



Second Program Year Action Plan

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

Narrative Responses

GENERAL

Executive Summary

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

Program Year 2 Action Plan Executive Summary:

The City of Muskegon’s objectives are to meet the needs of our community as they relate to housing, opportunity to development and create a suitable living environment for all of our citizens without prejudice to race, religion, familial status or gender.

These are the programs that target these objectives and outcomes:

CDBG OBJECTIVES	
Item	Outcome
Priority Housing Repair	75
Vinyl Siding	8 – 10
Facade	5
Demolition/Board ups	12 - 25

HOME OBJECTIVES	
Item	Outcome
New Construction/Transitional Housing/Rehab	2 transitional/2 rehab
Rental Rehab	3

We saw a continued need for specialized services. In previous years, services were people driven, but this year we want to introduce project driven assistance programs.

We want to be deliberate with our limited funding. As our grant shrinks, our focus must change and this is why we want to provide ‘special’ assistance to families within the neighborhoods of our HOME funded projects. A portion of our priority housing

repair program will be set aside for 'specific' neighborhoods where we are building and/or rehabbing.

This pilot project will allow us to effect a small section of the population, increase visibility of our programs, highlight a neighborhood and join the forces with present-day organizers to become a good neighbor. We want to be neighborly in every sense of the word and this project-specific assistance program will carry a greater weight of results as we make our way around the City of Muskegon, one neighborhood at a time.

It is by working together that we make our biggest impact. Collaboration is expected to continue. Staff has established relationships with the Department of Human Services (DHS) and the Muskegon Oceana Community Action Partnership (MOCAP) for leverage funding. It works well for all of us.

Personal investment in their home will help give each homeowner accountability for their home improvement, we hope. Over time, we will use these payments to offset the costs of running the programs. Various opportunities to increase funding have been examined but the best, less intrusive system, is to require the fee up front prior to signing contracts; families whose income exceeds 50% AMI (Area Median Income) up to 60% AMI, are required to pay the first \$250 towards their home repairs. Our housing repair program will make changes to its name as well.

Our emergency/urgent need program will be renamed 'Priority Housing Repair.' Often times, staff will assess the reported housing emergency and offer ways to address the issue(s) in a timely and necessary manner. The priority services will remain the same: furnaces, roof, deteriorated foundation, sewer, etc. These items can pose a threat to health or safety of a homeowner. Those who meet the qualifications will be served as long as funding holds out.

We provide core services. We can stretch our shrinking dollars through a varied fee schedule. The process will affect the vinyl siding program. We serve families whose household income is at or below 60% AMI. A standard fee scale will cover families above 30% AMI.

General Questions

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1)) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

4. Identify the federal, state, and local resources expected to be made available to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

Program Year 2 Action Plan General Questions response:

The geographic area has not changed; our intent is to assist eligible homeowners in every segment of our City. Our concentration is specific to creating an environment for families that is sustainable and affordable to decent, safe living. We will be working in the Jackson Hill and Marsh Field neighborhoods as a project-specific program, but our services will be offered throughout the City.

Our priorities are to address the needs of the neighborhood, based on the addresses of our affordable housing program. Each neighbor will be allowed access to specific housing repairs that help to sustain living environments per local housing codes and property standards conveyed in our City codes. Utilizing CDBG funding, we can assist homeowners who income qualify, who may not know about our City programs.

PUBLIC SERVICE

Priority Level 1 – Human Investment

Objective: Human Investments, as it related to youth activities and/or employment, is determined by the opportunities available to individuals between the ages of 6 – 21. The City of Muskegon is concerned about our future citizenry. Equipping youth with alternative experiences such as work, recreation, exploring community involvement and education can only smooth the discord that occurs when children are idle and not engaged. Our support for youth programs, coupled with available work experiences, will foster the experiences necessary to effect change in our neighborhoods.

Goal: 20 youth empowered to job work. Seven youth were employed.

ECONOMIC DEVELOPMENT

Objective: Employment Opportunities. Maintaining jobs in the City of Muskegon has been a challenge; however, the focus to rebound from our drastic losses is clear. Muskegon's public service agencies, educational facilities, employers and local leaders share the responsibility to garner businesses to expand in our community. We will support programs that are foundationally sound to reach goal.

Goal: Create 45 new jobs this first year. This is underway.

HOUSING

Priority Level 1 – Maintain Affordable Units

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

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

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

Goal 3: Senior Weatherization – 20 seniors were assisted at 80% AMI or lower. We surpassed this goal by 10.

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

Goal: Construct 1 new home and rehab 1 home for this first year
605 Jackson – new construction; 2265 Lincoln – rehab; both are under way

Priority Level 2 – Neighborhoods

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

Goal: 1 new construction home and 2 rehabbed homes this first year
1543 Hoyt – new construction; 1733 Manz and 1500 Leahy – rehab;
new construction is completed, rehabs are under way.

Limited funds are our biggest obstacle to reaching the underserved. We plan and provide services but our grant dollars are limited and once they are gone, we scramble to meet the current needs. We continue to look for ways to stretch funds and our best solution has been to partner with other agencies that can cover some of the total costs. We have established relationships with Public Health - Muskegon County, DHS and MOCAP to stretch our dollars that much more. Program policies have changed to meet the challenges of meeting needs.

CDBG and HOME dollars are the bulk of our funding resources; however, NSP1 Program Income dollars can be counted on as additional leverage monies as we sell our completed properties.

The anticipated CDBG/HOME funding for the 2012 – 2013 year is the following:

**CDBG PROJECTS/ACTIVITIES
2012 – 2013 ACTIVITIES**

REHABILITATION – HOUSING	\$
Priority Housing Repair	
Vinyl Siding	
Service Delivery	

BOND REPAYMENT	\$
Fire Station	
GENERAL ADMINISTRATION	\$
General Administration	
Affirmative Action	
PUBLIC SERVICES	\$
Recreation Programs	
Senior Transit	
CBO Grant Program	
CODE ENFORCEMENT – HOUSING	\$
Code Inspections	
Residential Clearance	
PUBLIC FACILITIES	\$
Streets	
Commercial Façade Improvement	
TOTAL	\$827,856

**HOME PROJECTS/ACTIVITIES
2012 – 2013 ACTIVITIES**

HOME PROGRAMS	\$
Rehab Infill/New Construction	
Rental Rehabilitation	
CHDO'S	\$
Transitional Housing	
ADMINISTRATION	\$
TOTAL	\$245,931

Managing the Process

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

Program Year 2 Action Plan Managing the Process response:

1. The City of Muskegon will lead the process and carry the bulk of the responsibility for the youth activities. Our Planning department has initiated bid proposals for youth activities and have accepted a number of varied programs both in-school and

after school. All of the selected agents have shown previous success, and with our additional resources, young children will have activities during the school year; but especially throughout the summer months.

This coming year a caveat to youth services is to establish or maintain life skills enhancement that can be monitored throughout the program. This will cover another aspect of creating a suitable living environment.

Approved grants include:

YMCA- Organized recreation/educational programs in 5 locations: Nelson School, Seyferth, Smith-Ryerson, Reese, and Sheldon Parks (5 locations contingent on receiving the \$10,000 Seyferth Grant from the Community Foundation- if we do not there will only be 4 locations included). The program will run Monday- Thursday from 9 a.m. to 3 p.m. and Friday from 9 a.m. to 12:30 p.m. Breakfast and lunch will be provided, as well as field trips. *June 18- August 10.* Seven youth received stipends last year.

Grant Amount- \$47,100

GVSU/Growing Goods- This is a continuation of last year's program. GVSU, in conjunction with the Health Department, oversees an urban farming program for Bunker Middle School students. Lifeskills, physical activity, social interaction and learning are part of the curriculum. Funding will provide a stipend for the GVSU intern who manages the program. *February 14- July 27.*

Grant Amount- \$2,000

Bunker Middle School/Growing Goods- This is the same program as the GVSU/Growing Goods. The grant funding is for the peer leadership component of the program. High School youth will mentor the middle school youth. *May 1- August 15.*

Grant Amount- \$3,000

West Muskegon Little League- Equipment, wages (umpires), and scholarship assistance for the baseball program. *April 1- August 1.*

Grant Amount- \$2,500

First Wesleyan Church/Open Gym & 3-on-3 Basketball Tournament- Gym in church is open twice a week for youth in the neighborhood. They will add component of core values/life skills training to the sessions in 2013. *January 2- April 30, 2013.*

Grant Amount- \$1,000

Embrace Muskegon/Bicycle Kitchen- Bicycles will be donated, repaired and given to children who need them, along with protective gear and education. Rallies and special events will be held. *April 1- no end date.*

Grant Amount- \$1,000

EWP/Girls on the Run- Girls on the Run estimates 1,200 participants for the downtown Muskegon 5K run. They will receive grant funding for supplies (running shoes, etc) and wages (officials, training). *March 11- May 19.*

Grant Amount- \$3,000

Allen Ave. Christian Reformed Church/Kids Count- Two-week recreation camp, Monday- Thursday for three hours in the afternoon. The camp will include field trips (Heritage Landing, etc); for ages 7- 12 years. Emphasis on physical activity and health (physical, spiritual, emotional and psychological). *June 18-29.*

Grant Amount- \$750

Muskegon High School/Survivor on the Lakeshore Challenge- Similar to last year's program, this is a summer school program for first time high school students. In addition to scholastic studies, the "Challenge" portion provides for day camp activities at Camp Pentalouan. *June 22- July 31.*

Grant Amount- \$3,000

Port City Youth Club/Football & Cheerleading- This program provides instruction in football and cheerleading at Smith-Ryerson Park. Grant funds will be used for expenses, including equipment, supplies, wages (referees, police), printing (flyers, etc) and other (banquet, awards). *August 1- November 1.*

Grant Amount- \$3,000

McLaughlin Neighborhood Association/CATCH Camp- The CATCH Camp offers programming for youth in the afternoons at the McLaughlin Pocket Park Monday-Thursday, after the McLaughlin Elementary School Summer School lets out. *June 22- August 3.*

Grant Amount- \$3,000

Muskegon West Rec. Softball League/Girls Softball- Funding will support their league with equipment, supplies, umpire fees, printing and scholarships. *April- July.*

Grant Amount- \$2,500.

No More Sidelines/Bringing our Community Youth Together- Track and Field, softball and soccer will be offered. In addition, they will incorporate an activity center. Funding will go towards computer systems, game supplies, and transportation costs. *April- October.*

Grant Amount- \$3,000.

East Muskegon Little League/Player Expansion & Safety Project- This organization is continuing to increase the number of children playing baseball in Muskegon. Funds will assist with scholarships, printing, advertisements, and picnic table delivery & pick up, trophies. *March 1- June 30.*

Grant Amount- \$3,000.

Fruitport Lions/LOVE Community Garden Youth Program- Similar to last year, the program will have three nights of camp a week, including arts, drumming, soccer and hula-hooping. *June 7- August 15.*

Grant Amount- \$600.

Muskegon Laker Soccer Club/Muskegon Youth Soccer- This request is actually a combination of two agencies (they have been working for over a year to make this happen). The Muskegon Laker Soccer Club will also manage the Muskegon Youth Soccer. They will receive funds for league fees (scholarships), referee fees and insurance. *July 2012- June 2013.*

Grant Amount- \$3,000

Additionally, with economic challenges forcing the unemployed, Love INC will also serve these low-income individuals with emergency utility assistance to secure a “standard living” environment with all major utility services intact.

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

2. This year we met as a staff and considered our shrinking resources for both CDBG and HOME. As a feedback process, our public notices, we will present our plan to our Citizen’s District Council (CDC). Upon review and consent, notices will be placed at the downtown post office, the public library, our City Clerk’s office and our Housing Commission.

Based on the comments we receive, we will make the appropriate changes to our Action Plan.

3. We have taken actions to reach out to our neighboring cities to increase coordination of services for public and private housing services, in health agencies and for social enhancement. Our commitment is that we will offer and include our resources to work together and to make our services stronger.

Citizen Participation

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

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

Program Year 2 Action Plan Citizen Participation response:

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

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

Additionally, multiple public hearings have been scheduled to increase public participation. Our City’s Mayor has attended neighborhood meetings to enlist the

citizens of the City to unite to keep our neighborhoods safe. This has prompted our office to be more neighborly. We will attend the neighborhood meetings of the proposed housing unit for 2012 to establish that we are working with this to provide affordable, decent and safe housing in their neighborhood.

As a result of this investment, a set aside amount of funding will be held for those neighbors. In the next year, 1908 Superior will be rehabilitated and the once vacant structure in the neighborhood will bring a new family to the area.

As a proactive measure to connect with non-English speaking residents, City staff has communicated with a local church affiliated with the Spanish speaking population. Future meetings will be scheduled to seek their input and share opportunities to programs.

2. **Waiting for comments.**
3. We will reach the public by providing notices at our downtown Post Office branch. Our older population may not utilize the local paper because it has decreased subscriptions and fewer delivery dates; so how will they know what is going on if they don't have access to the social media avenues?
4. Not applicable.

Institutional Structure

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

Program Year 2 Action Plan Institutional Structure response:

Keeping the funding allocation "in house" for this year will allow the City departments to identify the programs that best serve the needs of the community that over time have produced the best results overall. Secure in what we do best and possessing concrete evidence for what helps the low-income population, the City's institutional structure addresses blight, economic development, infrastructure, public service and suitable living environment including areas of greatest need throughout our City.

Past years' services are that we continue to take the calls for services that put our citizens at risk of losing their biggest investment – their home.

Monitoring

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

Program Year 2 Action Plan Monitoring response:

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

Quarterly, we record our accomplishments and successes. This keeps us current and helps to promote our community's progress in IDIS, which shows monitoring is ongoing.

Lead-based Paint

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

Program Year 2 Action Plan Lead-based Paint response:

Lead-based paint reduction in housing units located in the City limits is in collaboration with Public Health – Muskegon County. We have set aside \$60,000 for the assistance of the critical abatement measure to safe housing for children. Everything we do is for our vulnerable citizens – our children. We know that children are important and housing has to be hazard free.

Our county program is underway. We are currently processing Rental Rehab projects that require the testing components. Utilizing that progress will cover more housing units.

HOUSING

Specific Housing Objectives

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

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

Program Year 2 Action Plan Specific Objectives response:

CDBG

Our pilot project-driven assistance program will set aside \$25,000 to aid the neighbors of our HOME projects. We want to introduce those families directly bordering in the construction project (neighborhood to the City programs). Prior to the start of a HOME project, we want to attend the neighborhood association meeting, introduce ourselves and our contractor to communicate what is going to happen and what we can do to assist the surrounding neighbors. We want to become a part of the neighborhood and become neighborly.

HOME

New construction at 605 Jackson was delayed, but we will complete the Affordable Housing Project during the 2012 – 2013 year. We anticipate a great deal of interest because of its high traffic area to our local colleges.

The rehab at 1908 Superior is expected to begin July 1, 2012. It was retrieved from the State tax sale. Because it is a corner lot, our presence has been acknowledged already.

HOME funds will be used primarily to achieve the affordable housing goals of the Consolidated Plan and Action Plan. Where the use of NSP1 dollars were, HOME will fill the gap to serve as leverage to complete projects: 1733 Manz and 1500 Leahy – as NSP1 Program Income is produced.

NSP1

Two projects have been delayed considerably: 1189 Terrance and 1500 Leahy. Because of their historic significance, we are slowly working through the process to renovate or demolish. We want to complete them within the deadline of February 2013. Our PI from HOME funds and other program's dollars may be used if needed, if NSP dollars are scarce.

Recapture Provisions

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

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

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

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

property owner. Partial repayment may be required based on the amount of sales proceeds received by the homeowner.

CHDO Resale Provision

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

Needs of Public Housing

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

Program Year 2 Action Plan Public Housing Strategy response:

1. We are providing the Muskegon Housing Commission with flyers about our homes for sale that will help promote interest. MSHDA NSP1 Program Income dollars will provide a second resource to create suitable housing units that are safe, decent and affordable. At least annually an invitation will be presented to become a homeowner at the Muskegon Housing Commission to introduce homeownership that all can afford.
2. Not applicable.

Barriers to Affordable Housing

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

Program Year 2 Action Plan Barriers to Affordable Housing response:

It is anticipated that barriers to affordable housing are greatest in low-income households when availability of eligible housing is not accessible. Language can be a barrier as well. We want to give information across the board to all citizens. We must provide information about our services to the Spanish speaking population. Next year our focus will be geared to reaching these eligible families.

HOME/ American Dream Down payment Initiative (ADDI)

1. Describe other forms of investment not described in § 92.205(b).

2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
 - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
 - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
 - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
 - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
 - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
 - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
 - a. Describe the planned use of the ADDI funds.
 - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
 - c. Describe the actions to be taken to ensure the suitability of families receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 2 Action Plan HOME/ADDI response:

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

Muskegon County Habitat for Humanity has built decent affordable energy-efficient homes for purchase by families with incomes between 25 – 50% AMI who would not otherwise be eligible for homeownership. Resale is the option of choice for

Habitat because they have an income requirement of 50% AMI or lower to qualify; we will allow them to place another income-eligible family in it.

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

The City of Muskegon has two programs that have produced homebuyer opportunities: Infill and Neighborhood Stabilization Program (NSP).

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

NSP has given us the ability to stabilize neighborhoods through Michigan State Housing Development Authority (MSHDA) by offering a MSHDA subsidy which is forgiven after a period of time. Our obligation to complete 16 homes should be realized this year. Selling all of the properties by 2013 is our ultimate goal.

Per our Consolidated Plan, the City of Muskegon has adopted a recapture policy for our Infill Program homebuyers. The policy allows a recapture of prorated funds due upon resale of the property. This does not require the "seller" of the property to repay the debt of our subsidy investment if the net proceeds are too small.

HOMELESS

Specific Homeless Prevention Elements

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

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

4. Homelessness Prevention—The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy—Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 2 Action Plan Special Needs response:

1. Our community received at least \$35,000 to address homeless needs and to prevent homelessness.
2. Our plan is not the first line of entry and the City of Muskegon does not receive funding to prevent homelessness, but we are an active board member representing the City of Muskegon.
3. Most of the barriers faced by the Continuum of Care is that funding for housing assistance has dried up. West Michigan Therapy is proposing four new sheltered housing beds for veterans.
4. The membership is dedicated to working with the Continuum of Care to move forward from one agency to the next to avoid homelessness.
5. The Continuum of Care has continued to follow a discharge coordination policy to make sure no one falls through the cracks. Safety nets are in place to help them find a place to live. HMIS (Housing Management Information System) for tracking individuals who are assisted by 'like' agencies. The reports show movement of families in the system, number of services, but ultimately show population and needs of this community.

Emergency Shelter Grants (ESG)

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

Program Year 2 Action Plan ESG response:

Not applicable.

COMMUNITY DEVELOPMENT

Community Development

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

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.
**Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.*

Program Year 2 Action Plan Community Development response:

1. Planning is working diligently to secure agreements with companies that can bring jobs.
2. Youth Recreation has employed interns to serve along side program leaders to reach the youth of our community.

Antipoverty Strategy

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

Program Year 2 Action Plan Antipoverty Strategy response:

Our Planning Department is involved in progressive talks with potential businesses in an effort to secure jobs in our area. We know that jobs will help curb poverty and no standard action will affect the number of families in need of work, but the City of Muskegon is directly reflected to this strategic effort.

NON-HOMELESS SPECIAL NEEDS HOUSING

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

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

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

Program Year 2 Action Plan Specific Objectives response:

We hope to collect data consistent with our annual Action Plans in Muskegon County to identify special needs. At this time we are not able to describe or specify objectives to achieve non-homeless needs.

We have maintained our core programs to address identified needs. Our goal is to keep the level of investments and resources, commitment and care to the highest level possible, but the likelihood that additional funds will be available is not reasonable given our latest reduction in funding.

Housing Opportunities for People with AIDS

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

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

Program Year 2 Action Plan HOPWA response:

1. Mercy Health Partners is the result of a merger between Hackley and Mercy Hospitals in Muskegon, Mi. McClees clinic is a medical and support services clinic for persons with HIV located on the Hackley Campus. The clinic serves 13 counties overall but provides HOPWA assistance primarily to Muskegon, Kent and Ottawa counties, however all counties are eligible as long as there are no other HOPWA providers with available funding. Program contacts are Erin Hopson and clinic supervisor Judy Binns. The clinic utilizes HOPWA funding to provide TBRA, STRMU and Permanent Housing Placement assistance to help patients obtain or maintain housing with the goal of keeping patients in HIV care.

Program contact:

Erin Hopson, LLMSW, CCM
Client Services Coordinator/Grants Manager
McClees Clinic
Mercy Health Partners
Muskegon, Mi. 49442

2. During this grant year clinic staff and HOPWA recipients worked together to successfully keep all qualified clients in their current housing or to move them into safer or new housing. Recipients successfully worked towards meeting their housing plan goals and objectives. No recipients were removed from the HOPWA program prior to completion. Two recipients successfully moved from a HOPWA funded home or apartment into subsidized housing.

3. The challenges involved in achieving the number of housing units identified in the Action Plan were:

- Increase in prospective HOPWA recipients that had no income or way to maintain housing after assistance ended.
- Subsidized housing availability increased so many prospective HOPWA recipients were able to enter subsidized housing with the help of housing case management or information services and no direct assistance.

Although the availability of subsidized housing is a good thing, it did affect our ability to meet our goals. The majority of housing funds were allocated for TBRA and all but one were provided in Muskegon County.

4. The estimated number of households that would receive direct housing assistance with TBRA, STRMU or Permanent Housing Placement was 25 and the actual number of households assisted was 21. An additional 2 households received some form of housing case management or information services but did not receive any direct housing assistance. 100% of HOPWA recipients were able to maintain housing stability and avoid homelessness. All HOPWA recipients are provided with housing case management and a housing plan which facilitates their success by helping them keep in touch with the case manager on a regular basis to evaluate their goals and assess which community resources will be helpful. Additionally all HOPWA recipients are provided with resources to access HIV care, although participation is not mandatory, the importance of participating in care is stressed. We will continue taking these steps to achieve the national outcome goal in the next operating year.

5. Mercy Health Partners holds a strong relationship with other housing and referral resources in the service area. We maintain collaborative agreements with St. Mary's and District Health Department #10. Additionally we have working knowledge of

other housing resources in the service area as well as their eligibility criteria. This allows us to ensure our funding is payer of last resort.

6. HOPWA assistance was provided to 21 recipients in 2011. Of these, only 2 were located outside of Muskegon County. Although our funding is available to all the counties we serve, we only provide services outside Muskegon County if other HOPWA services are not available at the time.

7. Fair market rent issues were encountered for those who were housed in 2010. When FMR changed for 2011 many TBRA recipients were over FMR and staff either had to obtain an exception or talk the landlords into lowering rent to meet FMR. Only one recipient had to move into new housing due to FMR, however this person also needed to move into a 1 bedroom to meet HOPWA guidelines.

Although we attempt to place in subsidized housing it is not always available and if it is available it is not always safe housing. Subsidized housing in one housing complex became open due to fast turn over. This is both good and bad. It does provide housing that meets HUD standards to people with low income; however this particular apartment complex is known for drug use, and is not particularly safe for some populations. We would be reluctant to send young women to live in this apartment complex.

An additional barrier to collecting correct data and providing correct information about the needs of the community we serve is the unreliable data reporting system we are mandated to use. It would be extremely beneficial and would save a great deal of time if we no longer had to use HMIS. HMIS has proven to be unreliable and time consuming. In addition to recording data in HMIS (which is required at this time) we, and most other agencies, also record all HOPWA activities in CareWare, the data program used by Ryan White, so that we can keep accurate records. All data reporting is done using CareWare or by manually compiling data, the use of HMIS is just a formality.

8. We expect the number of people in need of HOPWA assistance to increase relative to the economic difficulties of the community. Additionally we have noticed an increase in the number of people requesting assistance who have no source of income. This creates a difficult situation where people with HIV are turned away from the shelters due to their HIV status (a rule which is based on fear and misinformation about perceived risk of transmission rather than on fact and actual risk of transmission), yet they do not have resources to qualify for HOPWA assistance. In this economy there is no guarantee that someone will find a job so if they are awarded HOPWA assistance with no income, HOPWA may end up paying full rent and utility expenses for a number of months.

9. We expect MDCH (Michigan Department of Community Health) to conduct a site review in 2012.

Specific HOPWA Objectives

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

Program Year 2 Specific HOPWA Objectives response:

The objectives for the HOPWA-funded clinic are consistent with the previous year goals:

Tenant-based Rental Assistance (TBRA)	Goal 15
Short-term Rent, Mortgage and Utility Assistance (STRMUA)	<u>Goal 10</u>
Total Housing Subsidy Assistance	Goal 25

Plans for the coming year include support services to clients in the form of Care Management/Client Advocacy/Access to Benefit Services.

Other Narrative

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