

MICHIGAN NSP2 CONSORTIUM

POLICY AND PROCEDURES MANUAL

POLICY AND PROGRAM GUIDELINES MODULE

① NSP2 ELIGIBLE PROJECT SCENARIOS ①

I. INTRODUCTION

The NSP2 Eligible Project Scenarios provides guidance to determine if projects are NSP2 Eligible and, if so, how NSP2 program requirements function within typical development and land banking projects. The guidance considers zoning, prior use, and status of property type based on HUD’s NSP2 definitions of homes, residential property, non-residential property, foreclosed, abandoned, and vacant. For definitions, please refer to the Glossary of the Michigan NSP2 Policy and Program Guidelines.

If your project is not included in the “NSP2 Project Scenarios,” please contact your CD Specialist.

II. INSTRUCTIONS TO USE THE SCENARIO MATRIX

Instructions on interpreting the matrices on the following pages are:

A. Zoning and Prior Use:

Property Type	Description of the Property: Is it a house, commercial or mixed-use building, multi-family, or vacant lot?
Zoning:	<u>Current</u> zoning of the property. This assumes the zoning prior to any re-zoning considerations for the purposes of NSP2.
Prior Use:	Prior or existing use of structure, especially if it is vacant. For example, vacant, mixed use building was commercial – first floor and residential – upper floors. Vacant Lots are not determined by their prior use, but their Zoning. Source: “Residential property includes...vacant land that is currently designated for residential use, e.g. through zoning.” Explanation of Property Type under Each Eligible Use, HUD, December 3, 2009
End Use:	Proposed end use for the property – single-family housing, multi-family rental, demolition only, or land banking for future redevelopment. For NSP2, all property must be rehabilitated or redeveloped as housing.

B. Property Information

NSP2 Eligible Property* *Per the definitions outlined by HUD in NSP2 NOFA and New Definitions Notice and Policy Guidance	Foreclosed or Abandoned* If the property is identified as foreclosed or abandoned, what income level may it assist or national object will it meet?	Vacant or Demolished, Non-foreclosed, and Non-abandoned* If the property is identified as vacant or demolished, what income level may it assist or national object will it meet?
Income Level	Is the property eligible to assist with 25% Low-income Set-aside Requirement? Will the property serve households up to 120% AMI? Is the income level not applicable because the end use is an LMMI Area Benefit or the property is ineligible with NSP2?	

National Objective	National Objective: Low-, moderate-, or middle-income households or low-, moderate, or middle-income area benefit
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C. CDBG Activity and NSP2 Eligible Use

	NSP2 Eligible Use NSP2 Eligible Use for the corresponding CDBG Activity. If the project does not involve a CDBG Activity, it is “Not Applicable.” If the property type, project or activity is ineligible, it is “Not Eligible.”	
CDBG Activity	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	NSP2 Eligible Use to acquire property	
Disposition	For the purposes of the Michigan NSP2, “Disposition” is any NSP2 eligible maintenance, management and conveyance costs of Land Banked Property (Use C – Land Banking of Foreclosed Residential Property)	
Demolition	Any cost eligible under “Use D – Demolition of Blighted Structures,” means the complete demolition of a structure. Demolition to prepare for rehabilitation of a property are not included and are considered part of the Hard Construction Costs.	
Rehab and Preserve	NSP2 Eligible Use to rehabilitate or build the property	
Housing Counseling	Housing Counseling follows the NSP2 Eligible Use of Rehab and Preserve.	
Homebuyer Assistance	Homebuyer Assistance follows the NSP2 Eligible Use of Rehab and Preserve. Homebuyer Assistance usually does not involve a cash transaction.	

III. SINGLE FAMILY PURCHASE REHABILITATION

A. Zoning and Prior Use

Property Type	Single-family House
Zoning:	Residential
Prior Use:	Residential
End Use:	Single-family Residential For Sale or Rent

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI
National Objective	Low, Moderate and Middle-income Households	Low, Moderate and Middle-income Households

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use	
	Foreclosed or Abandoned	Vacant, Non-foreclosed or Non-abandoned
Acquisition	Use B	Use E
Disposition	Not Applicable	Not Applicable
Demolition	Not Applicable	Not Applicable
Rehab and Preserve	Use B	Use E
Housing Counseling	Use B	Use E
Homebuyer Assistance (Note: Usually does not involve a cash transaction)	Use B	Use E

IV. SINGLE FAMILY PURCHASE, DEMOLITION AND NEW CONSTRUCTION

A. Zoning and Prior Use

Property Type	Blighted, Single-family House
Zoning:	Residential
Prior Use:	Residential
End Use:	Single-family Residential For Sale or Rent

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI
National Objective	Low, Moderate and Middle-income Households	Low, Moderate and Middle-income Households

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use	
	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	Use B	Use E
Disposition	Not Applicable	Not Applicable
Demolition	Use D	Use D
Rehab and Preserve	Use E – New Construction Use B – Reconstruction	Use E
Housing Counseling	Use E – New Construction Use B – Reconstruction	Use E
Homebuyer Assistance (Note: Usually does not involve a cash transaction)	Use E – New Construction Use B - Reconstruction	Use E

V. RESIDENTIAL VACANT LOT AND NEW CONSTRUCTION FOR SALE OR RENT

A. Zoning and Prior Use

Property Type	Vacant Lot
Zoning:	Residential
Prior Use:	Residential
End Use:	Residential

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI
National Objective	Low, Moderate and Middle-income Households	Low, Moderate and Middle-income Households

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use	
	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	Use B	Use E
Disposition	Not Applicable	Not Applicable
Demolition	Not Applicable	Not Applicable
Rehab and Preserve	Use B - Reconstruction Use E – New Construction	Use E
Housing Counseling	Use B - Reconstruction Use E – New Construction	Use E
Homebuyer Assistance (Note: Usually does not involve a cash transaction)	Use B - Reconstruction Use E – New Construction	Use E

VI. DEMOLITION ONLY OF PRIVATELY-OWNED PROPERTY

A. Zoning and Prior Use

Property Type	Blighted Structure
Prior Use:	Any Use eligible for NSP2
Zoning:	Any Zoning eligible for NSP2
End Use:	Vacant Lot

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	Not applicable – Area Benefit	Not applicable – Area Benefit
National Objective	Low, Moderate and Middle-income Area Benefit	Low, Moderate and Middle-income Area Benefit

C. CDBG Activity and NSP2 Eligible Use

	NSP2 Eligible Use	
CDBG Activity	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	Not Applicable	Not Applicable
Disposition	Not Applicable	Not Applicable
Demolition	Use D	Use D
Rehab and Preserve	Not Applicable	Not Applicable
Housing Counseling	Not Applicable	Not Applicable
Homebuyer Assistance	Not Applicable	Not Applicable

VII. ACQUISITION, DEMOLITION AND LAND BANKING OF RESIDENTIAL STRUCTURE FOR FUTURE REUSE

A. Zoning and Prior Use

Property Type	Blighted, Residential Structure
Prior Use:	Residential
Zoning:	Residential
End Use:	Vacant Residential Lot

B. Property Information

NSP2 Eligible Property	Foreclosed	Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	Not applicable – Area Benefit	Not applicable – Area Benefit	Not applicable – Area Benefit
National Objective	Low, Moderate and Middle-income Area Benefit	Low, Moderate and Middle-income Area Benefit	Low, Moderate and Middle-income Area Benefit

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use		
	Foreclosed	Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	Use C	Not Eligible	Not Eligible
Disposition	Use C	Not Eligible	Not Eligible
Demolition	Use D	Use D	Use D
Rehab and Preserve	Not Eligible	Not Eligible	Not Eligible
Housing Counseling	Not Eligible	Not Eligible	Not Eligible
Homebuyer Assistance	Not Eligible	Not Eligible	Not Eligible

VIII. ACQUISITION AND LAND BANKING OF VACANT LOT FOR FUTURE REUSE

A. Zoning and Prior Use

Property Type	Vacant Lot
Prior Use:	Residential
Zoning:	Residential
End Use:	Vacant Residential Lot

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	Not applicable – Area Benefit	Not applicable – Area Benefit	Not applicable – Area Benefit
National Objective	Low, Moderate and Middle-income Area Benefit	Low, Moderate and Middle-income Area Benefit	Low, Moderate and Middle-income Area Benefit

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use		
	Foreclosed	Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Acquisition	Use C	Not Eligible	Not Eligible
Disposition	Use C	Not Eligible	Not Eligible
Demolition	Not Applicable	Not Applicable	Not Applicable
Rehab and Preserve	Not Eligible	Not Eligible	Not Eligible
Housing Counseling	Not Eligible	Not Eligible	Not Eligible
Homebuyer Assistance	Not Eligible	Not Eligible	Not Eligible

IX. ACQUISITION AND REHABILITATION OF COMMERCIAL OR MIXED USE STRUCTURE TO BE REDEVELOPED AS HOUSING (*ZONED NON-RESIDENTIAL*)

A. Zoning and Prior Use

Property Type	Commercial or Mixed Use Structure
Zoning:	Non-residential
Prior Use:	Commercial or Mixed Use
End Use:	Multi-family Residential for Sale or Rent

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI
National Objective	Low, Moderate and Middle-income Households	Low, Moderate and Middle-income Households

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use	
	Foreclosed or Abandoned	Vacant, Non-foreclosed or Non-abandoned
Acquisition	Use E	Use E
Disposition	Not Applicable	Not Applicable
Demolition	Not Applicable	Not Applicable
Rehab and Preserve	Use E	Use E
Housing Counseling	Use E	Use E
Homebuyer Assistance (Note: Usually does not involve a cash transaction)	Use E	Use E

X. ACQUISITION AND REHABILITATION OF COMMERCIAL OR MIXED USE STRUCTURE TO BE REDEVELOPED AS HOUSING (*ZONED RESIDENTIAL*)

A. Zoning and Prior Use

Property Type	Commercial or Mixed Use Structure
Zoning:	Residential
Prior Use:	Commercial or Mixed Use
End Use:	Multi-family Residential for Sale or Rent

B. Property Information

NSP2 Eligible Property	Foreclosed or Abandoned	Vacant or Demolished, Non-foreclosed, and Non-abandoned
Income Level	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI	May assist with meeting 25% set-aside to serve households at or below 50% AMI Up to 120% AMI
National Objective	Low, Moderate and Middle-income Households	Low, Moderate and Middle-income Households

C. CDBG Activity and NSP2 Eligible Use

CDBG Activity	NSP2 Eligible Use	
	Foreclosed or Abandoned	Vacant, Non-foreclosed or Non-abandoned
Acquisition	Use B	Use E
Disposition	Not Applicable	Not Applicable
Demolition	Not Applicable	Not Applicable
Rehab and Preserve	Use B	Use E
Housing Counseling	Use B	Use E
Homebuyer Assistance (Note: Usually does not involve a cash transaction)	Use B	Use E