



CITY OF MUSKEGON
COMMUNITY AND NEIGHBORHOOD
SERVICES

2007 - 2008

CONSOLIDATED ANNUAL
PERFORMANCE
EVALUATION REPORT

TABLE OF CONTENTS

Table of Contents-----	Page 2
Executive Summary-----	Page 3
Objectives-----	Page 3
General Questions-----	Page 4
Objectives-----	Page 4
Fair Housing-----	Page 8
Operation R & R-----	Page 9
Leveraging-----	Page 16
Home Match Requirement-----	Page 16
Managing the Process-----	Page 16
Citizen Participation-----	Page 17
Institutional Structure-----	Page 17
Monitoring-----	Page 17
Lead-based Paint-----	Page 19
Health Homes Lead Grant-----	Page 19
Operation Kick-off-----	Page 20
Housing Needs-----	Page 20
Specific Housing Objectives-----	Page 20
Public Housing Strategy-----	Page 21
Barriers to Affordable Housing-----	Page 21
HOME/American Dream Down-Payment Initiative-----	Page 21
Homeless Needs-----	Page 22
Emergency Shelter Grant-----	Page 22
Community Development-----	Page 22
Program Income 2007 - 2008-----	Page 23
Antipoverty Strategy-----	Page 24

THIRD PROGRAM YEAR CAPER 2007 - 2008

Executive Summary

This is the third year of the City of Muskegon's 2005-2010 Consolidated Plan that was accepted by the U.S. Department of Housing and Urban Development. During the 2007-2008 fiscal year several projects were completed in the housing and neighborhood improvement areas. There also was a continuation of a new initiative developed last year that is attempting to establish a strong linkage between the City of Muskegon, the religious community, non-profit community, educational institutions and the City's targeted neighborhoods.

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.

2007-2008 Accomplishments: One (1) completed single-family houses: 539 Orchard.

Aggregate Accomplishment: Since 2005, thirteen (13) completed single-family houses.

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.

2007-2008 Accomplishments: Completed two (2) totally rehabilitated single-family homes: 218 Catherine, 1581 Division.

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

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

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

2007-2008 Accomplishments: 97 homes assisted with either emergency repair and/or vinyl siding (73 emergency repairs/29 vinyl sidings).

Aggregate Accomplishments: Since 2005, three hundred thirty (256 Emergency/74 Vinyl Siding) completed.

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.

2006-2007 Accomplishments: Completed two rehabilitated rental units.

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

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.

2007-2008 Accomplishments: Demolished 9 dangerous structures and boarded up 38 open, dangerous properties.

Aggregate Accomplishments: Since 2005, 46 dangerous structures were demolished.

Objective 6: To assist and promote Public Service Community in attacking the social ills of the community in a plethora of areas.

Goal: 10,000

2006-2007 Accomplishments: Assisted 12,963 persons through the Public Service Community.

Aggregate Accomplishments: 20,163

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

Goal: To continue to upgrade community's infrastructure.

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 2007 – 2008, a Senior Citizen's housing complex was built. The structure was built with tax-credit assistance from the Michigan State Housing Development Authority. Currently several structures are being built through the "Center City" area.

The City's downtown area is experiencing a significant renaissance, although it was completed after June 1, 2008. The Center Area has a newly constructed Chamber of Commerce building, which will house other businesses.

General Questions

During the 2007-2008 fiscal year, the Community Development Block Grant Entitlement was \$1,148,000 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 - A total of \$112,644 was spent on producing new constructed housing during the 2007-2008 fiscal year. The funding was allocated from the HOME Entitlement.

Objective 2: Total Housing Rehabilitation - A total of \$112,628 was spent on totally rehabilitating formerly vacant, abandoned houses, throughout the City during fiscal year 2007-2008. The funding was allocated from the HOME Entitlement.

Objective 3: Emergency and Vinyl Siding Repair - A total of \$206,532.31 was spent eliminating emergency housing repair on owner-occupied low/moderate income resident's homes during fiscal year 2007 - 2008. A total of \$236,999.84 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 2007-2008 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 \$123,786 was allocated to assist several City departments, as well as public service agencies/nonprofit, 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 \$254,364 was allocated to replace and upgrade the City's infrastructure, (including bond repayment.) The funding was allocated from the CDBG funds.

As illustrated earlier, the City of Muskegon has met most of the goals established in the 2005-2010 Consolidated Plan two years before the commencement of the 2005-2010 period. 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 this redirection in 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. Also, because of the fragile economy which 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.

The CNS department, after several planning meetings, came up with a pilot “Lease with Option *to Purchase*” program that was originally targeted at two of our homes that have been on the market 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. If the project is successful at

assisting the lessees to become homes owners, our department may look at offering another one of our houses for a lease to own option.

435 MONROE



From the left back row are McKinley Copeland, Executive Director of Muskegon Housing Commission; Edith Oakes, lessee of 435 Monroe; Oneata Bailey, City of Muskegon CNS HOME Loan Program Coordinator. Front row: Ashanti Diggs and Chianti Diggs (both 6 yrs old) and Chardonaye Williams (11 yrs old).

867 WILLIAMS



The CNS office currently is reviewing all of its programming to determine if any changes need to be made in order to serve the low/moderate population effectively. At this time though, other than the Pilot Least Option to Purchase program, no other changes have been made to our programming.

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.

The Fair Housing Center of Southeastern Michigan is currently preparing an impediment study for the City of Muskegon and its' sister cities of Muskegon Heights and Norton Shores.

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 2007-2008 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.

The third and final component of Operation R & R is to continue physically, economically and spiritually revitalizing the neighborhoods to achieve a quality of life that will be the envy of all the non-believers.

As we see our downtown being transformed for the next 50 to 100 years, it is equally as important to make sure that we invest in our neighborhoods in order to maintain an economic equilibrium.

3. *To work with the citizens and service providers to improve the image of the targeted neighborhoods; both from within and outside parties.*
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

During the last fiscal year, the City of Muskegon Community and Neighborhood Services office had several projects under the Operation R & R initiative. Three neighborhood clean-ups were held in areas where the CNS office had completed total housing rehabilitation projects. During the same time as one of the Neighborhood Clean-ups, a Cookout was held and several service providers were offered information booths to distribute information about their services to the residents. The type of information distributed “fell” under the objectives of Operation R & R.

- ❖ Education (Baker College, Muskegon Community College, Muskegon Public Schools)
- ❖ Health (HealthCARE)
- ❖ Community Empowerment (CNS office)
- ❖ Family Empowerment (CNS office, Muskegon Public School, Family Service Center)
- ❖ Employment (Family Service Center, Muskegon Employment and Training)

Muskegon Public Schools, Baker College and Muskegon Community College all had information booths where they distributed information about their educational programs. Some of the information distributed covered the areas of availability of financial aid, type of classes available through the three institutions and community and family assistance programs. The CNS office distributed information about our programs and in addition also gave “books” away. The books covered topics like the proper way to raise children, money management, proper health and community empowerment. The Family Service Center, along with the Department of Employment and Training, distributed information about their employment services.







The Operation R & R Initiative was recognized last year by the National League of Cities during their National Convention in New Orleans last year.

Another initiative that “sprung” from the Operation R & R initiative was a poster contest for local Muskegon Public School students. The project involved the students drawing a picture to show why the public should keep their respective neighborhoods clean. The first, second and third place winners in each grade was awarded a \$100, \$50 or \$25 savings bond from either Fifth Third Bank or Bank of America.

ANTI-LITTER POSTER CONTEST WINNING POSTERS

Muskegon Kids Say Keep our NeighborHOOD Clean



Leveraging

Several of the programs or activities that were accomplished last fiscal year were able to leverage funding from other entities or other funders. The City was able to add garages to two of its rehabilitation projects by partnering with the State of Michigan Department of Corrections. The walls of the garages are built by residents of the correction facility. The walls are then shipped to the City of Muskegon where we contracted with a local contractor to complete the project. This saves the CNS office approximately \$5,000 on the construction of the garages.

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 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 \$1,500 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.

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 its 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 District Council and the City Commission review the activities.

Citizen Participation

Comments: The Lease with Option to Purchase program is turning out to be a good program. This seems like a reasonable plan.

CDBG Activity

<u>Name of Activity</u>	<u>Funded</u>	<u>Spent</u>	<u>Location</u>
Emergency Repair	\$180,000	\$206,532.00	City Wide
Vinyl Siding	\$185,000	\$236,999.84	City Wide
CDBG Code Enforcement	\$ 40,000	\$ 40,000.00	Census Tracts
Leisure Services Program	\$ 65,000	\$ 65,000.00	Census Tracts
Dangerous Buildings	\$ 47,500	\$ 41,544.00	Targeted Area
Street Construction	\$ 40,000	\$ 9,264.00	City Wide
Façade Improvement	\$ 6,5000	\$ 0.0	Targeted Area
Senior Transit	\$ 40,000	\$ 40,000.00	City Wide
CDBG Delivery Services	\$ 75,000	\$ 57,743.00	City Wide
CDBG Administration	\$195,000	\$198,179.75	N/A
Community Based Organizations	\$ 21,000	\$ 15,427.91	City Wide
Bond Repayment	\$245,000	\$245,100.00	N/A
N/A			

HOME Activity

CHDO Support	\$105,000	\$ 90,366.66	City Wide
Tax Reverted Rehabilitation	\$100,000	\$112,469.80	City Wide
Rental Rehabilitation	\$ 25,000	\$ 16,890.16	City Wide
Infill/New Construction	\$ 85,000	\$115,369.00	City Wide
HOME Administration	\$ 30,176	\$ 66,344.83	City Wide

Institutional Structure

There has not been any obstacle gaps in the City of Muskegon 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 years monitoring visits revealed that the Subrecipients/CHDO's are continuing to meet their goal of assisting low/moderate income families 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 its 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 effecting the goals and objectives of the City of Muskegon CNS program, because of the fragileness of the local economy, many residents who were insured by their employer, find themselves and their families without health insurance because of the lost 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 2007-2008 CNS fiscal year went well with few, if any real problems. Second, 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

Lead-based Paint

All CNS projects that are 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*

In October, the City of Muskegon was awarded a Healthy Homes lead grant from the U.S. Department of Housing and Urban Development. The purpose of the grant is to rid dangerous lead from homes in the City of Muskegon that could have a harmful effect on children, especially those less than six years old. The goal of the Muskegon S.A.F.E. (Support Abatement Family Education) program is to abate 206 housing units in three years. This includes 66 owner-occupied units, 123 rental units and 15 vacant units, while also doing community outreach to educate the community about the dangers of Lead and training at least 12 low/moderate individuals in lead abatement in an effort to assist them in becoming employed in the Lead abatement field.

Risk Assessments (Inspections) and Lead Clearances

1581 Division
218 Catherine
313 Washington
1901 5th Street
412 Yuba
82 W. Dale
1712 Ray

1976 Leahy
676 Allen
606 Houston
3364 Wilcox
690 Evanston
1708 Smith

Operation Kick-off

In November of 2007, in an effort to kick-off the City's Lead grant, the City held Operation Kick-off, which was held at the LC Walker Arena Annex. The event consisted of fun activities for the kids, which included a clown, face painting, moon walks and information booths that distributed information concerning children's health and services. It was also a place for parents to get more information about lead and to register their children to be tested.

Housing Needs

For the last six years the City of Muskegon has maintained an aggressive neighborhood revitalization program. Last fiscal year, 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 then 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. 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 as 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 Community and Neighborhood Services is continuing to develop and redevelop affordable housing for low and moderate-income residents. Although the CNS office produced one new construction house and two rehabilitated homes, because of the current market, no houses were sold during last fiscal year. The city is diligently marketing the availability of the houses to eligible homebuyers.

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 opportunity 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 disable population and the service providers. One of the aims of the CNS office for 2008-2009 is to produce the accessible home and sell the home to a qualified family.

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, “through the departments CDBG programs, that deals with Emergency Repair and Vinyl Siding Assistance, as well as the HOME programs which either construct new housing and/or totally rehabilitate houses and then market to low and moderate-income home-buyers, is the main mechanism(s) that the CNS office uses to break down the barriers to assure affordable housing.” Although there is a number of housing available in the City for an affordable price, there are other barriers to restricting individuals to obtain 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 areas 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 themselves 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 |

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 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 cost affordable. The main activities that meet this category are:

	No. Served	Amount
Emergency Repair	73	\$206,532.31
Vinyl Siding	29	\$236,999.84

The City of Muskegon 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. But at this time 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, that 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 additional funding. Several different potential funders from Government agencies like the U.S. Department of Labor, to local community foundations, to 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 CDBG activity were low/moderate job activities.

Program Income 2007 – 2008

CDBG Program Income

• Repayments of Loans	
Including liens, payoffs, and subordination requests	\$ 33,491.96
• Interest from loans	\$ 1,118.39
• Board up & Demo's paid	\$ 32,423.46
• Norton Shores Administrations	\$ 23,500.00
Total	\$ 78,783.81
• Loan Balance	\$287,531.86

HOME Program Income

• Sale of Homes	
1122 Spring	\$ 44,938.50
280 Iona	\$ 81,605.10
• Rental Rehab Requests, etc.	\$ 8,804.62
• Option to Purchase Down-payment	\$ 3,000.00
Total	\$138,348.22

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 the areas of 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 community, job training community and the economic development community 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.

So 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 10 and 11%, which is almost double the National rate of 5.7% and also more than the state of Michigan current rate of 8.7%.

There are several factors that were discussed in the 2005-2010 Consolidate 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 necessary

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

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.