



CITY OF MUSKEGON
COMMUNITY AND NEIGHBORHOOD
SERVICES

2008 – 2009

4th Year

CONSOLIDATED ANNUAL
PERFORMANCE
EVALUATION REPORT

TABLE OF CONTENTS

Table of Contents-----	Page 2
Executive Summary-----	Page 3
Objectives-----	Page 4
General Questions-----	Page 7
Objectives-----	Page 7
Modifying Program-----	Page 9
Fair Housing-----	Page 10
Operation R & R-----	Page 10
Leveraging-----	Page 17
Home Match Requirement-----	Page 17
Managing the Process-----	Page 17
Citizen Participation-----	Page 18
CDBG & HOME Activity 2008 - 2009-----	Page 18
Institutional Structure-----	Page 18
Monitoring-----	Page 18
Lead-based Paint-----	Page 20
Healthy Homes Lead Grant-----	Page 21
Outreach Activities-----	Page 22
Housing Needs-----	Page 24
Specific Housing Objectives-----	Page 25
Public Housing Strategy-----	Page 26
Barriers to Affordable Housing-----	Page 26
HOME/American Dream Down-Payment Initiative-----	Page 26
Homeless Needs-----	Page 26
Emergency Shelter Grant-----	Page 27
Community Development-----	Page 27
Antipoverty Strategy-----	Page 28

THIRD PROGRAM YEAR CAPER 2007 - 2008

Executive Summary

The City of Muskegon completed the fourth year of its' 2005-2010 Consolidated Plan that was accepted by the U.S. Department of Housing and Urban Development in 2005. During the 2008-2009 fiscal year several projects were completed in the housing and neighborhood improvement areas. There also was a continuation of a new initiative developed two years ago that is attempting to establish a stronger linkage between the City of Muskegon, the religious community, non-profit community, educational institutions and the City's targeted neighborhoods that we call Operation R&R or Operation Reawakening & Resurgence. There are several factors that continue to affect the City of Muskegon community development activities, the first being the fragile economy that the community finds itself in battle with. 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. 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 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.

2008-2009 Accomplishments: No homes were built under the Infill program last fiscal year.

Aggregate Accomplishment: Since 2005, thirteen (13) 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.

2008-2009 Accomplishments: no homes were totally rehabilitated last year.

Aggregate Accomplishments: Since 2005, eleven (11) completed rehabilitated single-family homes.

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.)

2008-2009 Accomplishments: 101 homes assisted with either emergency repair and/or vinyl siding (87 emergency repairs/14 vinyl sidings).

Aggregate Accomplishments: Since 2005, 343 Emergency Repairs and 88 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.

2008-2009 Accomplishments: Completed six units rehabilitated rental units (2 duplexes and 2 single-family homes).

Aggregate Accomplishments: Since 2005, 16 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.

2008-2009 Accomplishments: Demolished 4 dangerous structures and boarded up 38 open, dangerous properties.

Aggregate Accomplishments: Since 2005, 50 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

2008-2009 Accomplishments: Assisted 10,861 persons through the Public Service Community.

Aggregate Accomplishments: 20,163

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: The City has been aggressively replacing and updating its infrastructure. During the last fiscal year a total of 10,000 linear street feet were replaced, along with sewage and water piping.

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 2008 – 2009, three commercial structures were completed that included two office buildings and one residential townhouse. In addition, a culinary instructional building, owned by Baker college, was near completion.

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 2008-2009 fiscal year, the Community Development Block Grant Entitlement was \$1,024,207 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 – \$80,000 was committed to new construction housing during the 2008-2009 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 \$47,500 was committed to the rehabilitation of formerly vacant, abandoned houses throughout the City during fiscal year 2008-2009. 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 \$304,822.13 was spent eliminating emergency housing repair on owner-occupied, low/moderate- income residents' homes during fiscal year 2008 - 2009. A total of \$69,729 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 \$25,623.28 was allocated to assist investment owners with the rehabilitation of their rental property during the 2008-2009 fiscal year. The funding was allocated from the HOME Entitlement.

Objective 5: Elimination of Blight – A total of \$372,500 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 \$144,977 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 \$149,169 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 2007-2008 CAPER, the City of Muskegon had met most of the goals established in the 2005-2010 Consolidated Plan two years before the commencement of the 2005-2010 period, which will conclude 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 is 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.

During the 2007-2008 fiscal year, 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. One home was originally purchased on the open market and the other was originally obtained through the tax-reversion process. Both homes are currently occupied by two families that have completed their first year in the program and we look forward to both of the families being able to obtain a mortgage to purchase the said homes in the next 24 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. We recently qualified another family for the program and that family is now residing at 218 Catherine. The only home remaining as a Lease with Option to Purchase home is the home at 451 Isabella. 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.



451 Isabella

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.

There were three changes made to our programming during the last fiscal year.

1. Under the HOME program, because of the current housing market and the low number of qualified first-time home-buyers, the first-time homebuyer requirement was 'dropped' from the program requirements.
2. Under the Muskegon Lead S.A.F.E. program, because of the number of investment property owners (landlords) who expressed an interest in our Lead program was so minute, it was decided to lower the landlord contribution from \$1,500 to \$1,000.
3. To increase the Lead funding eligibility for landlords from \$8,000 to \$12,000.

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

Many of those identified impediments are based on the overall health of the local economy, especially as it relates to income. Specifically, insufficient income and large family size; but, in addition, it has come to our attention that small family size can also be an impediment as it relates to the availability of housing.

During the last fiscal year, the Fair Housing Center of Southeastern Michigan completed the updated impediment study for the City of Muskegon and its' sister cities of Muskegon Heights and Norton Shores. The Detroit HUD office has requested that each community present a plan on how they plan to eliminate the impediments that were revealed in the impediment study. The City of Muskegon CNS staff is currently working on preparing to address those impediment issues.

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 2008-2009 fiscal year, several initiatives were produced in order to address obstacles in the targeted areas.

Operation R & R - Reawakening and Resurgence

In January of 2007, the City of Muskegon Community and Neighborhood Services office designed the project "Operation R & R" Reawakening and Resurgence." The intent of the project is to be a three-prong initiative. The first initial piece of the program is that the Community and Neighborhood Services office will totally rehabilitate 10 previously vacant and blighted homes throughout the City, with special emphasis on the Angell, McLaughlin, and Nelson neighborhoods.

The second phase of our Operation R & R initiative is to bring all of the public service providers in the community together with members of the targeted neighborhoods to direct their services to what the citizens feel are their actual needs and concerns.

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. This included neighborhood clean ups, support for neighborhood empowerment, health related activities and neighborhood improvement activities, as well as community outreach activities.

Academic Olympics

During fiscal year 2008-2009 the City of Muskegon, in conjunction with the Muskegon Public School system presented the First Annual Muskegon Unity Academic Olympics for students in the Community in grades 1st thru 8th. The production of the program 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.







The Operation R & R Initiative was recognized two years ago by the National League of Cities.

Since the implementation of the Operation R & R program, the department has sponsored several different activities as it relates to the established objectives of Operation R & R. One of the many things that have been learned by the CNS staff during this Consolidation Plan period of 2005 to the present is that to truly revitalize a community, it takes more than simply using the bricks and mortar concept of building or rehabilitating structures and houses.

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. Some of those activities have been community clean-ups, K-12 anti-litter poster contest and also workforce development activities.

ANTI-LITTER POSTER CONTEST WINNING POSTERS



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 State Housing Development Authority because of their HOME allocation from the City of Muskegon.

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 contributes \$150 towards the Lead abatement. For the investment-owner component of the Lead S.A.F.E program, landlords are required to pay the first \$1,000 per unit towards the abatement of their property(s). 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. Last fiscal year, the amount received from both Keene Lumber and Weber Lumber was \$24,184 of which \$21,223 was from Keene Lumber and \$2,950 was from Weber Lumber. In addition, the amount of funding produced by homeowners who are required to contribute \$150 of the first funding toward their Lead abatement was \$6,734. Investment owners are required to contribute \$1,000 per unit for their contribution to the Lead Abatement of their units; the amount was lowered from \$1,500. The total amount contributed by investment owners was \$24,000.

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

CDBG Activity

<u>Name of Activity</u>	<u>Originally Funded</u>	<u>Spent</u>	<u>Location</u>
Emergency Repair	\$175,000	\$304,822	City Wide
Vinyl Siding	\$172,500	\$ 66,725	City Wide
CDBG Code Enforcement	\$ 40,000	\$ 40,000	Census Tracts
Leisure Services Program	\$ 73,000	\$ 73,000	Census Tracts
Dangerous Buildings	\$ 43,500	\$ 22,800	Targeted Area
Street Construction	\$ 48,500	\$ 0	City Wide
Façade Improvement	\$ 5,000	\$ 0	Targeted Area
Senior Transit	\$ 42,500	\$ 42,500	City Wide
CDBG Delivery Services	\$ 70,000	\$ 68,132	City Wide
CDBG Administration	\$168,500	\$177,889	N/A
Community Based Organizations	\$ 29,450	\$ 24,469	City Wide
Fires Station Bond Repayment	\$149,169	\$149,169	Central downtown
Total	\$1,017,119	\$969,506	

HOME Activity

CHDO Support	\$202,500	\$ 82,093	City Wide
Tax Reverted Rehabilitation	\$ 80,000	\$ 54,829	City Wide
Rental Rehabilitation	\$ 32,500	\$ 22,175	City Wide
Infill/New Construction	\$ 47,500	\$ 6,698	City Wide
HOME Administration	\$ 25,000	\$ 27,284	City Wide
Weatherization Program	\$ 63,085	\$ 62,753	City Wide
Foreclosure Prevention	\$ 35,000	0	City Wide*
Total	\$450,585	\$255,832	

*Activity disallowed by HUD

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. Last year's monitoring visits revealed that the Subrecipients/CHDO's are continuing to meet their goal of assisting low/moderate-

income families to remain secure and safe in their homes, and that the remaining activities included in the City's HOME and CDBG programs are meeting the goals and objectives established in the City's 2005-2010 Consolidated Annual Performance Evaluation Report.

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. The increase in the un/under-employed population, especially in some of the targeted neighborhoods, is affecting the overall quality of life. 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. Another issue that is affecting the goals and objectives of the City of Muskegon's CNS program, because of the fragileness of the local economy, is that many residents who were insured by their employer find themselves and their families without health insurance because of the loss of employment. This can be a factor in the overall health of many low/moderate residents in our community. As stated earlier, the CNS office is on target to meet all of the objectives and goals that were established in the 2005-2010 Consolidated Plan.

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 2008-2009 CNS fiscal year went well with few, if any, real problems. Also, the majority of the program was on schedule with few significant issues revolving around the program.

Except for the City's Infill program and Tax-Reverted programs, all other activities being financed or assisted with entitlement funding are on schedule or there were additional persons assisted out of that category.

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. When required, the lead is properly abated by Certified Contractors in our effort to eliminate lead from our community.



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

1340 Ducey	1576 Sixth	595 Amity
1991 Kinsey	627 Apple	676 Allen
2507 Westwind	1476 Sherman	1976 Leahy
943 Catherine	1360 Eighth	606 Houston
1225 Fifth	708 Orchard	82 W Dale
1708 Smith	1136 Wood	503 Houston
655 Amity	1356 Evanston	1832 McIlwraith
1936 Ray	643 Allen	460 Catawba
690 Evanston	1477 Leahy	1173 Apple
1459 Madison	625 Getty	993 Windsor
412 Yuba #1 & 2	758 Evanston	862 Getty
807 Wood	1072 Green	976 Forest
1885 Jarman	753 Hill	1052 Dale
1716 McIlwraith	935 Ada	1138 Grand
1349 Montague	230 W Forest	1540 Pine
1712 Ray	105 Diana	202 Catherine

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.



The City of Muskegon
CNS office presents

Wajuvia Peponi

a.k.a.

CHILDREN'S PARADISE/

TOT SPOT



Fun activities for
toddlers to 5
years old.

Activities include:

- Moon walk
- Miniature Train
- Coloring
- Story time
- FREE Lead Testing for kids under 6

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	6,375
Community enCompass	641
HealthCare	1,795
Muskegon Community Health Project	873
Legal Aid of Western Michigan	320
Love INC	6
West Michigan Veterans	851

Through the City's Lead S.A.F.E. Program a total of 79 children were tested for elevated Lead blood levels. We also trained approximately 40 adults in Safe Lead Abatement practices last fiscal year.





Housing Needs

For the last six years the City of Muskegon has maintained an aggressive neighborhood revitalization program. Two years ago the department initiated Operation R & R (Reawakening and Resurgence), which was a program whose original goal was to totally rehabilitate ten (10) formerly abandoned, vacant homes throughout the targeted neighborhoods. Once the houses were rehabilitated, they were to be marketed to qualified first-time home-buyers. The Department also has an Infill Program, where newly constructed, affordable housing was built mainly in the target low/moderate-income neighborhoods. These two programs, along with the Emergency Repair program, the 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. Last fiscal year the City, in partnership with the Nova Group of Detroit, developed an Energy Conservation/Weatherization Program for Senior Citizens. The program included testing for air leakage, testing furnaces and water heaters and the replacement of non-energy efficient materials i.e. insulation, windows, doors, etc. This illustrated the

need for updating our existing housing stock to be more energy efficient, especially as it related to our low/moderate-income population. The last year has seen 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 as it relates to 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. For example, installing elevators in homes where seniors no longer are able to climb stairs, etc.

It is the opinion of the City of Muskegon's CNS office that some entitlement funding, especially out of the HOME allocation, should be allowed to be used for direct assistance to homeowners in foreclosure or nearing foreclosure. It is our position that this type of program could have stopped the avalanche of foreclosure that not only the City of Muskegon witnessed, but was experienced throughout the county.

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 has 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, no houses were sold during the last fiscal year. The City is diligently continuing to market the availability of the houses to eligible home-buyers.

Even though the City was not able to sell any homes last fiscal year, the CNS office is well ahead of established goals as it relates to the sale of housing. Therefore, the City has performed well in its efforts to offer housing opportunities to the low and moderate-income residents of the community as it relates to Section 215.

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 | \$ 13,581 |
| 2. Every Woman's Place | \$ 27,749 |
| 3. Bethany Housing | \$ 23,870 |

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	73	\$304,822.13
Vinyl Siding	29	\$ 66,725.28

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. At this time, however, with the present state of the local and state economy, it is thought that the City's CDBG program will be most effective at this time by remaining status quo, until more information is gathered to determine the best way to continue assisting as many low/moderate households, which the City's shrinking entitlement will allow.

All certificates of consistency awarded or issued by the CNS office were or are independently reviewed by the CNS staff and evaluated on a uniform basis, in order to assure that the review process is conducted in a fair and impartial manner.

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. Currently, the City of Muskegon's unemployment rate is hovering between 19 and 21%, which is double the National rate of 9.7% and also more than the State of Michigan's current rate of 15.29%.

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 throughout this document the City of Muskegon, like many other communities in the country, is attempting to stay aggressive in our community development efforts. We are in a constant battle with a downward spiraling economy which has included lay-offs, long-time businesses closing, and a surplus of housing on the market, decreasing tax revenues, large numbers of housing

foreclosures and what sometimes seems like an exponential growth in our low/moderate-income population.

However, all is not bad in the City of Muskegon as we are witnessing the rebirth of our downtown right before our eyes. As our Lead program theme song states, we are seeing the City of Muskegon tell Lead to hit the road, get out of our town and “don’t come back no more.” We are witnessing new businesses and new companies set up roots in our community. We are seeing our residents pull together in many different areas in our community to show the real definition of community. Though times may be somewhat tough, so are the residents and the City of Muskegon.