

CITY OF MUSKEGON
COMMUNITY AND NEIGHBORHOOD
SERVICES

2009 – 2010

5th Year

CONSOLIDATED ANNUAL
PERFORMANCE
EVALUATION REPORT

TABLE OF CONTENTS

Table of Contents-----	Page 2
Executive Summary-----	Page 3
Objectives-----	Page 4
General Questions-----	Page 9
Objectives-----	Page 9
Modifying Program-----	Page 10
Fair Housing-----	Page 11
Operation R & R-----	Page 11
Leveraging-----	Page 15
Home Match Requirement-----	Page 16
Managing the Process-----	Page 16
Citizen Participation-----	Page 16
CDBG & HOME Activity 2009-2010-----	Page 16
Institutional Structure-----	Page 17
Monitoring-----	Page 17
Lead-based Paint-----	Page 18
Healthy Homes Lead Grant-----	Page 19
Outreach Activities-----	Page 20
Housing Needs-----	Page 22
Specific Housing Objectives-----	Page 23
Public Housing Strategy-----	Page 23
Barriers to Affordable Housing-----	Page 23
HOME/American Dream Down-Payment Initiative-----	Page 24
Homeless Needs-----	Page 24
Emergency Shelter Grant-----	Page 24
Community Development-----	Page 25
Antipoverty Strategy-----	Page 25

FIFTH PROGRAM YEAR CAPER 2009 - 2010

Executive Summary

The City of Muskegon completed the fifth year of its' 2005-2010 Consolidated Plan that was accepted by the U.S. Department of Housing and Urban Development in 2005. During the 2009-2010 fiscal year several projects were completed in the housing and neighborhood improvement areas. A year ago, according to the Michigan Department of Labor and Economic Growth, the June 2009 unemployment rate for the City of Muskegon was 21.2%, far above the county, the state of Michigan and the entire country. As of July 2010, the State unemployment rate is 13.2%. Locally we enter a 6th year under our 2005 – 2010 Consolidated Plan with an unemployment rate of 13.9. Because of the significant unemployment rate in the City, a significant number of issues have developed in relationship to the City's overall health that range from diminishing tax revenues, reduction in services, laying off of City workers, an escalating number of foreclosed homes in the community and a continuing increasing number of families in our community that find themselves without health insurance. In addition, the last few years have seen a reduction in our entitlement allocations, while the number of eligible low/moderate-income households has grown substantially in just one year.

The City of Muskegon's CNS office has tried to redirect its' program to the immediate needs of our residents, while continuing to promote neighborhood redevelopment and sustainability. Some of the areas that have been included in the CNS program in the last year or so are energy conservation, neighborhood revitalization, education and workforce promotion, health related issues and infrastructure improvement.

Last year was a very productive year, although the need in our community is continuing to outpace the available funding, and in some cases, the capacity of our staff. With that said, as of this date the majority of the established goals or accomplishments have been met.

Unfortunately, the present economy has become the overriding issue in our community development efforts. The City of Muskegon, although at a very challenging period economically, finds us in an opportune time in our community's history. This is our opportunity to become a more economically diverse community, to become a leader in 'green' construction, to be a more sustainable community and to recreate our present workforce while preparing the next generation of workers and business owners to be leaders in the every changing global economy.

The CNS office continues to work toward meeting or exceeding its goals and objectives that were established in the 2005-2010 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.

2009-2010 Accomplishments: No homes were built under the Infill program last fiscal year; however, Muskegon County Habitat for Humanity completed 2.

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

GOAL REACHED

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.

2009-2010 Accomplishments: one (1) home was totally rehabilitated last year through NSP funding.

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

GOAL REACHED

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.)

2009-2010 Accomplishments: 80 homes assisted with either emergency repair and/or vinyl siding (58 emergency repairs/22 vinyl sidings).

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

EMERGENCY GOAL REACHED

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

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

2009-2010 Accomplishments: Completed eight (8) units rehabilitated rental units (1 duplex and 6 single-family homes).

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

GOAL REACHED

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.

Goals: To demolish 20 dangerous structures throughout the City.

2009-2010 Accomplishments: Demolished 17 dangerous structures and boarded up 45 open, dangerous properties.

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

GOAL REACHED

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

2009-2010 Accomplishments: Assisted 12,533 persons through the Public Service Community.

Aggregate Accomplishments: 32,696

GOAL REACHED

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.

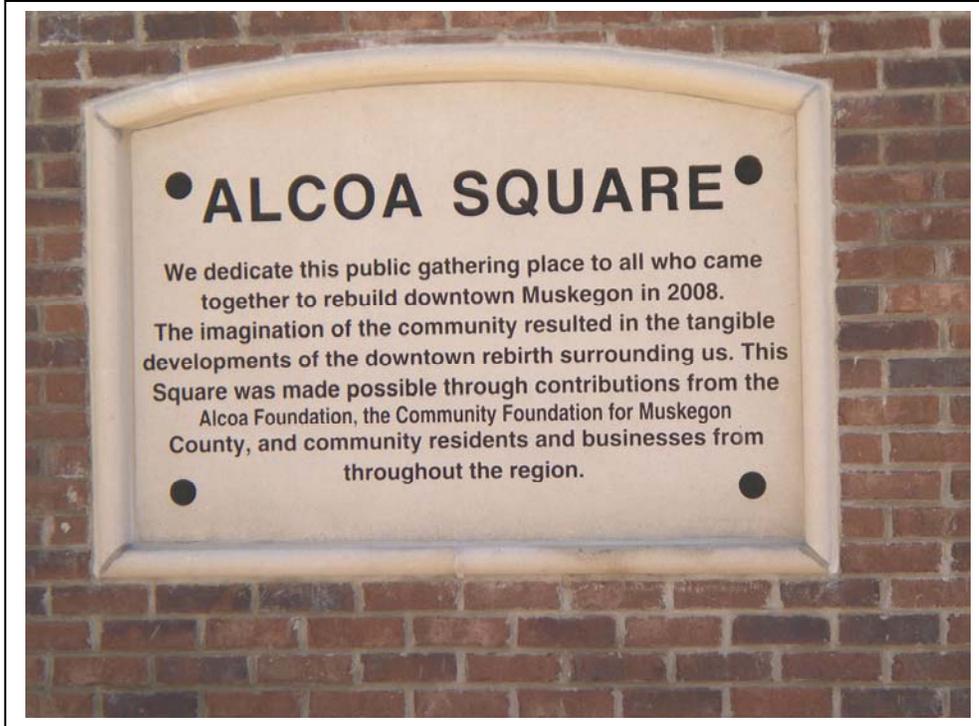
Objective 8: To use available funding to improve the City's overall economic status, by creating a physical infrastructure to attract new businesses and by creating a network to promote economic development.

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, out 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 help to cement the physical infrastructure, attracting new businesses.



The City of Muskegon's downtown or 'Center City' area is continuing to experience its renaissance. We are continuing to see businesses relocate or plant their initial roots in our downtown area. The redevelopment of our downtown has been a continuous, positive occurrence during these difficult economic times.





General Questions

During the 2009-2010 fiscal year, the Community Development Block Grant Entitlement was \$1,035,794.39 including program income. The funding was allocated in the following manner to correlate with the established goals and objectives that were established in the City's 2005-2010 Consolidated Plan.

Objective 1: New Construction – \$0 was committed to new construction housing during the 2009-2010 fiscal year. Due to the present housing market, no funds were spent in this category during the last fiscal year. The funding was committed from the HOME Entitlement.

Objective 2: Total Housing Rehabilitation - A total of \$0 was committed to the rehabilitation of formerly vacant, abandoned houses throughout the City during fiscal year 2009-2010. Again, because of the current fragile housing market and the current inventory of homes the CNS office has, no funds were spent in this category during the last fiscal year.

Objective 3: Emergency and Vinyl Siding Repair - A total of \$178,490.46 was spent eliminating emergency housing repair on owner-occupied, low/moderate- income residents' homes during fiscal year 2009 - 2010. A total of \$134,330.87 was also spent on assisting low/moderate income homeowners with Vinyl Siding installation. The funding for both activities was allocated from the City's CDBG funds.

Objective 4: Rehabilitation of Rental Units – A total of \$102,992.55 was reported to assist seven investment owners with the rehabilitation of their rental property during the 2009-2010 fiscal year. The funding was allocated from the HOME Entitlement.

Objective 5: Elimination of Blight – A total of \$43,500 was allocated to assist the City on eliminating blight from the community. The funding was allocated from the CDBG Entitlement.

Objective 6: Public Service Support – A total of \$225,576 was allocated to assist several City departments, as well as public service agencies/non-profit organizations, in attacking social ills. The funding was allocated from the City's CDBG Allocation.

Objective 7: To allocate funding to replace and improve the City's infrastructure. A total of \$199,119 was allocated to replace and upgrade the City's infrastructure, including bond repayment. The funding was allocated from the CDBG funds.

As mentioned in the 2008-2009 CAPER, the City of Muskegon has exceeded most of the goals established in the 2005-2010 Consolidated Plan which concluded at the end of the 2009-2010 fiscal year. Although most of the programs continue to make a significant impact on the community, the weak economy has dictated the need to redirect some of our attention from strictly neighborhood redevelopment to

neighborhood maintenance programming. Some examples of our attempt to redirect our community planning was the need to allocate funding during the 2008-2009 fiscal year to Foreclosure Prevention; because of the impact of the subprime mortgage activity, which has had a negative effect on our neighborhoods throughout the City not just in the low/moderate-income neighborhoods, but throughout our community. Unfortunately, the pilot program that was developed by the CNS office, to assist low/moderate income households who were in jeopardy of being foreclosed or were in foreclosure, was declared ineligible by our HUD field office. This is very unfortunate because it is the opinion of the CNS staff that the program could have been the lifeline for several households who were or are fighting to keep their homes. Also, the fragile economy has significantly slowed down our ability to sell both our total rehabilitated homes and our infill houses. We found ourselves having to “stir” our creative juices to come up with something to get some of our homes occupied while still trying to meet our mission of promoting homeownership and continuing to increase the owner- occupancy rate in our central neighborhoods.

As an entitlement community of the Neighborhood Stabilization Program through MDHSA, we established a way to combat the foreclosure crisis. The City of Muskegon developed the “Lease with Option to Purchase” program that was originally targeted at two of our homes that have been on the market for almost two years. The pilot program homes were 867 Williams and 435 Monroe, which are still under contract. We look forward to both of the families being able to obtain a mortgage to purchase the said homes in the next eight months or less. Since the implementation of the program, the CNS office added two other homes to be eligible under the Lease to Option to Purchase program: 218 Catherine and 451 Isabella, which are currently occupied. Because of the difficulty that many of our residents are having in qualifying for a mortgage, the Lease with Option to Purchase program is an opportunity for the potential homebuyer to move into the affordable home immediately. It gives them the opportunity to improve their financial situation, while helping the City, and more specifically the immediate neighborhood, by having someone move into the area who wants to be a homeowner and a resident of the community.

Modifying Program

There are many factors currently being researched in order to determine if it is in the best interest of our programs and the citizens to make any changes to our existing program.

Under the Muskegon Lead S.A.F.E. program, community outreach increased the number of investment property owners (landlords) interest in our Lead. Lowering the landlord contribution from \$1,500 to \$1,000 helped. Homeowners with major Lead issues signed up and we were forced to close the program. Funding sources were vanishing at a significant rate. By October 30, 2009, our program was completed

with 120 units abated and cleared of lead; 272 households were assessed and identified for Lead.

To ensure the completion of projects identified and initiated, we requested that the Weatherization Program dollars be allocated to the Lead program. Approval was granted and we completed and cleared another seven units before October 20, 2009, the program close date.

Community programs are designed to assist those individuals most at risk. Lead is hazardous for children under the age of 6 and being able to complete the last abatement projects of rental units is always a win-win situation.

Fair Housing

The City of Muskegon and the CNS office continue to affirmatively advocate fair housing in the City of Muskegon. Some of the impediments that were identified in the last Fair Housing Analysis produced for the City of Muskegon were the following:

- a. Insufficient income
- b. Large family size
- c. Unstable employment
- d. Insufficient knowledge of availability
- e. Race

The City of Muskegon is working diligently to improve the overall economic health of the City. It is the opinion of the City of Muskegon that as the overall economic health of the City improves, it will have an inverse effect on the listed impediments.

During the 2009-2010 fiscal year, several initiatives were produced in order to address obstacles in the targeted areas including Open Houses. By inviting neighborhoods to participate in our Open Houses celebrations, we are showcasing the affordable decent houses to families near or below 50% AMI.

Operation R & R - Reawakening and Resurgence

Through Operation R & R, the CNS office has sponsored community meetings during the last several years. It has become somewhat obvious that to truly revitalize our community, it will take a collaborative effort from all segments of all the community, and that it will take more than bricks and mortar to produce the egalitarian community we all envision. During the last three years, the City's CNS office has tried to develop programs that emphasize the importance of community, while showcasing the positive components of the community.

Operation R & R - Goals and Objectives

1. To totally rehabilitate 10 formerly abandoned blighted homes in one fiscal year.
2. To sell the 10 homes to low to moderate income first-time home-buyers (as owner-occupied residences).
3. To work with the citizens and service providers to improve the image of the targeted neighborhoods; both from within and outside the community.
4. To improve both the economic health of the targeted neighborhoods and the physical health of the neighborhoods and its residents.
5. To have significantly controlled new commercial investment in the area, while supporting the existing businesses in the neighborhoods.

Operation R & R Activities

The CNS office continued to offer programs that were directly related to the established Operation R & R objectives. Hosting monthly NAM meetings to support neighborhood empowerment, health related activities and neighborhood improvement activities, as well as community outreach activities are another service to our Operation R & R objectives. Community input is vital to productive programs that deliver services to those in most need. Future meetings will assist us in preparing the Five-year Consolidated Plan.

Academic Olympics

During fiscal year 2009-2010 the City of Muskegon, in conjunction with the Muskegon Public School system presented the Second Annual Muskegon Unity Academic Olympics for students in the Community in grades 1st thru 8th. The production of the program again produced an impressive collaboration throughout the community: City of Muskegon, Muskegon Public Schools, members of the local financial community, the local community foundation, the community college, local businesses and local public service agencies, along with local residents who volunteered. The students competed in five categories: general knowledge, math, language, technology and vocational knowledge.

It is the City's position, along with many in the community, that the community must exhibit the quality of life in the future that will make us attractive to new businesses and residents. In order for us to accomplish that, we must assure that our students today will have the skills to be competitive in the global economy tomorrow. The event was designed to stress the importance of our youth reaching their academic potential, while hopefully helping to prepare for Muskegon's future workforce for the competitive global job market of the future. The Muskegon Unity Academic

Olympics is one additional program that is assisting the City of Muskegon in meeting one of its objectives that was established in the 2005 – 2010 Consolidated Plan by promoting positive programming for the youth in the community and showcasing the cohesiveness of the community.







Leveraging

Several of the programs or activities that were accomplished during the last fiscal year included the ability to leverage funding from other entities or other funders.

Several of the City's CHDO's have been able to leverage other funding from several financial institutions and the Michigan State Housing Development Authority because of their HOME allocation from the City of Muskegon. As an entitlement community, MSHDA is now providing us with funds that will be used to leverage future projects owned by the City.

Through the City's new Lead S.A.F.E. program, the City has been able to leverage additional funding by requiring that every owner-occupied homeowner who applies for the program, investment owner and landlords are required to pay into the program as well. In addition, from all the materials purchased from two local lumber yards, Keene Lumber and Weber Lumber under the Lead program, the City will receive a 10% credit which will be allocated at the end of the year and put back into the program for materials.

Home Match Requirement

The City of Muskegon is not required to satisfy any match as it relates to their entitlements in either CDBG and/or HOME.

Managing the Process

The City of Muskegon Community and Neighborhood Services office reveals its anticipated activities and projects during the Citizen Participation Period, to ensure that any proposed activities are in compliance with all City of Muskegon and HUD guidelines. Before an activity is approved for funding, the CNS staff must assure it's OK with the established goals and objectives produced in the 2005-2010 Consolidated Plan. The CNS office then holds a public hearing to receive comments from the public and service providers concerning the proposed activities.

The CNS staff first qualifies all proposed activities. The next step, before possible approval for allocation, is that both the Citizen's District Council and the City Commission review the activities.

Citizen Participation

During the Public Hearing at the August 23, 2010 City Commission meeting, there were no comments. At the August 17, 2010 Citizen's District Council meeting, the group was glad to see the City of Muskegon had used the funding to assist so many residents; however, some would like to see more money spent on the community and not just mortar and bricks. They are hoping this will be accomplished through input in the Five-year Consolidated Plan currently being developed.

CDBG Activity

<u>Name of Activity</u>	<u>Originally Funded</u>	<u>Spent</u>	<u>Location</u>
Emergency Repair	\$176,500.00	\$178,490.46	City Wide
Vinyl Siding	\$172,500.00	\$134,330.87	City Wide
CDBG Code Enforcement	\$ 45,000.00	\$ 45,000.00	Census Tracts
Leisure Services Program	\$ 80,000.00	\$ 64,123.44	Census Tracts
Dangerous Buildings	\$ 43,500.00	\$ 43,500.00	Targeted Area
Street Construction	\$ 48,500.00	\$ 0.00	City Wide
Façade Improvement	\$ 8,500.00	\$ 2,206.16	Targeted Area
Senior Transit	\$ 42,500.00	\$ 42,500.00	City Wide
CDBG Delivery Services	\$ 70,000.00	\$ 57,436.76	City Wide

CDBG Administration	\$158,500.00	\$203,637.01	N/A
Community Based Organizations	\$ 37,076.00	\$ 27,006.37	City Wide
Fires Station Bond Repayment	\$150,619.00	\$150,618.96	Central downtown
Affirmative Action	\$ 4,500.00	\$ 4,500.00	City Wide
Summer Interns	\$ 8,000.00	\$ 6,215.19	City Wide
Total	\$1,045,695.00	\$959,565.22	

HOME Activity

CHDO Support	\$146,000.00	\$ 98,000.00	City Wide
Rental Rehabilitation	\$ 74,727.00	\$ 39,091.27	City Wide
HOME Administration	\$ 25,742.00	\$ 42,762.62	City Wide
Weatherization Program	\$150,000.00	\$ 0.00	City Wide
Total	\$396,469.00	\$179,853.89	

Institutional Structure

There have not been any obstacle gaps in the City of Muskegon's institutional structure as it relates to the City's CDBG and HOME Programs. At this time it appears that the coordination of the programs is adequate.

Monitoring

Most of the activities are monitored on at least a quarterly basis. All Subrecipients are required to submit a quarterly report at the beginning of each quarter. In addition, Subrecipients and CHDO's have at least one physical on-site monitoring visit each year. The City's HOME and CDBG programs are meeting the goals and objectives established in the City's 2005-2010 Consolidated Plan.

Self Evaluation: It is hoped that the programs developed by the City of Muskegon, and the Subrecipients and CHDO's, have a significant effect on solving the neighborhood and community problems in the City.

The CNS programs are targeted at six specific areas, which are:

1. Housing
2. Health
3. Infrastructure Improvements
4. Youth Services
5. Senior Services
6. Public Services

It is the philosophy of the CNS staff and the City of Muskegon that a collaborative concentrated effort between the City of Muskegon and her partners are working

toward solving many of the issues that our community is in conflict with. Several recent issues have made the conflict more problematic. A recent significant increase in the number of housing foreclosures in the City has created a surplus of vacant housing, especially in some of the targeted neighborhoods. The increase in vacant housing has produced a blighting effect in many of the same neighborhoods where the CNS office and its partners have and are making substantial investments.

Through the CNS programs, whether it is the Emergency Repair/Vinyl Siding Program, under the CDBG umbrella or the Infill and Total Rehabilitation program under the HOME Partnership program, all of those aforementioned activities work to provide decent housing and a good living environment for all our residents. As in past years, the 2009-2010 CNS fiscal year went well with few, if any, real problems.

All other activities being financed or assisted with entitlement funding are on schedule.

The indicators used to determine if the City of Muskegon is truly meeting its objectives are the following:

- ❑ Number of households serviced
- ❑ Number of individuals served
- ❑ Number of housing units assisted
- ❑ Number of houses totally rehabilitated
- ❑ Number of low/moderate-income residents served
- ❑ Number of new constructed homes
- ❑ Number of person trained

Lead-based Paint

All CNS projects, where required by HUD statues, are tested for possible Lead-based paint hazards. When required, the Lead is properly abated by Certified Contractors in our effort to eliminate Lead from our community.



Through other funding sources, we were able to continue serving our homeowners and rental housing families identified with Lead hazards in their homes. Program dollars were reallocated to accommodate 13 rental units inspected through our Lead program.

Healthy Homes Lead Grant *Muskegon Lead S.A.F.E. Program*

This is the second year of the City of Muskegon's CNS office administering the Muskegon Lead S.A.F.E. (Support, Abatement, Family, Education) program, which is being funded by a grant from the healthy Homes division of the U. S. Department of Housing and Urban Development. As mentioned in last year's CAPER, the City was awarded a three-year \$2 million grant for Lead abatement, Lead training and Lead education. The following housing units were inspected and abated for Lead during the last fiscal year.

Risk Assessments (Inspections) and Clearances

1364 Randolph
390 Amity
1873 Glen
1109 Allen

1716 McIlwraith
1112 Green
423 Isabella
1090 Apple

884 Marquette
428 Houston
914 W. Southern (2 unit)
1110 Emerson

1239 Terrace (4 unit)	655 Evanston	1680 Hudson
522 Orchard	1022 Jefferson	1519 Glen
1337 Marquette	1388 Winters	328 E. Dale
1053 W. Dale	1467 Samburt	758 W. Grand
672 E. Isabella	1447 Henry	1191 Wood
834 W. Southern	166 Mason	1410 8th
757 Louis	1351 Chestnut	834 W. Dale
997 W. Forest	696 W. Dale	683 Apple
531 McLaughlin	576 Houston	1705 Smith
1788 Smith	181 Allen	550 Houston
407 Monroe	525 Abbey	916 Superior
559 Houston	1029 Allen	111 E. Grand
1354 Frances	540 Orchard	1388 6 th
1468 Oak	1826 McIlwraith	

Outreach Activities

In addition to the Academic Olympics that was discussed earlier, another component of that program was what we called the Tot Spot or Wajuvia Peponi aka ‘children’s paradise.’ The activity was for children from 0 to 5 years of age, which included physical and early motor skills and educational activities for the kids as well as allowing the parents the opportunity to have their children tested for Lead on-site. In partnership with our community partners, the CNS office has participated in several programs in the last fiscal year that was outreach to the community.

In addition, all of the Public Services that the City approved last year, which included services for veterans, seniors, the disabled, youth, non-insured individuals and those needing legal assistance, serve a large number of Muskegon residents through their outreach efforts. The number served by each Subrecipient was the following:

American Red Cross	7,437
Community enCompass	446
HealthCare	1,774
Legal Aid of Western Michigan	347
Love INC	6
Muskegon Community Health Project	1,783
West Michigan Veterans	740

Through the City’s Lead S.A.F.E. Program, a total of 91 children were documented with elevated Lead blood levels through countless outreach activities and events held before the program ended. We also trained approximately 44 adults in Safe Lead Abatement practices last fiscal year. We also sponsored Lead Abatement Certification classes.





Housing Needs

Directed by the Consolidated Plan, CNS has maintained an aggressive neighborhood revitalization program. The Department has an Infill Program where newly constructed, affordable housing was built mainly in the target low/moderate-income neighborhoods. The Housing Rehab program addresses the worst house on the block to make it the “best” house on the block. These two programs, utilizing funds through the Emergency Repair program, Vinyl Siding Assistance program for homeowners and the Rental Rehabilitation program are all designed to help the City maintain and/or produce affordable housing in our community. This last year we continue to see a number of big ticket residential items replaced as it relates to the condition of housing in our community; items like antiquated plumbing and electrical, significant structural damage and aging infrastructure, water service and/or sewage capacity. In addition, as more of our seniors chose to remain in their homes, several items are being proposed to the department that is beyond our economic capacity. These projects requiring substantial costs in the 10’s of thousands is not doable.

The City of Muskegon is a relatively older community with one of the oldest housing stocks in the entire state of Michigan. The housing needs of the community vary by the situation. There is a need for large quality housing for large families and there is a need for small households. There is significant need for housing assistance by a

number of low/moderate-income residents since Section 8 housing vouchers have been exhausted in Muskegon County, and many residents are having an economic hardship because of the current economic environment.

Specific Housing Objectives

As illustrated earlier, the City of Muskegon's Community and Neighborhood Services is continuing to develop and redevelop affordable housing for low and moderate-income residents. Due to the current market, one house was sold during the last fiscal year. The City is diligently continuing to market the availability of the houses to eligible home-buyers and one leased under our Lease with Option to Purchase program.

For several years the CNS office has attempted to build a totally handicap accessible house for a special needs family or a family that has a special needs member. One factor that has been a stumbling block is the difficulty of finding a special needs family or a family with a special needs member who can qualify for a mortgage. The CNS office will continue to work with the local Disability Awareness Council and other related non-profits and agencies that work with persons with disabilities and their housing needs. In order to make the goal of producing a handicap accessible home to a qualified low/moderate income family a reality, the CNS office will market its intent to the disabled population and the service providers. It is hoped that the CNS office and the Disability Awareness Council will be able to partner together to construct a totally accessible home through the Neighborhood Stabilization fund that the City will receive from HUD, being administered through the Michigan State Housing Development Authority (MSHDA).

Public Housing Strategy

The Muskegon Housing Commission is continuing to make the upgrades and improvements to the Hartford Terrace Complex, as were established in their five-year Comprehensive Plan. The Muskegon Housing Commission has experienced several cuts in funding from HUD, but the agency continues to supply a high level of service to their clients who are all low income.

Barriers to Affordable Housing

As stated earlier, "the department's CDBG programs that deal with Emergency Repair and Vinyl Siding Assistance, as well as the HOME programs which construct new housing and/or totally rehabilitate houses and then market to low and moderate-income home-buyers, are the main mechanism(s) that the CNS office uses to break down the barriers to assure affordable housing." Although there is housing available

in the City for an affordable price, there are other barriers to restricting individuals from obtaining quality affordable housing and the majority of those issues are related to economics. As has been stated several times “the City of Muskegon, along with the County and several other partners, are working diligently to strengthen the area’s economic base.” As stated earlier, the main barrier to eliminating barriers to quality housing and economic stress would be an improved local economy; especially as it relates to our low/moderate population who find they are having a difficult time trying to obtain the “American Dream.”

HOME/American Dream Down-Payment Initiative (ADDI)

The City of Muskegon is not required to make a match to its HOME Entitlement.

Homeless Needs

The Muskegon Continuum of Care is working diligently in a collaborative effort to rid homelessness in Muskegon County by 2010. The Continuum is a group of local service providers who are combining their intellectual capital to develop programming that will assist the at-risk population of homelessness. Several of the members of the Continuum, and the City’s CHDO’s, offer transitional housing programs to assist the at-risk homeless population make the transition to permanent housing.

Three agency members of the Continuum of Care received funding through the Homeless Super N.O.F.A.:

1. West Michigan Therapy
2. Every Woman’s Place
3. Community enCompass

The City of Muskegon and its many partners are working to supply information concerning housing assistance, employment and legal assistance in an effort to prevent homelessness within our community.

Emergency Shelter Grant

The City of Muskegon is not eligible for Emergency Shelter funding.

Community Development

All of the City of Muskegon's Community Development Block Grant (CDBG) funds were used in relationship to the priorities, needs and goals established in the 2005-2010 Consolidated Plan. All of the funding areas are the highest priority activities. Although none of the CDBG funding in Muskegon is used to construct affordable housing, a large portion of the funding is used to assist low/moderate homeowners with home repairs and maintenance to keep their housing costs affordable. The main activities that meet this category are:

	No. Served	Amount
Emergency Repair	58	\$178,490.46
Vinyl Siding	22	\$ 134,330.87

The City of Muskegon's CDBG activities attack a number of areas that affect the quality of life of low/moderate-income persons in the Community. Although there has been some discussion concerning changing some of the guidelines of the City's CDBG program in order to produce much needed program income, it is also thought, by staff, that it may be necessary to implement into our guidelines a restriction on the number of times a household is eligible to receive assistance. The CNS staff will evaluate our process on a case-by-case basis to review a process for fair, impartial assistance.

The City of Muskegon has worked diligently to bring in additional funding. Several different potential funders include government agencies such the U. S. Department of Labor, local community foundations and private businesses that offer grant opportunities.

All of the CDBG's funding spent by the City of Muskegon or any of its Subrecipients met both the national objectives and the overall benefit certification. There was no displacement caused by any rehabilitation or demolition activity by the City of Muskegon CNS office. None of the City of Muskegon's CDBG activity was low/moderate job activities.

Antipoverty Strategy

Working with several different departments within the City of Muskegon, many of the service providers and members of the economic development community are combining their expertise in order to develop several mechanisms that will reduce the poverty rate in our City. The three main areas of concern are employment, education and health. It is the position of the CNS office that as our City continues to

redevelop itself, both residentially and commercially, it is important that we assist the most fragile of our population from the long-term poverty effects.

As new employers come to our community and the existing employers expand their operations and need additional employees, it is here that the partnership between the educational, job training and the economic development communities is most important; in order to prepare a significant portion of our low/moderate-income working age population and younger population with the skills both “hard” and “soft”, to be productive and successful in this ever-changing economy that we now live in.

The basic strategy to eliminate poverty in the City of Muskegon is to continue our redevelopment efforts throughout the City, but especially in the commercial and industrial area. The City continues to offer industrial tax abatements to area manufacturers in order to assist them in upgrading their equipment and expand their facilities. Some of the other tools and mechanisms that the City is using to improve its economic prowess are Smart Zone designations, Renaissance Zones, Neighborhood Empowerment Zones and Foreign Trade Zones. In addition, the City also offers site assessment grants, clean Michigan grants, Façade Improvement grants, Urban Land Assembly Grants and Employee Training grants.

It is imperative that the City, working along side the business community, continue to promote a diverse economy in order to assure long-term economic stability.

There are several factors that were discussed in the 2005-2010 Consolidated Plan that seem to show a significant correlation with the possibility of being at or below the poverty line. Some of them are:

- Single-family headed households
- Elderly households
- Long-term under and unemployed
- Low education achievement
- Early pregnancy
- Lacking the soft and hard skills to be marketable
- Changing economy from heavy industry to service and technology

During last fiscal year the City of Muskegon, through the CNS office, continued to supply CDBG funding to the following areas:

- Youth Services
- Senior Services
- Legal Services
- Housing Rehabilitation
- Code Enforcement
- Health Care
- Recreation
- Blight Elimination

- Infrastructure and Loan Repayment

It is the position of the City of Muskegon that allocating funding to these areas assists the City in keeping and improving the overall quality of life, in the community and also helps the City in fighting poverty. It assures that our low and moderate-income residents are not battling with housing cost burdens, which can be an extreme problem for low/moderate-income families who are trying to stretch their buying power to maintain some level of comfort.

As mentioned, Muskegon, like many other communities in the country, is attempting to stay aggressive in our community development efforts. We are witnessing the rebirth of our downtown right before our eyes.

“Muskegon Together Rising” echoes the sentiment of our future Consolidated Plan. Together we will build the local economy, employment base and stabilize our neighbors in our community.

