



**CITY OF MUSKEGON**  
**COMMUNITY AND NEIGHBORHOOD**  
**SERVICES**

**2010 – 2011**

**6<sup>th</sup> Year**

**CONSOLIDATED ANNUAL**  
**PERFORMANCE**  
**EVALUATION REPORT**

**DRAFT**

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# SIXTH PROGRAM YEAR CAPER 2010 - 2011

## Executive Summary

The City of Muskegon completed the sixth year of its' 2005-2010 Consolidated Plan that was accepted by the U.S. Department of Housing and Urban Development as an extended year. During the 2010-2011 fiscal year, several projects were completed in the housing and neighborhood improvement areas. The 2010 Census was performed and data results have been slowly released to the public. As of July 2010, the State unemployment rate was 13.2%. From the Bureau of Labor Market Information & Strategic Initiatives, the unemployment rate for Muskegon as of May 2011 is 10.4%, with the state level being 10.5% which is almost the highest in the United States. Because of the continued high 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.

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. Most of the activities that have been included in the CNS program in the last year were the Neighborhood Stabilization Program initiative through the Michigan State Housing Development Authority.

Last year was a very productive year, in spite of the capacity of our staff: 15 demolitions, eight rehabs scattered throughout the City of Muskegon of which three sold to eligible households. With that said, as of this date the majority of the established goals or accomplishments had been met during the five years established in the 2005 – 2010 Consolidated Plan.

The CNS office has exceeded its goals and objectives that were established in the 2005-2010 Consolidated Plan during this sixth year.

**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.

**2010-2011 Accomplishments:** No homes were built under the Infill program last fiscal year; however, Muskegon County Habitat for Humanity completed 1.

**Aggregate Accomplishment:** Since 2005, sixteen (16) completed single-family houses.

**GOAL SURPASSED**

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

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

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

**2010-2011 Accomplishments:** eight (8) homes were totally rehabilitated last year through NSP funding.

**Aggregate Accomplishments:** Since 2005, fourteen (24) completed rehabilitated single-family homes. Community enCompass completed two (2).

**GOAL SURPASSED**

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

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

**2010-2011 Accomplishments:** 94 homes assisted with either emergency repair and/or vinyl siding (83 emergency repairs/11 vinyl sidings).

**Aggregate Accomplishments:** Since 2005, 495 Emergency Repairs and 121 Vinyl Sidings have been completed.

**EMERGENCY GOAL SURPASSED**

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

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

**2010-2011 Accomplishments:** a two-unit rental was completed by Community enCompass.

**Aggregate Accomplishments:** Since 2005, 26 rehabilitated rental units completed.

**GOAL SURPASSED**

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

**Goals:** To demolish 20 dangerous structures throughout the City.

**2010-2011 Accomplishments:** Demolished 6 dangerous structures and boarded up 21 open, dangerous properties.

**Aggregate Accomplishments:** Since 2005, 73 dangerous structures were demolished.

**GOAL SURPASSED**

**Objective 6:** To assist and promote the public service community in attacking the social ills of the community in a plethora of areas through our non-profit Subrecipients.

**Goal:** 10,000

**2010-2011 Accomplishments:** Assisted 12,947 persons through the Public Service Community.

**Aggregate Accomplishments:** 45,643

**GOAL SURPASSED**

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

**Goal:** To continue to upgrade community's infrastructure.

**2010 – 2011 Accomplishments:** White Street road pavement was completed.

**Comments:** We identified \$267,182 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:** Our downtown received a boost by opening a culinary instructional building with a restaurant and bakery. Façade upgrades to existing buildings as well as the completion of two major structures help to cement the physical infrastructure, attracting new businesses.

**2010 – 2011 Accomplishments:** 60 new jobs were created downtown through companies and organizations.

**Aggregate Accomplishments:** 200+

**Comments:** We are very pleased with over 200 new jobs coming into the downtown area and look forward to more growth in the coming years.

## General Questions

During the 2010-2011 fiscal year, the Community Development Block Grant Entitlement was \$1,086,413; HOME entitlement was \$320,710. 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.

### CDBG ACTIVITIES

#### PUBLIC SERVICES

<b>1. West Michigan Veterans</b>	<b>\$3,500</b>
"Food Bank" Funding to assist veteran organization in supplying a food bank to Income-eligible veterans. 749 new clients were assisted.	
<b>2. healthCARE Project</b>	<b>\$3,500</b>
"Health screening to low-income residents" Funding to be used to assist low-income residents with health screenings. 1,575 new clients were screened.	
<b>3. American Red Cross</b>	<b>\$3,500</b>
"Senior Transportation Program" Funding to be used to assist with senior transportation to medical facilities. 528 new clients received transportation.	
<b>4. Legal Aid of Western Michigan</b>	<b>\$3,500</b>
"Counseling/Legal Education" Funding to assist with legal housing issues for low-income renters and homeowners. 306 new clients received legal assistance.	
<b>5. Legal Aid of Western Michigan</b>	<b>\$3,500</b>
"Foreclosure Legal Assistance" Funding to assist with legal foreclosure issues for low-income residents. 54 new clients were seen for foreclosures.	
<b>6. Community enCompass</b>	<b>\$3,500</b>
"Healthy Neighborhood Project" Funding for neighborhood project planning and nurturing community leaders. 487 residents were assisted.	
<b>7. Love INC</b>	<b>\$3,500</b>
"Handicap Ramps" Funding to assist non-profit with material cost to build disability ramps. Four households received ramps.	
<b>8. City of Muskegon Leisure Services Department</b>	<b>\$70,000</b>
"Inner-City Youth Recreation" Funding to be used to assist inner-city youth recreation programs. 405 youth participated in the recreation programs.	
<b>9. City of Muskegon Dept. of Public Works</b>	<b>\$45,000</b>
"Senior Transit Program" Funding to be used to fund City's Senior Transit program. 7,352 rides were provided.	

<b>10. Muskegon Community Health Project</b>	<b>\$3,500</b>
“Uninsured Diabetes Outreach”	
Funding to assist low-income residents with diabetes screenings and supplies. 1,752 residents were assisted.	
<b>11. City of Muskegon Affirmative Action Department</b>	<b>\$10,000</b>
“Affirmative Action”	
Funding to assist with prevailing wage interviews, EEO Committee, diversity, etc.	
<b>12. City of Muskegon Affirmative Action Department</b>	<b>\$10,000</b>
“Summer Internship Program”	
Funding to assist low-income/poverty residents in summer internship at the City of Muskegon. Two college students were interns.	
<b>13. Muskegon Main Street</b>	<b>\$3,500</b>
“Downtown Economic Development”	
667 residents benefited.	

### **INFRASTRUCTURE IMPROVEMENTS/DEOLITIONS**

<b>1. City of Muskegon Fire/Inspection</b>	<b>\$50,000</b>
“Dangerous Building/Demolition”	
Funding will be used to do board ups and demolitions of vacant and or deteriorated structures in CDBG-eligible neighborhoods. Six houses were demolished and 21 houses were boarded up.	
<b>2. City of Muskegon Finance Department</b>	<b>\$159,453</b>
“Repayment of new Fire Station Bond”	
Funding to be used to repay bond for the new Central Fire Station.	
<b>3. Community and Economic Development</b>	<b>\$20,000</b>
“Façade Improvements”	
Funding will be used to assist commercial property owners with exterior improvements city-wide. Three businesses had façade improvements.	
<b>4. City of Muskegon Department of Public Works</b>	<b>\$10,000</b>
“Graffiti Removal”	
Funding will be used to remove graffiti from around the City. 91 structures had graffiti removed.	

### **HOUSING AND ADMINISTRATION**

<b>1. City of Muskegon Community and Neighborhood Services</b>	<b>\$200,000</b>
“Emergency Repair”	
Funding will be used to finance emergency home repair. 83 households were assisted.	
<b>2. City of Muskegon Community and Neighborhood Services</b>	<b>\$150,000</b>
“Vinyl Siding Program”	
Funding will be used to finance Vinyl Siding installation program. 11 homes had vinyl siding installed.	

- |  |                  |
|--|------------------|
| <b>3. City of Muskegon Community and Economic Development</b>  | <b>\$47,500</b>  |
| "Code Enforcement"   |                  |
| Funding to be used for full time Environmental Inspector to enforce City property codes and zoning ordinances in CDBG-targeted areas.  |                  |
| <b>4. City of Muskegon Community and Neighborhood Services</b>   | <b>\$175,000</b> |
| "CDBG Administration"  |                  |
| General management, oversight and coordination of CDBG program activities. Funding includes salaries, fringe benefits, office supplies, equipment, contract compliance, EEO activities, etc. |                  |
| <b>5. City of Muskegon Community and Neighborhood Services</b>   | <b>\$65,000</b>  |
| "Delivery of Services"   |                  |
| Assist with the supplying and administration of the Vinyl Siding and Emergency Repair Programs.  |                  |

These programs allowed the City of Muskegon to surpass the goals set. The Subrecipients and our City departments worked successfully to assist our low-income residents and meet the objectives of the Consolidated Plan.

## **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. Our Weatherization program has been modified to address the urgent needs of our senior population. Taking applicants from the Emergency Repair call sheet, we were able to utilize three funding sources, avoid condemning a home and gave a senior a decent, safe place with standard living facilities.

## **Fair Housing**

The City of Muskegon and the CNS office continue to affirmatively advocate fair housing in our City. Some of the impediments that were identified in the last Fair Housing Analysis (2009) were Fair Housing Promotion – all correspondence from the CNS office has the Fair Housing and Disability logos attached and collective comments about our county. The only recommendation that we agreed to change was for the addition of "familial status" to the protected categories of the discrimination clause. On June 14, 2011, our City Commission approved for the City of Muskegon to enter into an inter-agency agreement with Fair Housing Center of West Michigan (Grand Rapids).

## **Operation R & R - Reawakening and Resurgence**

Through Operation R & R, the CNS office has sponsored community meetings during the last several years. 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, but our NSP1 program has taken a forefront stance in reawakening and revitalizing our neighborhoods.

## **Operation R & R - Goals and Objectives for 2005 - 2010**

1. To totally rehabilitate 10 formerly abandoned blighted homes in one fiscal year. We completed eight (8),
2. To sell the 10 homes to low to moderate income first-time home-buyers (as owner-occupied residences). We sold three (3) and have four (4) pending sales.
3. Public hearings to receive direction from the citizens of our community. Four (4) hearings were conducted.
4. To work with the citizens and service providers to improve the image of the targeted neighborhoods; both from within and outside the community. Monthly meetings are held to give support for all areas of the City through the Neighborhood Associations of Muskegon (NAM).
5. To improve both the economic health of the targeted neighborhoods and the physical health of the neighborhoods and its residents. Visits to the neighborhood meetings and agency visits were conducted.
6. To have significantly controlled new commercial investment in the area, while supporting the existing businesses in the neighborhoods. Eleven new businesses established themselves in the City of Muskegon during our sixth year; five were in our downtown business district.

## **Leveraging**

Several of the programs, NSP1, S.A.F.E. Housing, 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 financial institutions and the Michigan State Housing Development Authority (MSHDA) to stretch 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 to cover our HOME allocation shortfalls.

## **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 monitors the CDBG/HOME allocations to City departments, local Subrecipients and CHDO's. With support from the Citizen's District Council and approval from the City Commission, appointed agencies receive grants. This process keeps the focus on activities that reach the needs of the community and accomplishments are captured in the CAPER.

## **Citizen Participation**

Waiting for citizen comments

## **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; leveraged program funds played a hug role in our services and planning for future activities..

## **Monitoring**

The activities are monitored on a quarterly basis. All Subrecipients are required to submit a quarterly report at the end of each quarter. In addition, Subrecipients and CHDO's have at least one physical on-site monitoring visit prior to their next funding grant.

**Self Evaluation:** Measuring success through the programs funded by the City of Muskegon, Subrecipients and CHDO's have a significant effect on solving the neighborhood and community problems in the City. The City's HOME and CDBG programs surpassed the goals established in the City's 2005-2010 Consolidated Plan.

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

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 faces.

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 2010-2011 CNS fiscal year went well with few, if any, real problems.

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

- 94 households serviced
- 9 houses totally rehabilitated
- 97 low/moderate-income residents served
- 1 new constructed home

## **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.

## **Housing Needs**

The housing needs of our community are the same everywhere: foreclosures, failing homes and unstable neighborhoods. We are combating the problems by providing solutions; affordable housing still works to make for a suitable living environment.

## **Specific Housing Objectives**

The City of Muskegon's Community and Neighborhood Services is continuing to develop and redevelop affordable housing for low and moderate-income residents.

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 members. We succeeded with the rehabilitation of 1331 Amity. This house was sold as soon as it was completed.

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. 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 another totally accessible home through the Neighborhood Stabilization fund.

## **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**

The Fair Housing study suggests that a complaint driven testing and survey be performed. The signed agreement will be the foundation to address these hidden barriers to decent, safe and affordable housing of low-income families. This county-wide effort is the first of many collaborative situations to help all citizens facing discrimination and less than standard living environments.

## **HOME/American Dream Down-Payment Initiative (ADDI)**

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

HOME entitlement was \$320,710. 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.

## HOME ACTIVITIES

### COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

- |   |                 |
|---|-----------------|
| <b>1. Neighborhood Investment Corp. (NIC)</b>   | <b>\$30,000</b> |
| Funding will be used for housing rehabilitation and neighborhood development in targeted neighborhoods. NIC closed its doors in 2010. |                 |
| <b>2. Habitat for Humanity</b>  | <b>\$45,000</b> |
| Funding will be used to assist non-profit with infrastructure cost for new construction. Three homes received funding.                |                 |
| <b>3. Community enCompass</b>   | <b>\$32,500</b> |
| Funding will be used to purchase/rehab transient housing. One home was rehabbed.  |                 |

### CITY OF MUSKEGON

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| <b>1. Community and Neighborhood Services</b>  | <b>\$60,000</b>  |
| "Rental Rehabilitation Program<br>Funding will be used to assist investment owners with the rehabilitation of their rental units. No units were rehabbed.                              |                  |
| <b>2. Community and Neighborhood Services</b>  | <b>\$30,000</b>  |
| "HOME Administration"<br>General management, oversight and coordination of HOME program activities. Funding includes salaries, fringe benefits, office supplies, equipment, etc.       |                  |
| <b>3. Community and Neighborhood Services</b>  | <b>\$120,000</b> |
| "Senior Weatherization/Energy Conservation Program"<br>Assist low-income Senior Citizens with high energy problems and conservation. Three homeowners were assisted with this program. |                  |

As an entitlement community, the Neighborhood Stabilization Program, through MSHDA, catapulted the City's Community and Neighborhood Services department into a NEW role of foreclosure "stabilization." The City of Muskegon tweaked the "Lease with Option to Purchase" program that originally targeted two of our homes; two additional homes have been added to the program. Because the difficulty that many of our residents face in financing, 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.

A reduction in staff impeded our success in serving owners of rental units and elder homeowners for the Weatherization program.

## 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 homeless population. 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.

The City of Muskegon and its many partners (City of Norton Shores, Muskegon Heights, continuum of Care, Love INC, Muskegon County Habitat for Humanity, Community enCompass, Muskegon County Health Department, West Michigan Therapy, Muskegon Oceana Community Action Partnership, Muskegon Housing Commission and Disability Connection) are working to supply housing assistance in an effort to prevent homelessness in our community.

## Emergency Shelter Grant

The City of Muskegon is not a recipient of ESG 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 emergency home repairs and to keep their housing costs affordable. The main activities that meet this category are:

	<b>No. Served</b>	<b>Amount</b>
<b>Emergency Repair</b>	83	\$235,982.02
<b>Vinyl Siding</b>	11	\$97,023.56

The City of Muskegon's CDBG activities address 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 continue to evaluate our process to cover economic shortfalls and the increasing need of emergency services.

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 were no displacements incurred through any rehabilitation or demolition activity by the City of Muskegon CNS office.

## **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 to develop several mechanisms that will reduce the poverty rate in our City.

As new employers come into our community and the existing employers expand their operations, the need for additional employees will increase. It is now that the partnership between the educational, job training and the economic development communities is most important. A significant portion of our low/moderate-income population is unemployed. Working is the strategy to combat poverty. Jobs are needed in our community.

This year we can report new businesses in downtown Muskegon: Hennessy's Irish Pub, 4-1-1 Bistro Lounge, Continuity, Watermark 920 Conference Center and the Lake House. Other new businesses within the City of Muskegon include Sitting Pretty Pet Spa & Boutique, Brown Bag Boutique, Beanbox Company, Bonfire, Fatty Lumpkins Sandwich Shack and Betten Hyundai.

During the last six years, the City of Muskegon 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

The City of Muskegon allocating funding to these areas keeps the City improving the overall quality of life, by providing a suitable environment.

Muskegon, like many other communities in the county, is attempting to stay aggressive in our community development efforts. We are witnessing the rebirth of our downtown where community events like Bike Time, Summer Celebration, Unity Festival and the Irish Festival unite our citizens to create a stronger community and overall quality of life that creates a suitable living environment for all.

**“COMMUNITY 2011”**  
Welded Steel with Stacked River Rocks  
Matthew Giovanni Amante, Sculptor  
A Gift to the Community by  
Charles E. and Patricia B. Johnson

