

2010-2011 NEIGHBORHOOD STABILIZATION PROGRAM ROUND 3 (NSP3) PLAN
AMENDMENT NO. 2 PROPOSED FOR ADOPTION DECEMBER 10, 2013
PUBLIC COMMENT PERIOD OCTOBER 31 – DECEMBER 2, 2013

The City of Warren previously adopted a Neighborhood Stabilization Program Round 3 (NSP3) Plan that outlined activities the City planned to undertake with \$1,735,633 in NSP3 funds. NSP3 Amendment No. 2 as stated below will be presented to the Warren City Council for adoption on December 10, 2013. Table 2R, attached summarizes the activities in the NSP3 Plan after adoption of Amendment No. 2 including the allocation of funds and anticipated accomplishments, beneficiaries, and location for each activity.

Amendment 2A:

Decrease funding allocated for Activity NSP3-02 Rehabilitation Resale from \$1,089,070 to \$1,009,070. Transfer \$80,000 from this Activity to Activity NSP3-03 Demolition of Blighted Structures. Funding for this activity was allocated to the rehabilitate 11 homes and activity administration. Six were to be purchased by the City and rehabilitated by general contractors working under contract with the City, and an additional five homes that were to be purchased and rehabilitated by a for-profit developer. This action is being recommended because a high demand continues to remain for the removal of blighted properties in the NSP 3 target areas. Additionally, 100 percent of the NSP3 funds must be committed by March 2014 and there is concern about meeting this deadline.

Amendment 2B:

Increase funding allocated for Activity NSP3-03 Demolition of Blighted Structures from \$173,000 to \$253,000. Funding in the amount of \$80,000 will come from NSP3-02 Rehabilitation Resale. Six additional homes are being processed for demolition with an estimated project cost of \$65,000. Since the demand for the activity exceeds the amount of funding currently allocated, it is recommended that the allocation be increased to \$253,000, or 15% of the grant.

NSP 3 Target Areas are shown on Map 1.

**NEIGHBORHOOD STABILIZATION PROGRAM ROUND 3 (NSP3) PLAN
AMENDMENT NO. 2**

TABLE 2R SUMMARY OF ALLOCATIONS, ACCOMPLISHMENTS, AND BENEFICIARIES				
Activity No.	Activity Title/ Description	Current Allocation	Current Anticipated Accomplishments/ Beneficiaries/ Location	Amendment No. 2 Allocation of Funds/ Anticipated Accomplishments/ Beneficiaries/Location
NSP3-01	Acquisition New Construction (Entitlement) – New homes will be constructed by City or a developer such as Macomb Habitat for Humanity on demolished or vacant properties or in place of blighted abandoned or foreclosed homes that are unsuitable for rehab. The homes will be sold to households whose income does not exceed 50% of AMI who will occupy the home as their primary residence. Downpayment and closing cost assistance will be paid with proceeds from sale. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$300,000 entitlement	Estimate 3 homes/ 3 Low, 0 Mod, 0 Mid income households/ All will be built in NSP3 Target Areas*, anticipate – 2 homes in “Van Dyke 3” and 1 home in “Fitzgerald 3”	No Change
NSP3-02	Rehabilitation Resale (Entitlement and 90% of Estimated Program Income) - City will acquire abandoned or foreclosed homes in NSP3 Target Areas. The homes will be rehabilitated and resold to NSP3 eligible households who will occupy them as their primary residence. Downpayment and closing cost assistance will be paid with proceeds from sale. It is estimated 90% of these funds will be spent on projects and 10% on activity delivery.	\$1,089,070 entitlement; \$243,000 estimated program income; (\$1,332,070 total)	11 homes/ anticipate 2 Low, 5 Mod, 4 Mid income households/ All homes will be in NSP3 Target Areas*, anticipate – 6 homes in “Van Dyke 3” and 5 homes in “Fitzgerald 3”.	\$1,009,070 entitlement; \$243,000 estimated program income; (\$1,252,070 total)/ 10 homes/ anticipate 2 Low, 4 Mod, 4 Mid income households/ All homes will be in NSP3 Target Areas*, anticipate –3 homes in “Van Dyke 3” and 7 homes in “Fitzgerald 3”.
NSP3-03	Demolition of Blighted Residential Structures – City will demolish blighted residential structures. All will be in NSP3 Target Areas. It is estimated 85% of these funds will be spent on projects and 15% on activity delivery.	\$173,000 entitlement	25 blighted residential structures/ All will be in NSP3 Target Areas*, anticipate – 15 structures in “Van Dyke 3” and 10 in “Fitzgerald 3”	\$253,000/24 blighted residential structures. All will be in NSP3 Target Areas*, anticipate – 16 structures in “Van Dyke 3” and 8 in “Fitzgerald 3”
NSP3-04	NSP3 Administration (Entitlement and 10% of Estimated Program Income)	\$173,563 entitlement; \$27,000 est. program income; (\$200,563 total)	NA	No Change
	Total NSP3 Entitlement	\$1,753,633		\$1,753,633
	Total Program Income (Estimated)	\$270,000		\$270,000