

## Adrian, Morenci, Blissfield targeted for housing rehabilitation

By [Dennis Pelham](#) Daily Telegram Staff Writer      April 09, 2014

Adrian, Morenci and Blissfield are to be the focus of housing rehabilitation help from a federal grant program run through Lenawee County. County commissioners voted unanimously in committee Tuesday to make those three communities the target for spending at least half the county's new \$300,000 federal community development block grant. Naming no more than three target communities for half the grant is a new requirement for the housing rehabilitation program. The goal is to have a bigger impact toward revitalizing neighborhoods. The other half of the grant money can be used anywhere in the county, said county administrator Martin Marshall.

"These three communities jumped out as the most logical to pick," Marshall said. There are 10 communities in the county that met all the criteria, he said, but Adrian, Morenci and Blissfield are the most likely to have enough homeowners who will use all the money available. Those communities have provided the most qualified applicants in the past, he said. Tecumseh and Hudson have not had any residential rehabilitation projects through the CDBG program during the past two grant cycles, Marshall said.

The county was unable to spend all of the money available to it for housing rehabilitation in the last two-year grant cycle that ended last fall. Marshall asked commissioners to consider loosening the county's eligibility rules so more loans can be made by accepting higher-risk applicants. The CDBG program provides rehabilitation help as a forgivable loan that is only paid back if the houses are later sold for more than the mortgage debt on the property. Last year, Marshall said, there was "a substantial influx of payments" from homes being sold. The money paid back by homeowners had to be used on new rehabilitation projects before the county could receive all of its new grant money, said Marshall. The Community Action Agency, which administers the county program, did not have enough qualified applicants for all the money that became available, Marshall said, and much of the last grant was returned to the federal government. "They have lots and lots of applications, but because of our constraints and regulations, not many of them are eligible," said Commissioner David Stimpson, R-Tecumseh.

The goal of the program is not just to make loans that can be recovered, Stimpson said, but to improve lower-income housing and generate economic activity. Loosening the requirements homeowners must meet for rehabilitation aid would avoid losing more grant money, Stimpson said. "It doesn't mean it's a bad loan; it means there's more risk," he said. Marshall told commissioners they must decide what type of higher-risk loans to make. "Are you willing to make loans where there is little or no equity left in the property? Are you willing to make loans where the property is under

water? And are you willing to make loans for property that has a reverse mortgage?” Martin said. Commissioner Ralph Tillotson, R-Adrian Twp., questioned the logic of making higher-risk loans because too much money is being paid back. The program seems to be working as it is, he said, if people are fixing houses and selling them at a profit. “We have people who really do need this,” said commissioner Cletus Smith, R-Madison Twp.

“This is a very awesome program for our community,” said K.Z. Bolton, D-Adrian. The rehabilitation projects make homes more energy efficient, she said, and create pride in neighborhoods. She said she wishes changes could have been made last year before grant money was lost. Eligibility requirements are to be discussed again next month when Community Action Agency officials deliver a presentation on the program.