

## REQUEST FOR PUBLIC COMMENT

**CITY OF DETROIT  
MICHAEL E. DUGGAN, MAYOR**

### **NOTICE OF PROPOSED SUBSTANTIAL AMENDMENT TO ANNUAL ACTION PLAN**

Notice is hereby given that the City of Detroit proposes to amend its U.S. Department of Housing and Urban Development (HUD) 2019-20 Annual Action Plan Community Development Block Grant (CDBG).

In accordance with Consolidated Plan requirements at 24 CFR Part 91 Subpart B and the City's Citizen Participation Plan, HRD has posted the changes to the Action Plan through this Substantial Amendment in order to provide opportunity for public comment.

The City of Detroit will use the Resale Requirements as defined in 24 CFR 92.254 (5) (i) for HOME Assisted units that are out of compliance with the HOME Investment Partnerships Program. This specifically applies to HOME Assisted units that were initially funded to be used as rental units, but will be converted to home ownership units, as defined in 24 CFR 92.255.

During the HOME Loan Compliance Period, if the title of the property is transferred voluntarily or involuntarily to a homebuyer that does not meet the requirement of Low-income Families, the City of Detroit will capture the net proceeds of the sale.

The HOME Loan Compliance Period (also known as the Affordability Period) commences on the project completion date, as stated in the U.S. Department of Housing and Urban Development's Integrated Disbursement and Information System (IDIS).

Low-Income Families are as defined in the Definitions section of 24 CFR 92.2 as "families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD".

Net proceeds are the sales price minus superior loan repayment (other than HOME funds) and any closing costs.

An example is as follows:

Sales price of Home:	\$70,000
Debt in Senior Position to the City of Detroit HOME Loan:	\$20,000
<u>Closing Costs:</u>	<u>\$10,000</u>
Amount recaptured by the City of Detroit:	\$40,000

For the current owner to avoid the Resale Requirements, as defined in 24 CFR 92.254 (5) (i), a different Low-Income Family household may purchase the HOME-Assisted unit and assume the prorata share of the remaining HOME Loan Balance, as stated in the City of Detroit's Loan and Development Agreement and Payment Note, in addition to any existing Affordable Housing Restrictions.

An example is as follows:

<u>Borrower A, at origination:</u>	<u>New Homeowner A:</u>	<u>Borrower A, after transfer of one unit:</u>
Number of HOME-Assisted Units: 10.	Transferred from Borrower A to New Homeowner A: 1	Number of HOME Assisted Units: 9.
Original HOME Award: \$1,000,000.	HOME Loan Assumption: \$100,000 (less any principal payments since the HOME Loan was originated).	HOME Loan Amount: \$900,000 (less any principal payments since the HOME Loan was originated).
Use of HOME Proceeds: New construction of 10 rental housing units.		Use of HOME Proceeds: 9 rental housing units.
Original Affordability Period: 20 years.	Homeowner A assumes Affordability Requirements on the unit.	Borrower A maintains Affordability Period on remaining 9 units.

The City of Detroit will not use any new proceeds from the HOME Investment Partnerships Program for homebuyer assistance.

Hard copies of the detailed accounts are available and anyone wishing to comment on these proposed changes may transmit such comments in writing to HRD at the address below:

City of Detroit  
Housing and Revitalization Department  
2 Woodward Rm 908  
CAYMC  
Detroit, MI 48226  
E-mail address: [HRDPublicComments@detroitmi.gov](mailto:HRDPublicComments@detroitmi.gov)

In addition, questions may be directed to Housing and Revitalization Department at (313) 224-6380. Public comments will be received for a minimum of 30 days from the date of this publication.

The Substantial Amendment is subject to approval by the Detroit City Council. Implementation of activities is proposed to occur shortly after completion of the 30 day public comment period.

**Notice of Non-Discrimination:** The City of Detroit does not discriminate on the basis of race, color, creed, national origin, age, handicap, sex or sexual orientation. Complaints may be filed with the City of Detroit, Civil Rights, Inclusion & Opportunity Department, 1240 Coleman A. Young Municipal Center, Detroit MI 48226

**IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT (ADA), THIS NOTICE AND DOCUMENTS LISTED CAN BE REQUESTED IN ALTERNATE FORMAT. AUXILIARY AIDS OR SERVICES WILL BE PROVIDED UPON REQUEST, WITH AT LEAST THREE DAYS' NOTICE CONTACT HRD AT (313) 224-6380.**