. From a community perspective, the benefit is that blight is minimized through the Grantee's investment in acquiring and rehabilitating vacant/foreclosed properties. The tax base of the community is rejuvenated.

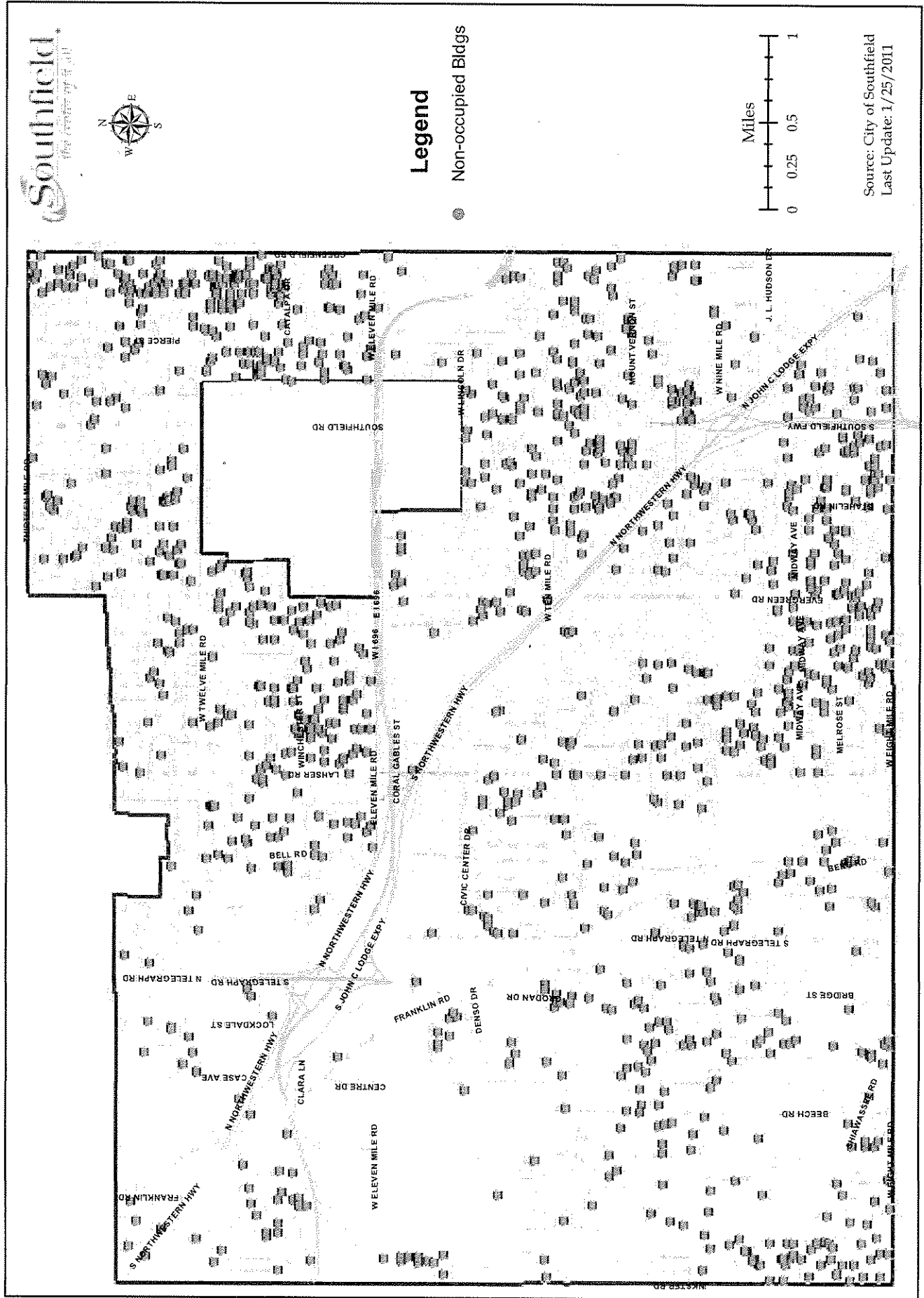
Public Comment

This Draft NSP3 Plan has been published on the City's website and placed in the City Clerk's Office, the Housing Office and the City Library where it is available for public review. Written comments can be submitted during a 15 day period extending from February 9, 2011 to February 24, 2011 to the Housing Department, City of Southfield City Hall, 26000 Evergreen Road, Southfield, MI 48076.

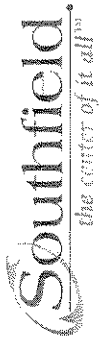
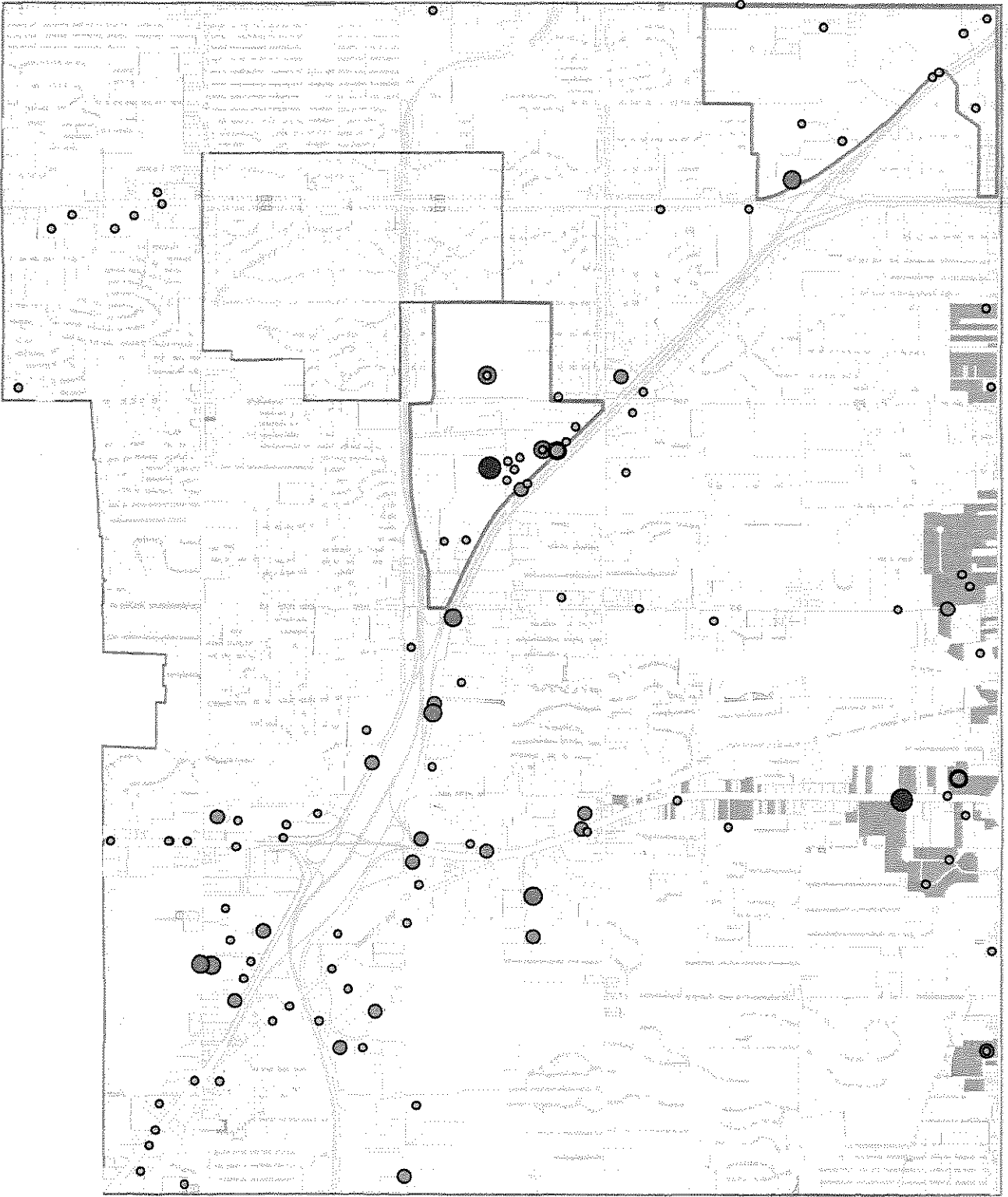
Some public comments have been:

- Can the program be expanded to other income levels?
- In Activity #3, re-state that 3-1/2% earnest monies are required before additional down payment assistance can be provided.
- This program helps people, I hope it continues.

Appendix 3 Non - Occupied Buildings: September 2010



Appendix 5 Businesses in Southfield

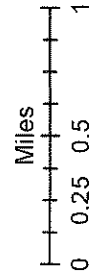
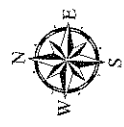


Employee Size

- 100 to 249
- 250 to 499
- 500 to 999
- 1000 to 4999

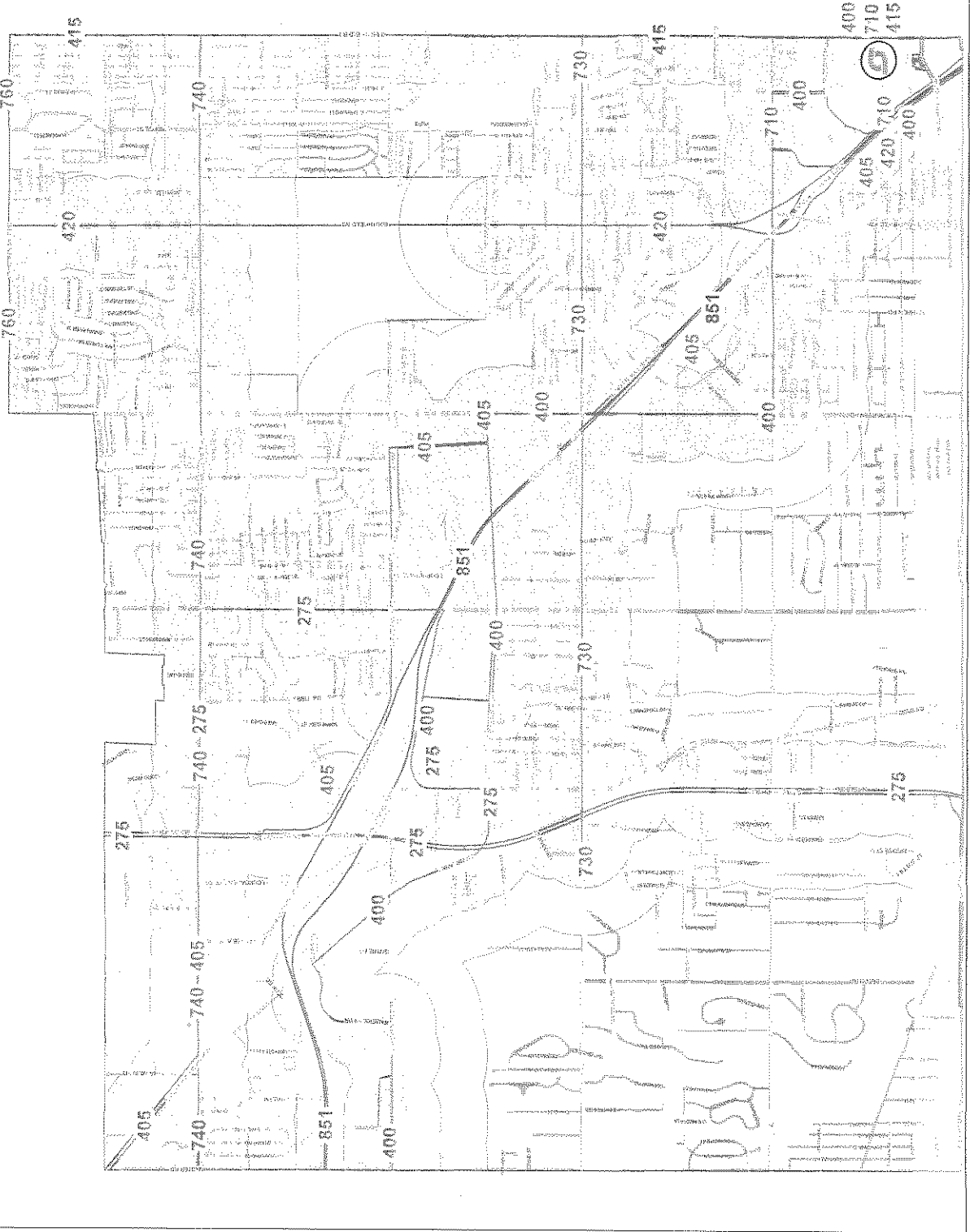
Parcel Type

- CDA
- City Centre District
- Industrial Parcels
- Commercial Parcels

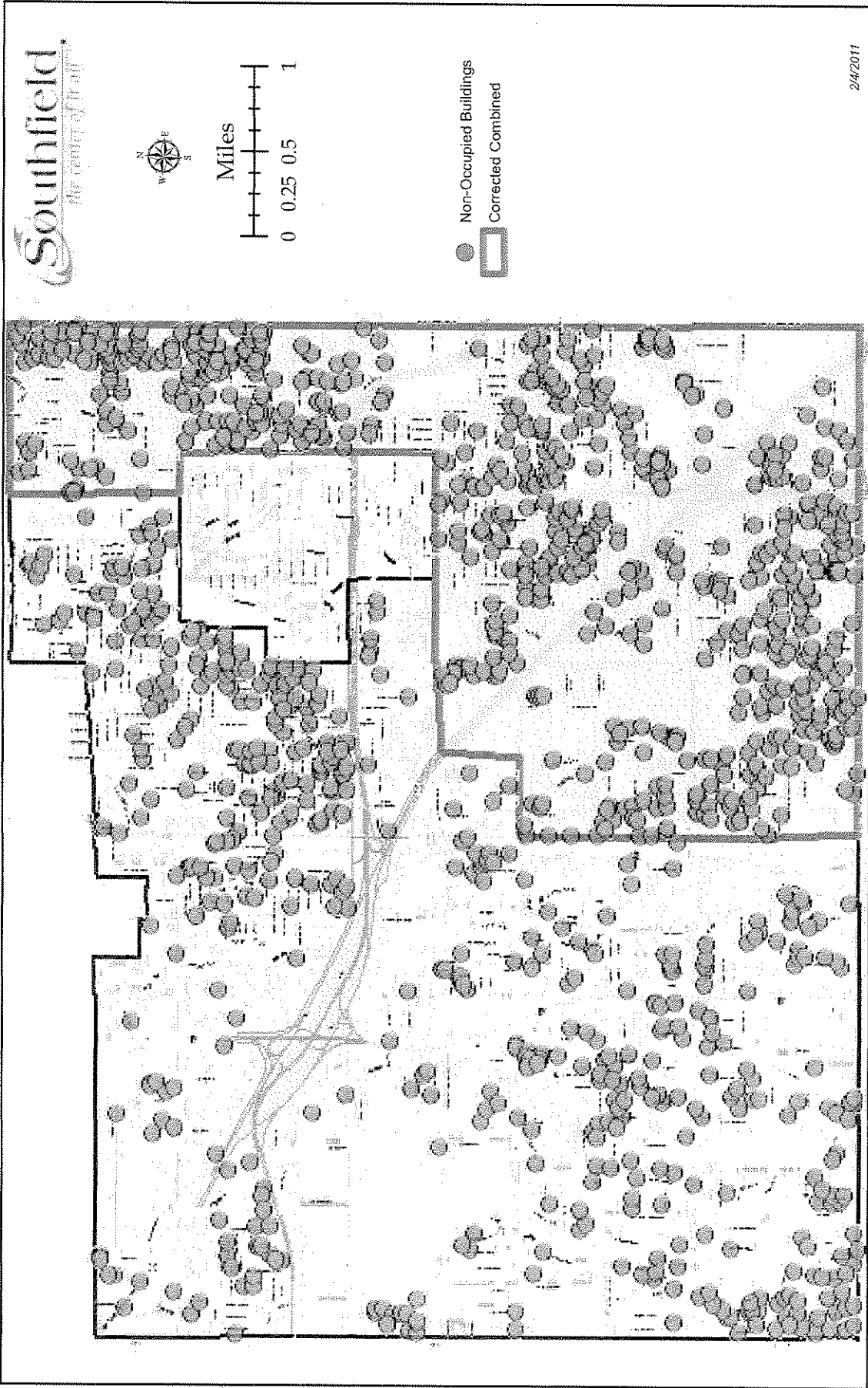


Appendix 6

SMART & DDOT Bus Routes in Southfield



Appendix 7
Target Neighborhood



Neighborhood ID: 6958160

NSP3 Planning Data

Grantee ID: 2656640E

Grantee State: MI

Grantee Name: SOUTHFIELD

Grantee Address: 26000 Evergreen Road Southfield MI 48076

Grantee Email: Shabowski@cityofsouthfield.com

Neighborhood Name: All Areas Filled In

Date:2011-02-03 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19.4

State Minimum Threshold NSP3 Score: 17

Total Housing Units in Neighborhood: 14586

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 59.25

Percent Persons Less than 80% AMI: 38.55

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 14184

Residential Addresses Vacant 90 or more days (USPS, March 2010): 341

Residential Addresses NoStat (USPS, March 2010): 522

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 4884

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 37.42

Percent of Housing Units 90 or more days delinquent or in foreclosure: 18.75

Number of Foreclosure Starts in past year: 476

Number of Housing Units Real Estate Owned July 2009 to June 2010: 407

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 97

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -31.1

Place (if place over 20,000) or county unemployment rate June 2005': 7.3

Place (if place over 20,000) or county unemployment rate June 2010': 15.6

'Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-83.203926 42.517663 -83.200493 42.444868 -83.259544 42.443348 -83.260574 42.472603 -83.251476
42.472603 -83.251305 42.479567 -83.217144 42.480833 -83.216801 42.502478 -83.222637 42.502478
-83.223495 42.517157

Blocks Comprising Target Neighborhood

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	2. DATE SUBMITTED 03/01/2011	Applicant Identifier B-11-MN-26-0011
		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION

Legal Name: City of Southfield	Organizational Unit: Department:
Organizational DUNS: 02-082-6509	Division:
Address: Street: 26000 Evergreen Road, P.O. Box 2055	Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: First Name: James
City: Southfield	Middle Name G
County: Oakland	Last Name Scharret
State: Michigan	Zip Code 48037-2055
Country: USA	Email: jscharret@cityofsouthfield.com

6. EMPLOYER IDENTIFICATION NUMBER (EIN): 38-6031668	Phone Number (give area code) (248) 796-5110	Fax Number (give area code) (248) 796-5115
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8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)	7. TYPE OF APPLICANT: (See back of form for Application Types) C - Municipal Other (specify)
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10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Neighborhood Stabilization Program (NSP3) 14-256	9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development
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12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Southfield	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: City of Southfield NSP3 Application
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13. PROPOSED PROJECT Start Date: 07/01/2011	Ending Date: Three years from start date	14. CONGRESSIONAL DISTRICTS OF: a. Applicant City of Southfield, MI -12th District	b. Project 12th District
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15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$ 1,084,254. ⁰⁰ b. Applicant \$. ⁰⁰ c. State \$. ⁰⁰ d. Local \$. ⁰⁰ e. Other \$. ⁰⁰ f. Program Income \$. ⁰⁰ g. TOTAL \$ 1,084,254. ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE: b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative		
Prefix	First Name James	Middle Name G
Last Name Scharret	Suffix	
b. Title City Administrator	c. Telephone Number (give area code) (248) 796-5110	
d. Signature of Authorized Representative 	e. Date Signed 03/01/2011	

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Standard Form 424 (Rev.9-2003)
 Prescribed by OMB Circular A-102

Certifications for Non-Entitlement Local Governments

- (1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that 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.
- (5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The jurisdiction certifies that it 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.
- (7) **Section 3.** The jurisdiction certifies that it 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.
- (8) **Citizen participation.** The jurisdiction certifies that it 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.
- (9) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (10) **The jurisdiction certifies:**
 - a. 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; and
 - b. 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.
- (11) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:
 - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 - b. 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 nonviolent civil rights demonstrations within its jurisdiction.
- (12) **Compliance with anti-discrimination laws.** The jurisdiction certifies that 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.
- (13) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.
- (14) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.
- (15) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

**Proposed
City of Southfield, Michigan NSP3 Plan
Application for NSP3 Funds
B-11-MN-26-0011, March 1, 2011**

(16) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.


Signature/Authorized Official

03/01/2011
Date

__City Administrator_____
Title

NSP Substantial Amendment Checklist

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

Contents of an NSP Action Plan Substantial Amendment

Jurisdiction(s): City of Southfield
Lead Agency: City of Southfield
Jurisdiction web Address: www.cityofsouthfield.com
NSP Contact Person: Frederick E. Zorn
Address: 26000 Evergreen Rd., Southfield, MI 48037-2055
Telephone: (248) 796-5110
Fax: (248) 796-5115
Email: fzorn@cityofsouthfield.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

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.