

CITY OF MUSKEGON

FOURTH PROGRAM YEAR ACTION PLAN

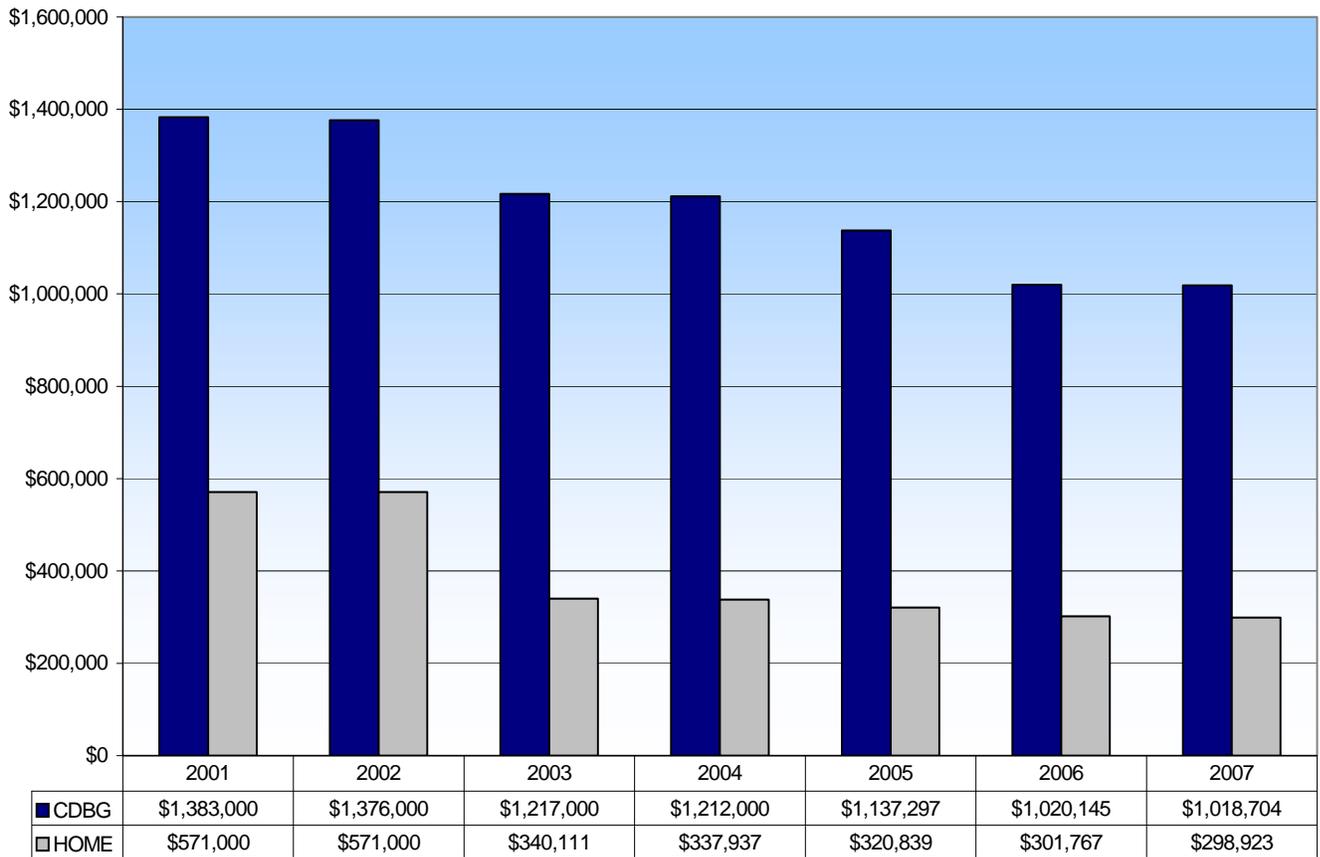
GENERAL

EXECUTIVE SUMMARY

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

The 2008 – 2009 fiscal year will be the fourth year of the City of Muskegon’s activity under the approved 2005 – 2010 Consolidated Plan. The City is attempting to continue what we consider our program of multi-faceted community revitalization efforts. This targets five specific areas: new construction, housing rehabilitation, infrastructure replacement, blight flight and elimination and public service support.

Muskegon Entitlement Funding (01-07)



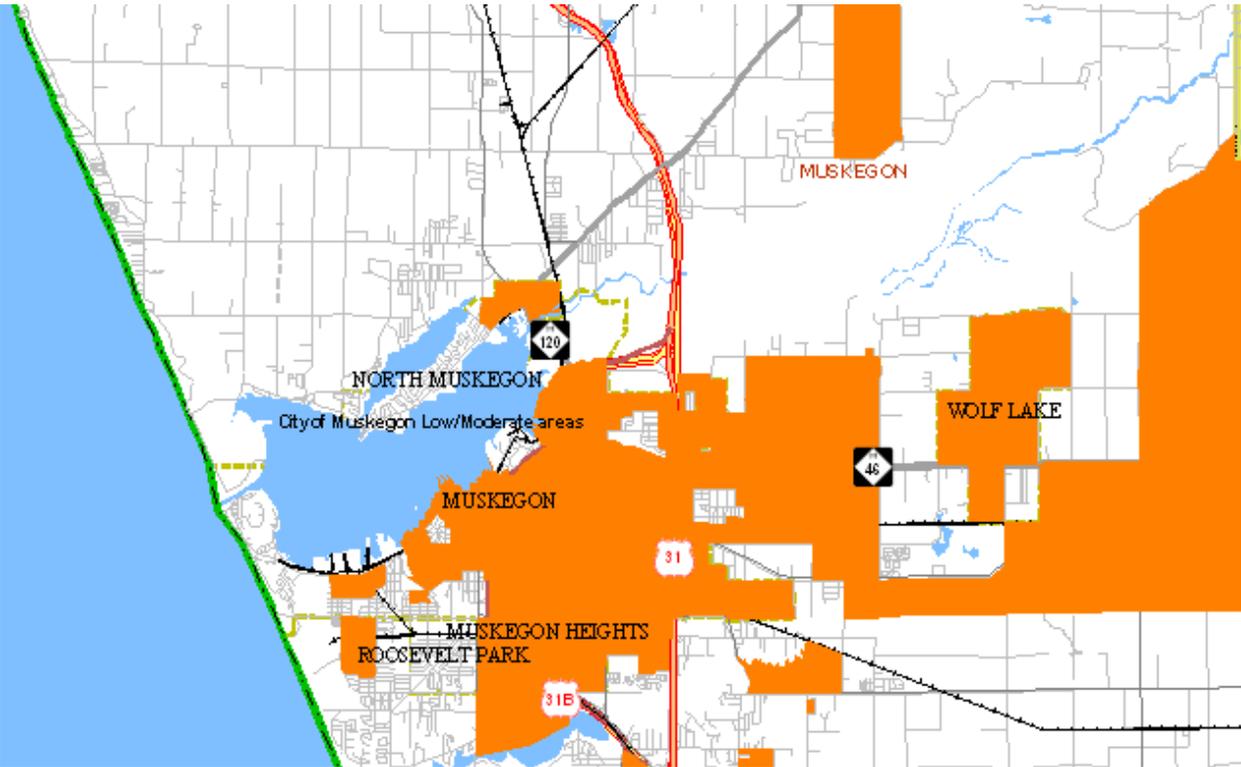
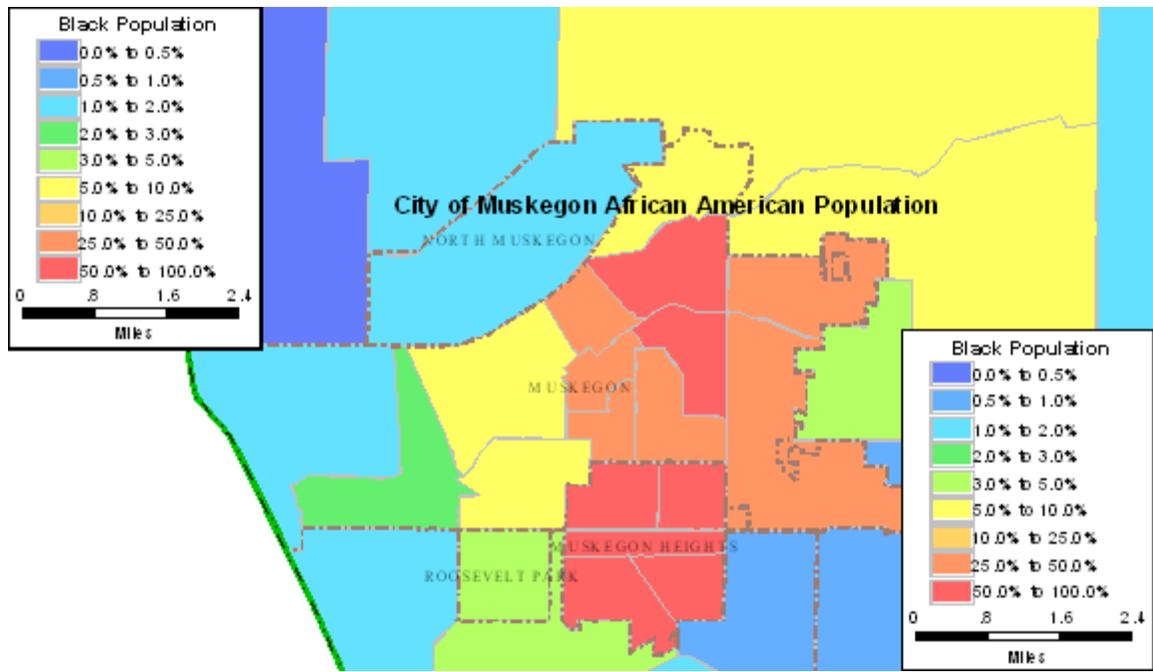
The City has experienced a significant amount of success and satisfaction in its Community Development Block Grant and HOME program. In addition, during this current fiscal year, the City was awarded a Lead Reduction grant that will assist the community in eliminating Lead from the community.

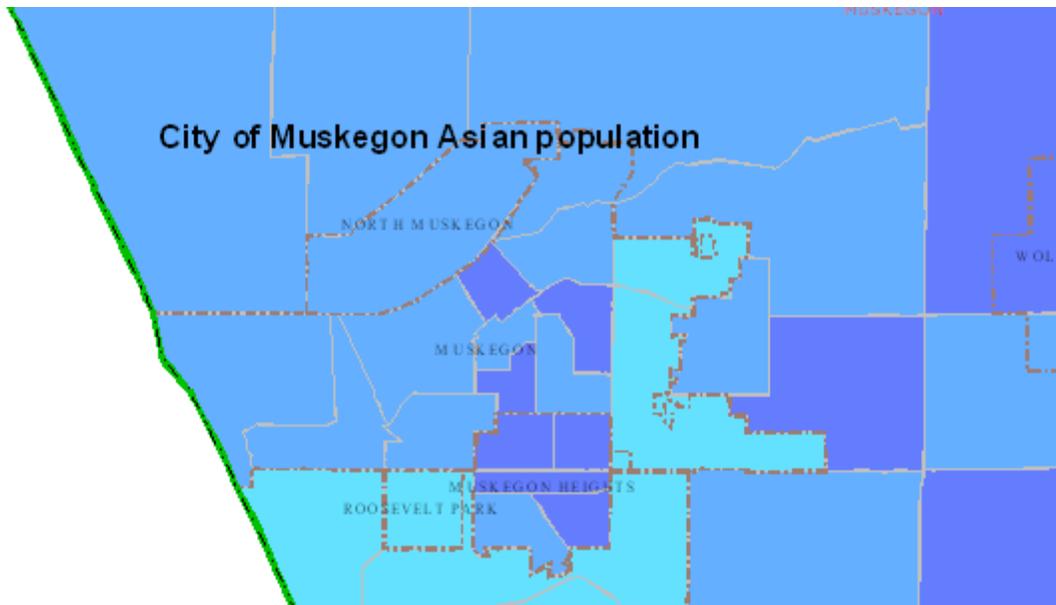
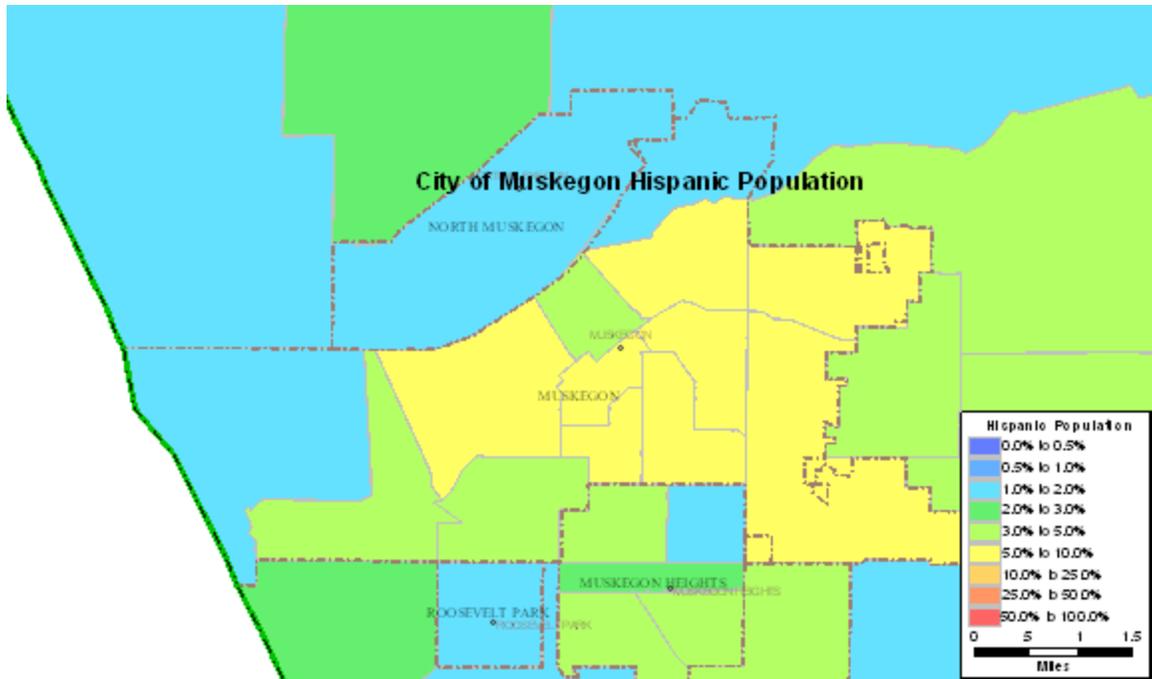
The City has experienced many successes during the last few years, as it relates to its CDBG and HOME activities. However, the City, like most other older core communities, is wrestling with a continuous decrease in funding. In addition to the decreasing entitlement funding, the City is also battling with the same issues that are attempting to stagnate many other communities; not just in Michigan, but throughout the entire country. Some of those issues are an increasing, unemployed population, a 'mushrooming' number of foreclosed properties, not just in the low/moderate income areas, but throughout the City and county. Other pertinent issues are an abandonment of housing, severe infrastructure improvement needs and an overall feeling of uncertainty by a significant portion of the community.

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.

Since 2000, the majority of the City has been declared a low/moderate income eligible area. Roughly 11 square miles of a City that is 18 square miles in total dimension is classified as a low/moderate income area. In other words, these areas within the City of Muskegon have at least 51% low/moderate income residents living in the specific neighborhoods of the City (see maps below). For at least the last ten years, the City of Muskegon has allocated its CDBG/HOME funding by need, not by area jurisdiction.





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.

a. The distribution of funding in the City of Muskegon is not targeted to a particular area or neighborhood. The funding is allocated on an availability basis and need. In other words, any household that meets the income guidelines and meets other local rules like having taxes paid up-to-date is eligible for services.

b. The anticipated CDBG funding for the 2008 – 2009 year is the following:

**CDBG PROJECTS/ACTIVITIES – 2008
2008 – 2009 ACTIVITIES – By RANKING**

REHABILITATION – HOUSING	\$ 417,500	41%
Emergency Repair		
Vinyl Siding		
Service Delivery		
BOND REPAYMENT	\$ 149,169	15%
Fire Station		
PUBLIC FACILITIES – ASSESSMENTS	\$ 53,500	5%
Street		
Commercial Facade Improvement		
GENERAL ADMINISTRATION	\$ 173,000	17%
General Administration		
Affirmative Action		
PUBLIC SERVICES	\$ 144,950	14%
Recreation Programs		
Senior Transit		
CBO Grants Program		
CODE ENFORCEMENT – HOUSING	\$ 83,500	8%
Code Inspections		
Residential Clearance		
TOTAL	\$1,021,619	

3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

The City will continue to allocate funding to the underserved population of the City through several different mechanisms. The first mechanism is the programs that are offered inside the Community and Neighborhood Services office, which include the Emergency Repair and Vinyl Siding programs. Both of these activities address low/moderate income housing. The second mechanism, or component, is the funding allocated to other City of Muskegon departments that target the underserved population of the community. The departments are Leisure Services, which offers recreational activities to low/moderate income youngsters and their families; the Department of Public Works, which offers a Senior Transit Program for low income seniors; Inspection Department, which assists neighborhoods with the demolition and securing of blighted and accessible structures; and the Engineering Department, in collaboration with the CNS department offers Special Assessment relief for low income residents who are having street reconstruction done near their home and are being assessed for their portion.

Lastly, the City of Muskegon allocates funding to community-based organizations, when funding is available, to address many of the obstacles that the underserved in the community are in conflict with, many in the same areas that were listed in the City's 2005 – 2010 Consolidated Plan. Those areas are health awareness, senior services, legal assistance, employment assistance and youth services.

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.

CDBG 2008 – 2009 funding is \$984,207 plus Expected Program Income of \$40,000, for a total of \$1,024,207. The HOME 2008 – 2009 funding is \$290,049 plus Expected Program Income of \$100,000, for a total of \$390,049. Other expected federal funding is WEMET for \$36,825; Bullet-Proof Vest for \$8,893; Lead-Based Paint Elimination for \$666,690*; Emergency Shelter Funding for \$60,000.

* This is a three-year grant.

The City's Community and Neighborhood Services office is the Lead Office for administering the 2005 – 2010 Consolidated Plan. During the development of the Consolidated Plan, surveys were distributed to community agencies and meetings were held to obtain information as well as two small town hall meetings were held with residents.

The City of Muskegon will continue to use the same process to coordinate activities with other agencies and organizations as well as get input from the public.

MANAGING THE PROCESS

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.

The City of Muskegon's Community and Neighborhood Services is the administering entity of the City of Muskegon's CDBG/HOME program and, as of November 1, 2007, the City's Healthy Homes Lead Abatement Grant.

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.

The development of the initial plan consisted of town hall meetings, surveys, neighborhood meetings and demographic research.

3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

The City of Muskegon Community and Neighborhood Services office has representatives on several different coalitions within the county. Those coalitions include:

- a. Continuum of Care
- b. Call 2-1-1
- c. Housing Affordability Committee
- d. Main Street Program Economic Restructure Committee
- e. West Michigan Sustainability Committee
- f. 21 Century
- g. Operation R & R

It is the goal of the City to gather information and to coordinate services in juxtaposition with community needs.

CITIZEN PARTICIPATION

1. Provide a summary of the citizen participation process.

The City of Muskegon's citizen participation process begins in November of each year, when the CNS department begins soliciting proposals for activities for the next fiscal year. During the first week of January, the proposals are qualified and

during late January and February, the proposals are reviewed by the Citizen's District Council. This is a volunteer board made up of local citizens who represent different sections of the City. In March, there is a public hearing to gather comments from the public concerning the proposed activities for the upcoming fiscal year. In August, the CNS office holds a public hearing to discuss the activities and accomplishments of the past fiscal year, which ended May 31.

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

During the Public Hearing, Dan Bonner, from Legal Aid of Western Michigan, spoke about the significant increase in foreclosures in both Muskegon County and the City of Muskegon. He also explained how Legal Aid was proposing to assist the residents with the foreclosure problem. He also talked about how Legal Aid has partnered with the City of Muskegon, especially the Inspection Department, in assisting low income residents; specifically renters who find they are living in unacceptable conditions. Mr. Bonner stressed the importance of fully funding Legal Aid's request concerning foreclosure prevention.

Tim Burgess, of Neighborhood Investment Corporation, also spoke in support of both Neighborhood Investment Corporation's request and in support of Legal Aid of Western Michigan. Both agencies have tax foreclosure prevention programs.

Wilmer Cullen, of the HealthCARE project, spoke about the health needs of the community and the large number of residents in the community, especially low/moderate income residents, who don't have health insurance. She also spoke how HealthCARE helps those residents who traditionally fall through the health system cracks.

Dan Rinsema-Sybenga, CDC Member, addressed the Commission in regards to the CDBG/HOME Grant recommendations for 2008 – 2009. He questioned why the Commission didn't make their changes from the CDC recommendations during the preliminary period, where there could have been more public discussion. Dan also expressed that he felt the CDC members felt it was more important to attack the foreclosure problem in the community than allocate CDBG funds to cover the bond payment on the City's new fire station.

Marcia Hovey-Wright, CDC Member, expressed concern on why the City Commission increased the HOME funds for the City's Infill Program when there is a surplus of homes in the City's inventory.

Michael Miller, CDC member, also expressed some concern because of the slowness that the current homes in the City's inventory are selling. Mr. Miller also expressed concern that by taking funding from the CHDO decreases the total amount of funding coming into the City because of the MSHDA match.

Patricia Montney, CDC Chair, is concerned that for many years the emergency repair funding has never been funded at the level of need of this community. She believes this is an all important issue that needs to be addresses. She feels the benefits to the community are: 1) Keeps housing stock off the demo list and improves the housing stock; 2) Keeps property tax coming in for the general fund needs; 3) Serving the aging and low to moderate income individuals under HUD regulations; 4) Lastly helps with blight and improves our neighborhoods. These are also goals for the City.

Several City Commissioners spoke about the constant decreasing in funds in both the CDBG and HOME pots. It was also expressed by the Commission that, because of the uncertainty of the CDBG/HOME entitlement funds, it is not any agency or organization's best interest to be relying on this funding long term.

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.

The City of Muskegon attempts to outreach to the minority community through several media outlets which include the local radio, local newspapers and through different on-site workshops, open houses, housing and community fairs, etc.

4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

There were no comments that were not accepted.

INSTITUTIONAL STRUCTURE

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

The CNS office is continuing to develop its institutional structure by reviewing its policies and procedures and revising them when needed and updating them in order to assure quality service to the public and consistency in delivery of services.

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.

All subrecipients are required to submit quarterly reports throughout the fiscal year. If a serious occurrence is discovered, by reviewing the quarterly report, then a telephone call is made immediately to the subrecipient to discuss the issue. If the issue cannot be corrected through a telephone call, a special monitoring visit will be scheduled with the subrecipient to 'clear' the issue as promptly as possible. If no issues arise during the fiscal year, a monitoring visit is scheduled in April of each year for all subrecipients.

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.

In October 2007, it was announced that the City of Muskegon was the recipient of a Safe Healthy Homes grant from the U.S. Department of Housing and Urban Development. Through the City's Lead S.A.F.E (Support Abatement Family Education) program, the City anticipates completing 30 units for abatement of lead, five (5) of the units will be vacant city-owned structures, 15 units will be rental units and 10 will be owner-occupied structures.

HOUSING

SPECIFIC HOUSING OBJECTIVES

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.

Objectives and Goals

Objectives 1: New construction – To either develop, alone or in partnership with Community Housing Development Organizations, members of the financial community or private developers, new single family affordable housing.

Goal: Ten new single-family houses completed by May 31, 2010. Current status: 11 new single homes built as of April 1, 2008.

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 31, 2010. Current status: ten total rehabs completed as of April 1, 2008.

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

Goal: 250 houses assisted with either emergency repair and/or vinyl siding (150 emergency repairs, 100 vinyl sidings by May 31, 2010). Current status: 221 Emergency Repairs, 78 Vinyl sidings completed – total 299.

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

Goals: 16 rehabilitated rental units by May 31, 2010. Current status: 14 rental units have been completed as of April 1, 2008.

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

Goals: To demolish 20 dangerous structures, remove rubbish and blight from 250 sites throughout the city and remove 50 blight-creating inoperable automobiles from throughout the city. Current status: a total of 48 structures have been demolished.

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

Goal: To assist 10,000 persons through the public service community by May 31, 2010. Current Status: 8,765 persons assisted by the public service partners since 2005.

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

Goal: To upgrade community infrastructure as required. Current status: several projects currently underway.

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. Current status: significant redevelopment in progress throughout the downtown area.

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.

The majority of the expected funding will be directed in a variety of ways to attack the issues of serious concern to the Muskegon community. The main areas that will be targeted are areas that are in correlation with the established objectives created by the assemblage of the 2005 – 2010 Consolidated Plan. The main areas will be housing and housing maintenance, senior citizen services, education related needs and health related needs, crime prevention and youth services.

NEEDS OF PUBLIC HOUSING

1. Describe the manner in which the plan of the jurisdiction will help address the needs of the 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.

Working with the Muskegon Housing Commission Self-Sufficiency program, it is hoped that more public housing residents will become homeowners.

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 year.

The Muskegon Public Housing Agency is not on HUD’s current ‘Troubled’ list.

BARRIERS TO AFFORDABLE HOUSING

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

The CNS office will continue to offer new housing and totally rehabilitated housing at significantly reduced prices. The department will also work with several non-profits in the community to assist citizens in jeopardy of foreclosure. In addition, as long as funding is available, we will assist low/medium income residents with expensive housing repairs.

In addition, the City of Muskegon, in partnership with the other two entitlement communities in the county, has contracted with the Fair Housing Center of Southeastern Michigan to conduct a Fair Housing Study for Muskegon County;

emphasis will be on the cities of Muskegon, Muskegon Heights and Norton Shores.

HOMELESS

SPECIFIC HOMELESS PREVENTION ELEMENTS

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.

\$65,000 of State Emergency Shelter funding that was allocated to three non-profits: Every Woman's Place, West Michigan Therapy and Bethany Housing.

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.

The 2008 – 2009 Action Plan is in correlation with the City's objectives and goals documented in the 2005 – 2010 Consolidated Plan. At this time the only obstacle that the CNS office sees to addressing the needs of the potential homeless and the homeless population of the community is the lack of available funding.

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.

Some of the specific plans that the City of Muskegon intends to use to eliminate chronic homelessness by 2012 are that the City will continue to work and be a member of several local coalitions whose main objective is to end homelessness. Some of those coalitions are the Muskegon County Continuum of Care, the Human Service Coalition, Call 2-1-1 and the Emergency Needs Coalition. Along with working with the above mentioned coalitions, the City will continue to offer assistance to homeowners for emergency repairs that could possibly cause them to become homeless, because the family does not have the resources to make the repairs. The CNS office will also continue to offer funding to local non-profits who are attempting to have preventive health programs and also do outreach health testing. It is hoped that by trying to keep our citizens healthy, the chances

of a family member becoming ill and not able to work would be kept at a minimum. One of the major initiatives that not only the CNS office, but also several of our partners in the non-profit community plan to begin during the new fiscal year, is a Foreclosure Prevention Program in order to attempt to stop possible foreclosures and also possible homelessness because of the foreclosure.

4. Homeless 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.

The City of Muskegon is attempting to market its Rental Rehabilitation program to landlords very aggressively this fiscal year. It is the position of the City of Muskegon and the CNS office that if landlords take advantage of the Rental Rehab program, not only will it improve the esthetics of the structure, while also making it safer, it will also be more affordable because of the affordability statute.

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.

Because of some recent partnerships that we have established with the Muskegon County Employment and Training office, the local Family Services Center and the Prison Re-entry program, we plan to meet with these agencies, along with others, in order to combine knowledge to hopefully create a Community Discharge Coordination Policy.

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT

1. Identify the jurisdictions 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.

See Consolidated Plan Objectives and Goals.

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.

At this time, the short and long-term Community Development objectives are the same as those created in the Consolidated Plan that was mentioned earlier.

ANTIPOVERTY STRATEGY

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

Since 2007, the Community and Neighborhood Services office has been the leader in an initiative called Operation R & R, which stands for Reawakening and Resurgence. The purpose of the initiative is to bring a cross-section of the community stakeholders together, which includes the business and religious communities, public service providers, local youth, seniors and government in order to bring all of the community resources together in order to attack some of the quality of life issues that can not be eliminated or cured with bricks and mortar.

In addition, the CNS office is working on several other initiatives to try and attack the unemployment problem in the community, especially as it relates to our youth. The CNS office plans to submit a grant application for the next round of Youth Build applications. Hopefully, the community will be granted the opportunity to have a Youth Build program this year.

As mentioned before, the City will continue to work with all other service providers and to assist residents with our in-house programs, as long as the resident qualifies and the availability of funding is still accessible.

NON-HOMELESS SPECIAL NEEDS HOUSING

NON-HOMELESS SPECIAL NEEDS (91.220 (c) AND (e))

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.

It is hoped that the CNS office can build a strong partnership with the disabled community in order to determine how we can serve that population better.

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.

As stated earlier, the funding available in the community, especially the funding that is funneled through the CNS office will be used to address the needs identified in the 2005 – 2010 Consolidated Plan as well as this year's Action Plan.

OTHER NARRATIVE

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

Community Development Block Grant 2008 - 2009

<u>Organization/Agency</u>	<u>Activity</u>	<u>City Comm Final</u>
Love INC	Handicap Ramps*	\$2,500
American Red Cross	Senior Transit*	\$3,500
West Michigan Veterans	Food Bank/Transportation*	\$2,850
Sacred Suds	Laundry/Shower*	\$2,850
COM - DPW	Senior Transit*	\$42,500
COM - Planning CDBG Code Enf	Code Enforcement	\$40,000
COM - Planning Comm Economic Dev	Façade	\$5,000
COM - CNS CDBG Service Delivery	Delivery Service	\$70,000
COM - Finance Bond Repayment	Fire Station Bond	\$149,169
HealthCARE	Health Outreach*	\$3,000
Legal Aid	Legal Services*	\$3,500
Legal Aid	Foreclosure Legal Aid*	\$8,500
Muskegon Community Health Project	Diabetes*	\$2,750
COM - CNS CDBG Administration	Admin **	\$168,500
COM - Engineering Street Construction	Street	\$48,500
COM - Leisure Services	Recreation*	\$73,000
COM - CNS CDBG Siding	Siding	\$172,500
COM - CNS CDBG Emergency Repair	Emergency Repair	\$175,000
COM - Inspections Dangerous Bldgs	Demolition	\$43,500
COM - Affirmative Action	Affirmative Action	\$4,500
	Total CDBG Request	\$1,021,619
	Total CDBG Allocated	\$984,207
NOTE:	Expected program income	\$40,000
* Public Service	Total	\$1,024,207
	Allocated/Request	
** City CDBG Administration	Difference	\$2,588
	Total Amt of Public Service*	\$144,950
	Public Service mandated Amt <=/ to 15%	\$153,631
	Difference	\$8,681
	Total Amt of City Administration Request**	\$168,500
	Administrative mandated Amt < 20%	\$204,841
	Difference	\$36,341

HOME Grant 2008 - 2009

Organization/Agency	Activity	City Comm Final
Bethany Housing Ministries	Housing Transition Asst****	\$57,500
CNS	HOME Administration***	\$25,000
CNS	HOME Tax Reverted Rehabilitation	\$47,500
CNS	HOME Rental Rehabilitation	\$32,500
CNS	HOME Infill New Construction	\$80,000
CNS	Foreclosure Prevention Assistance	\$35,000
Habitat for Humanity	Infrastructure/construction (5 homes)****	\$55,000
NIC	Home purchase rehab loans****	\$55,000
	Total HOME Request	\$387,500
	Total HOME Allocated	\$290,049
	(+) Program Income	\$100,000
		\$390,049
	Allocated/Request Difference	\$2,549
	Total Amt of HOME Administration***	\$25,000
	Total Amt mandated Amt = 10%	\$39,005
	Difference	\$14,005
	Total Amt of HOME CHDO request****	\$167,500
	Total Amt mandated 15%	\$58,507
	Difference	(\$108,993)

NOTE:

*** Home Administration

**** CHDO Request