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15TH DISTRICT, MICHIGAN

CHAIRMAN
COMMITTEE ON
ENERGY AND COMMERCE
CO-CHAIR
HOUSE GREAT LAKES
TASK FORCE
MEMBER
MIGRATORY BIRD
CONSERVATION COMMISSION

October 24, 2008

Hon. Jacqueline Beaudry
City Clerk
City of Ann Arbor
Ann Arbor, MI 48104

Congress of the United States
House of Representatives
Washington, DC 20515-2215

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Dear Hon. Beaudry,

A number of mayors and supervisors throughout the 15th Congressional District have recently contacted me with questions regarding the \$3.92 billion Congress appropriated for the Neighborhood Stabilization Program (NSP). Title III of the Housing and Economic Recovery Act of 2008 authorized this program to give \$236 million in direct assistance to state and local governments in Michigan that are combating blight and suffering from decreasing home values caused by the housing crisis. This funding is designed to assist state and local governments by providing grants for the purchase, redevelopment, or maintenance of abandoned or foreclosed homes in their communities.

The U.S. Department of Housing and Urban Development (HUD) recently announced the formula under which NSP grants are going to be awarded to state and local governments. The formula is based on demographic information for the 1,150 cities and townships across the country that receive direct allocations under the Community Development Block Grant (CDBG) program. The formula takes into account statistical data measuring foreclosure rates, abandonment risks, amount of sub-prime loans in the community, and unemployment rates. Any of those cities that are due to receive \$2 million or more under this formula will receive funding directly from HUD and will be required to submit an action plan to HUD by December 1, 2008. If a city would have received less than \$2 million under the formula, the money attributable to it will be sent to the state of Michigan to administer. Attached you will find a list of those cities receiving a direct allocation of NSP funds from HUD.

The state will be submitting a plan to HUD detailing how it plans to use the \$90 million it is due to receive under the NSP program. The Michigan State Housing Development Authority (MSHDA) plans to release a draft version of this plan for comment on November 5, 2008. For more information about MSHDA's plan, contact Executive Director Keith Molin at (517) 373-6022 or Director of Community Development Rick Ballard at (517) 373-2409. For more information about the NSP program generally, visit HUD's website at www.hud.gov/nsp.

I hope you find this information helpful. I am committed to making sure that the state and local governments have the tools they need to address the housing and foreclosure crisis. If you have any questions, please feel free to contact Jonathan Smith in my Washington, DC office at (202) 225-4071 or Ryan Werder in my Dearborn office at (313) 278-2936.

With every good wish,



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CITY OF ANN ARBOR
CITY CLERK
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State	Community	NSP Allocation	Local Foreclosure Rate	Local Abandonment Risk	Statewide Foreclosure Rate	Statewide Abandonment Risk
MI	MICHIGAN STATE PROGRAM	\$98,653,915	5.8%	Medium	7.1%	High
MI	CANTON TWP	\$2,182,988	6.4%	Low	7.1%	High
MI	CLINTON TWP	\$2,147,608	7.7%	Low	7.1%	High
MI	DEARBORN	\$2,436,246	8.1%	Low	7.1%	High
MI	DETROIT	\$47,137,690	16.0%	High	7.1%	High
MI	FLINT	\$4,224,621	12.8%	High	7.1%	High
MI	GENESEE COUNTY	\$7,506,343	7.6%	Medium	7.1%	High
MI	GRAND RAPIDS	\$6,187,686	8.0%	Medium	7.1%	High
MI	KENT COUNTY	\$3,912,796	4.0%	Low	7.1%	High
MI	LANSING	\$5,992,160	9.3%	High	7.1%	High
MI	LINCOLN PARK	\$2,417,688	11.2%	High	7.1%	High
MI	MACOMB COUNTY	\$9,765,375	7.1%	Low	7.1%	High
MI	OAKLAND COUNTY	\$17,383,776	5.6%	Low	7.1%	High
MI	PONTIAC	\$3,542,002	12.6%	High	7.1%	High
MI	REDFORD	\$3,041,364	11.2%	Medium	7.1%	High
MI	SOUTHFIELD	\$3,241,457	10.9%	Medium	7.1%	High
MI	STERLING HEIGHTS	\$2,454,961	5.9%	Low	7.1%	High
MI	TAYLOR	\$2,495,056	10.5%	Medium	7.1%	High
MI	WARREN	\$5,829,447	9.6%	Medium	7.1%	High
MI	WASHTENAW COUNTY	\$3,024,719	5.6%	Low	7.1%	High
MI	WATERFORD TOWNSHIP	\$2,014,489	6.8%	Low	7.1%	High
MI	WAYNE COUNTY	\$25,909,153	8.9%	Medium	7.1%	High
MI	WESTLAND	\$2,061,722	7.9%	Low	7.1%	High

Note: Foreclosure start rate is sum of foreclosure starts over 18 months, estimated for local areas. Risk score based on vacancies in Census Tracts with high rates of high cost loans. See methodology