Grantee: Detroit, MI

Grant: B-11-MN-26-0004

April 1, 2026 thru June 30, 2026 Performance Report

Grant Number:
B-11-MN-26-0004

Obligation Date:

Award Date:

Grantee Name:
Detroit, MI

Contract End Date:

Review by HUD:
Original - In Progress

Grant Award Amount:
$21,922,710.00

Grant Status:
Active

QPR Contact:
Jennifer Mahone

LOCCS Authorized Amount:
$21,922,710.00

Estimated PI/RL Funds:
$895,735.95

Total Budget:
$22,818,445.95

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

Executive Summary On October 19, 2010, HUD released the Neighborhood Stabilization Program Three (NSP3) Notice with the requirements for the new allocation of NSP funds that we authorized under Section 1497 of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The Act provides $970 million in new NSP funding to states and local governments to continue to assist in the redevelopment of abandoned and foreclosed homes. NSP3 represents a third round of funding through HUD's Neighborhood Stabilization Program. As one of the cities with the highest home foreclosure rate among the nation's 100 largest metropolitan areas, the city of Detroit has suffered tremendous impacts as a result of this crisis. With over 67,000 foreclosed properties, 65% of which remain vacant, the City of Detroit recognizes that the $21.9 million allocation must be implement in a manner that is strategic, efficient and yields great results. Noting that Detroit faced several challenges prior to this crisis, including a shrinking population still spread across a large land mass, a market where the supply of housing exceeded the demand, a declining tax base, older housing stock, and an old infrastructure system to name a few, we recognize the need to strategically utilize these funds to stabilize neighborhoods hardest hit by the foreclosure crisis, devise proactive remedies for anticipated future foreclosure activity, and foster market recovery for enhanced quality of life. This plan details the City of Detroit's strategy for utilizing these funds to achieve the goals for which the program was designed. While the foreclosure problem is widespread, touching almost every neighborhood in the city, investing these funds on a citywide basis will not yield the impact or results needed. As such, we have used the data to determine a targeted approach, focusing on five neighborhoods. By targeting the allocation, the opportunity for sustained impact is significantly higher. Once implemented, this plan will result in stabilization of neighborhoods most severely impacted by foreclosure and abandonment, reversal of the decline of neighborhood housing values, significant elimination of blighted and abandoned structures, and stimulation of other investment in and around the target neighborhoods. To apply for the allocation of $21,922,710, the City of Detroit, through the Planning and Development Department has proposed the following use of funds in the Substantial Amendment to the 2010-11 Consolidated Annual Action Plan. The proposed budget breakdown is as follows: Planning and General Administration $ 2,192,271 Acquisition/Rehabilitation $13,538,168 Financing Mechanisms $ 3,500,000 Demolition $ 1,192,271 Redevelopment $ 1,500,000 Total &nbs

How Fund Use Addresses Market Conditions:

NSP3 funds will be used to implement activities in all of the Eligible use categories. The use of NSP funds will address market conditions described in the plan in the following ways that are intended to counter the negative effects: , , The high volume of housing units that have been foreclosed upon in Detroit and their relatively low sales prices have created an opportune time for lower income households who typically may not qualify for market rate mortgages to enter the housing market. This will increase homeownership levels in many of eth target communities that are losing residents. , The provision

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 The high cost mortgage rate. Home Mortgage Disclosure Act data showing the percent of primary mortgages executed between 2004 and 2007 that were high cost. This is the Census Tract level rate. The estimated rate of mortgages Serious Delinquent (90+ or more days delinquent or in foreclosure) in June 2010. HUD used a July 20 extract of countytes from McDash Analytics to develop a predictive model using public data that was available for every Census Tract in the United States. The predictive model, which was weighted on number of mortgages in each county, was able to predict most of the variance between counties in their serious delinquency rate (R-square of 0.821). The model used is as follows: NSP3 Downloadable Data Files – Data Reflect Market Conditions For the Second Quarter of 2010 0.523 (intercept) +0.476 Unemployment Change 3/2005 to 3/2010 (BLS LAUS) -0.176 Rate of low cost high leverage loans 2004 to 2007 (HMDA) +0.521 Rate of high cost high leverage loans 2004 to 2007 (HMDA) +0.090 Rate of high cost low leverage loans 2004 to 2007 (HMDA) -0.188 Fall in Home Value Since Peak (FHFA Metro and Non-Metro Area) The predictive model was applied at the Census Tract level to calculate a Ser

Ensuring Continued Affordability:

The City of Detroit, as part of the NSP 3 requirement, "forsale" property, "rental" units and "lease-to-own" properties will require a "deed restriction" and/or "affordable housing restriction" that will mandate and require compliance during the continued period of affordability, described in the City of Detroit's NSP requirements, policies and procedures. In addition, the continued affordability compliance will be a part of any "Development Agreement" implemented between the City and the Developer/Non-profit owner/sponsor.

Definition of Blighted Structure:

The City of Detroit's definition of blighted structure is as follows: (A) "Blighted area" and "slum" mean an area In which at least seventy per cent of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare In their present condition and use.
(B) "Blighted parcel" means either of the following:
(1) A parcel that has one or more of the following conditions:
(a) A structure that Is dilapidated, unsanitary, unsafe, or vermin infested and that because of Its condition has been designated by an agency that Is responsible for the enforcement of housing, building, or fire codes as unfit for human habitation or use;
(b) The property poses a direct threat to public health or safety in Its present condition by reason of environmentally hazardous conditions, solid waste pollution, or contamination;
(c) Tax or special assessment delinquencies exceeding the fair value of the land that remain unpaid thirty-five days after notice to pay has been mailed.

Definition of Affordable Rents:

The City of Detroit shall use, as a minimum, the HOME regulations definition for affordable rents. The NSP program adopted section 92.252(a), (c), (d) and (f) of the HOME rental requirements and therefore the maximum HOME rents that can be charged are the lesser of: (1) the fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR Part 888.111; or (2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The City of Detroit has adopted that HOME Low rents can be used for families below 50% AMI, the HOME High rents for persons between 51 and 80% and the HUD fair market rents for families between 81% and 120% of AMI.
The NSP assisted rental units shall remain affordable for terms relative to per unit subsidy. (Affordable terms will range from five (5) to twenty (20) years, based on per unit subsidy).
The maximum HOME rent limits are recalculated by HUD periodically after determination of fair market rents and median incomes. The City will issue the most current affordable rent charts as they become available from HUD. Regardless of changes in fair market rents and median income over time, the rents for a NSP project are not required to be lower than the rent limits for the project in effect at the time of the project commitment.

Housing Rehabilitation/New Construction Standards:

The City of Detroit, Planning and Development Department (P&DD) continually reviews, upgrades and enhances its property rehabilitation standards. The last formal comprehensive revision to the Performance Standards occurred in November 2008. In addition to rehabilitation and new construction standards, all projects must address lead based paint and other environmental hazards. "Green Building Practices" are strongly encouraged and energy efficiency upgrades are required. Please be advised that additional requirements are listed below:
,

,

- All moderate rehabilitation must meet these standards, which shall include replacing olderobsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.

,

- All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to structural

,

,

,

- Water efficient toilets, showers, and faucets, such as those with the Water Sense label, must be installed.

,
,

Vicinity Hiring:

The City of Detroit, to the maximum extent possible, will encourage the hiring of qualified and skilled City of Detroit residents for employment opportunities resulting from the implementation of the NSP 3 program, who reside within the vicinity of the NSP 3 project. In addition, the City will seek to contract with contractors and small-business owners who reside within the vicinity of the project. Contractors will be encouraged to advertise in the local newspapers and conduct outreach with local non-profit partnerships and the City's Detroit Workforce Development Department to identify eligible residents for employment opportunities, when feasible.

Procedures for Preferences for Affordable Rental Dev.:

Beneficiaries will be permitted to rent for a period consistent with the HOME Program guidelines relative to per unit subsidy. (Affordable terms will range from five (5) to fifteen (15) years, based on per unit subsidy).

Grantee Contact Information:

NSP3 Program Administrator Contact Information:
Name (Last, First): Winters, Marja
Email Address: mwinters@detroitmi.gov
Phone Number: 313-224-1598
Mailing Address: 65 Cadillac Square, Suite 2300, Detroit, MI 48226

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$22,818,445.95
Total Budget	$0.00	$22,818,445.95
Total Obligated	$0.00	$22,818,445.95
Total Funds Drawdown	$0.00	$22,818,444.39
Program Funds Drawdown	$0.00	$21,907,005.80
Program Income Drawdown	$0.00	$911,438.59
Program Income Received	$0.00	$911,438.59
Total Funds Expended	$0.00	$22,359,490.92
HUD Identified Most Impacted and Distressed	$0.00	$0.00
Other Funds	$ 0.00	$ 0.00
Match Funds	$ 0.00	$ 0.00
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
City of Detroit Land Bank	$ 0.00	$ 1,225,552.18
City of Detroit Planning & Dev Dept	$ 0.00	$ 20,481,156.08
City of Detroit1	$ 0.00	$ 0.00
Grandmont Rosedale Development Corp	$ 0.00	$ 0.00
Northend Development LLC	$ 0.00	$ 0.00
Piety Hill LLc	$ 0.00	$ 652,782.66
Villages Community Develpment Corp	$ 0.00	$ 0.00

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	$.00	$.00	$.00

Limit on Public Services	$3,288,406.50	$.00	$.00
Limit on Admin/Planning	$2,192,271.00	$2,268,898.01	$2,268,898.01
Limit on Admin	$.00	$2,268,898.01	$2,268,898.01
Most Impacted and Distressed	$.00	$.00	$.00
Progress towards LH25 Requirement	$5,704,611.49		$6,235,906.64

Overall Progress Narrative:

There have been no changes since the last QPR of the First Quarter for 2026.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Acquisition and Rehabilitation	$0.00	$17,132,961.99	$16,366,325.51
002, Demolition	$0.00	$3,416,585.95	$3,395,183.59
003, New Construction of Houses	$0.00	$0.00	$0.00
004, Administration	$0.00	$2,268,898.01	$2,145,496.70
005, Financing Mechanisms	$0.00	$0.00	$0.00
9999, Restricted Balance	$0.00	$0.00	$0.00