



First Program Year Action Plan

The CPMP First Annual Action Plan includes the [SF 424](#) and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations. The Executive Summary narratives are optional.

Narrative Responses

GENERAL

Executive Summary

The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

Program Year 1 Action Plan Executive Summary:

Outcomes and objectives of the City of Muskegon for 2011 – 2016 include activities designed to increase youth opportunities.

Keeping in line with what works in our community (recent events, public comments and commission) support indicates that we must invest in and develop our youth – OUR FUTURE. Our current plan will show support for youth opportunities.

Family focused goals for 2011 – 2016 for the City of Muskegon are:

PUBLIC SERVICE

Priority Level 1 – Human Investment

Objective: Human Investments, as it related to youth activities and/or employment, is determined by the opportunities available to individuals between the ages of 6 – 21. The City of Muskegon is concerned about our future citizenry. Equipping youth with alternative experiences such as work, recreation, exploring community involvement and education can only smooth the discord ravaging urban life. Our support for youth programs, coupled with work experiences, will foster these experiences necessary to effect change in our neighborhoods.

Goal: 20 youth empowered to job work.

ECONOMIC DEVELOPMENT

Objective: Employment Opportunities. Maintaining jobs in the City of Muskegon has been a challenge; however, the focus to rebound from our drastic losses is clear. Muskegon's public service agencies, educational facilities, employers

and local leaders share the responsibility to garner businesses to expand in our community. We will support programs that are foundationally sound to reach goal.

Goal: Create 45 new jobs this first year.

HOUSING

Priority Level 1 – Maintain Affordable Units

Objective 1: Assist low to moderate-income residents with emergency housing needs and weatherization interventions to keep homeowners in their homes. Continue with City programs to ensure eligible families receive help through local agencies funded by the City. Funds will serve families in essential and tangible ways to deter homelessness, substandard living and unhealthy/unsafe conditions.

Goal 1: Emergency Repair – 50 households at 50%AMI or lower

Goal 2: Vinyl Siding – 10 homes sided at 60% AMI or lower

Goal 3: Senior Weatherization – 10 seniors assisted at 80% AMI or lower

Objective 2: Increase housing opportunities through new development and rehabilitated structures. Community Housing Development Organizations (CHDO's) are utilized annually to help families/individuals in substandard living environments access clean, safe and affordable housing units through funds directly from this participating jurisdiction. The City also collaborately invests in neighborhoods through Infill housing: new construction or complete rehabilitation.

Goal: Construct 1 new home and rehab 1 home for this first year.

Priority Level 2 – Neighborhoods

Objective 1: Stabilization. As an entitlement recipient of NSP1, our plan years coincide with our MSHDA Grant, which will stabilize 8 of our 15 neighborhoods through demolition, new construction and rehabilitation, successfully identifying properties abandoned and foreclosed. The City has completed 7 homes and sold 3 of the 11 homes marketed for sale. We have demolished 15 blighted properties, in neighborhoods threatening safety in otherwise quiet surroundings. We can offer affordable housing units to families at or below 120% AMI.

Goal: 1 new construction home and 2 rehabbed homes this first year.

Although the past performances show that all of our previous objectives and goals were surpassed, these activities are the evidence we need to continue the work. A summary of the activity outcomes (highlights from our last CAPER 2009 – 2010) are listed below as indicated in our 2005 – 2010 Five-year Consolidated Plan.

Objective 1: New Construction – To either develop alone or in partnership with a Community Housing Development Organization, member of the financial community or private developers, new single-family affordable housing.

Goal: Ten new single-family houses completed by May 31, 2010.

Aggregate Accomplishment: Since 2005, fifteen (15) completed single-family houses.

GOAL SURPASSED

Objective 2: Total Rehabilitation of previously vacant, blighted single-family housing – To either totally rehabilitate alone or in partnership with Community Housing

Development Organizations, other social agencies and/or a member or members of the financial community.

Goal: Ten totally rehabilitated single-family homes by May 30, 2010.

Aggregate Accomplishments: Since 2005, fourteen (14) completed rehabilitated single-family homes. Community enCompass completed two (2).

GOAL SURPASSED

Objective 3: Emergency and Vinyl Siding Assistance – To assist eligible City of Muskegon residents with emergency housing repairs and/or vinyl siding installation.

Goal: 250 houses assisted with emergency repair and or vinyl siding, (150 emergency repair/100 vinyl siding by May 31, 2010.)

Aggregate Accomplishments: Since 2005, 401 Emergency Repairs and 110 Vinyl Sidings have been completed.

EMERGENCY GOAL SURPASSED

Objective 4: Rehabilitation of Rental Units - To assist rental units within the City, by rehabilitating rental housing in compliance with housing quality standards.

Goal: Sixteen rehabilitated rental units by May 31, 2010.

Aggregate Accomplishments: Since 2005, 24 rehabilitated rental units completed.

GOAL SURPASSED

Objective 5: To use the City's available resources to eliminate blight in the community. The City will allocate several different departments' resources to eliminate blight in the community.

Goal: To demolish 20 dangerous structures throughout the City.

Aggregate Accomplishments: Since 2005, 67 dangerous structures were demolished.

GOAL SURPASSED

Objective 6: To assist and promote the public service community in attacking the social ills of the community in a plethora of areas (health and youth activities).

Goal: 10,000

Aggregate Accomplishments: 32,696

GOAL SURPASSED

Objective 7: To allocate available funding to replace and improve the City's infrastructure.

Goal: To continue to upgrade community's infrastructure.

Comments: We identified a street to be funded through CDBG-R.

Objective 8: To use available funding to improve the City's overall economic status, by creating a physical infrastructure to attract new businesses and by creating a network to promote economic development.

Goal: To complete the redevelopment of the City's downtown area and to attract 400 new jobs by May 31, 2010.

Comments: During fiscal year 2009 – 2010, our downtown received a boost by opening a culinary instructional building with a restaurant and bakery. Façade upgrades to existing buildings as well as the completion of two major structures helped to cement the physical infrastructure, attracting new businesses.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.
4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 1 Action Plan General Questions response:

The City of Muskegon is a small area of 15 segmented neighborhoods from which our funding sources will be utilized to address the low to moderate income families in need of assistance. We will not select target areas to service because most neighborhoods have a good mix of income eligible families. No percentages will be used to designate funding areas but all eligible families will be able to receive help as required by HUD guidelines.

This year our task will be to reach senior households (60+) in desperate need of health, safety and emergent intervention. The hope of our concentration is to expose substandard living without the threat of being relocated because of the possibility of house condemnation. Our requirement is that we link multiple agencies to share the expenses of repairs and services needed to make this home adequate for human living. Our community is rich in resources and the citizens are fortunate to have access to programs annually and consider themselves blessed.

The local Public Housing Authority provides choice vouchers but there is a waiting list. Another source of assistance comes through the Homeless Shelter funds distributed to very low-income families. Multi-agency collaboration makes it possible to offer affordable, safe and decent housing units to families in need of shelter. But, the largest populated municipality in the county, Muskegon, houses Muskegon County Habitat for Humanity, Every Women's Place, American Red Cross and MOCAP among other agencies that have their own funding sources and local donations.

The anticipated CDBG funding for the 2011 – 2012 year is the following:

**CDBG PROJECTS/ACTIVITIES
2011 – 2012 ACTIVITIES**

REHABILITATION – HOUSING	\$310,000
Emergency Repair	
Vinyl Siding	
Service Delivery	

BOND REPAYMENT	\$157,870
Fire Station	
GENERAL ADMINISTRATION	\$150,000
General Administration	
Affirmative Action	
PUBLIC SERVICES	\$123,000
Recreation Programs	
Senior Transit	
CBO Grant Program	
CODE ENFORCEMENT – HOUSING	\$100,000
Code Inspections	
Residential Clearance	
PUBLIC FACILITIES	\$ 70,470
Streets	
Commercial Façade Improvement	
TOTAL	\$911,340

**HOME PROJECTS/ACTIVITIES
2011 – 2012 ACTIVITIES**

HOME PROGRAMS	\$152,904
Infill/New Construction	
Rental Rehabilitation	
CHDO'S	\$103,000
Infrastructure/Construction	
Transitional Housing	
ADMINISTRATION	\$ 28,433
TOTAL	\$284,337

Managing the Process

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 1 Action Plan Managing the Process response:

The City of Muskegon will lead the process and carry the bulk of the responsibility for this first year's youth activities. Our Planning department has initiated bid proposals for youth activities and have accepted a number of varied programs both in-school and after school. All of the selected agents have shown previous success, and with our additional resources, young children will have activities during the school year; but especially throughout the summer months.

Approved grants include:

YMCA – Organized recreation/education programs in 5 City parks: Nelson, Nims, Seyferth, Smith-Ryerson, Reese (5 parks contingent on receiving the \$10,000 Seyferth Grant from the Community Foundation - if we don't, there will only be 4 parks included). The program will run Monday – Thursday from 9 a.m. to 3 p.m. and Friday from 9 a.m. to Noon. Lunch will be served. June 20 – August 12.
Grant Amount \$46,355

Muskegon Recreation League (softball) – General support for the program, equipment and official fees. January 7 – August 31.
Grant Amount \$2,000

Port City Youth Club – Equipment support (uniforms). July – October.
Grant Amount - \$3,000

East Muskegon Little League – Scholarships (35 scholarships/\$50 each), printing flyers and advertising in The Muskegon Chronicle in an effort to bring more youth into the program. March 1 – May 7.
Grant Amount \$2,500

West Michigan Little League – Equipment, official fees, scholarship assistance (25 scholarships/\$30 each). April 1 – July 15.
Grant Amount \$2,500

No More Sidelines – Gloves and shin guards for their participants. April – October.
Grant Amount \$2,500

Muskegon Lakers Soccer Club – Scholarships for City residents (15 scholarships/\$150 each). August 1, 2011 – June 30, 2012.
Grant Amount \$2,250

Love Community Garden/Fruitport Lions Shoreline – Summer programming in Nelson Neighborhood including gardening, arts and recreation. May 25 – September 1.
Grant Amount \$2,000

GVSU (Steele/Bunker) – Summer programming for the two middle schools, including gardening and education. The funding will pay for one intern. June 20 – August 8.
Grant Amount \$2,000

McLaughlin Neighborhood – Funding for the "Adventure Program," part of the C.A.T.C.H. Camp Program in McLaughlin Neighborhood. The funding will provide for weekly field trips (State parks, planetarium, museums, etc.). June 24 – August 12.
Grant Amount \$3,000

Greater Muskegon Youth Outreach – Funding for activities, food, etc. for the End of School Bash. June 9.
Grant Amount \$500

Nelson Neighborhood – St. Joseph’s Park Summer Youth Program funding for supplies, wages and marketing. June 13 – August 22.
Grant Amount \$2,970

Muskegon High School – Muskegon “Survivor on the Lakeshore” Challenge for 9th graders. The students have been identified by counselors as “at risk.” The program will provide summer camp and recreational activities, in addition to educational opportunities. Grant funding will assist with supplies, marketing, t-shirts and camp fees. June 27 – August 5.
Grant Amount \$3,000

Public Health – Muskegon County – The Public Health Peer Educational program is working with the GVSU program on community gardening. Funding will provide incentives for 1- peer educations from Muskegon Schools who will work with younger participants. January – October.
Grant Amount \$2,000

Assisting the Planning department were the Community Foundation, City Commission and City staff. Our youth activity needs are identified throughout our citizen public hearings, community-based organizations and Citizen District Council meetings. The City Commissioners planning session highlighted the need to help youth rise above the past violence so we should take a lead role in public opinion to address the youth violence as depicted in the local news media.

Other City departments: Engineering, Department of Public Works, Affirmative Action, Finance and our own Community and Neighborhood Services department programming will fulfill the major plan priorities. Uncertainty in funding allocations supported the move to keep the responsibility to meet the plan “in house.”

However, it was communicated to the public, through a public hearing process, the intent to include one local community based organization: Love INC. This faith-based organization will continue helping wheelchair-bound residents with ramps, identified as low-income families with disability needs. Additionally, with economic challenges forcing the unemployed head of households, Love INC will also serve these low-income individuals with emergency utility assistance to secure a “standard living” environment with all major utility services intact.

The coordination between public and private agents for health, housing and social services has strengthened over the past months because all of us have limited resources, but together we can assist many more families who would have been placed on a waiting list. However, through the efforts of the CNS staff, an unwritten agreement has been established and the cooperation is phenomenal.

Citizen Participation

1. Provide a summary of the citizen participation process.
2. Provide a summary of citizen comments or views on the plan.

3. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.

Program Year 1 Action Plan Citizen Participation response:

A summary of our citizen participation process begins with a group of appointed citizens (CDC) who sit on an advisory board to hear and speak on behalf of the citizens of the City for the HUD funding invested in the community.

The Citizen's District Council (CDC) meets monthly and they provide the City Commission with their recommendations annually. In addition to the CDC board, the City holds "public hearings" to accept citizen comments on proposed budgets and program progress during the plan year.

Additionally, multiple public hearings have been scheduled to increase public participation. Neighborhood Association attendance throughout the year is planned to address if there are specific area needs. As a proactive measure to connect with non-English speaking residents, City staff has communicated with a local church affiliated with the Spanish speaking population. Future meetings will be scheduled to seek their input.

The following are comments received:

April 25, 2011

Mr. Bryon Mazade
City Manager

Dear Sir,

I am writing this letter to address the potential funding cuts to Community EnCompass that are being considered by the City Commission.

I have a special interest in one of its programs, Sacred Suds, that I have been a part of for over 5 years now.

Sacred Suds serves the people most in need by providing basic needs so many of us take for granted. These needs are rudimentary to anyone's survival, self esteem and dignity. I am speaking of a place where bathroom facilities are accessible, showers are available, laundry can be done, a hot meal can be eaten and the internet accessed for job searches. The social connections and friendships built there are an added bonus.

Just a few years ago Sacred Suds relied on the generous support of neighbors and neighborhood organizations supporting its needs. Today, many of those same people are the recipients of this program due to jobs lost and a change in our economy. So many of the people that previously donated their time and or money to this

organization, now find themselves without jobs, homes, food and a future. Cutting one of the few resources left to this organization that allows it to continue its work in the community would have a huge impact on its continued success.

Please City Commission, do your homework, look at the number of people this agency serves and the positive impact it makes on the community and its future progress.

Respectfully Submitted,

Julie Kitchen

Julie Kitchen, RN

Sacred Suds Steering Committee Member

April 26, 2011 – City Commission Meeting Public Hearing comments:

Dan Bonner from Legal Aid of Western Michigan asked the City Commission to consider the CDC recommendation of \$3,500. This would be cut 50% from last year's CDBG grant. In 2009 they handled 409 evictions. 33.6% of their clientele are at or below poverty. This current year they have handled 160 households, 13 foreclosures. They had to layoff one lawyer (\$40,000), leaving them with 3 lawyers to handle 3 counties. They had once case they handled for a widow which equated to 102 hours of service. Normally a lawyer would earn \$200 per hour. Their lawyers only earn \$19.23 per hour. There is a need for their request of \$3,500.

Representatives from Sacred Suds are asking for \$3,500. They serve the very low-income working poor, some of which are through protective services and CMH clients. They offer the very basics of showers and clothes washing at \$1 per load (including laundry detergent). They also offer tax returns. For 2010 they brought \$280,000 to the City of Muskegon. This service is provided free of charge.

A representative from the Healthy Neighborhood Projects, in the McLaughlin neighborhood, said they are a community neighborhood program. They work with churches, schools, institutions and neighborhood associations. They are an asset to community development in the McLaughlin neighborhood.

Tom Pastoor, a resident of the City for 32 years, President of the McLaughlin Neighborhood Association and a CDC member said the funds needed to be used for community development. Just a few dollars can go a long way, as seen in his neighborhood association. There needs to be incentives for change for community development.

Institutional Structure

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 1 Action Plan Institutional Structure response:

Keeping the funding allocation "in house" for this year will allow the City departments to identify the programs that best serve the needs of the community

that over time have produced the best results overall. Secure in what we do best and possessing concrete evidence for what helps the low-income population, the City's institutional structure addresses blight, economic development, infrastructure, public service and suitable living environment including areas of greatest need throughout our City.

Monitoring

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Program Year 1 Action Plan Monitoring response:

Per the regulatory and statutory guidelines for HUD funded programs, the City of Muskegon will comply and at least annually monitor and certify the recipients of these program dollars. Whether housing or community development projects, City staff will monitor the progress and validity of the programs used to serve our citizens. All requirements aligned with monitoring the recipients have been a routine process adopted as current policy and will be an effective method of sustaining viable programs.

Lead-based Paint

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families, and how the plan for the reduction of lead-based hazards is related to the extent of lead poisoning and hazards.

Program Year 1 Action Plan Lead-based Paint response:

Another viable and influential factor in all housing rehab construction, CNS will require its Subrecipients to adhere to the regulation as it relates to rehabbing housing built before 1978. In every case, rehab of specific housing will receive lead hazard testing and lead abatement applications to result in a final clearance report for each property.

If we enforce this requirement, one by one, housing units in the area will become safe, affordable and decent structures for all families and especially those with children. It is important that extremely low-income families have access to these properties as this is a critical class of people without a lot of choices. Eliminating lead hazards from housing units will lower the number of children under age 6 who are more at risk to be poisoned from lead-based paint. This is our ultimate aim to protect children and give them safe housing.

HOUSING

Specific Housing Objectives

*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

CDBG

Vinyl Siding continues to brighten our City corridors with a suitable living environment which promote building activities, community development, beautification and overall neighborhood stabilization.

Code enforcement stimulates safe neighborhoods: free of blight and vacant structures which tend to foster unhealthy activities.

HOME

Affordable Housing Units are always needed when there is a waiting list for families in need. Through Community Housing Development Organizations, the City continues to produce housing units for families below 80% AMI.

Transitional Housing stakes a permanent mark in our inner-city neighborhoods, partnering with agencies that collaborate to serve our poverty stricken, homeless community is our investment in human services.

As a major supplier of affordable housing, the City has provided its citizens with 37 housing units for low to moderate-income families in the last 10 years.

Program Requirements

Properties must be purchased/occupied by low to very-low income tenants those with incomes at or below 80% of area median income.

Recapture provisions

The City elects to adopt the recapture of the homebuyer subsidy. The homebuyer subsidy will be forgiven by the City at a rate of 1/180 per month throughout the term of the affordability period. Upon sale of the property by the homeowner within the affordability period, the homeowner will be required to repay a prorated portion of the HOME funds used to subsidize the purchase of the home.

The property owner's return on investment at the point of sale will include:

- o *The amount of the homebuyer's down payment made from their own resources*
- o *The amount of mortgage principle repaid at the time of resale*
- o *The appreciated value of the property (Appraised value at resale less the appraised value of the property at the time of purchase by the homeowner).*

The homeowner will receive the full amount of the fair return only if sufficient sale

proceeds remain after all outstanding debt (including repayable HOME subsidy amounts) and closing costs are paid. Any proceeds remaining after payment of the outstanding debt, closing costs, fair return, and any HOME subsidy repayment will be shared 50/50 between the homeowner and the City. Any funds repaid to the City will be returned to the HOME trust fund. Repayment of the HOME subsidy amount will not be required if the resale does not provide sufficient net proceeds to satisfy other outstanding debt, pay closing costs, and offer a fair return on investment to the property owner. Partial repayment may be required based on the amount of sales proceeds received by the homeowner.

CHDO Resale Provision

The City will protect the HOME investments given to its local Community Housing Development Organization (CHDO) agents by utilizing the Resale Provision described in HOME Final Rule Regulation 92.254a(5)i, which requires that another income-eligible family purchases the house at a fair return on investment.

NSP

The capacity to add more units was afforded to us through HUD's Neighborhood Stabilization program 1 (NSP1) through MSHDA. We demolished blighted structures, partnered with other agents to build on these lots for 3 families at an income level less than 120% AMI and rehabbed properties in 8 neighborhoods.

NSP1 has allowed for 10 additional units, designed for families at every level of income level from 30% AMI – 120% AMI.

Needs of Public Housing

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 1 Action Plan Public Housing Strategy response:

It makes good sense to encourage public housing residents to seek homeownership opportunities. Communication with the local housing authority shows support for this endeavor and as much as possible, choice voucher families meeting the strict requirements will be offered the management option. The Muskegon Housing Community is involved in all aspects of family self sufficiency and as a vital role, homeownership provides the ultimate choice.

The City of Muskegon continues to play a supportive role with the local PHA and past participating events will continue to be an integral partnership for both. Over the coming months, City staff will showcase the unique program opportunities available to those participants ready to move forward.

Barriers to Affordable Housing

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 1 Action Plan Barriers to Affordable Housing response:

Every opportunity to remove a barrier to affordable housing will be met with the same enthusiasm of past years. Homeownership programs for low-income families, Rental housing unit investments will be made with landlords and connecting with non-English speaking families is our newest challenge.

The true barrier to affordable housing is information outreach. If we can let the public know about our projects and give them access through programming, we support housing opportunities for low to moderate-income families. Infill Housing, Rental Rehabilitation and Emergency Repair programs address obstacles that would hinder families' possibilities to safe, decent, affordable, lead-free housing units.

Other actions include public transportation which is visible and accessible to all of the City of Muskegon residents. As of recent months, our MATS (Muskegon Area Transit Services) has extended times of service to accommodate college and high school students, families and workers who need evening transportation. Because the routes are varied and centered through the City, residents have available routes and times.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.

- e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 1 Action Plan HOME/ADDI response:

Our HOME funding allocations are used to produce affordable, safe and decent housing units in the City of Muskegon. Utilizing two visible Community Housing Development Organizations, Muskegon County Habitat for Humanity and Community enCompass, low-income families can access affordable housing units to meet their deficient living situations. Through sub-recipient agreements, the City assists these agencies with financial support and requires that they adhere to all the guidelines established with HUD's HOME funded projects.

Muskegon County Habitat for Humanity has proposed to build/rehab three decent affordable energy-efficient homes for purchase by families with 25 – 50% AMI who would not otherwise be eligible for homeownership.

Community enCompass has submitted a request to purchase and rehabilitate properties for rent by low-income families referred by collaborating social service agencies and for purchase by low to moderate-income. Additionally they will provide support for homeowners to do necessary rehab to their homes and provide support for home buyers to rehab homes upon their purchase.

The City of Muskegon has two unit-producing programs - Infill and Neighborhood Stabilization Program (NSP).

Infill gives us an opportunity to move into neighborhoods that are not typically occupied by low-income families. We will provide subsidy, energy efficient products and procedures to make this home affordable to families.

NSP has given us the ability to stabilize neighborhoods through Michigan State Housing Development Authority (MSHDA) by offering a MSHDA subsidy which is forgiven after a period of time. Our obligation to complete 3 more homes should happen this year and selling all of the properties by 2013 should be reached as well.

Per our Consolidated Plan, the City of Muskegon has adopted a recapture policy for our Infill Program homebuyers. The policy allows a recapture of prorated funds due

upon resale of the property. This does not require the “seller” of the property to repay the debt of our subsidy investment if the net proceeds are too small.

HOMELESS

Specific Homeless Prevention Elements

*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds—Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction’s plan for the investment and use of funds directed toward homelessness.
2. Homelessness—In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness—The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.
4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 1 Action Plan Special Needs response:

A concerted effort through the Continuum of Care agencies continues to make strides in the 10-year homelessness plan. This action helps to reduce the number of poverty-level families struggling to avoid homelessness.

Muskegon County Continuum of Care for the Homeless Network’s short-term (12-month) plan to create new permanent housing beds for persons that meet HUD’s definition of chronically homeless include:

West Michigan Therapy, working in coordination with various community agencies including the Veteran’s Center, is requesting funds through this round of SHP dollars to add four permanent housing beds for the veterans, chronically homeless.

West Michigan Therapy is in the process of constructing four one-bedroom units for chronically homeless with the Lazarus Project in Muskegon Heights.

Community Mental Health Services of Muskegon County is implementing their SHP permanent housing program recently received through HUD SHP.

West Michigan Therapy engaged in a service agreement approved by MSHDA with a local apartment complex, Quail Meadows, which ensures that 10% or four of rehabbed units will be specific for Chronic Homeless.

Continuum of Care's strategy is to support the development of up to 75 units of affordable rental housing or rental assistance to meet the needs of homeless youth. They will support the development of 303 units of affordable rental housing or rental assistance to meet the needs of children in long-term homeless or "at risk" homeless families.

Continuum of Care's action steps for years 2011 – 2016 include working with school districts to develop a common system of data collection so that when families become transient because of housing there will be no opportunity for districts to miss the fact that they are homeless. Their strategy is to develop new commitments and increased partnerships to reduce the number of individuals and families leaving one system and entering another, and embrace the notion that homeless prevention is an outcome of all agencies and institutions.

Implementation of Discharge Policies – Continuum of Care

Foster Care (Youth Aging Out: A treatment plan and services agreement includes attention to locating suitable living arrangements and assistance in moving into housing.

Health Care – Disability Connections continues to provide placements for disabled individuals leaving nursing homes into community settings to prevent homelessness.

Mental Health – community Mental Health Services of Muskegon County has a formal policy approved on October 24, 2008 that extends beyond the person centered planning requirements of the Michigan Mental Health Code to prevent homelessness. This policy further instructs staff to ensure that individuals are not discharged into homelessness.

Corrections – The HMIS system is tracking the referrals and outcomes of individuals exiting the Muskegon County jail. Based on information from the HMIS system one year later, October 1, 2009, the majority of individuals that were referred and received housing have not returned to jail.

Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 1 Action Plan ESG response:

Not applicable.

COMMUNITY DEVELOPMENT

Community Development

*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 1 Action Plan Community Development response:

Public services and economic development programs are managed through the Planning and Economic Development department of the City of Muskegon. Short-term goals will provide employment to youth who come from low to moderate-income families. Youth opportunities within these parameters create a boost to our living environment and expand economic development.

Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 1 Action Plan Antipoverty Strategy response:

No specific objectives for antipoverty.

NON-HOMELESS SPECIAL NEEDS HOUSING

Non-homeless Special Needs (91.220 (c) and (e))

*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

No specific objectives for non-homeless special needs.

Housing Opportunities for People with AIDS

*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a Brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are not homeless but require supportive housing, and assistance for persons who are homeless.
3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 1 Action Plan HOPWA response:

No HOPWA designated activities are addressed in this plan.

Specific HOPWA Objectives

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 1 Specific HOPWA Objectives response:

The City of Muskegon does not received HOWPA funds.

Other Narrative

Include any Action Plan information that was not covered by a narrative in any other section.

Coordinated efforts with our neighboring jurisdictions have lead to an agreement through our County agency to further Fair Housing initiatives in Muskegon County.

Collectively, our impediments have been addressed and at least two testing surveys will be provided for us through the Fair Housing Center of West Michigan. Our agreement will satisfy the groups' requirements to further fair housing as well strengthen the relationships of neighborhoods working together for the good of all people.

REVISIONS

8/17/2011 Page 11 added Recapture Provision

9/14/2011 Page 12 added CHDO Resale Provision