



The Consolidated Plan is required by the U. S. Department of Housing and Urban Development. It's a plan that all cities and states must produce in order to be eligible for funding through HUD during the specified time period.

The Consolidated Plan is to be a comprehensive strategy developed by the specific community in order to properly and efficiently address the communities housing, economic and social needs, especially as it relates to the low and moderate-income residents of the population.

The city of Muskegon is an original Community Development Block Grant community a relationship that officially began in 1974; at the onset of the entitlement program. Since that time, the City of Muskegon has been designated as a participating jurisdiction and a recipient of the HOME Investment Partnership program. This will be the City of Muskegon's third Consolidated Plan, the first was produced in 1995 and the second in 2000.

The City of Muskegon's Community and Neighborhood Services office coordinated the development of the City's 2005-2010 five year strategic plan through the required Citizen Participation process which consisted of focus groups, neighborhood meetings, surveys, and informational research.

HUD requires that the community design a strategic plan that addresses the following areas.

1. Housing Needs/Market Conditions
2. Homeless Population Needs
3. Special Needs Population
4. Community/Economic Development Needs

In addition to the required categories, the City of Muskegon felt that it was necessary to gather data on several other areas that include:

- Educational Base and Workforce/Employment
- Family Demographics
- Health & Human Services Resources and Needs

This section of the city of Muskegon's 2005 – 2010 Consolidated Plan is focused on the city's overall housing stock with the main emphasis of this analysis on housing supply, demand, condition, affordability and the special needs population.

The majority of the information that has been obtained in order to show the demographic profile of the city's housing stock and housing market, was researched through the 1990 and 2000 census, the 2000 – 2004 Consolidated Plan, equalization information from the Muskegon County assessors office, inspection information from the city of Muskegon's Neighborhood and Constructions Services dept, as well as information from the city's Community and Neighborhood Services office and lastly research of real estate related data.

In addition to the aforementioned areas information will be used from the Home Mortgage Disclosure Act (HMDA), the Muskegon Continuum of Care, Muskegon Area Fair Housing Analysis and the updated 2002 CHAS.

## **POPULATION BY CENSUS DATA**

A comparison of the 1990 and 2000 census data shows a decrease in population from 1990 according to the U. S. Census Bureau. The city of Muskegon had a population of 40,283 in 1990. In 2000, the population was officially 40,105 a decrease of 178 persons. After decades of significant decreases in population that began around 1960, the slight decrease between 1990 and 2000 is a positive indicator that the city may begin to reverse the trend of population decline. In fact, the 2003 mid-year census estimated the city's population at 40,331, which is an increase of 226 since the 2000 census. As mentioned previously, it is hoped that the city's long population downward spiral of the last approximately 40 years has ended.

### **Racial and Ethnic Neighborhood Concentration**

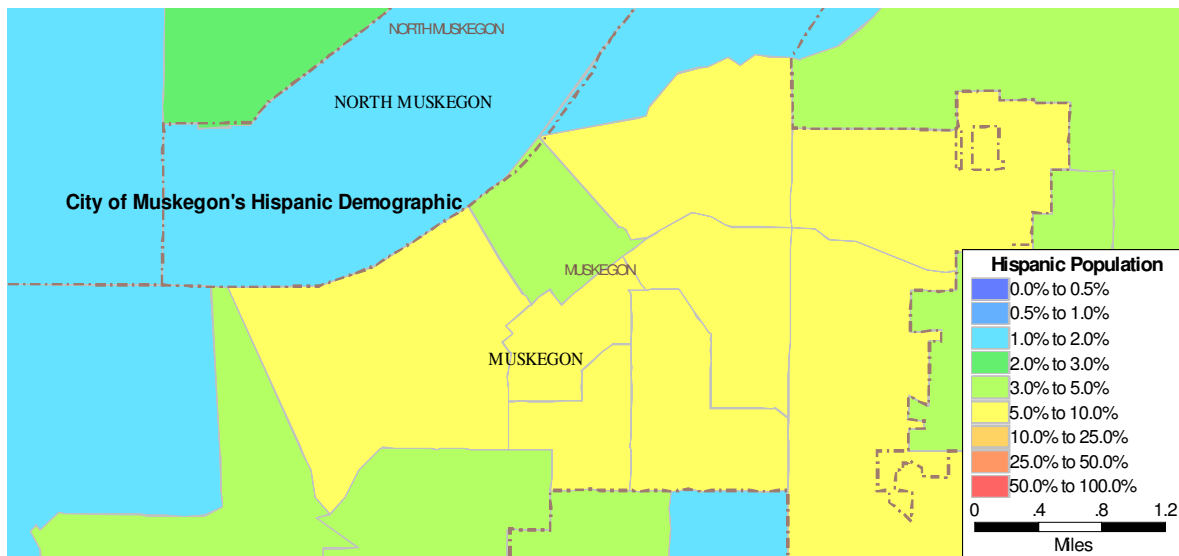
Like many other urban core communities the city of Muskegon has experienced a significant increase in the minority population of its central neighborhood while the city's overall white population has continued to decrease since the late 1950's.

According to the 2000 census, the city had a decrease of 9.3% of its white population since the 1990 census. The African American population increased by 4.6% and the Hispanic population more than doubled from 3% to 6.38% during that same time period.

As stated in the 2000-2004 Consolidated Plan, the racial and ethnic composition of Muskegon varies significantly by neighborhoods. According to the 1990 census, sixty-percent of the city's African American population resided in the Jackson Hill, East Muskegon, Angell and McLaughlin neighborhoods, which are census tracts 2, 4, 3, and 5, respectively. That percentage increased to 79.9% according to the 2000 census information. The four census tracts that have the least amount of minority growth were Lakeside (census tract 9), Beachwood/Bluffton (census tract 10), Glenside/Campbell (census tract 21) and Nims (census tract 8). Each showed some increase in African American growth in the ten-year period between 1990 to 2000. Lakeside had a 1.56% increase; (Bluffton/Beachwood) experienced a .63% increase in African American residents, Glenside/Campbell experienced the most significant increase of the western neighborhoods with a 4.6% increase followed by Nims that had 2.72%

An examination of the Hispanic population revealed that all census tracts experienced an increase in its Hispanic population. Although similar to the African American population, the majority of Hispanic population is in the central neighborhoods that are also the areas with the highest concentration of low and moderate-income residents.

Hispanic is an ethnic indicator and not a racial indicator. Persons of Hispanic origin can be of any race and are included in other race categories.

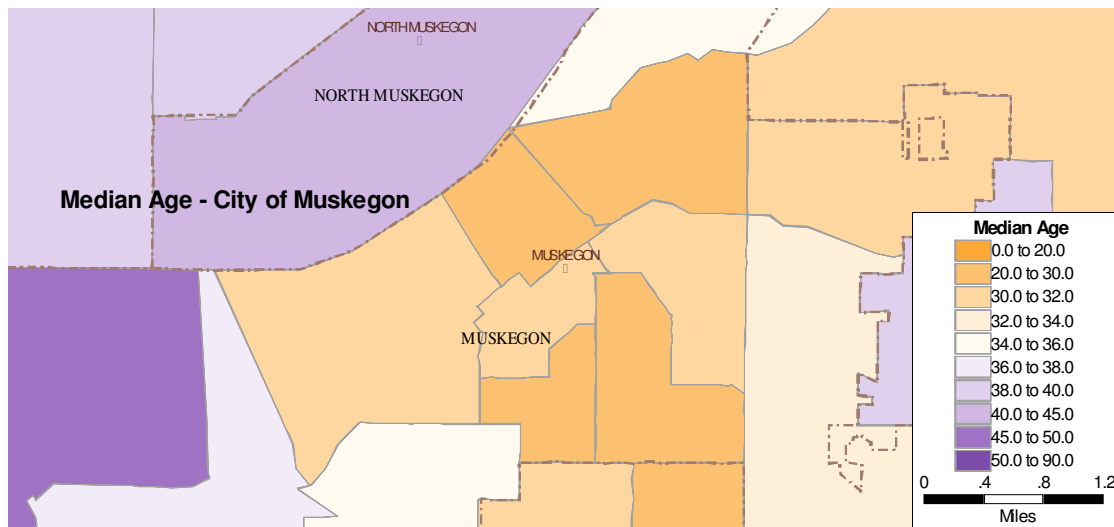


### Hispanic Population

Marquette	3.56%
Jackson Hill	8.23%
Angell	6.66%
E. Muskegon	6.30%
McLaughlin	0.39%
S. Nelson	7.30%
N. Nelson	6.43%
Downtown	4.44%
Nims	9.18%
Lakeside	3.56%
Beachwood Bluffton	1.31%
Glenside/Campbell	3.09%

### Age Distribution

The median age of Muskegon residents is 32.3, which is younger than the overall county's median age. In fact, the only surrounding community with a younger median age than the city of Muskegon is our sister city to the south, Muskegon Heights, whose median age is 29.2. The State of Michigan's median age is 35.5 and the country's median age is 36.



The largest concentration of people in a certain age range is the nine year cohort of 25 to 34 where 16.6% or (6,672) of persons fit within that particular parameter. The next largest age range is those persons whose age are between 35 to 44 years old with a 15.5% or 6,222 of the aggregate population. The lowest age ranges are those persons over 85 with a percentage of only 1.9 of the population. It should also be noted that approximately 37.4% of the city's population is less than 25 year of age. This is a very important statistics because that is the population that will hopefully be the future home purchasers, the next generation of entrepreneurs, the workforce of the community and the parents of the next generation to be educated by the school systems. It is very important for the city's future health that the population under 25 receives the best education and quality nurturing in order to be the most productive Muskegon citizen possible.

Total population	40,105	
Under 5	3,062	7.6%
5 – 9	3,082	7.7%
10 – 14	2,736	6.8%
15 – 19	2,593	6.5%
20 – 24	3,536	8.8%
25 – 34	6,672	16.6%
35 – 44	6,222	15.5%
45 – 54	4,670	11.6%
55 – 59	1,446	3.6%
60 – 64	1,109	2.8%
65 – 74	2,218	5.5%
75 – 85	1,989	5.0%
85+	770	1.9%

*Source: 2000 Census*

### **Extremely low – Income households**

Households are designated “extremely low income” if they are earning 30% of the median family income (MFI) or below. In 2004, the median family income was reported at \$27,929. Therefore, households that have extremely low incomes would have an income of 30% of this amount or \$8,379.

Approximately 2,199 (15%) of households in the city of Muskegon have extremely low incomes. This is an increase of 196 of extremely low-income households since the 1990 census. Extremely low-income renters and homeowners are thought to have the most acute housing issues as it relates to affordability. As illustrated in the neighborhood analysis, several central neighborhoods had median incomes below the city’s median income. Households earning less than 30% MFI and paying half or more of their income on housing costs are the group most likely to experience homelessness. Households in this income range will benefit from assistance programs that assist with rental assistance (i.e. Section 8 and or other emergency rental assistance). Long term programs that focus on education, job training and personal skill development will also be beneficial to increase their income and to add stability to their lives.

### **Very Low Income Households**

Very low-income households have incomes that are between \$8,880 and \$13,964.50. There are 1337 households that have very low incomes in the City of Muskegon which accounts for 9.2% of the total community’s household population.

Traditionally, the majority of very low-income households are female headed, senior citizens and or renters. Because of the cost burden that extremely low and low-income households experience, the City of Muskegon will continue to work with local agencies that assist residence with emergency assistance for either renters or homeowners. It is the hope of the City to specifically work with organizations and agencies that offer down payment assistance for homeownership for low-income residents. The City is also interested in developing strong coalitions with local agencies that assist renters and homeowners with emergency utility payment and / or eviction and foreclosure relief.

In addition, the City will also continue efforts when applicable to support or develop more affordable mixed income rental housing through mechanisms like tax credits, tax increments, financing, renaissance zones as well as other financial assistance instruments.

### **Low Income Households**

Households having incomes between 51% to 80% of median family income for a community or metropolitan statistical area (MSA) are considered low-income. Updated CHAS data identified 3272 low-income households within this income range accounting for 22% of all households in the city of Muskegon. Homeowners with low incomes are often characterized as the working poor. Although many are employed, their income falls short of needed resources to afford and maintain their housing. It is important that low-income homeowners and / or renters have living facilities with low maintenance or overhead cost. For example, items like insufficient furnaces,

lack of proper insulation, antiquated plumbing, windows and electrical systems can be a drain on the household resources. The city will continue to promote homeownership within this income parameter through both its new Infill single family construction program and its total rehabilitation program. It is hoped that over the next five years, these two programs will be able to benefit low-income renters with making the transition to homeownership. In addition, the city's rental housing stock is expected to continue to be assisted by the City's rental rehabilitation program which assists investment owners with rehabilitating their structures by offering a 50% match of \$14,999 per unit reimbursement for rehabilitation cost. The City's rental rehabilitation program not only assist the homeowner but also benefit the overall housing stock by bringing the specific rental structure up to code and assuring that the city has quality and affordable rental property. Any investment owner who completes the rental program is required to rent his or her units at the established fair market rates for a period of five years.

### **Fair Market Rents**

Grand Rapids-Muskegon-Holland, MI MSA

0 BR	1BR	2BR	3BR	4BR
\$512	\$548	\$658	\$849	\$894

As stated earlier, efforts to develop or rehabilitate affordable rental units through programs like tax credits, renaissance zone credits, tax increments, financing and other available mechanisms will continue to increase the quality and quantity of affordable housing for this income group and other qualified groups.

### **Moderate Income Households**

Moderate-income households have incomes between 81% and 95 % of median family income. According to the 2000 census there are 2531 households in this income range. Even though households in this income range are not eligible for any housing programs available for the City of Muskegon and / or most other local agencies, it is speculated that affordability and housing maintenance concerns are rising with the increase cost of housing relative to stagnant wages that the local economy has experienced since 2000. It is hoped that the city's current and future economic development efforts will be able to assist this income range by offering employment opportunities as well as upgrading the city as a whole by increasing the city's retail, commercial, and modern industrial base. The city of Muskegon is currently transforming from a heavy manufacturing community to a mixed economy community. All these factors taken into consideration will hopefully improve the quality of life not only for the moderate-income residents but also for all the residents.

According to the 2000 census, the city of Muskegon possesses 15,999 housing units. Of that aggregate number, 14,569 or 91.6% is occupied. Of the total number of units 8,284 or 51.7% are owner occupied while 6,285 approximately 39% are rental units. Below is a table that analyzes the city of Muskegon by particular neighborhood. The areas that are reviewed are a number of units, owner occupied units, rental unites and vacant units.

Housing Unit									
City of Muskegon									
Neighborhood	Total Units	Occupied Units	Percent	Owner Occupied	Percent	Renter Occupied	Percent	Vacant Units	Percent
Angell	1,377	1,204	87.4	572	41.5	632	45.6	173	12.5
Beachwood/Bluffton	695	625	90	528	76	97	13.9	70	10.07
E. Muskegon	2,271	2,158	95	1,681	74	477	21	113	4.9
Downtown	37	30	81	4	10.8	26	70.2	7	18.9
Glenside/Campbell	1,763	1,580	89.6	790	44.8	790	44.8	183	10.3
Jackson Hill	390	339	86.9	227	58.2	112	28.7	51	13
Lakeside	1,740	1,652	94.9	1,357	77.9	295	16.9	88	5
Marquette	2,109	2,023	95.9	565	26.8	1,458	69.1	86	4
McLaughlin	2,205	1,961	88.9	1,007	45.6	954	43.2	244	10.2
Nelson (south)	706	631	89.3	382	54.1	249	35.3	75	10.6
Nelson (north)	1,266	1,051	83	303	23.9	748	59	215	16.9
Nims	1,536	1,408	91.6	937	61	471	30.7	128	8.3
City of Muskegon	15,999	14,569	91.6	8,284	51.7	6,285	39	1,430	8.9

Because the city of Muskegon is an older core community, the city possesses a significantly older housing stock than many inner and outer ring communities. According to the 2000 census of the 8,284 owner occupied units in the city 7,445 or 89.8% were build before 1980 while only 464 or- 6.02% of the units were built after 1980. The median age of an owner occupied unit is 50 years old.

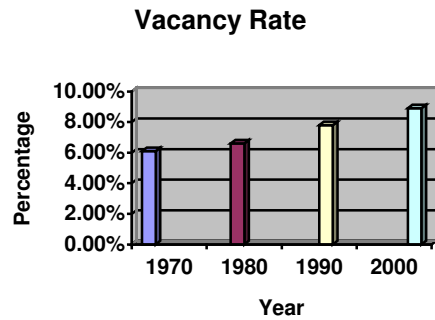
#### Tenure by year structure built

Owner Occupied		Renter Occupied	
Year Built	# of Units	Year Built	# of Units
1999 - March 2000	41	1999 to March 2000	0
1995 - 1998	152	1995 – 1998	220
1990 - 1994	137	1990 – 1994	138
1980 - 1989	154	1980 – 1989	415
1970 - 1979	369	1970 – 1979	1375
1960 - 1969	735	1960 – 1969	857
1950 - 1959	1797	1950 – 1959	1011
1940 - 1949	1922	1940 – 1949	1805
1939 or Earlier	2991	1939 or Earlier	1442

#### Occupancy and Vacancy Rates

Even with increases in housing units and a decline in population over the last approximately 30 years. The vacancy rate in housing has steadily increased.





### Physical Condition of Housing Stock

Because of the overall age of the city of Muskegon housing stock, the overall condition of the city's housing is rather good. A large percentage of the substandard housing in the community has been eliminated over the last 30 years through the Urban Renewal and the city's aggressive dangerous building demolition program. Even though the city has invested a substantial amount of funding in the city's housing stock through its' rehabilitation program, public investment cannot transform the community alone. In order to truly transform some of the city's older low-income neighborhoods, it must be a strong partnership between government, local financial institutions, the nonprofit community, religious community, neighborhoods associations, educational community, businesses and private homeowners.

Michigan cities percentage of existing housing built before 1950

Battle Creek	42.3
Benton Harbor	47.8
Grand Rapids	48.9
Kalamazoo	40.00
Pontiac	35.2
Muskegon	50.00

Vacancy Housing Status City of Muskegon

Total	1430
For Rent	530
For Sale only	249
Rent/Sold/Not Occupied	119
For Seasonal Use	83
Other Vacant	449

*Source: 2000 Census*

## Age of Housing Units in the City of Muskegon

Year Built	Number	Percent
1999-March 2000	60	.04
1995 – 1998	426	2.7
1990 – 1994	278	1.7
1980 – 1989	594	3.7
1970 – 1979	1884	11.8
1960 – 1969	1726	10.8
1940 – 1959	6057	37.8
1939 or Earlier	4992	31.2

Housing Problems Output for all Households					
Renters					
Housing by Type	Elderly	Small Related	Large Related	All	Total
Income and Housing Problem	1 & 2	2 to 4	5 or more	Others	Renters
Household Income $\leq$ 50% MFI	934	1287	277	1284	3784
Household Income $\leq$ 30% MFI	649	743	138	785	2315
% with Housing Problem	53.9	88.6	97.1	81.5	77
% Cost Burden $\geq$ 30%	27.7	55.2	42.8	54.8	46.6
Household Income $>$ 30%MFI $\leq$ 50%MFI	285	544	139	499	1467
% with Housing Problem	38.6	38.4	38.8	50.9	42.7
% Cost Burden $>$ 30%MFI	38.6	34	13.7	48.1	37.8
% Cost Burden $>$ 50%MFI	0	2.8	0	3	2
Household Income $>$ 50%MFI $\leq$ 80%MFI	159	485	174	593	1411
% with Housing Problem	8.8	11.3	43.1	8.1	13.6
% Cost Burden $>$ 30%MFI	2.5	5.2	0	2.4	3
% Cost Burden $>$ 50%MFI	0	0	0	0	0
Household Income $>$ 80%MFI	63	444	94	458	1059
% with Housing Problems	0	4.3	57.4	5	9.1
% Cost Burden	0	0	0	0.9	0.4
% Cost Burden $>$ 50%MFI	0	0	0	0	0
Total Households	1156	2216	545	2335	6252
% with Housing Problem	41	42.5	58.2	41.3	43.1
% Cost Burden $>$ 30%MFI	40.1	39	23.5	38.5	37.7
% Cost Burden $>$ 50%MFI	15.6	19.2	10.8	19.1	17.7

Housing Problems Output for all Households						
Owners						
Housing by Type	Elderly	Small Related	Large Related	All	Total	Total
Income and Housing Problem	1&2	2 to 4	5 or more	Others	Owners	Household
Household Income $\leq$ 50% MFI	932	688	264	355	2239	6201
Household Income $\leq$ 30% MFI	419	279	100	200	998	3313
% with Housing Problem	56.1	76.7	90	52.5	64.5	73.2
% Cost Burden $\geq$ 30%	33.4	52	45	40	41.1	44.9
Household Income $>$ 30%MFI $\leq$ 50%MFI	513	409	164	155	1241	2708
% with Housing Problem	14.7	54.8	72.6	51.6	40	41.5

% Cost Burden > 30%MFI	13.5	54.8	51.8	51.6	36.9	37.4
% Cost Burden > 50%MFI	3.7	12.2	9.1	12.9	8.4	4.9
Household Income > 50%MFI ≤ 80%MFI	624	760	245	425	2054	3465
% with Housing Problem	5.4	17.1	30.6	20	15.8	14.9
% Cost Burden > 30%MFI	5.4	13.8	16.3	20	12.9	8.9
% Cost Burden > 50%MFI	0	1.3	4.1	3.5	1.7	1
Household Income > 80%MFI	745	2109	444	679	3977	5036
% with Housing Problems	3.4	4.9	18.9	4.3	6.1	6.7
% Cost Burden	3.4	4.5	3.4	3.7	4	3.2
% Cost Burden > 50%MFI	0	0.2	0	0	0.1	0.1
Total Households	2301	3557	953	1459	8270	14552
% with Housing Problem	15.9	18.9	38.6	20.5	18.4	26.7
% Cost Burden > 30%MFI	15.8	17.9	24.1	20.2	18.4	26.7
% Cost Burden > 50%MFI	6.9	5.9	7.3	7.9	6.7	11.4

### Economic Condition Factors

Economic Condition Factors (ECF) are a mechanism used by local assessors when appraising a mass of properties especially in a particular neighborhood by doing a cost less depreciation analysis as it relates to what properties are selling for. The ECF is derived by analyzing properties that have sold and comparing the cost less depreciation of the building to that portion of the sale prices attributable to those buildings. If there is a consistent relationship between the cost less depreciation analysis and the sale values of the buildings this relationship is expressed as an ECF which is used to adjust the cost less depreciation estimates to what properties are selling for in the market.

Analysis of the Economic Condition Factors for the City of Muskegon between the period of 2000 to 2004 revealed that the majority of Muskegon neighborhoods housing has increased in value or remained somewhat stable. The neighborhoods of Jackson Hill, Bluffton, Lakeside, Angell and Marsh showed an increased value, while the neighborhoods of Glenside, Oakview, Steele and Sheldon Park show a minor decrease.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>Difference</b>
Angell	0.850	0.930	0.930	0.950	0.100
Beachwood Bluffton	1.050	1.200	1.200	1.200	0.150
Campbell	1.050	1.130	1.215	1.280	0.230
East Muskegon	1.000	1.040	1.040	1.050	0.050
Glenside	1.220	1.290	1.270	1.200	-0.020
Jackson Hill	0.870	0.900	0.960	1.000	0.130
Lakeside	1.080	1.140	1.157	1.220	0.140
Marsh	1.000	1.070	1.070	1.100	0.100
Marquette	1.180	1.210	1.210	1.250	0.070
McLaughlin	0.920	0.980	0.980	0.950	0.030
Nelson	1.000	1.040	1.040	1.050	0.050
Nims	1.100	1.210	1.170	1.150	0.050
Oakview	1.270	1.310	1.310	1.250	-0.020
Steele	1.270	1.310	1.310	1.250	-0.020
Sheldon	1.260	1.330	1.330	1.250	-0.010

E. Downtown	0.870	0.870	0.870	0.870	0.000
W. Downtown	1.100	1.100	1.100	1.100	0.000

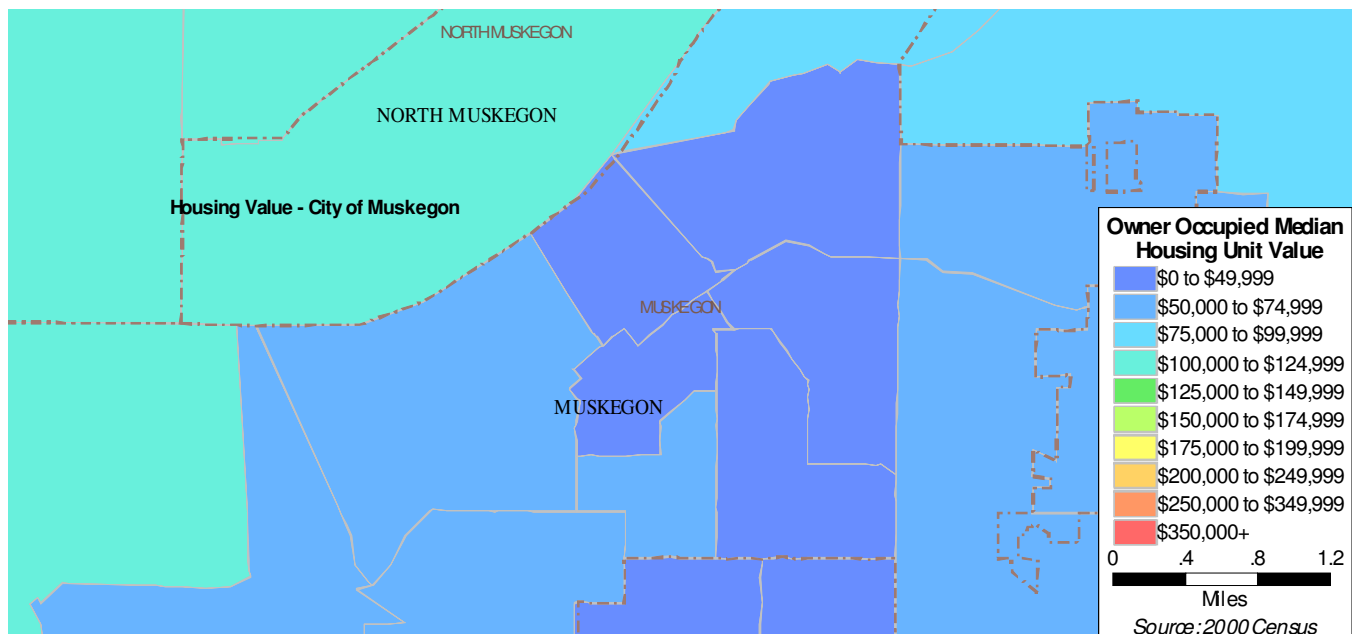
Source: Muskegon County Equalization

### Housing Cost Analysis

According to the 2000 census there are 68,556 total housing units in Muskegon County with 63,330 occupied while there are 16,017 total housing units in the city with 14,561 occupied.

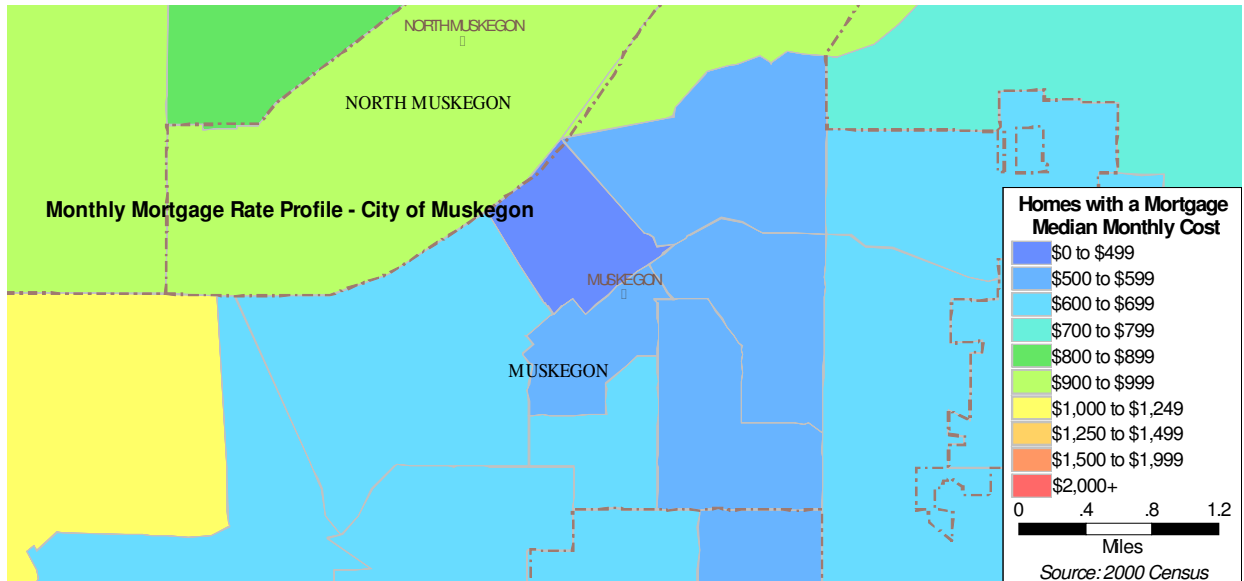
Below are the breakdowns of housing values in the city of Muskegon per the 1990 and 2000 census.

Value	<u>1990</u>	<u>2000</u>
< 50,000	6177	2710
50,000 – 99,999	1235	4073
100,000 – 149,999	63	477
150,000 – 199,999	22	146
200,000 – 299,999	0	111
300,000 – 499,999	0	13
500,000 or more	0	0
Median Value	\$32,100	\$59,800



Below is a break down of the monthly mortgage cost for homeowners in the City of Muskegon according to the 1990 and 2000 Census

Amount	<u>1990</u>	<u>2000</u>
< 200	47	1062
200 - 299	337	1116
300 - 399	818	753
400 - 499	1043	864
500 - 599	682	947
600 – 799	440	1493
800 – 999	110	622
1000 – more	32	679
Median	452	637



Below is the selected monthly owner cost as a percentage of household income in 1999 as supplied by the 2000 Census .

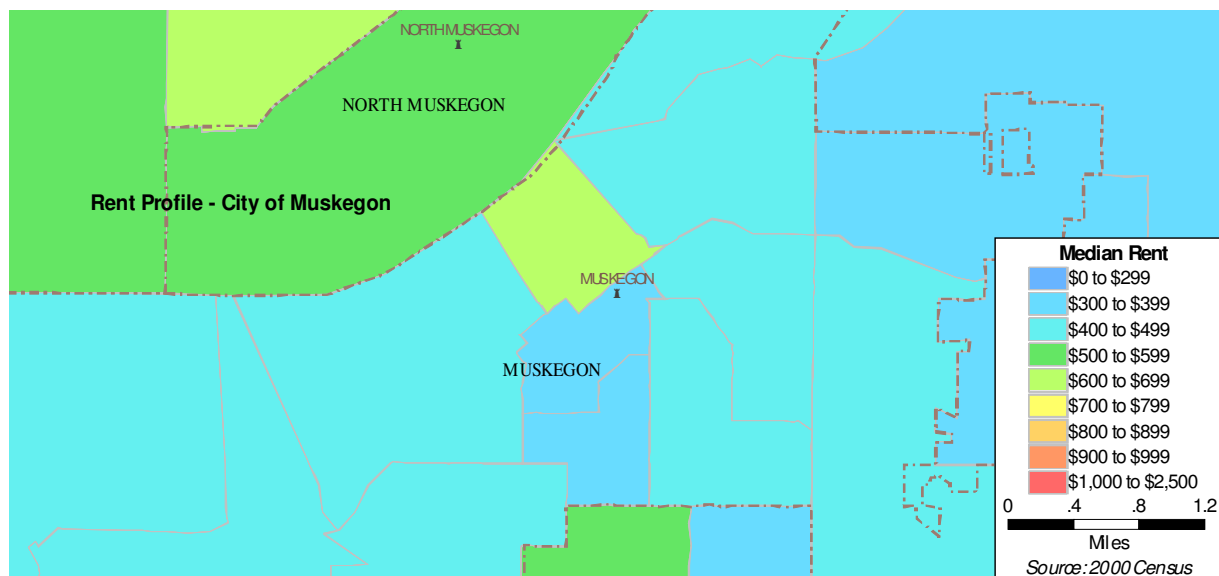
Less Than 15%	3,204	42.5
15 to 19 percent	1,236	16.4
20 to 24 percent	1,005	13.3
25 to 29 percent	549	7.30
30to 34 Percent	364	4.80
35 percent or more	1,090	14.5

According to the table above of the selected data concerning monthly cost of household income for mortgage holders within the City of Muskegon, approximately 20% of those in the distribution pay 30% or more of their household income for housing. According the U.S. Department of Housing and Urban Development, any one paying more than 30% of their monthly income on housing is causing a cost burden.

The next section is the cost of individuals paying cash for rent within the City of Muskegon.

Monthly Rent	Number
<250	784
250 – 499	3703
500 – 749	1363
750 – 999	134
1,000 – 1,499	22
1,500 - 1,999	18
2,000 or more	17

Median Rent \$416.00 per month



Gross rent as a percentage of Household income in 1999

Percentage Range	Number	Percent
Less than 15 percent	1,138	18.2
15 to 19 percent	910	14.6
20 to 24 percent	746	12.0
25 to 29 percent	647	10.4
30 to 34 percent	511	8.20
35 percent or more	1,958	31.4

The table above shows the range of renters within the City of Muskegon and the percentage of their gross income that is being spent on housing. According to the information above, approximately 40% of the renters in the community are spending 30% of their household income on housing which again according to the U.S. Department of Housing and Urban Development is considered a cost burden.

## **Public Housing**

The Muskegon Housing Commission is a stand-alone agency separate from the City of Muskegon since 2000, it manages the public housing in the city of Muskegon. The agency owns and operates one multifamily housing complex designated for the elderly and disabled at 1080 Terrace. The name of the structure is Hartford Terrace. The complex consists of 160 one-bedroom units. The structure was originally built in 1973 as an elderly only building. Currently the individuals are eligible who are 50 years old or disabled. Although the Muskegon Housing Commission is a stated alone agency, the City Manager of the City appoints the Housing Commissioners

During the time of the development of the 2000 city of Muskegon Housing Commission, the Muskegon Housing Commission had an inventory of 32 scattered site homes. Eight of those 32 sites were homes that the Housing Commission had obtained during the old Turnkey-3 program. Many of the Turnkey 3 structures had been vacant for a number of years and had created a blighting influence on their respectful neighborhoods. During the summer of 2003, through an agreement with the Housing Commission and the City of Muskegon, the structures were sold to the City of Muskegon and the city demolished all the structures within 30 days.

The City of Muskegon's Community and Neighborhood Services office aggressively developed a plan to build new homes on four of the original sites. At this time three of the sites 1668 Beidler, 361 Oak and 284 Iona all have new homes built on them and are occupied by low to moderate income homebuyers. The last site 710 Marcoux is designated to have a home built on it during the summer of 2005. One of the intentions mentioned in the 2000 city of Muskegon Consolidated Plan was to rid the City's neighborhoods of the blighted Turnkey-3 units and proudly it was achieved.

It was also mentioned in the 2000 Consolidated Plan that the Hartford Terrace complex was in need of extensive repairs and updating. In the last four years, the Housing Commission has been able to achieve that goal. Some of the items that have been updated or repaired at the Hartford Terrace complex are replacement of ventilation and air conditioning, units replacement of flooring, remodeling of kitchens, repairing of elevators, update of security system, updating of plumbing and electrical, the replacement of lounging area furniture, painting, landscaping, etc.

## **Section 8**

The Muskegon Housing Commission is one of two agencies in Muskegon County who administer the Section 8 tenant-based program. The tenant-based program is designed to increase affordable housing choices for very low-income families. Persons or families who have a tenant based voucher choose and lease safe, decent and affordable privately owned rental housing. Currently, the Muskegon Housing Commission has allocated 164 vouchers. Of the 164 vouchers, 81 vouchers are being used by persons or families that qualify as elderly or disabled. There are currently 331 persons on the MHC Section 8 waiting list. The MCH manages 64% of the Section 8 vouchers in Muskegon County.

The average yearly income for a household receiving Section 8 assistance is \$5,159, the average monthly rent not including utilities is \$143.00. The average rent including utilities per month is \$237.00.

Public assistance is the sole source of income for 15% of households. Households that are working comprise 38% of the aggregate while 31% of the working households also receive Temporary Assistance for Needy Families (TANF).

A breakdown of the time that the recipients have been on the program is the following:

Less than 1 year	24	15%
Less than 2 years	36	23%
Less than 3 years	27	17%
Less than 4 years	3	2%
Less than 5 years	21	13%
More than 5 years	48	30%

The broad income ranges of the Section 8 families are the following:

\$0 – 5,000	10	6%
\$5,000 – 10,000	57	37%
\$10,000 – 15,000	57	37%
\$15,000 – 20,000	19	12%
\$20,000 – 25,000	12	8%
More than \$25,000	1	1%

The Michigan State Housing Development Authority also administers a Section 8 program in Muskegon County through a private contractor Cornerstone Agency. According to Cornerstone Agency they currently have 399 Section 8 clients throughout Muskegon County. Unfortunately, the private contractor was not able to supply the City of Muskegon with demographic information on his clients because of computer problems.

It is hoped that the Housing Commission and the CNS office can work together to assist current Section 8 Certificate holders become homeowners. During the 2000-2005 Consolidate Plan period one of the Housing Commission scattered site residents purchase one the City's total rehabilitated homes.

#### Muskegon Housing Commission

##### Resident Waiting List

Total number of waiting list: 8

Nonelderly	8
Elderly	0
Female	8
Disabled	0
White	1



Black	6
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#### Income Levels

Extremely Low	8
Very Low	0
Low	0
Other	0

#### Muskegon Housing Commission

##### Section 8 – Waiting List

Total Number on list 331

Average Family size	3
Elderly Head of Household	8
Female Head of Household	304
Disabled/Handicapped Head of Household	41

#### Race

White	30
Black	298
American Indian/Alaskan Native	1
Hispanic	3

Number of Family members younger than 18 years	489
Number of Families with Children	229

Income Source	Number	Percent
Child Support	7	3%
Federal Wages	10	1.2%
General Assistance	59	24%
Military Pay	1	.4%
Other Non Wage Sources	1	.4%
SSI	79	32%
Social Security	27	11%
TANF (formerly AFDC)	5	2%
Unemployment Benefits	5	2%
Other Wages	56	22.4%

#### Range of Income

Income	Count	Percent
\$0 - \$5,000	20	13%
\$5,000 - \$10,000	85	53%
\$10,000 - \$15,000	38	24%
\$15,000 - \$20,000	14	9%

\$20,000 - \$25,000	2	1%
\$25,000 +	1	1%

#### Income Levels

Extreme Low	316	95%
Very Low	13	4%
Low	0	0%
Other	2	1%

In the 2000 – 2005, City of Muskegon Consolidated Plan an inventory of the Muskegon Housing Commission's scattered houses was listed and the individual status of the property an update of the Housing Commission inventory is listed below. During the 2000-2005 Consolidated Plan the City and the Housing Commission were very successful in meeting their goals of eliminating the Turnkey 3 homes. It is hoped that the two agencies can continue their success.

Address	Bedroom	Occupant Status
429 Adams	3	Vacant – 2000 / Sold – 2004
2137 Austin	3	Occupied – 2000 / Sold – 2004
1668 Beidler	3	Vacant – 2000 / Demo – New house 2004
383 Catherine	3	Vacant – 2000 / Demolished 2004
876 Cedar	3	Occupied – 2000 / Sold – 2004
492 Erickson	3	Vacant – 2000 / Sold – 2004
531 Getty	3	Occupied – 2000 / Sold – 2004
372 Houston	3	Occupied – 2000 / Sold – 2004
284 Iona	4	Vacant – 2000 / Demo – New house 2004
349 Jackson	3	Vacant – 2000 / Sold – 2004
359 Jackson	3	Vacant – 2000 / Vacant – 2004
747 Marcoux	3	Vacant – 2000 / Demolished 2004
410 Marquette	3	Vacant – 2000 / Vacant – 2004
424-426 Monroe	2 Duplex	Occupied – 2000 / Occupied 2004
425-427 Monroe	2 Duplex	Occupied – 2000 / Occupied 2004
1963 9 <sup>th</sup> St.	Vacant Lot	Vacant Lot
361 Oak	3	Vacant – 2000 / Demo – New house 2004
405 Octavius	3	Occupied – 2000 / Sold – 2004
301 Orchard	2	Occupied – 2000 / Sold – 2004
326 Sumner	3	Vacant – 2000 / Sold – 2004
1317-1319 Terrace	2 Duplex	Occupied – 2000 / Occupied 2004
1950 Terrace	3	Vacant – 2000 / Demolished 2004
442 White	5	Occupied – 2000 / Sold – 2004
338 Yuba	3	Vacant – 2000 / Sold – 2004
392 Yuba	4	Vacant – 2000 / Sold – 2004
402 Yuba	3	Occupied – 2000 / Sold – 2004

## Home Mortgage Disclosure Act

The following information shows the number of mortgages originated, the number denied, etc by Census Tract. The information was obtained from the Federal Reserve Board. The researcher diligently attempted to find a resource where the availability of information that described the amount of mortgages allocated in the city of Muskegon by Census Tract, but unfortunately the information was not readily available.

Disposition of Loan Application					
By Location of Property and Type of Loan (2003)					
All Loans on Property Located in the City of Muskegon					
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #1</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	8	26	124	6	36.28%
Approved Not Accepted	0	7	27	1	
Application Denied	2	6	91	17	
Application Withdrawn	1	2	36	1	
Files Closed for Incompleteness	2	2	15	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #2</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	2	13	28	2	77.20%
Approved Not Accepted	0	1	14	1	
Application Denied	0	13	45	10	
Application Withdrawn	0	3	13	0	
Files Closed for Incompleteness	0	0	3	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #3</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	4	12	47	9	69.60%
Approved Not Accepted	0	6	9	1	
Application Denied	0	12	54	20	
Application Withdrawn	0	4	23	0	
Files Closed for Incompleteness	0	0	1	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #4</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	24	56	224	18	43.83%
Approved Not Accepted	1	9	51	6	
Application Denied	8	22	164	34	
Application Withdrawn	2	9	74	3	

Files Closed for Incompleteness	3	6	22	0	
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Disposition of Loan Application					
By Location of Property and Type of Loan (2003)					
All Loans on Property Located in the City of Muskegon					
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #5</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	7	44	101	10	43.22%
Approved Not Accepted	0	7	28	2	
Application Denied	4	27	113	24	
Application Withdrawn	1	6	45	4	
Files Closed for Incompleteness	2	3	9	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #6.01</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	5	20	46	2	41.50%
Approved Not Accepted	2	1	10	1	
Application Denied	4	8	33	8	
Application Withdrawn	0	2	17	2	
Files Closed for Incompleteness	0	3	2	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #6.02</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	3	13	40	3	54.80%
Approved Not Accepted	2	4	11	1	
Application Denied	2	8	48	3	
Application Withdrawn	0	3	11	1	
Files Closed for Incompleteness	0	2	2	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b>Census Tract #7</b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	0	6	3	1	43.30%
Approved Not Accepted	0	0	3	0	
Application Denied	1	2	2	0	
Application Withdrawn	0	1	1	1	
Files Closed for Incompleteness	0	0	0	0	

Disposition of Loan Application					
By Location of Property and Type of Loan (2003)					
All Loans on Property Located in the City of Muskegon					
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b><u>Census Tract #8</u></b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	12	48	155	11	15.30%
Approved Not Accepted	0	7	27	4	
Application Denied	4	9	64	19	
Application Withdrawn	1	4	47	0	
Files Closed for Incompleteness	2	2	12	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b><u>Census Tract #9</u></b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	14	64	243	9	6.12%
Approved Not Accepted	3	5	23	0	
Application Denied	0	17	54	11	
Application Withdrawn	2	3	48	0	
Files Closed for Incompleteness	1	2	7	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b><u>Census Tract #10</u></b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	0	54	141	1	2.54%
Approved Not Accepted	0	2	14	2	
Application Denied	1	5	8	3	
Application Withdrawn	0	5	6	0	
Files Closed for Incompleteness	0	0	8	0	
	<b>Home Purchase Loan</b>			<b>Home</b>	<b>Minority</b>
<b><u>Census Tract #21</u></b>	<b><u>FHA/FSA/RHS &amp; VA</u></b>	<b><u>Conventional</u></b>	<b><u>Refinancing</u></b>	<b><u>Improvement</u></b>	<b>Population</b>
Loan Originated	11	49	126	5	11.23%
Approved Not Accepted	2	2	16	3	
Application Denied	5	8	45	6	
Application Withdrawn	2	6	17	1	
Files Closed for Incompleteness	0	1	5	0	

## Neighborhood Analysis

According to the 2000 Census, there are 15,999 housing units in the City of Muskegon of that aggregate number of 15,999, 1,430 or 8% were vacant at the time of 2000 census. The 2000 Census states that 56.9% or 8,264 of the housing units in Muskegon are owner – occupied while 6,285 or 43.1% are rental occupied units.

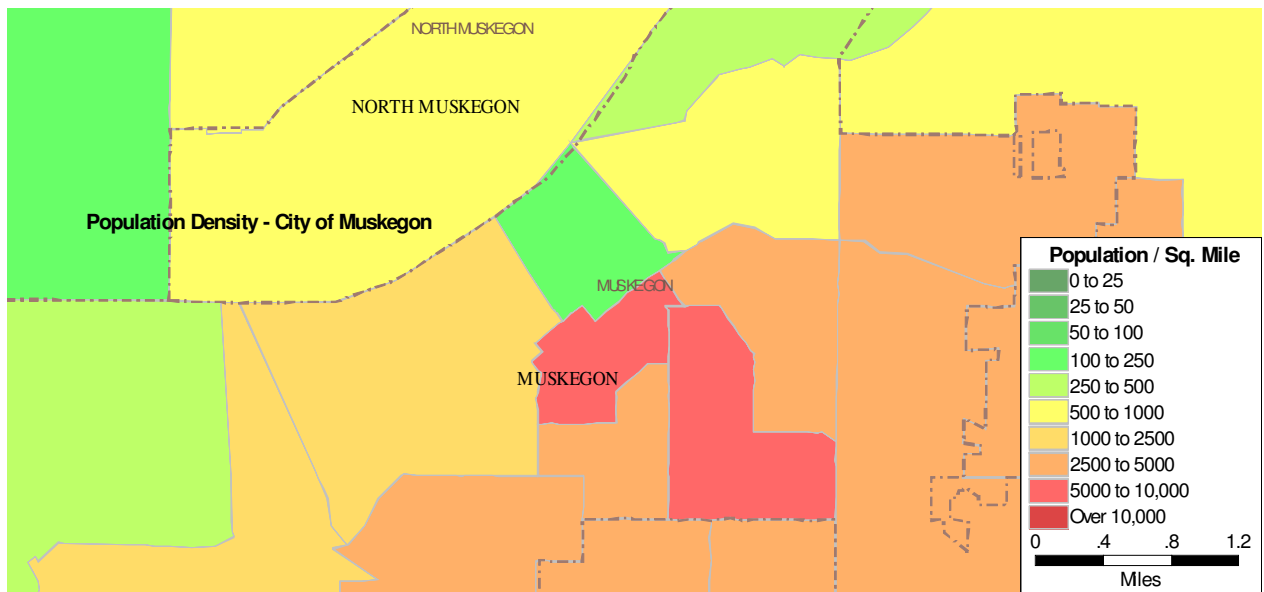
The neighborhood housing information reveals a microscopic view of the Muskegon Neighborhoods

### Units

Census Tract	Neighborhood	Total Units	Occupied Units	Owner Occupied	Renter Occupied	Vacant Units
3	Angell	1,377	1,204	572	631	173
10	Beachwood/Bluffton	695	625	528	97	70
7	Downtown	37	30	4	26	7
4	East Muskegon	2,271	2,158	1,681	477	113
21	Glenside/Campbell	1,763	1,580	790	790	183
2	Jackson Hill	390	339	227	112	51
9	Lakeside	1,740	1,652	1,357	295	88
5	McLaughlin	2,205	1,961	1,007	954	244
1	Marquette	2,109	2,023	565	1,453	86
6.01	Nelson South	706	631	382	249	75
6.02	Nelson North	1,266	1,051	303	748	215
8	Nims	1,536	1,408	937	471	123
	City of Muskegon	15,999	14,569	8,284	6,285	1,430

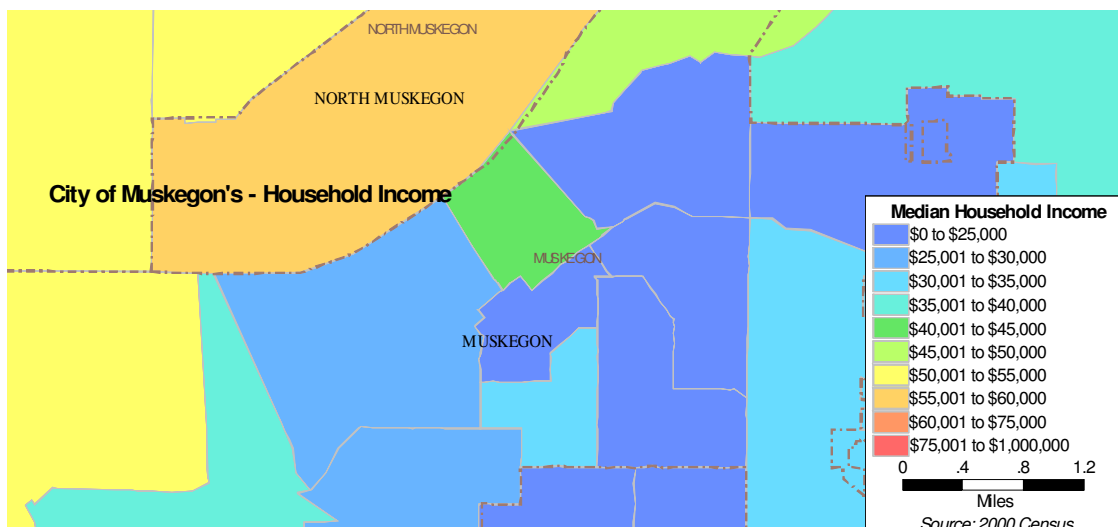
### Populations

Census Tract	Neighborhoods	Persons Per Household	Population in Household	Number of Households	Total Housing Units
3	Angell	2.7	3,245	1,204	1,377
10	Beachwood/Bluffton	2.1	1,301	625	695
4	East Muskegon	2.7	5,792	2,158	2,271
7	Downtown	1.5	45	30	37
21	Glenside/Campbell	2.1	3,312	1,580	1,763
2	Jackson Hill	3.1	1,051	339	390
9	Lakeside	2.2	3,668	1,652	1,740
1	Marquette	2	3,974	2,023	2,109
5	McLaughlin	2.8	5,536	1,961	2,205
6.01	Nelson South	2.7	1,688	631	706
6.02	Nelson North	2.3	2,434	1,051	1,266
8	Nims	2.5	3,458	1,408	1,536
	City of Muskegon	2.5	36,246	14,770	15,999



### Income

	Income			Persons in Poverty	
<i>Neighborhood</i>	Median Household	Median Family	Per Capita	Number	Percentage
Angell	\$ 18,950	\$ 21,170	\$ 10,332	1,137	36.2
<b>Beachwood/Bluffton</b>	\$ 53,712	\$ 59,625	\$ 28,472	65	5.13
East Muskegon	\$ 30,725	\$ 34,706	\$ 13,472	1,001	17.48
Downtown	\$ 43,917	\$ 56,250	\$ 21,523	16	23.58
<b>Glenside/Campbell</b>	\$ 27,269	\$ 33,393	\$ 16,426	583	17.73
Jackson Hill	\$ 18,849	\$ 17,440	\$ 9,893	428	37.84
<b>Lakeside</b>	\$ 36,042	\$ 43,487	\$ 18,847	239	6.51
Marquette	\$ 24,028	\$ 33,019	\$ 16,219	675	17.01
McLaughlin	\$ 24,569	\$ 28,094	\$ 11,561	1,495	26.86
Nelson South	\$ 31,761	\$ 32,927	\$ 15,116	326	19.54
Nelson North	\$ 18,736	\$ 21,600	\$ 10,002	824	33.77
<b>Nims</b>	\$ 29,519	\$ 31,818	\$ 14,491	500	14.43
City of Muskegon	\$ 27,929	\$ 32,640	\$ 14,283	723	20.82
Muskegon County	\$ 38,008	\$ 45,710	\$ 17,967	18,752	11.42
State of Michigan	\$ 44,667	\$ 53,457	\$ 22,168	1,021,605	10.53
United States	\$ 41,994				



In 2003, the average and median price for single-family house in Muskegon was \$60,142 and \$50,000, respectively. The data revealed the continuing trend that the higher priced homes were in the area West of Seaway drive and the neighborhoods closer to Pere Marquette and Lake Michigan. The Beachwood/Bluffton neighborhood possessed the highest selling prices with an average price of \$153,470 and a median price of \$146,226. The Glenside neighborhood was next with average and median selling prices of \$98,546 and \$94,614, respectively. The information for the neighborhood sales analysis was obtained from the county equalization/assessment office. The CNS office conducted the study.

The data also revealed that although the central core neighborhoods East of Seaway Drive selling prices were significantly lower than some of the western neighborhoods, the prices have increased since the 2000 – 2004 Consolidated Plan and the number of sales within the last few years has continued to increase. Although some of the data may be somewhat skewed because some properties especially in the central neighborhoods may be sold a number of times in a shorter period of time or may have sold through unrecorded documents, i.e. land contracts.

*Source: Muskegon Equalization/Assessor office*

<b>Neighborhood Sales</b>			
<b>Neighborhood</b>	<b>Avg. Selling Price</b>	<b>Median Selling Price</b>	<b>Number of Sales</b>
Beachwood/Bluffton	153,470	146,226	21
Glenside	98,546	94,614	24
Lakeside	70,474	74,500	64
Marquette	66,175	60,550	40
Sheldon Park	63,713	65,900	51
Nims	59,237	56,406	85
Campbell	53,651	50,000	54
Nelson	48,392	45,000	97
Oakview	47,057	50,000	69
Jackson Hill	44,324	47,500	24
McLaughlin	43,746	38,726	75
Steele	41,544	38,700	14
Marsh	41,283	36,000	71
East Muskegon	35,904	35,200	15
Angell	34,607	33,375	74
	60,142	50,000	778

One important trend that should be highlighted is that the Marquette neighborhood has experienced a large number of new constructed single family homes built in the last few years. Many of those homes appraised by the county equalization office in the range of \$105,000 - \$200,000. The Jackson Hill neighborhood has also experience significant investment from new construction housing by the private market, public and non-profit sector. The City of Muskegon has some of the most affordable housing in the county and metropolitan statistical area.



According to a CNN/Money magazine report the median price for a 4 bedroom 2.5 bath with a two-car garage was \$186,730, nationally.

The North Muskegon community has a median housing value of \$123,300. In 2000, the City of Muskegon's median housing value in 2000 was \$59,800. The median price in the City of Muskegon Heights was \$42,400 in the year of 2000. The small enclave of Roosevelt Park median housing value in 2000 was \$95,500. The City of Grand Haven had a median housing value of \$111,300 in 2000.

The City of Muskegon possesses some of the most affordable housing in the region.

During the mid to late 1990's the city of Muskegon began to experience a significant increase in the number of new constructed single family homes after many years of little activity.

Single family new housing construction building permits:

<u>Year</u>	<u># of Structures</u>	<u>Average Cost</u>
1996	30	\$ 84,700
1997	23	\$ 93,300
1998	51	\$ 84,100
1999	53	\$ 98,800
2000	69	\$ 97,900
2001	56	\$ 71,800
2002	53	\$105,800
2003	30	\$130,600

**Source: City of Muskegon Inspection's department**

The city of Muskegon's average household size is 2.5 person per household with a total number of units of 15,999. A total of 8,284 or 51.7% of the total units are owner-occupied while 6,285 or 39.3% are rental of the aggregate number of total housing units in the city of Muskegon 1,430 or 8.9% are vacant according to the 2000 census.

Ninety-one percent of the total units in the City of Muskegon were occupied at the time of the completion of the 2000 census.

Tract 1	Marquette	2.7
Tract 2	Jackson Hill	3.1
Tract 3	Angell	2.7
Tract 4	E. Muskegon	2.7
Tract 5	McLaughlin	2.8
Tract 6.01	S. Nelson	2.7
Tract 6.02	N. Nelson	2.3
Tract 8	Nims	2.5
Tract 9	Lakeside	2.2
Tract 10	Beachwood/Bluffton	2.1
Tract 21	Glenside/Campbell	2.1

Between the period of 1970 and 2000 the city of Muskegon's population decreased by 4,300 persons or 9.6%. The city of Muskegon like most urban core communities has experienced a decrease in population starting in the late 1950's. From 1970 – 1980, the negative percentage in population was 8.5%, between 1980 – 1990 the change was 1.4% and between 1990 – 2000 the percentage change was .12%. The data reveals the decline in population is improving. In fact, according to the U. S. Census Bureau during the period of 2000 – 2003, the City of Muskegon's population actually increased; one of the few communities in the area to show an increase in population.

	<u>2000</u>	<u>2003 Estimate</u>
Bay City	36,817	35,428
Holland	35,048	34,666
Jackson	36,316	35,152
Muskegon	40,105	40,331
Norton Shores	22,527	22,514
Grand Rapids	197,800	195,601
Port Huron	32,338	31,741

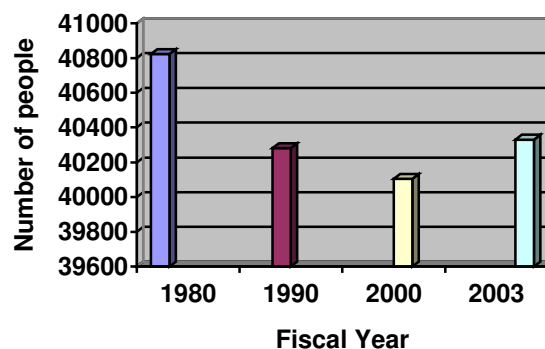
The city's neighborhoods experienced some decline in the last thirty years. Although according to the 2000 census during the period of 1990 – 2000, three neighborhoods or census tracts experienced an increase in residents. The Beachwood/Bluffton neighborhood experienced a 2.04% increase in residents during the 1990 – 2000 period. The downtown area or census tract 7 experienced a 9.40% increase in population during the decade of the nineties. Marquette and Jackson Hill, two of the city's urban renewal neighborhoods of the 1960's and 1970's, were hit hard with housing demolition has experienced a renaissance since the mid 1990's with a significant amount of new housing that was created through the mechanism of Infill housing. The private and public sectors including the nonprofit community created the Infill housing program. The East Muskegon neighborhood also had a positive population change during the 1990's.

<b>Census</b>	<b>Neighborhood</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>
1	Marquette	4,408	3930	4,231
2	Jackson Hill	1,181	939	1,057
3	Angell	4,095	3,695	3,301
4	E. Muskegon	6,871	9,883	9,598
5	McLaughlin	6,305	5,976	5,695
6.01	S. Nelson	1,940	1,924	1,713
6.02	N. Nelson	3,035	2,811	280
7	Downtown	26	62	90
8	Nims	3,667	3,507	3,464
9	Lakeside	4,079	3,852	3,678
10	Bluffton/Beachwood	1,388	1,275	1,301
21	Glenside/Campbell	3,728	3,468	3,402

The neighborhoods that experienced the most dramatic reduction in population during the last decade were the Angell neighborhood (-10.66%) and the south Nelson neighborhood (-10.97%). Both areas have experienced significant disinvestment and abandonment over the last few years.

The city of Muskegon as a whole after losing population since 1960 recorded its first positive increase in population according to the 2003 census mid term estimate in forty years. Although it was a small increase, hopefully a positive indication of the future.

### City of Muskegon Population



### Neighborhood Economic Development

Understanding neighborhood economics can help cities develop sound revitalization strategies. In the economies of central city neighborhoods, Richard D. Bingham and Zhongca Zhang noted that neighborhood characteristics, business, location and neighborhood health are interrelated. Neighborhood characteristics, including economic strength often determine where businesses locate. In turn, most businesses locating in a neighborhood strengthen the economy by providing residents with job opportunities and access to goods.

Although much research has been conducted into why businesses locate in specific cities and regions. Little is known about location decisions within neighborhood. Businesses locate in region and cities for myriad of reason access to product inputs markets transportation networks and a labor force; low crime rates and availability of housing and potential customers. Until now, minimal neighborhood level data has limited the analysis of neighborhood economics and the effect of business location on neighborhood health. Bingham and Zhang examine the correlation among neighborhood demographic socioeconomic labor force, housing and industrial variables with neighborhood industry employment to explain industry locations in neighborhoods.

The analysis of business locations within neighborhoods reveals similarities in industry location between middle-class neighborhoods and extreme poverty neighborhoods (those with more than 40 percent of the population living in poverty). The employment totals across industries indicate that job opportunities are equally available in the middle class and extreme poverty neighborhoods – 381.75 and 383.91 jobs available per 1,000 residents, respectively. However, a closer inspection shows that in extreme poverty areas over representation of certain industries

such as manufacturing, printing, hospitals and educational institution masks the lack of certain retail and service industries that factor limits the number of low-skill jobs available to neighborhood residents.

Using regression models, the authors consider the effect of four neighborhood factors – poverty level, number of working class residents, crime rates and ethnicity – on business location. Each neighborhood factor is a composite of associated neighborhood characteristics. For example, a high percentage of residents living below the federal poverty level, a high percentage of vacant housing units and a high unemployment rate characteristic are expected in high-poverty neighborhoods. The models reveal that the correlations between neighborhood characteristic and business location are tenuous for most industries, including manufacturing, construction, transportation, wholesale and social services. The neighborhood characteristics associated with poverty level working class residents, high crime rates and ethnicity have a limited effect on where businesses in these industries locate. Bingham and Zhane argue that this highlights the regional nature of these industries markets indicating that strategic location is more important than neighborhood characteristics.

In the research document “Reviving Americas Forgotten Neighborhoods,” it is asserted that broad based revitalization strategies that address neighborhood issues, such as crime, housing, provision of city services and citizen social capital that involve resident, industry and government stakeholders produce positive neighborhood results.

To reassure residents that the city supports redevelopment efforts, basic city services such as trash collection, police protection and code enforcement must be available. Cities that streamline plans to recapture and reuse obsolete, abandoned or derelict sites also improve the efficiency of revitalization plan implementation. To succeed, the planning and development must also be comprehensive; taking a thorough look at what the neighborhood needs and its link to the city and regional area.

### **Tax Reversion / Foreclosed Properties**

As was stated in the 2000 – 2004 Consolidated Plan, one of the major problems in urban core communities like the city of Muskegon is the management of properties that the city receives from the state under the state tax reversion process. Tax reversion is the process by which delinquent property taxes are not collected and in lieu of collection the real property is sold to the local municipalities because of unpaid taxes. The City of Muskegon receives approximately 40 properties annually through the tax reversion process and although the majority of those properties are usually vacant lots the maintenance cost presents financial challenges.

On July 22, 1999, the then Governor John Engler signed into law new legislation that established a three-year tax reversion process compared to the former six-year process. Annual tax lien sales were eliminated in favor of an annual forfeiture and judicial foreclosure process. In addition, changes were made to expedite the handling of abandoned tax-reverted property.

Although many features of the legislation were intended to assist local communities in eliminating blighted structures from the community. Because of the stagnate economy, the State

of Michigan and many of its communities like the city of Muskegon find themselves being bombarded with tax-reverted properties. Unfortunately, many of the citizenry find themselves unable to financially afford to pay their taxes in the shorter time period.

In fact, at least three counties in Michigan have created tax reversion prevention programs to assist people in obtaining hardship extensions to prevent foreclosure on their homes. In at least one county, Genessee, a non-profit was hired in order to offer one year delays in paying back-taxes, referrals to reputable lenders as opposed to predatory lending and assistance in other ways to save homes.

In addition, to the City struggling to stay ahead of the tax reversion property problem, the city is also faced with a large number of foreclosures from the private market. Investment owners who use the structures as income producing properties purchase many of the foreclosed properties. More than likely without a significant amount of rehabilitation which continues the city's outgoing conflict on eliminating blight from the community as well as making the city's mission to assure quality affordable housing difficult.

### **Sub Prime Lending**

Many observers blame the sub prime market for the current foreclosure crisis. Sub prime loans are legal; they are for borrowers with limited incomes, poor or no credit histories. Originally, a positive way of bringing needed credit to under served communities; they have become the primary source of credit in certain areas. Sub prime make up 10% of all residential mortgages although the majority 61% is undertaken to refinance debt.

According to a report by the Center for Community Capitalism at the University of North Carolina at Chapel Hill, predatory loan terms, namely prepayment penalties and balloon payments, increase the risk of mortgage foreclosure in sub prime home loans, even after controlling for the borrower's credit score, loan terms, and varying economic conditions. While previous studies have demonstrated a correlation between sub prime lending and foreclosures, these findings are the first to demonstrate that specific abusive loan terms lead to additional home losses.

The study demonstrates that sub prime prepayment penalties and balloon payments place Americans at substantially greater risk of losing their homes, stated Dr. Michael A. Stegman Director of UNC's Center for Community Capitalism. Mr. Stegman went on to say "that given the significant financial and emotional cost associated with foreclosure families and neighborhoods policymakers should take note".

But while only one in 100 conventional loans end in foreclosure nationally, one in 12 sub prime loans end in foreclosure. Harvard law professor Elizabeth Warren and her daughter Amelia Warren Tyagi compared sub prime loans to defective toasters, writing - if one in 12 toasters had a chance of blowing up; the American public would not stand for it. Why, they wrote, should it therefore be acceptable for an industry to market a product with an 8% expectation of failure?

All sub prime loans are not predatory loans – those that take unfair advantage of a borrower through excessive fees, rates, fraud or deception. But predatory loans are sub prime loans.

Studies have revealed a relationship between the level of sub prime lending in a neighborhood and subsequent foreclosures there. The U. S. Department of Housing and Urban Development found that a disproportionate percentage of sub prime loans are made in low-income neighborhoods and are five time more likely in African American ones than predominately white neighborhoods.

A comparable study by the Center for Community Change, a nonprofit research organization that focuses on low-income and minority issues. The disparity between white and black and Hispanic recipients involves sub prime loans, those generally charged to borrowers with a history of credit problems, rates for those loans are often 3 or 4 percentage points higher than the rates lenders charge their best customers.

Overall about 25 percent of all home refinance loans are sub prime loans, the study found among non-Hispanic whites; the figure is about 17 percent compared to 32 percent for Hispanic and nearly 50 percent for blacks.

An even greater share of black and Hispanic borrowers with above average incomes got higher rate mortgages than whites with comparable incomes.

The findings suggest many minority borrowers with higher salaries might qualify for low cost mortgages than they're getting, says Allen Fishbein, general counsel for the center. Lenders contend the higher rates reflect the borrowers higher risk of defaulting. But Fishbein said "risk alone does not account for disparities across the country and all income levels does race matter" Our findings seem to suggest it does" he said.

Generally speaking disparities between minorities and whites grew as incomes increased, the study found. Low-income blacks, for example, were 2.4 times more likely than poor whites to get sub prime loans. Upper-income blacks were three times more likely than whites with equal incomes. The same pattern appeared when whites and Hispanics were compared.

The key findings of the Center for Community Capitalism study were the following.

\*Prepayment penalties in sub prime home loans increase the likelihood of foreclosure. Sub prime home loans with prepayment penalties with terms of three years or longer face 20 percent greater odds of entering foreclosure than loans without prepayment penalties. When penalties were limited to a term of less than three years, the risk was slightly less elevated with borrowers facing 16 percent greater odds of foreclosure than their counter parts without prepayment penalties.

\*Balloon payments in sub prime home loans increase the likelihood of foreclosure. Sub prime home loans with balloon payments, where a single lump sum payment many times the regular payment amount is due at the end of the loan term, face 46 percent greater odds of entering foreclosure than loans without such a term.

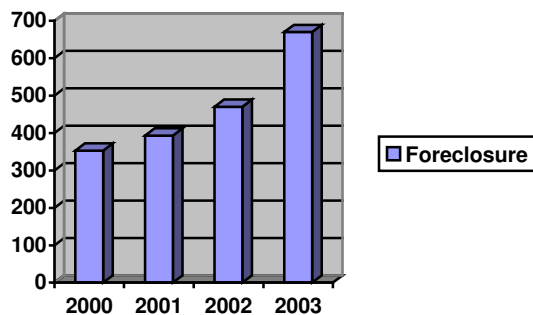
\*Adjustable rates in sub prime home loans increase the likelihood of foreclosure. Borrowers whose sub prime loans include interest rates that fluctuate face 49 percent greater odds of entering foreclosure than borrowers with fixed rate sub prime mortgages.

*Source: Frank Hawkins Kenan Institute*

A somewhat nonempirical study of the number of homes foreclosed in the City of Muskegon since 2000 revealed a continuous increase. The information was obtained from the county Register of Deeds.

Year	# of foreclosures
2000	353
2001	393
2002	470
2003	640

Number of Foreclosures in the City of Muskegon



### Poverty Analysis

There have been several elements in this Consolidated Plan that have illustrated that the city of Muskegon's low and extremely low income has increased since 2000. In the area that covered the local public school system, it was shown that the number of students receiving free or reduced lunch has continued to increase over the last few years.

In the income analysis, it was illustrated that a large percentage of Muskegon households have incomes below the established poverty level, especially a significant number of female-headed households

According to the former Family Independence Agency, the number of households receiving food stamps assistance in Muskegon County has grown from 8,610 in 2002 to 10,764 in 2004, which is an increase of approximately 20%.

2002 – 8,610  
2003 – 9,911  
2004 – 10,764

## Temporary Assistance for Needy Families (TANF) Five year Time Limit

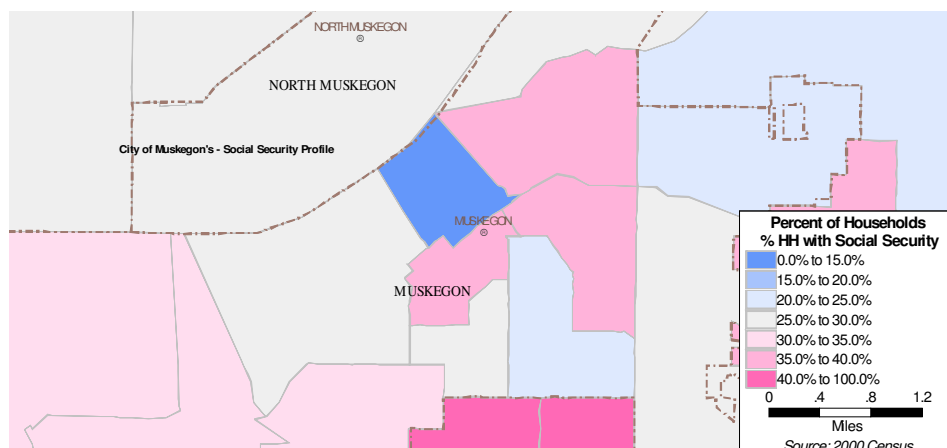
In August 1996, “The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 or PRWORA was signed into law. The new welfare reform law (Public Law 104 – 193) created a program called Temporary Assistance for Needy Families or TANF. In recognition of its focus on moving recipients into work and time limited assistance to a family that includes an adult who has received assistance for more than five years. The five-year limit on federal funding is calculated as a total of 60 months beginning with October 1996.

The law allows some families to receive assistance from Federal TANF funds for more than five years based on hardship. The average month number of families in hardship status may not exceed 20% of the states average monthly caseload during that fiscal year. Currently 117 families in Muskegon County have been allowed to received assistance beyond the 60 months because of their hardship status.

Also, according to the 2000 census of the 943 grandparents who are classified as care givers in Muskegon County, 514 of them are responsible for their grandchildren. The additional responsibility of their grandchildren creates additional financial strain on the household.

The most telling measurement to the economic situation of far to many families in the city of Muskegon is the high unemployment rate. Again, this is expressed in the section on unemployment that a significant portion of the population could be classified as the hidden unemployed.

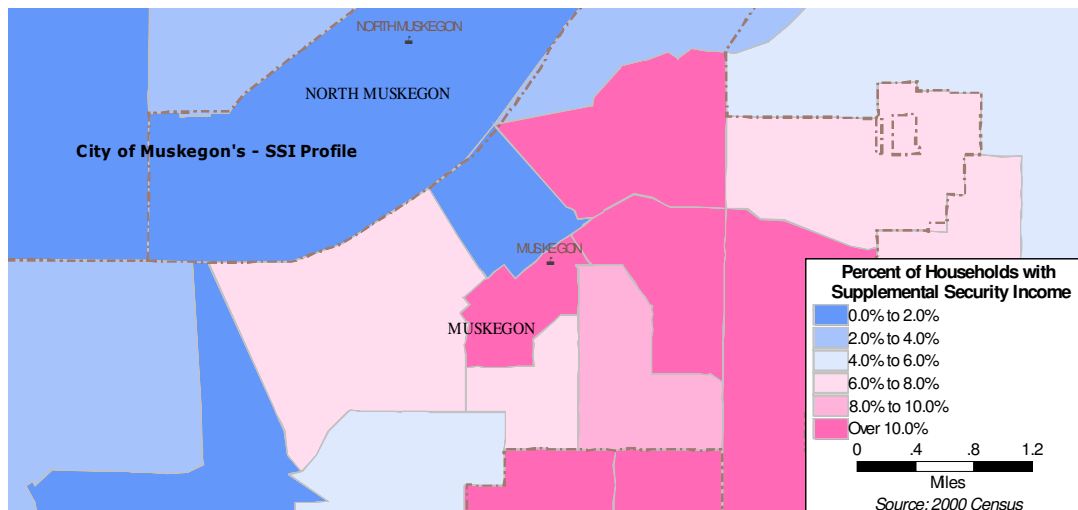
In addition, a significant part of the city’s population receives some form of disability payments from Social Security.



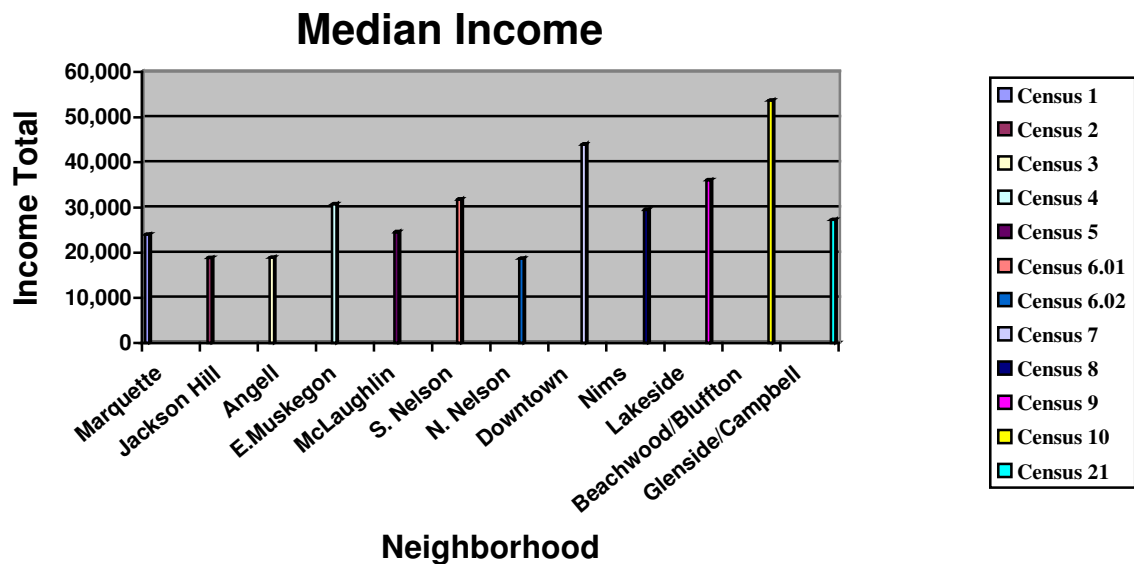
## Disability Status

5yrs and under	9,194	Physical	13.3%
16 – 64	6,277	Mental	9.6%
65 – over	2,206	Self-Care	4.7%
Any disability	28.1%	% employed w/disability	56%
Sensory	5.7%		

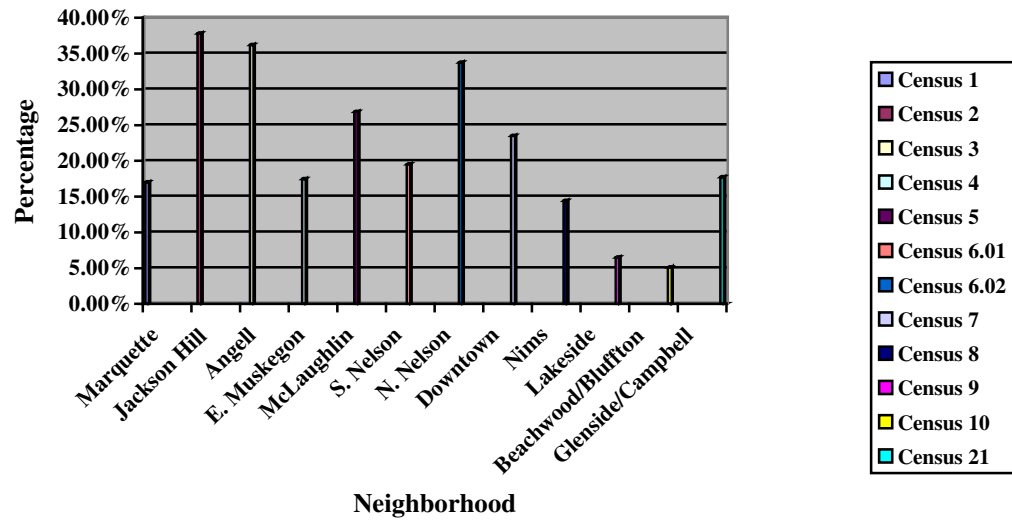




In 1999, the median household income for the City of Muskegon was \$27,929. This represents an increase in the median income from ten years earlier of \$9,181 according to the 1990 and 2000 census. The table below identifies the median household income by Census Tract/neighborhood. The per capita income in the community has also increased in ten years from \$10,300 in 1989 to \$14,293 in 1999. Households with incomes less than \$25,000 accounted for 63.5% of all households in the City of Muskegon in 1989. The 2000 census revealed that 45.1% of Muskegon's households were earning less than \$25,000 ten years later.

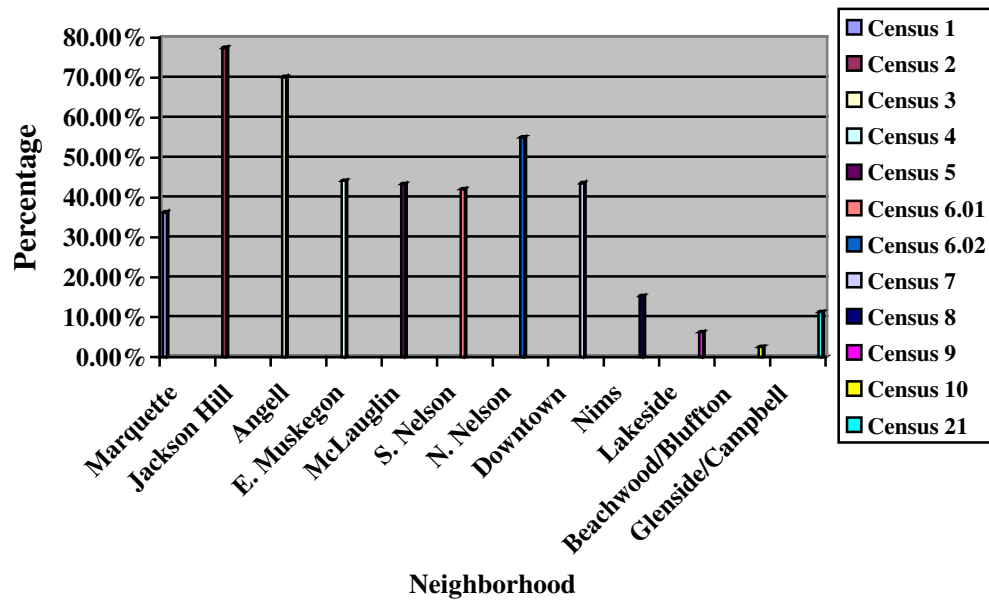


## Poverty Rate



An analysis of a relationship between neighborhoods with significant poverty rates also appears to show a correlation with a high minority population rate, single female headed households and the elderly population.

## Minority Population



## Number of Person and Families below Poverty Level

Poverty status in 1999 (below poverty level) families	1,453
Percent below poverty level	16.8%
w/Related children under 18 years	1,255
Percent below poverty level	24.1%
w/related children under 5	675
Percent below poverty level	28.1%
Families with Female Householder, no Husband Present	1,028
Percent below poverty level	35.4%
w/Related children under 18 years	954
Percent below poverty level	43.2%
w/Related children Under 5	538
Percent below poverty level	52.3%
Individuals	7,238
Percent below poverty level	20.5%
18 years or older	4,461
Percent below poverty level	17.7%
65 years and over	643
Percent below poverty level	14.3%
Related children under 18 years	2,744
Percent below poverty level	27.6%
Related children 5 to 17	1,963
Percent below poverty level	28.5%
Unrelated individual 15 years and over	2,268
Percent below poverty level	27.8%

## Single Parent and Families with a Female Head of Household

The 1994 City of Muskegon comprehensive housing affordability strategy stated that 2581 households were single parent households according to the 1990 Census. Of the aggregate number of 2581, it represented 17.5% of the city's total households. Of the total number 2322 or (90%) were female headed while 259 or 10% were male headed households.

According to the 2000 census, the number of female-headed households increased by 619 households within ten years to the amount of 2908. As stated in the 1994 – 1998 CHAS the single-family household differs from other families with children because the head of household is often the only source of income for the family. As such, their total resources available for housing costs is often limited compared to other households. Some of the hardship or factors that may affect families in this category other than housing and food are childcare expenses, transportation expense, high utility cost and others.

The 2000 census reveals that 16.8% of Muskegon residents have annual incomes below the established poverty level, while families with relate children under 18 have a poverty level of

24.1% while those with related children under 5 years old have a poverty level of 28.1. Consistent with previous data the 2000 census that reveals that 35.4% of families with female head households at or below the established poverty level. The table below reveals that 65.7% female-headed households have income under \$30,000 per year. While only 26.2% of married couple families have income under \$30,000.

The median income for all households in the city is \$27,929 while the median income for married couples is \$44,310. The median for female household with no husband present is \$18,729.

### **Feminization of Poverty**

According to a published paper by Sara S. McLanahan and Erin L. Kelly of Princeton University. There are 3 main reasons for the high proportion of female-headed households in the country. The first of is the delay in the age of first marriage. Throughout the 1950's the typical young women married before 20 while the average man married when he was 23. By the 1990, however, the median age at the first marriage was 24 for women and 26 for men.

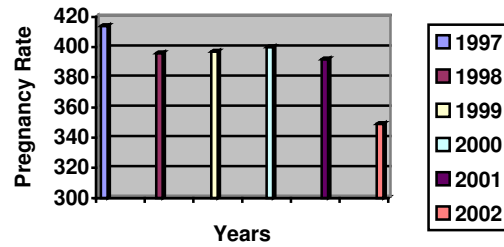
A second major factor is the rise in divorce whereas, in the 1950's most married couples remained married until they or their spouse died. Today over half of all marriages end in divorce.

A third factor affecting the poverty rate of females is the increase in children born outside marriage. In 1960, only about 6% of all births were to unmarried couples whereas in 1996 over a third fell into being born outside of the marriage category.

According to professor McLanahan and Kelly, the change in the economy also should be considered when trying to explain the large number of female households in poverty. Since the 1970's the county has seen a significant decrease in manufacturing jobs which many inner-city residents occupied both males and also females. Both professors McLanahan and Kelly state that there is inverse relationship between the decrease in manufacturing jobs and the increase in female-headed households which then has produced the increase in poverty among that category.

The City of Muskegon like many other core communities has seen a decline in manufacturing jobs in the last 30 years, which has of course affected the overall wealth of the community and some would argue the composition of the city's central neighborhoods and the physical health of the neighborhood and the economic health of a large number of families.

### Teen Pregnancy (Age 15 - 19)



The table below shows the income distribution of households between married couples, female householders and non-family households. From data provide in the 2000 Census, it is obvious that the female-headed households have a strong cluster of members within the lower income range. For female-headed households approximately 2,400 households have incomes between less than \$10,000 to 39,999, while for married couples 2,191 households have income within the aforementioned range. By comparison only 363 female headed households have incomes in the range of \$40,000 to \$200,000 or more while 2829 married have incomes within the 40,000 to \$200,000 range.

Number	Married Couples	Female Headed	Non-Family Household
Less than 10,000	137	571	1382
10,000 – 14,999	183	515	915
15,000 – 19,999	290	491	680
20,000 – 24,999	342	334	565
25,000 – 29,999	377	297	478
30,000 – 34,999	509	222	503
35,000 – 39,999	363	115	271
40,000 – 44,999	371	81	215
45,000 – 49,999	418	55	149
50,000 – 59,999	709	90	240
60,000 – 74,999	667	74	171
75,000 – 99,999	354	32	67
100,000-124,000	183	17	16
125,000-149,999	89	9	8
150,000-199,999	45	5	10
200,000 or more	33	0	31

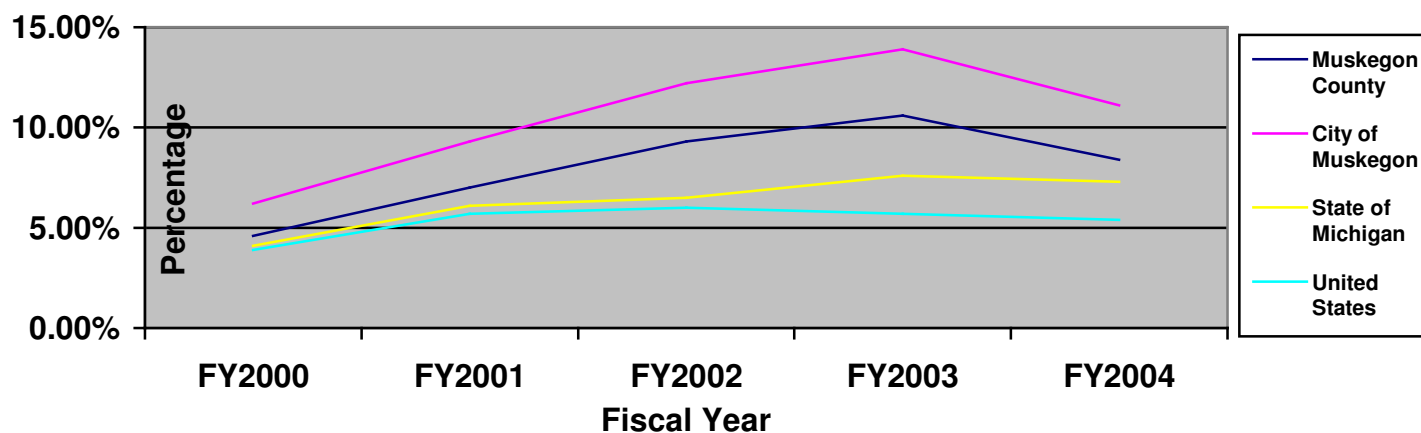
### Unemployment

As was stated in the introduction, the City of Muskegon has experienced several economic transitions during the last 200 years. Beginning in the early 1800's was the fur trade period for the City, the period from 1830's to the 1900's was the lumber baron era. In the early to mid 20<sup>th</sup> century Muskegon became a bastion for heavy industry especially during the two World Wars, that dominance in heavy manufacturing and the iron foundry industry continued through the 1960's. Because of the dramatic increase in fuel cost in the 1970's along with the increase in

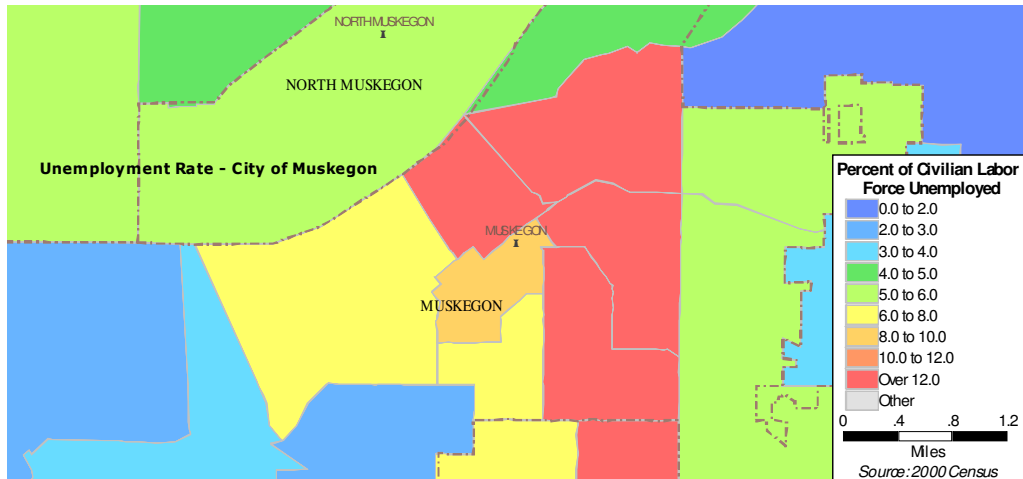
foreign competition, many of the major employers of the community began to downsize and in many cases actually shut their doors. The closing of many of the city's major employers created a structural unemployment situation that the community is still attempting to rectify.

The city of Muskegon has experienced a higher unemployment rate than Muskegon County, the state of Michigan and the country as a whole during the last thirty years. Although it is difficult to gather actual information that gives the specific unemployment rate for minority and youth in the City of Muskegon. It is common thought in the economic development and workforce development field that the unemployment rate for minorities and youth is between 1.5 and 2 times the community's unemployment rate in urban settings like Muskegon.

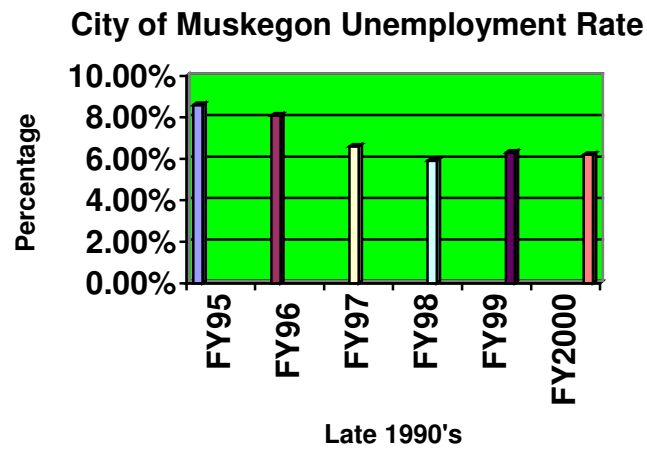
### Annual Unemployment



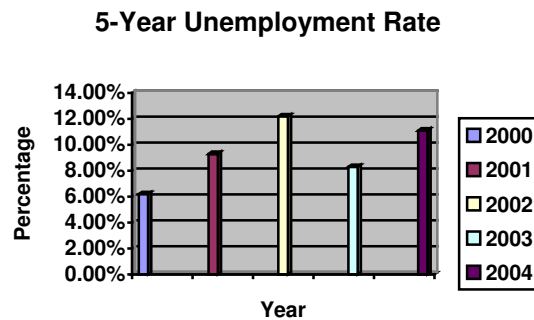
In addition it is thought that a significant percentage of the city population can be classified as the hidden unemployed. The new dictionary of Cultural Literacy defines the hidden unemployed as “the unemployment or underemployment of workers that are not reflected in official unemployment statistic because of the way they are compiled.” Only those who have no work, but are actively looking for work are counted as unemployed. Those who have given up looking, those who are working less than they would like and those who work at jobs in which their skills are under utilized are not officially counted as the months unemployed though in a sense they are. These groups constitute hidden unemployment.



The longest period in recent times when the City of Muskegon had an unemployment rate under 10% was during the late 1990's.



During the last five years, the unemployment rate has fluctuated between the six- percent rate and double-digit unemployment.



## **Public Schools**

The Muskegon Public School system currently has 11 buildings, which include seven elementary, two middle, one high school and one career tech center. The total enrollment for Muskegon Public Schools during the 2004 – 2005 academic year is 5,695 which is a decrease of 214 students from the 2003 – 2004 academic year.



The number of students enrolled in a particular public school system in Michigan can have a significant affect on the overall school system's financially. The MPS has seen a reduction of 3,370 students since the 1974 – 1975 academic year.

## **Proposal A**

In 1993, the voters of the State of Michigan approved a new tax policy known as Proposal A. The primary goal of Proposal A was to reduce the state's property taxes, which were higher in Michigan than in almost any other state in the country. Proposal A accomplished this goal by shifting the principal source of funding from the local property tax to the state sales tax which was increased with the new revenues dedicated to support the public schools. At the same time, local school districts were prohibited from levying local taxes to supplement their state appropriations, except under some very restrictive conditions.

Beyond the reduction of local property taxes, Proposal A had three main consequences for Michigan's education system.

First, it shifted the primary responsibility for funding schools from local school districts to the state under the previous finance system. The state accounted for approximately one-third of educational revenues since the approval of Proposal A, the state has provided approximately 80%. As a result, decisions about the funding available for local schools are now made in the state legislative rather than in local tax referenda. This shift has greatly increased the power of state government in educational policy while correspondingly diminishing the power of local school boards.

Secondly, state funds are now distributed to school districts according to a funding formula, which is essentially driven by the number of pupils, enrolled in the districts'



schools. The absolute level of the per pupil allocation also depends on the level of local expenditures. Under the previous system in order to “hold harmless” those districts that raised the most revenue under the previous system. Local school districts thus continue to vary significantly in the level of per pupil spending but the rate increase in spending is effectively the same for all district. Under these circumstances the only way to increase district revenues is to enroll additional students. But the same token in districts where enrollments decline, revenues decline commensurately. Attracting and keeping students have consequently acquired the political and financial importance previously, according to the passage of local property tax increases.

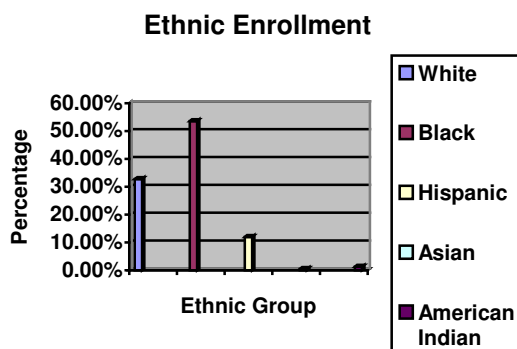
The third main consequence of Proposal A is that the effective “ownership” of educational revenue has been shifted from school district to individual students. Under the previous finance system the revenues available to local school district depended on local property wealth and the property tax rate that voters in the districts were willing to pay. The revenues that the districts collected “belonged” to the district and varied independently of the number of students who actually enrolled in public school. For example, if a household within the district chose to send its children to private or parochial schools, they nevertheless continue to pay property taxes to support the public school system. Despite the fact that they chose not to take advantage of the services that the district provided under the new finance system in contrast the basic accounting unit is the student rather than the district. When a household chose to enroll their children in private, parochial, charter schools or to take advantage of the school of choice program, the local district now loses the revenue associated with those children.

The Muskegon Public School system appears to be a reflection of the Muskegon community. In fact, in four categories the public school has seen the specific demographics accelerate or decline at a greater pace than the city itself. The four demographic profiles are decreasing population, increase in minority population, decrease in overall white population and increase percentage of low-income population as it relates to the student body. The Muskegon Public schools receives 6,958 dollars from the state of Michigan for each student that attends the Muskegon school system. During the academic year of 2003-2004 the student body was 5909. During the present academic year, 2004-2005, the Muskegon public student body is 5695; a difference of 214. That decrease in students’ cost the school system \$1,489,012 dollars in state funding. Approximately, in the last five years, the Muskegon School system has closed 4 elementary schools; at least two of them were in the city’s targeted low income neighborhoods. Some of the school systems financial problems can be contributed to a lower birth rate in the community. However, a large portion must be contributed to Proposal A and how it created controversial new components to public education like schools of choice and charter schools and how the public school system receives funding from the State.

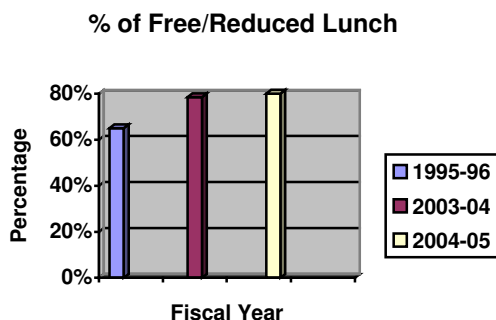
As mentioned earlier, the Muskegon Public School has seen over a 3,000 students decline in its population since the 1974 – 1975 school year, but like the city, the school has seen a significant



decrease in overall population. The minority population has continued to increase while the white student population has decreased by over 4000 students in 30 years.



Like many of the city's central neighborhoods the Muskegon Public school system has seen its school body become more low-income. The best barometer that the school system uses to monitor the income of the families of its students is the percentage of students who qualify for free and reduced lunches. The percentage of students who qualify for free or reduced lunch has gone from 65% during the 1995 – 1996 academic year to 80% during the 2004-2005 year. All the Muskegon Public schools have a percentage rate above 50% while the state of Michigan has a rate of approximately 30%.



### The Importance of Homeownership

Owning a home is the primary means by which low-income Americans seek to build long-term assets and increase their financial worth. Homeownership strengthens neighborhoods by increasing stability, maintaining capital in the community, attracting outside investments and raising property values.

Well over one-half of the personal wealth held by lower income and minority home owning households represents home equity and their wealth is far greater than that of comparable non-home owning household, concludes a study prepared for the Consumer Federation of America (FA) and released by CFA and other housing groups.

“Pay off the mortgage on a home has been and will continue to be the easiest way for lower income and minority households to build personal wealth” said Stephen Brobeck, CFA’s Executive director.

According to the study data in 2001, almost all homeowners held at least some home equity and the typical homeowner (median) had accumulated to \$70,000. For all these homeowners home equity represented 42% of their net wealth, but for lower income and minority households this percentage was much higher. In fact, for lower-income households home equity represented four fifths (80%) of their net wealth. For moderate-income African-American and Hispanic households home equity represented more than one half of their net wealth.

Most lower income and minority households hold few financial investments, including retirement accounts, so they depend on homeownership to accumulate personal wealth said Brobeck.

More over the data suggest striking differences in the wealth accumulation of lower income households who own a home compared to those who do not. In 2001, the typical low-income homeowner had a net wealth of \$50,000 while the typical low-income renter had a net wealth of only \$7,900. (Source: Consumer Federation of America and the neighborhood Reinvestment Corporation, Homebuyer Education methods Course manual, 2002)

### **Homeownerships Help Child Development**

According to an article by Dr. R. Haurin and T. L. Parcel, homeownership can affect a child’s outcome. The study by Haurin and Parcel that was in Real Estate Economics found that owning a home compared with renting leads to a 13% to 23% higher quality home environment greater cognitive ability and fewer child behavior problems. For children living in owned homes, math achievement is up 9% higher, reading achievement is up to 7% higher and children’s behavioral problems are 1 to 3% lower.

“For a person who owns his or her home acquires it with a new dignity. He begins to take pride in what is his own and pride in conserving and improving it for his children. He or she becomes a more steadfast and concerned citizen of his/her community. He or she becomes more self-confident and self-reliant. The mere act of becoming a homeowner transforms him or her. It gives them roots, a sense of belonging a true stake in their community and well being.” – Senator Charles Percy, 1966

“Expanding homeownership is vitally important to our country because homeownership is critical both to individual economic opportunity and also to the building of strong communities.” – Henry Cineros, 1995

According to a housing policy paper written by William M. Rohe of the University of North Carolina at Chapel Hill and Leslie S. Stewart of the Research Triangle Institute, there are at least four aspects of neighborhoods than can be stabilized by homeownership.

1. Length of tenure of the current and future residents.
2. Increase overall property values
3. Improve or maintain physical conditions of neighborhood properties
4. Maintain social conditions in the neighborhoods, such as low crime rates, low or no blighting factors, positive academic accomplishments by local youth.

“Through homeownership, a family ...invests in an asset that can grow in value and generate financial security”

“Homeownership enables people to have greater control and exercise more responsibility over their living environment”

“Homeownership help stabilize neighborhoods and strengthen communities”

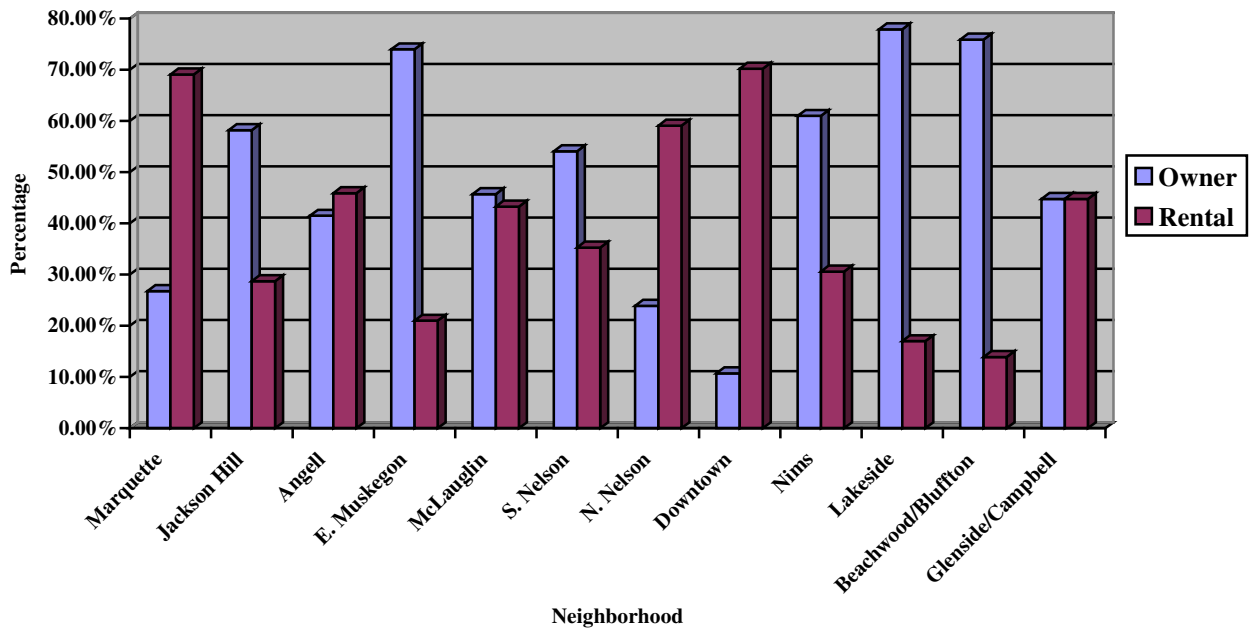
“Homeownership helps generate jobs and stimulate economic growth”

According to the International Economic Development Council, a neighborhood with at least 60% percent owner-occupancy is considered a healthy neighborhood.

Four of the city of Muskegon neighborhoods have owner occupancy rates above 60%. (Beachwood/Bluffton – 76%, East Muskegon – 74%, Lakeside – 77.9%, Nims neighborhood has an owner occupancy percentage rate of 61%). The central targeted Jackson Hill neighborhood has an owner occupancy rate of 58.2% just under the 60% threshold.

It is important when analyzing neighborhood owner occupancy rates that it is understood that some neighborhoods may have many of the characteristics of being a healthy neighborhood, but because the neighborhood may possess large multi-unit complexes which skews the owner occupancy rate in the neighborhood. The owner occupancy rate is below the 60% threshold. Locally, both the Marquette neighborhood and the Glenside/Campbell neighborhoods have a significant mix of single-family owner homes along with large apartment complex. But both of these neighborhoods possess many of the traits that are usually used to identify a healthy neighborhood. The North Nelson neighborhood has the second lowest owner occupancy rate in the City of Muskegon at 24%. The downtown area has the lowest rate at only 10.1% owner occupancy.

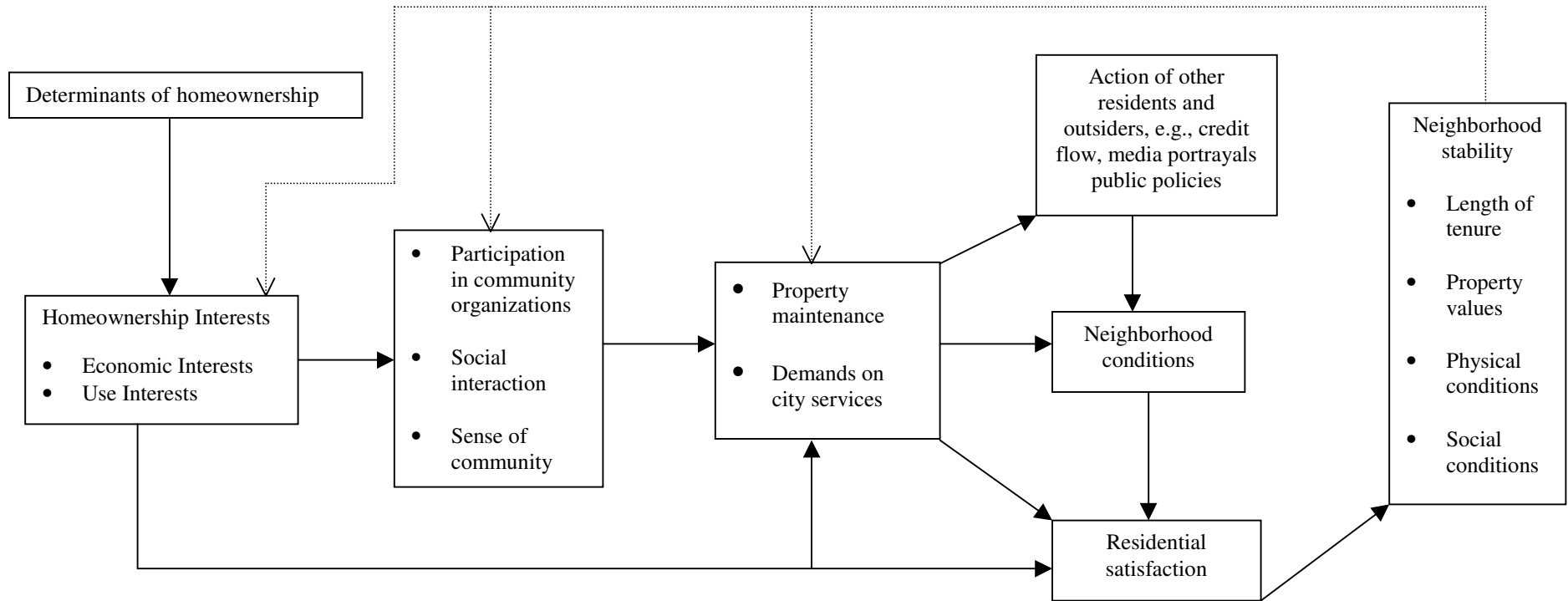
Owner / Renter Occupancy Comparison



#### Traits of a healthy neighborhood

1. Low crime rates
2. Neighborhood has the image where it makes economic sense for people to invest their time, money and energy
3. Residents have a long tenure in the neighborhood
4. Neighbors interact with each other and look out for each other
5. At least 60% of the neighborhood is owner occupancy
6. Neighborhood had strong local institutions/facilities (e.g. parks, libraries, recreation centers etc.)
7. Young people in the neighborhood are reaching their academic potential
8. Neighborhood has quality modern or well-kept infrastructure (e.g. streets, sidewalk, water, sewage, and drainage system)
9. Housing stock is well kept, property owners have pride in the homes and or their investment
10. Area has a strong retail base, stores, and gas stations, barber shops, beauty shops, etc

*Figure 1. Conceptual Model: Effect of Homeownership on Neighborhood Stability*



In the 2000 Consolidated Plan it was pointed out that the City of Muskegon was in the process of implementing its housing Infill program that was to be financed with HOME funds. Since 2001, the City's Infill program has been in operation. During that time period, the city has constructed 11 homes under the Infill program. The homes have been built throughout the community with a strong emphasis on the central low/moderate income neighborhoods. Below is a list of the homes by Census Tracts along with a comparison of the purchase price and the true cash value of the particular home as established by the county's equalization office.

### New Construction Infill

Census Tract 1 (Marquette)	True Cash Value	Purchase Price
1537 Albert 3br 2baths	\$127,447	\$55,000
1430 Wesley 3br 2baths	\$131,236	\$65,000
431 Creston 3br 2baths	\$131,873	\$55,000
Census Tract 2 (Jackson Hill)	True Cash Value	Purchase Price
403 Erickson 4br 2 ½ baths	\$98,513	\$79,373
428 Marquette 3br 2 ½ baths	\$93,488	\$85,000
464 Yuba 3br 2 ½ baths	\$96,043	\$87,000
Census Tract 3 (Angell)	True Cash Value	Purchase Price
361 Oak 3br 2baths	\$89,999	\$85,000
284 Iona 3br 2 ½ baths	\$100,253	\$N/A
1706 Jarman 3br 2 ½ baths	\$90,941	\$74,000
1938 Hoyt 3br 2baths	\$109,927	\$80,000



Census Tract 8 (Nims)	True Cash Value	Purchase Price
1668 Beidler 3br 2 ½ baths	\$118,288	\$90,000

The City also was able to compliment its Infill program with a total rehabilitation program, which was also funded solely with HOME funds. Six homes, mainly in central low/moderate income neighborhoods, have been brought back to life and also put back on the tax roll. The city's total rehabilitation program usually takes the worst vacant home on the block that was slated for demolition. The City of Muskegon will obtain it through a number of avenues either through the tax reversion process or occasionally the City purchased the homes for a nominal fee at an arm length. The city then totally rehabilitates the home completely. Once the rehabilitation was completed, the homes were then sold to a qualified low to moderate-income homebuyer for owner occupancy. Both the city's Infill program and the total rehabilitation program is helping to raise the value of the city's housing stock and to increase the percentage of owner occupancy in the community. At the same time both programs have been a very important component to the City overall neighborhood revitalization efforts.

### **Total Rehabilitated Projects**

Census Tract 2 (Jackson Hill)	True Cash Value	Purchase Price
503 Octavius 3br 2baths	\$68,760	\$75,000
351 Erickson 5br 3 ½ baths	\$91,787	\$82,500
Census Tract 3 (Angell)	True Cash Value	Purchase Price
850 Wood 3br 2baths	\$55,649	\$55,000
322 Amity 5br 2baths	\$79,762	\$58,200
Census Tract 5 (McLaughlin)	True Cash Value	Purchase Price
315 Catawba 4br 2baths	\$49,178	\$48,401
1838 Jarman 3br 1 ½ baths	\$69,062	\$46,000



The City of Muskegon has made a strong commitment to revitalizing its central neighborhoods through a multi prong attack mechanism. The City has work diligently on upgrading its aging infrastructure throughout the community with special emphasis on sidewalk replacement and street upgrades. When possible the City has replaced water lines and other related utility items to



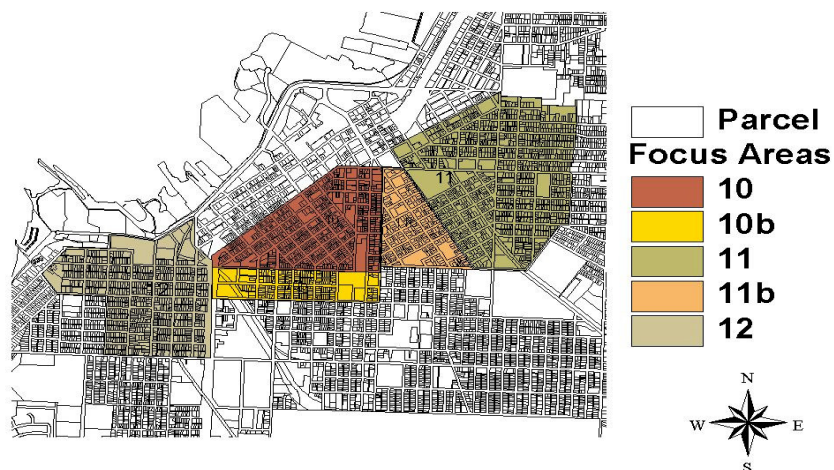
continue to improve the community's overall quality of life. As the aforementioned information stated one of the main factors in having a stable or stabilizing a neighborhood is having a solid owner occupied population. Since 2000 the City of Muskegon has worked to increase its central neighborhoods owner occupancy. One of the several mechanisms that the City's CNS office has used is its Infill new construction program. Which has built new homes on vacant lots where either blighted structure stood or non-tax producing vacant lots created a blighting image by giving the appearance of abandonment. When the new constructed home are completed they are then marketed to first time homebuyers who have household incomes between 75 and 80 percent of area median.

### **Total Rehabilitated Projects**

One of the other tools that the City has used to increase the owner-occupancy in the community is the total rehabilitation of homes that are either on the City's dangerous building list or homes the City obtained from the state of Michigan as a tax reverted property. The program is designed for the City to obtain the most blighted structure on the street and to completely rehabilitate it to the point where it becomes one of the nicest homes on the block. If not the nicest, once the rehabilitation is completed the home is sold to a qualified first time homebuyer family for owner occupancy only. The qualified home buyers can have household incomes as low as 30 percent of area median but no more than 80 % of area median.

Another mechanism used by the City of Muskegon to help make all their neighborhoods attractive to homeownership is the City's Blight fight initiative. The City has combined the resources of several departments. In order to come up with several projects to reduce or eliminate the blighting images in the community. Some of the components of the initiative are the no tolerance for graffiti, citing and removing of abandon cars, citing and removing rubbish and debris, a strong presence of the forestry department to maintain the City's tree in the neighborhoods, obsolescent building demolition, new housing construction etc

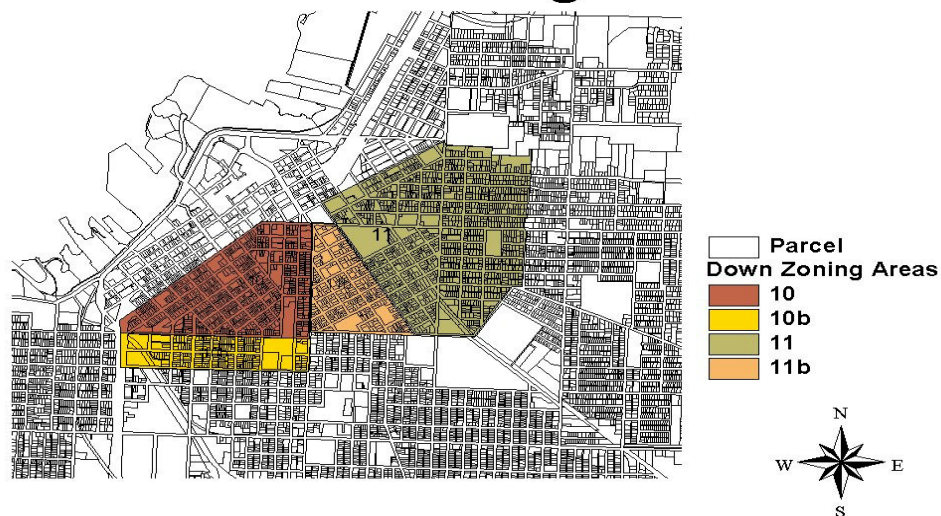
### **Blight Fight Focus Areas**



Down zoning is another mechanism the City has used to decrease the number of large homes in the central neighborhoods that were built as single family homes and have been converted to multi-unit structures. In the down zoning process, the City has down zoned areas that at one time may have been zoned RT, RM-2, B-4, to R-1. The areas that have been down zoned were a large part of Census Tract 6.02 (Nelson) and parts of Census Tract 3 (Angell) and Census Tract 5 McLaughlin.

The specific areas are: area **10** bounded by Washington Avenue, Muskegon Avenue, Apple Avenue and Peck Street also two blocks north of Muskegon Avenue between 7<sup>th</sup> and 9<sup>th</sup> Streets **10(B)** area bounded by Washington Avenue, Seaway Drive, Southern Avenue and Peck St.. **11** area bounded generally by Pine Street, Walton Avenue, Ryerson Creek, Kenneth Street and Irwin Avenue **11(B)** area bounded by Apple Avenue, Pine Street, Irwin Avenue and Peck Street.

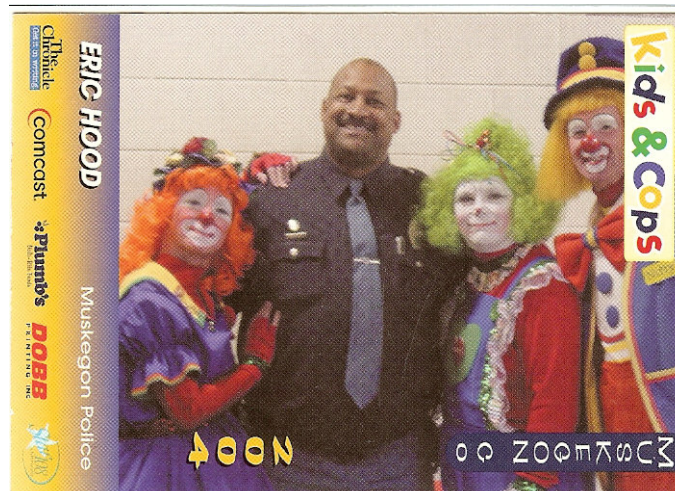
## Down Zoning Areas



It is hoped that the down zoning of the area will eliminate the attraction of some investment owners to purchase the large homes in central neighborhoods and convert them into multi units. This has created several problems – overcrowded parking, several large families living in one building that was originally built for one family, building not receiving the required maintenance, all of which contribute to either blight or the perception of blight.

It is hoped that the down zoning will be an attraction to young families who have recently been labeled as urban pioneers. These pioneers have a love for older housing, urban living and a willing to refurbish some of the lovely older homes in the central city for many years of quality homeownership.

Another piece of the City's neighborhood revitalization efforts is the City's Community Policing program where practically every neighborhood in the City has an officer who is designated to their area. The focus of the program is for the officer to have hands on relationship with the neighbors. Officers attend neighborhood association meeting, walk or ride bikes through the neighborhoods in order to be the first line of defense or deterrent to crime. Below is the crime rate comparison by neighborhood for 1999 and 2004.



<b>Crime Statistics</b>					
Angell	1999	2004	Beachwood/Bluffton	1999	2004
Prowler	14	0	Prowler	2	0
B & E Residence	110	72	B & E Residence	4	4
B & E Business	10	2	B & E Business	0	3
Stolen Vehicle	61	0	Stolen Vehicle	3	0
Assault	234	151	Assault	4	8
Criminal Sexual Conduct	19	14	Criminal Sexual Conduct	4	3
Larceny from vehicle	73	90	Larceny from vehicle	10	5
Larceny	131	131	Larceny	14	11
Robbery	26	10	Robbery	3	0
Narcotics	56	23	Narcotics	5	1
Campbell Field			East Muskegon		
Prowler	5	0	Prowler	7	0
B & E Residence	28	22	B & E Residence	14	21
B & E Business	11	10	B & E Business	10	8
Stolen Vehicle	2	9	Stolen Vehicle	37	14
Property Damage	90	50	Property Damage	63	69
Assault	70	58	Assault	54	47
Criminal Sexual Conduct	14	9	Criminal Sexual Conduct	11	6
Larceny from vehicle	77	64	Larceny from vehicle	47	48
Larceny	79	78	Larceny	58	85

Robbery	5	3	Robbery	4	2
Narcotics	11	10	Narcotics	12	2
Glenside			Jackson Hill		
Prowler	0	0	Prowler	1	0
B & E Residence	3	2	B & E Residence	33	16
B & E Business	3	2	B & E Business	11	8
Stolen Vehicle	0	2	Stolen Vehicle	21	10
Property Damage	14	12	Property Damage	65	58
Assault	5	3	Assault	68	64
Criminal Sexual Conduct	0	0	Criminal Sexual Conduct	5	4
Larceny from vehicle	4	8	Larceny from vehicle	27	21
Larceny	11	11	Larceny	61	44
Robbery	1	0	Robbery	7	6
Narcotics	1	0	Narcotics	9	11
Lakeside			Marquette		
Prowler	7	0	Prowler	4	0
B & E Residence	21	21	B & E Residence	22	25
B & E Business	0	6	B & E Business	4	1
Stolen Vehicle	8	3	Stolen Vehicle	28	6
Property Damage	65	69	Property Damage	37	42
Assault	56	48	Assault	40	39
Criminal Sexual Conduct	11	7	Criminal Sexual Conduct	4	6
Larceny from vehicle	29	40	Larceny from vehicle	34	27
Larceny	54	71	Larceny	28	30
Robbery	0	1	Robbery	1	0
Narcotics	5	8	Narcotics	3	1
Marshfield			McLaughlin		
Prowler	15	0	Prowler	19	1
B & E Residence	93	62	B & E Residence	146	67
B & E Business	3	5	B & E Business	14	2
Stolen Vehicle	78	28	Stolen Vehicle	89	37
Property Damage	124	98	Property Damage	193	192
Assault	185	111	Assault	253	221
Criminal Sexual Conduct	20	6	Criminal Sexual Conduct	29	24
Larceny from vehicle	158	63	Larceny from vehicle	161	63
Larceny	97	85	Larceny	172	142
Robbery	17	5	Robbery	30	16
Narcotics	23	16	Narcotics	127	24
Nelson			Nims		
Prowler	18	0	Prowler	5	0
B & E Residence	120	116	B & E Residence	69	116

B & E Business	20	5	B & E Business	2	5
Stolen Vehicle	132	39	Stolen Vehicle	26	39
Property Damage	286	191	Property Damage	112	191
Assault	314	278	Assault	95	278
Criminal Sexual Conduct	23	31	Criminal Sexual Conduct	13	31
Larceny from vehicle	157	143	Larceny from vehicle	78	143
Larceny	261	190	Larceny	86	190
Robbery	36	18	Robbery	3	18
Narcotics	132	34	Narcotics	15	34
Oakview			Sheldon Park		
Prowler	14	0	Prowler	6	0
B & E Residence	31	49	B & E Residence	24	32
B & E Business	7	6	B & E Business	8	2
Stolen Vehicle	21	6	Stolen Vehicle	17	6
Property Damage	57	108	Property Damage	30	66
Assault	72	93	Assault	51	56
Criminal Sexual Conduct	13	8	Criminal Sexual Conduct	6	4
Larceny from vehicle	36	55	Larceny from vehicle	23	26
Larceny	38	100	Larceny	32	55
Robbery	0	2	Robbery	3	3
Narcotics	9	11	Narcotics	6	3
Steele			E of US31 & N of M46		
Prowler	2	1	Prowler	6	0
B & E Residence	11	12	B & E Residence	17	15
B & E Business	2	2	B & E Business	3	0
Stolen Vehicle	8	7	Stolen Vehicle	16	22
Property Damage	25	23	Property Damage	25	36
Assault	36	27	Assault	36	42
Criminal Sexual Conduct	6	5	Criminal Sexual Conduct	3	4
Larceny from vehicle	9	14	Larceny from vehicle	26	51
Larceny	34	22	Larceny	29	21
Robbery	0	2	Robbery	0	1
Narcotics	4	4	Narcotics	5	0

***Source: Muskegon Police Dept.***

### **New Developments**

Since 2000, the city has seen a significant amount of development of multi-unit apartments, townhouses and condominium developments.

It also should be noted that the developments have taken place throughout the city. Several of the structures were assisted with tax credit financing and other types of gap financing. The type of housing created was targeted at several different markets within the community. Some of the development are mixed use and consist of low and moderate income housing along with market rate housing, while other housing is targeted to either seniors or the 55 and over market. Some of the houses can be classified as high end housing directed at those with income over 130% of area median.

#### **DEVELOPMENT/COMPLEX CONSTRUCTION SINCE 2000**

<u>Name of Site Complete</u>	<u>Address</u>	<u># of Units</u>	<u>Year Started</u>	<u>Year</u>
Amazon Apts.	550 W. Western	126	10/00	11/02
Cogic Village	756 Emerald	36	3/00	9/00
Whispering Timbers	1589 Hoyt	18	11/01	6/02
Village of The Oaks (Senior)	1740 Village	130	12/00	9/01
Park Terrace Apts.	1350 W. Hackley	159	11/02	12/03
Village at Park Terrace (Senior)	1350 W. Hackley	122	11/02	12/03
Village of Jackson Hill		40	12/03	12/04
Balcom's Cove (Condominiums)	2964 Lakeshore	56	7/01	7/03
Wildwood Creek Condominiums	See Attached	12	6/00	3/03
Park Terrace Phs. IV Condominiums	1350 W. Hackley	8	8/04	11/04
Wildwood Creek Condominiums		12	1/00	3/03

## **Workforce Development**

No issue is more central to Michigan's economic vitality than the strength and innovation of our workforce. Consequently, strategic workforce investment must be at the heart of our economic development strategy. Michigan is serious and getting smart about meeting its economic and workforce challenges. Michigan will continue to gauge its work with the best in the country.

Our goal is to promote economic growth, stimulate job creation and enhance the quality of life for Michigan citizens by making Michigan a cost-effective, high-quality magnet state. In a world economy where information, people and jobs can move literally anywhere. Our progress will be determined by our ability to enhance the unique assets that give our state an economic advantage. These include Michigan's world class public research universities, global firm's quality of life, great outdoors and strong manufacturing and technology base.

In order for Michigan to succeed in the new economy and the world we face we must:

- Think entrepreneurial – Michigan and its citizens must embrace a new economy where change is the norm, where innovation, adaptation and creativity are the keys to economic opportunity.
- Think “Specific Industries” – All of Michigan's workforce development efforts must be guided by and in support of its current and future industries.
- Think regionally – regional economies must develop a base of “knowledge workers” who have the skills demanded by business.

*Source: Muskegon Workforce Development*

In order to get adequate feedback from the local workforce development community, the city of Muskegon supplied the service providers with a survey concerning their client base, their opinion on the state of the local economy and what objectives or goals they felt should be produced to better prepare the Muskegon workforce for long-term employment, especially those members who are low-income.

After receiving the surveys from the workforce providers, the city hosted a work session to exchange information on the workforce development Community and the available local tools.

According to the surveys and the information gathered during the work session, the three issues that affect residents and especially low-income residents in securing long term employment are

1. A fragile economy
2. Clients not having adequate soft skills
3. Lack of required education or training
4. Personal problems



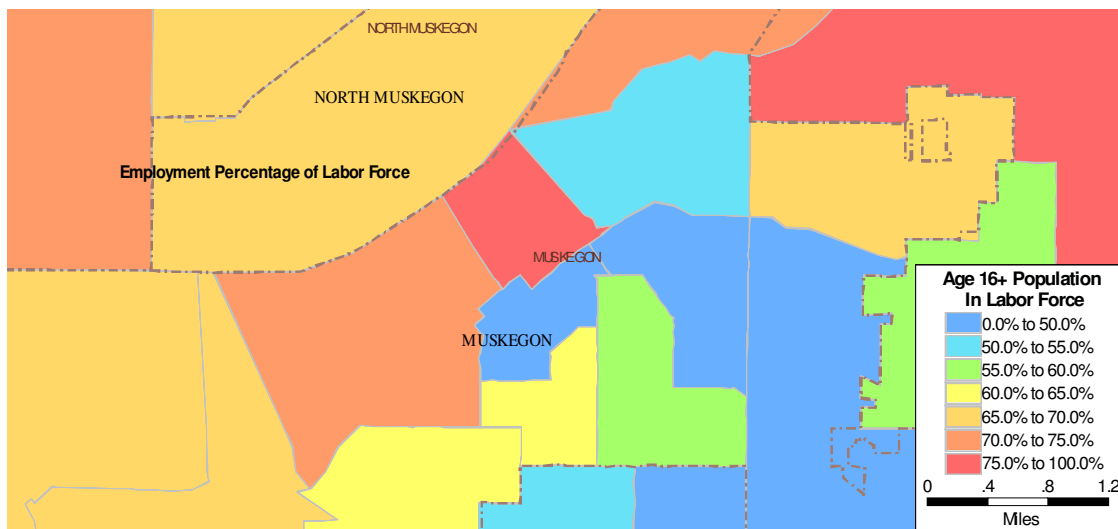
The workforce service providers also stated that because of the changing new economy, it is imperative that a large number of persons, especially, young students are exposed to technical training at a young age in a variety of areas. In order to assure that they have the required skills to enter the new job markets of the future with little need of training by the employer.

Some of the areas that were mentioned were computer-related areas, medical related occupations, construction/design, automotive repair and manufacturing product design, packaging design.

## Employers

A survey was mailed to approximately 40 employers in the city of Muskegon. Approximately 15 were returned. The majority of the employers who received surveys were in manufacturing related industries.

The questions on the survey covered issues like: type of business the company was involved in, how the employers rate the Muskegon workforce, what is the racial profile of the employers workforce and in the employers opinion what are some of the assets and liabilities of doing business in the City of Muskegon.



Concerning the question if the company expected to expand in the next 3 to 5 years. The response was equal between those companies who said yes and those who said no.

Almost all the responders said that they considered the local public school system to be good or either very good.

The majority of the responders stated that most of their workforce were not city of Muskegon residents and that the number of minority employees was far below the minority population of the city of Muskegon which is approximately 38 % of the city's aggregate population.



In direct correlation with the workforce development community, most of the employers who responded to the survey have concerns about the local workforce lack of adequate soft skills, education and training as well as the long-term stability of the local economy.

### **Muskegon Area Occupational Employment Forecast 2000 – 2010**

The Muskegon Area is forecasted to add 7,565 jobs during the period of 2000-2010 a percentage change of 8.1%.

Below is a list of the Standard Occupational Classification areas. The number of jobs in that class in 2000, the number forecasted to be in that class in 2010, the numerical increase or decrease and the percentage change.

Occupation	2000	2010	Change	Percent
Management	93,795	101,360	7,565	8.1%
Business & Financial Operation	1,790	1,975	185	10.2%
Sales and Related	11,605	12,655	1,085	9.1%
Office: Administrative Support	11,325	11,585	260	2.3%
Farming, Fishing, Forestry	2,840	2,710	(130)	-4.6%
Construction, Extraction	6,195	7,205	1,010	16.3%
Installation, Maintenance/Repair	3,680	3,790	110	3.0%
Production Occupation	12,015	12,145	130	1.1%
Transportation, Material Moving	3,985	4,300	315	7.9%
Protective Service Occupation	1,345	1,520	175	13.0%
Food Preparations & Services Related	7,690	859	905	11.8%
Building/Grounds Cleaning/Maintenance	3,180	3,565	385	12.1%
Personal Care & Service Occupation	3,335	4,005	670	20.1%
Computer & Mathematical Occupation	530	740	210	40.0%
Architecture & Engineering	1,325	1,380	55	4.4%
Life, Physical & Social Science	705	708	75	10.8%
Community & Social Services	1,110	1,255	145	13.1%
Legal Occupation	490	545	55	11.9%
Education/Training/Library Occupation	4,270	4,740	470	11.0%
Arts/Design/Entertain/Sports Media	975	1,155	180	18.6%
Healthcare Practitioners/Technical	4,115	4,735	620	15.0%
Healthcare Support	2,200	2,615	415	18.9%

*Source: Michigan Department of Labor & Employment Growth/Office of Labor Market Information*

Because the Muskegon economy just like the national economy has drastically changed over the last thirty years as it relates to jobs or occupations that are in demand, many jobs no longer offer an individual the opportunity for long term employment. It is important for persons looking for employment, especially, young people to develop skills to obtain the jobs or enter the job market with some feel of security.



Neighborhood	Population 15+	Management Professional		Service		Sales & Office		Farming, Fishing Forestry		Construction, Extraction, Maintenance		Production, Transportation, Material Moving	
Angell	2336	130	6.0%	231	10.0%	166	7.1%	0	0%	48	2.1%	282	12.1%
Jackson Hill	710	48	6.7%	88	12.4%	87	12.3%	10	1.4%	0	0.0%	120	17.0%
McLaughlin	3946	307	7.8%	500	12.7%	383	10.0%	7	0.18%	149	3.8%	532	13.5%
Marquette	3042	307	10.0%	389	12.8%	615	20.2%	0	0%	133	4.3%	584	19.2%
N. Nelson	2138	109	5.1%	246	11.5%	157	7.3%	4	1%	54	2.5%	315	14.7%
S. Nelson	1246	166	13.3%	161	12.9%	133	10.1%	0	0%	44	3.5%	248	19.9%
Nims	2661	294	11.1%	345	13.0%	399	15.0%	8	0.3%	140	5.3%	503	18.9%
Glenside/Campbell	710	299	42.1%	370	52.1%	356	50.1%	6	0.85%	88	12.4%	453	63.8%
East Muskegon	8046	366	4.6%	574	7.1%	508	6.3%	0	0%	182	2.3%	822	10.2%
Downtown	77	27	35.1%	0	0.0%	16	20.7%	0	0%	0	0.0%	0	0.0%
Lakeside	3011	476	15.8%	345	11.5%	535	18.0%	0	0%	121	4.0%	424	14.1%
Beachwood/Bluffton	1147	291	25.4%	79	6.9%	216	18.8%	0	0%	42	3.7%	73	6.4%

The following is an analysis of the City of Muskegon's workforce and the occupational areas that they work in by census tract. Some of the categories show an overlap. For example, a person can be in sales management and be included in two categories. It is obvious from the data that certain areas have a higher employment rate than others. But also it must be taken into consideration that the data includes young persons who probably haven't entered the workforce yet.



## Manufacturing Jobs

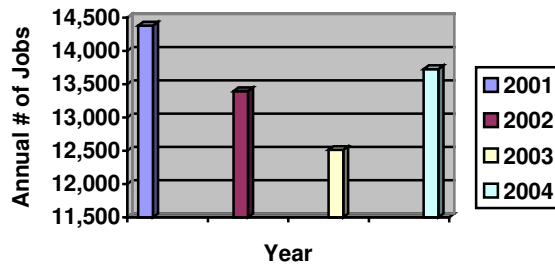
According to data supplied by Muskegon Area First, which is a county wide economic development corporation focused on leveraging public and private investment to accelerate business growth and the creation of high quality employment opportunities in Muskegon County. From 2001 to 2003 Muskegon County lost 1,866 Manufacturing jobs.

Although 2004 has shown a significant increase in new manufacturing jobs in the county. The preliminary number of manufacturing jobs in the county in 2004 was 13,727. Still a decline in jobs from 2004 of 651, but a positive sign that hopefully, the number of job lost is decreasing.

Year	Annual number of Manufacturing Jobs
2001	14,378
2002	13,396
2003	12,512
2004	13,727 *

\*Preliminary

## Manufacturing Jobs

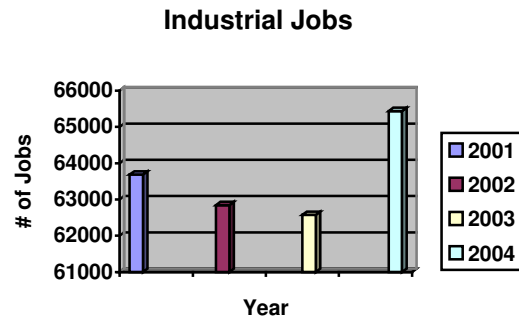


An analysis of all jobs in Muskegon County also revealed a decline since 2001. The reported annual number of jobs in 2001 was 63,685 while that number had diminished to 62,574 in 2003 a job lose of 1,111. But similar to the case concerning manufacturing jobs the preliminary number for 2004 shows a substantial increase of 2,863 or 65,437. Unfortunately, the data was not available to show what type of jobs produce this increase of jobs. There are several issues that create question as it relates to the city's consolidated plan. For example, at what wage did those new jobs start? Were they able to pay a living wage? Did they pay health benefits? What percentages of those jobs were obtained by city of Muskegon residents? What percentage of those jobs went to long term unemployed individuals within the city or county population? What percentage of the employees were minorities, females and etc? Those questions could not be answered from the data available.

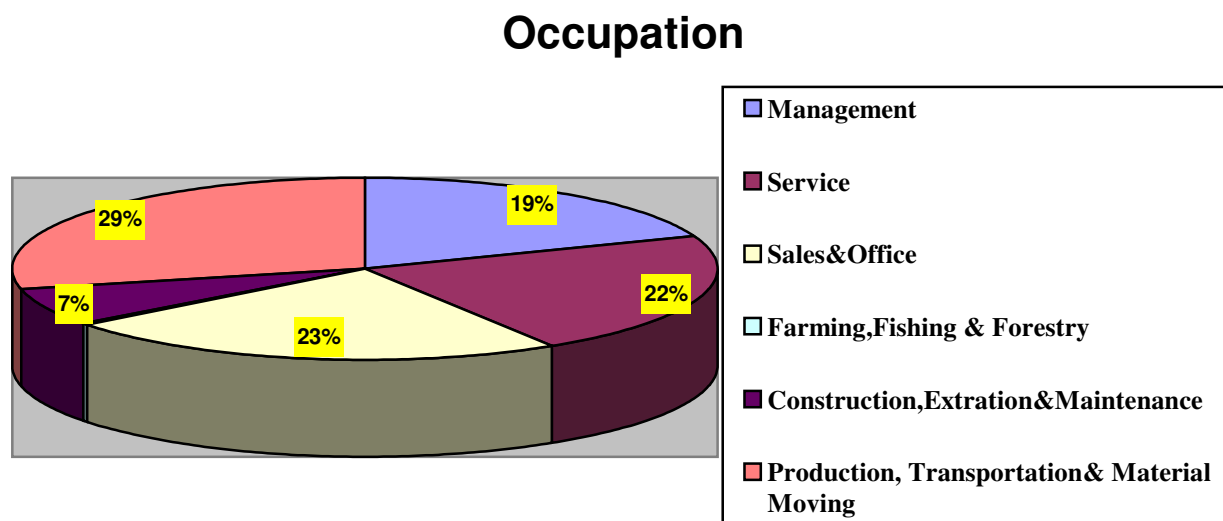
## All industry job in Muskegon County 2001 – 2004

Year	# of Jobs
2001	63,685
2002	62,845
2003	62,574
2004	65,437*

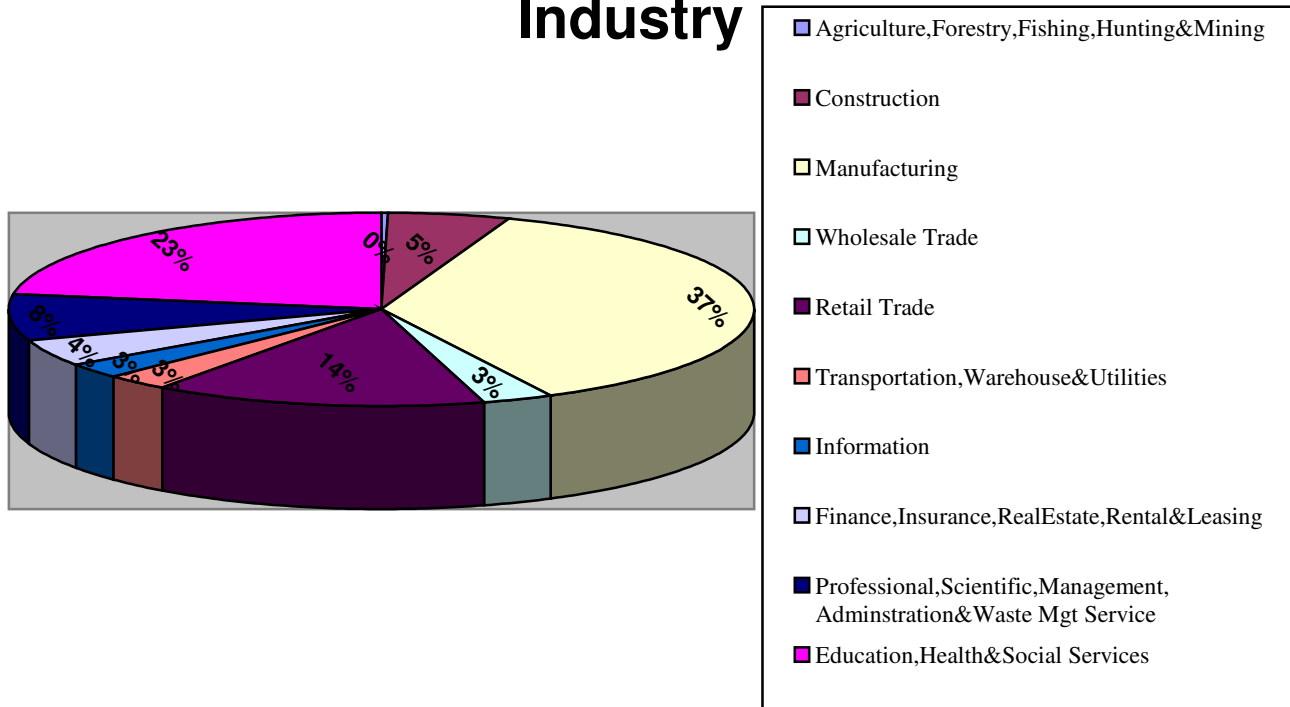
\* Preliminary



According to the 2000 Census, there were 15,136 residents over the age 16 employed in civilian population within the City of Muskegon. The graph below reveals the percentage of Muskegon citizens in the specific occupations, classification and different industries.



# Industry



## Muskegon Behavior Risk Factor Survey

In 2001, Muskegon County residents were asked to rate their general health in five categories: excellent, very good, good, fair and poor. As the results, 18.3% of the respondents described their general health as fair or poor. The proportion of general health rated as fair or poor was higher for African Americans or individuals with lower income or lower education.

The respondents were asked what was the number of days, during the past 30 days, their physical health, which includes physical illness and injury was not good. Overall, the average days of physical health not good in Muskegon County was 4.5 which was significantly higher than the state average 3.3 individuals with lower education, less income. Those who were female had a greater number of days when their physical health was not good.

### Perceived Health Status

Demographic Characteristics	%General Health Fair/Poor	Physical Health "Not good"
Muskegon County	18.3 ± 2.2	4.5 ± 0.5
Michigan	14.9 ± 1.2	3.3 ± 0.3
<u>Gender</u>		
Male	17.8 ± 3.0	3.6 ± 0.6
Female	18.9 ± 3.0	5.3 ± 0.7

Age

18 – 24	8.9 ± 4.6	1.8 ± 0.5
25 – 34	12.5 ± 4.4	3.4 ± 0.9
35 – 44	11.5 ± 3.8	3.9 ± 0.9
45 – 54	20.6 ± 5.4	4.7 ± 1.2
55 – 64	22.4 ± 6.8	5.7 ± 1.7
65 – 74	35.0 ± 8.9	5.9 ± 1.9
75+	32.8 ± 8.9	8.0 ± 2.2

Race

White	15.4 ± 2.4	4.0 ± 0.5
Black	28.1 ± 5.4	6.0 ± 1.2

Education

Less than High School	36.7 ± 7.6	8.1 ± 1.8
High School Graduate	19.5 ± 5.1	4.8 ± 1.3
Some College	16.3 ± 3.6	3.6 ± 0.8
College Graduate	6.1 ± 3.8	2.7 ± 1.0

Household Income

< \$20,000	35.6 ± 5.6	7.3 ± 1.3
\$20,000 – 34,999	20.2 ± 5.1	4.8 ± 1.1
\$35,000 – 49,999	8.4 ± 4.5	2.9 ± 1.0
\$50,000 – 74,999	8.9 ± 4.3	2.5 ± 0.9
> \$75,000	4.5 ± 3.6	1.8 ± 0.9

**Mental Health**

(% with 95% confidence intervals)

Muskegon County	3.6 ± 0.4
Michigan	3.6 ± 0.7

Gender

Male	2.6 ± 0.5
Female	4.5 ± 0.7

Age (years)

18 – 24	3.2 ± 1.0
25 – 34	3.9 ± 1.0
35 – 44	3.4 ± 0.9
45 – 54	4.3 ± 1.1
55 – 64	4.0 ± 1.4
65 – 74	2.0 ± 1.2
75+	3.1 ± 1.5



Race

White	$3.1 \pm 0.5$
Black	$5.2 \pm 1.1$

Education

< High School	$4.8 \pm 1.4$
High School Graduate	$3.4 \pm 0.7$
Some College	$4.0 \pm 0.8$
College Graduate	$2.6 \pm 0.9$

Household Income

Less \$20,000	$5.5 \pm 1.1$
\$20,000 – 34,999	$4.3 \pm 1.1$
\$35,000 – 49,999	$2.5 \pm 0.7$
\$50,000 – 74,999	$2.6 \pm 0.9$
> \$75,000	$2.0 \pm 0.9$

**No health Care Coverage**

It is estimated that 1 in 10 Muskegon County adults between the age of 18 to 64 did not have any kind of health care insurance. The proportion of those uncovered was lower than the state average (11.7%)

Of the individuals whom had health care coverage most reported that their health care insurance was provided by their employer.

## Percentage No Health Insurance Coverage

Muskegon County	$9.7 \pm 1.8$
Michigan (2001)	$11.7 \pm 1.3$

Gender

Male	$10.1 \pm 2.6$
Female	$9.3 \pm 2.5$

Age (years)

18 – 24	$11.4 \pm 5.2$
25 – 34	$15.1 \pm 4.7$
35 – 44	$8.9 \pm 3.4$
45 – 54	$4.3 \pm 2.7$
54 – 64	$9.3 \pm 4.7$

Race

White	$8.3 \pm 2.0$
Black	$11.8 \pm 4.3$

Education

< High School	15.4 ± 7.5
High School Graduate	9.9 ± 2.9
Some College	10.1 ± 3.1
College Graduate	4.6 ± 3.6

Household Income

< \$20,000	19.6 ± 5.7
20,000 – 34,999	7.0 ± 3.7
35,000 – 49,999	5.6 ± 3.3
50,000 – 74,999	3.6 ± 3.0
> \$75,000	0.7 ± 1.7

**Ever smoked cigarettes & current smoking**

(percentage with 95% confidence intervals)

	<b>Ever Smoked</b>	<b>Currently Smoking</b>
Muskegon County	53.6 ± 2.8	27.2 ± 2.5
Michigan (2001)	N/A	26.1 ± 1.6

Gender

Male	62.7 ± 3.9	30.9 ± 3.7
Female	45.2 ± 3.9	23.9 ± 3.3

Age (years)

18 – 24	37.8 ± 7.9	26.1 ± 7.1
25 – 34	56.9 ± 6.5	33.9 ± 6.2
35 – 44	58.8 ± 5.9	35.4 ± 5.7
45 – 54	60.8 ± 6.4	30.4 ± 6.1
55 – 64	60.3 ± 7.9	24.2 ± 6.9
65 – 74	52.3 ± 9.4	15.4 ± 6.8
75+	33.3 ± 8.8	5.1 ± 4.2

**Elderly Frail**

The 2000 Census identified 4,977 persons age 65 and over. This accounts for 12.4 % of the total population of the city of Muskegon. The percentage of 65 and over residents in Muskegon County is slightly more than the city at 12.9%. Although the researcher was unable to find an exact number to identify the city's or county's elderly frail, national statistics estimates the frail/elderly population at 2 to 8% of the population over 60. By HUD's definition "frail" includes persons who are unable to perform at least three activities of daily living (e.g. eating, dressing bathing, grooming and household management activities). With the last of the established baby boomers becoming sixty-five years old in 2028, there will be a need to assist the elderly populations in creative ways.

According to the commission on affordable housing and health facility needs for seniors in the 21<sup>st</sup> Century, rising concerns about the cost of social security, Medicaid, Medicare and other federal entitlement programs threaten housing stability and appropriate home health care for the elderly and frail elderly. The need to forage public/private partnerships to deliver service and housing to the elderly has become increasingly important. This is due to a number of issues including the growth in the elderly population and the continued move away from institutionalization toward more community-based care.

### **Lead Poisoning A Critical Issue for Michigan**

Lead poisoning is a serious environmental illness that has life long effects on the individuals who become lead poisoned and yet is entirely preventable. Lead poisoning in children may effect their health and cognitive abilities causing permanent and irreversible damage. The lead that accumulates in a child's body and brain may cause anemia, hearing loss, hyperactivity, aggressive behavior, liver and kidney damage, development delay, difficulty with learning due to loss of IQ, brain damage and in extreme cases, even coma and death.

The serious effects of lead poisoning affect the entire community, not just the child who becomes lead poisoned. A child with diminished ability to learn will result in "years of productive life lost" and need the assistance of public and private agencies to function in society. A child who demonstrates aggressive delinquent behavior may become incarcerated utilizing scarce state resources.

Currently, Michigan ranks as the sixth highest state in the terms of the estimated population of children with lead poisoning and the percentage of children found in Michigan with elevated blood lead levels remains higher than the national average. In 2003, more than 100,000 children under age of six years were tested for blood lead status and 3,141 children were found to be lead poisoned. Another 747 children with preliminary finding of elevated blood lead levels await confirmation of their lead status.

Lead based paint was in common use for the interior and exterior of houses prior to 1950. Between 1950 and 1978, the percentage of lead in paint utilized in housing gradually decreased but it was not until 1978 that lead-based paint was banned for use in residential structures.

*Source: Michigan Department of Environmental Quality*

### **Lead Based Paint City of Muskegon**

According to 2000 U. S. Census and the Michigan Department of Community Health 30% of the homes in Muskegon were built before 1950, while in the city of Muskegon 68.4% of the housing stock was built before 1950. Of the owner-occupied units 81% were built before 1950, while 52% of the rental units were built before 1959. This information is based on the 2000 census so any units built after 1999 is not included in data.

The City of Muskegon was required to redesign its housing rehabilitation programs in order to be in compliance with the HUD's federal guidelines. The City was forced to discontinue its popular paint program because the additional requirements made it financially unfeasible. The other

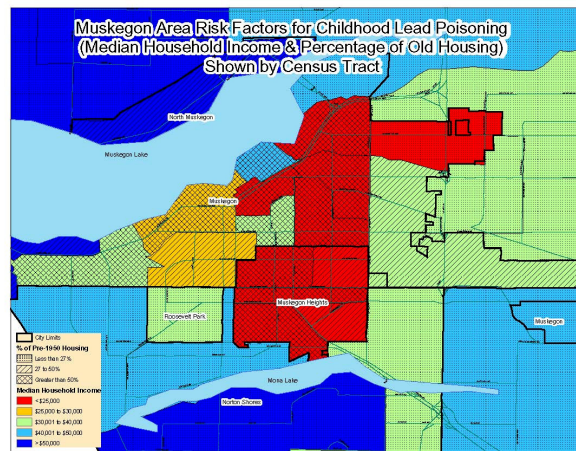
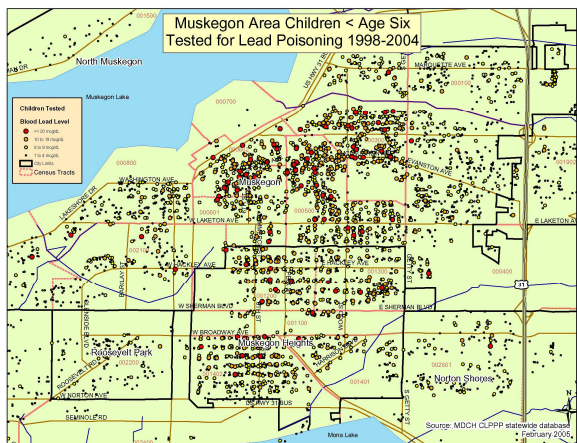
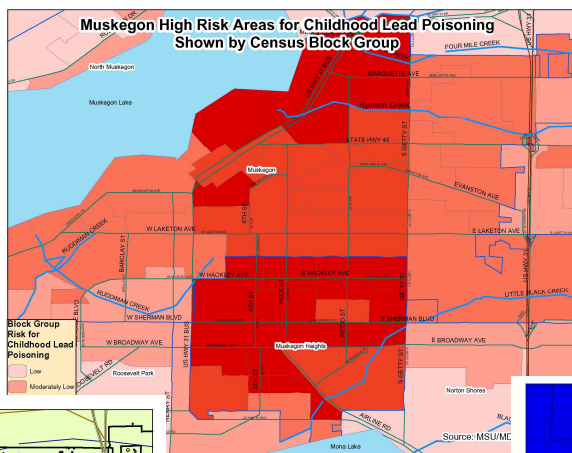
rehabilitation program costs increased also, which decreased the number of households that the City's Community and Neighborhood Services department was able to assist.

The City did work diligently to have staff persons certified in lead base paint inspections and risk assessors. The city also financed for approximately 100 contractors to obtain the Safe Work Practice certification.

According to the information supplied by the Muskegon County Health Department, the City of Muskegon's central neighborhoods census tracts 1 (Marquette), 2 (Jackson Hill), 3 (Angell), 5 (McLaughlin) 6.01 (South Nelson), 6.02 (North Nelson), are some of the highest risk areas for childhood lead poisoning in Muskegon County.

A review of children tested for lead reveals that the majority of children tested were in zip code 49442.

Zip Code	Number of Children tested (age 0 – 9)
49440	66
49441	2,178
49442	4,009
49443	42
49444	2,775



The number of housing units estimated in the City of Muskegon that contain lead is approximately 9,000.

### County Death Analysis

2002 Leading Cause of Death				
	African American	Muskegon	Michigan	US
Heart Disease	2	1	1	1
Cancer	1	2	2	2
Stroke	3	3	3	3
Chronic Lower Respiratory	6	4	4	4
Accidents	4	5	5	5
Diabetes	5	6	6	6
Pneumonia/Influenza	9	7	7	7
Alzheimers	7	8	8	8
Kidney Disease	8	9	9	9
Suicide	N/A	10	10	10
Septicemia	10	N/A	N/A	N/A

Leading cause of death information was not available for the Hispanic or Asian population for the County.

Infant death rates (per 1,000 live births)

	<u>'97</u>	<u>'98</u>	<u>'99</u>	<u>'00</u>	<u>'01</u>	<u>'02</u>
Muskegon County	9.6	6.3	14.1	7.5	10.3	6.1
Michigan	8.1	8.2	8.0	8.2	8.0	8.1

### Persons with HIV/AIDS

The centers for Disease Control and Prevention (CDC) estimates that there are 850,000 to 950,000 United States residents with the HIV virus, while the State of Michigan Bureau of Epidemiology Communicable Disease and Immunization Division estimates that there is 16,200 persons living in the state of Michigan with HIV.

Muskegon County is estimated to have 130 person with the virus which is approximately about 1 in every 1,500 resident in the County, which is far less than the 1 out of every 610 residents in the state accounted for by the State Health authorities and the one in 250 persons that the CDC estimates in every community.

According to the Bureau of Epidemiology the ratio is broken down throughout the state with the estimate of HIV prevalence of 12,470 males (77%) and 3,730 females (23.2%)

The age at diagnosis is the following (State of Michigan)

1 – 12 years	220
13 – 19	390
20 – 24	1,510
25 – 29	2,430
30 – 34	3,210
35 – 39	3,320
40 – 44	2,390
45 – 49	1,410
50 – 54	810
55 – 59	360
60 – 64	160
65 +	100

The racial characteristics of persons estimated to have the prevalence of HIV is the following:

White, Non Hispanic	5,840
Black, Non Hispanic	9,410
Hispanic	590
Asian Pacific Islander	70
American Indian	60

According to the Center for Disease Control, the State of Michigan ranked 11<sup>th</sup> nationally as it relates to the number of reported HIV cases.

#### Muskegon County HIV & AIDS Incidents and Prevalence Trend

	<u>'97</u>	<u>'98</u>	<u>'99</u>	<u>'00</u>	<u>'01</u>	<u>'02</u>	<u>'03</u>
New HIV Cases	9	3	3	3	4	9	7
New AIDS Cases	6	1	2	3	3	4	3
HIV/AIDS Deaths	2	2	4	0	1	2	3

#### 2003 HIV/AIDS in Muskegon County & Michigan

	Muskegon	Michigan
Estimated HIV/AIDS Prevalence Rate*	76.4	158.0
Estimated of HIV Prevalence (total cases)	130	15,500
Persons ever diagnosed w/AIDS	84	13,081

\* Rates per 100,000 population

At this time there is no transitional housing for individuals in Muskegon County or the City of Muskegon specifically targeted at persons who have contracted the HIV virus.

## **Relationship of Work and Health Themes From the Research Literature**

- Work is central to social status one of the most powerful predictors of health outcomes
- Unemployment is associated with a large number of health risks
- Inadequate employment is also associated with poor health outcomes
- The degree of control that employees exercise over their work influences their health
- At least one study indicates that every step up the occupational ladder has positive health consequences
- Work site health promotion programs improves the health of those who have access to them
- Access to health insurance comes primarily through the workplace and has important health consequences
- Work influences the health of families and children
- Health condition affects work status
- Income inequality affects health

*Source: California Wellness Foundation*

### **Needs of Persons threatened with Homelessness**

Housing is deemed “affordable” if persons are paying no more than 30% of their income towards housing costs. According to the 2000 census, 1454 of specified owner-occupied units were paying more than 30% of their income for housing cost, which represents 19.3% of the specified owner-occupied households in Muskegon, according to the Census statistical equation. If we took that same percentage to the total owner-occupied homeowners household who have extremely low incomes (0 – 30% MFI) and pay half or more of their income on housing are the group most at risk of becoming homeless. The continuing increase of housing cost and the stagnant wages that many individuals and families at the lower rung of the economic ladder are experiencing are the main factors. As well as the continuous decline or lack of increase in the number of Section 8 certificates or vouchers in Muskegon County.

The fair market rate for the Grand Rapids – Muskegon – Holland MSA is \$796.00 for a 3 bedroom home or apartment. A household making \$8.00 per hour would be required to work 99.5 hours during one week to make the rent for a fair market unit; while an individual would need an income of approximately \$16.50 per hour at a straight 40 hour week for a month. In order to be able to afford to allocate 30% of their wages to housing to afford a fair market 3-bedroom unit. Therefore someone with an income of just above minimum wage at \$6.00 per hour would need to work an unthinkable 440 hours per month to gross an income to afford the fair market rent for 3 bedroom apartment.

Some of the mechanism that assist low income residents with their housing cost are items like rent or mortgage assistance, utility assistance, as well as factors that help an individual and or family increase their earning potential. Some of those factors are education, employment training, subsidize childcare and subsidize transportation cost. According to the 2000 census approximately 6092 residents or 42% of the working population who don't work at home work outside the city. The census also revealed that approximately 14 % of Muskegon households don't have automobiles. In most instances in order to improve an individuals economic status

transportation is a major factor. According to the census, the median time to get to work is 19.9 minutes for Muskegon residents. The 2002 Analysis of Impediments to Fair housing Choice from the Muskegon Metropolitan area listed the following factors as potential barriers to housing choice.

1. unpaid utility bills
2. credit rating
3. insufficient income
4. insufficient knowledge of availability of information
5. unstable job

It is obvious from what was gathered for this document that many of those same factors, if not all, could also be factors to cause at-risk families to become homeless.

### **Homeless Prevention**

A study by the urban institute found that at least 2.3 million adults and children are likely to experience a spell of homelessness at least once during a year. Statistics show that as many as half of all homeless adults become homeless because they are evicted or experience some other problem with the landlord or with paying their rent. Accordingly, homeless prevention strategies are seen as an important way to reduce the size of the homeless population. Prevention programs fall into two basic categories.

1. Programs that provide legal assistance to tenants who are facing or involved in formal eviction procedures.
2. Programs that provide cash assistance to enable tenants to pay all or part of their back rent. This approach can reach people who are not involved in eviction procedures but are still in danger of losing their housing

According to the Muskegon County Continuum of Care Committee two of the major housing needs area for homeless residents are housing families that include husband, wife and children and housing for men who have custody of their children. The main factors for individuals and families becoming homeless are related to main of the areas that affect society as a whole, a stagnant economy, substance abuse, lack of education and unforeseen health problems.

### **Inventory of Homeless Facilities**

#### ***Emergency***

- |                          |         |
|--------------------------|---------|
| 1. City Rescue Mission   | 95 beds |
| 2. Every Women's Place   | 25 beds |
| 3. West Michigan Therapy | 25 beds |

#### ***Transitional***

- |                          |         |
|--------------------------|---------|
| 1. West Michigan Therapy | 14 beds |
| 2. West Michigan Vet     | 22 beds |
| 3. Bethany Housing       | 32 beds |
| 4. Every Women's Place   | 25 beds |



### ***Permanent Supportive Housing***

1. Hope Network	18 beds
2. Pioneer Resources	7 beds
3. West Michigan Therapy	7 beds
4. NIC	4 beds

### **Highlights of Recent Continuum Efforts toward Ending Homelessness – 2004-2005**

The following describes our Continuum of Care's efforts toward ending homelessness in 2004-2005:

- Merged the Housing Consortium and the sheltering Committee into the Permanent and Supportive Housing Committee to better address the needs of the chronically homeless and to facilitate a seamless referral system.
- Developed and approved a Permanent Supportive Housing Plan to direct the activities of the Continuum in the development of permanent supportive housing.
- Submitted and received approval from the Department of Housing and Urban Development to: 1) develop 15 rental assistance vouchers with supports for the chronically homeless, 2) implement the HMIS system, 3) continue the successful program at the Transitional Living Center – transactional housing for homeless substance abusing women and 4) creation of a community support services case manager to provide outreach and referral services to place the chronically homeless into a stable living environment.
- Developed an additional 11 units of permanent supportive housing for the chronically homeless.
- Developed a Discharge Planning Committee that expanded the membership of the Network by including members of law enforcement, corrections and the medial community.
- Initiated training with the Michigan Coalition against Homeless in the HMIS tools and procedures. Replaced the Tapestry software with Service Point for the HMIS system.
- Dramatically improved the Point in Time Study survey tool and activities including the interviewing of participants at two area food give-aways and in the jail such that there was an increase in participation by 59% during the three PIT surveys.
- Increased community awareness of homeless issues through production of the Homeless Documentary.
- Established a Strategy and Planning Committee to continue to develop the mission and funding for projects.
- Submitted an application to the Michigan Council of Community Foundations for homeless prevention activates.
- Acknowledge the efforts of two long-time community activists and a student involved in homeless awareness programs with the first annual Humanitarian Award given by the Network during Homeless Awareness Week.
- Established a scoring process and procedure and a Review Committee such that projects may be prioritized using objective criteria based upon the data driven gaps in the community.
- Developed a conflict of interest procedure.
- Participated in state-wide Discharge Planning Survey and Point-in-Time Survey
- Built stronger relationships with Department of Corrections and Family Resource Centers

## **Our Community's Planning Process for Developing Continuum of Care Plan**

### **a. Lead Entity:**

The Steering Committee of the Muskegon County Homeless Continuum of Care Network is the lead entity for the community's planning process. This committee provides guidance and communication with the other committees and sub-committees. The Network has been fortunate in that several agencies have provided dedicated staff time to coordinate, plan and implement its activities.

### **b. Planning Process**

The Network consists of 43 partner agencies that serve the homeless population throughout the continuum of Care. The network is comprised of the following committees: Executive Committee, Steering Committee, Permanent and Supportive Housing Committee and the Emergency Needs Committee. The Emergency Needs Committee has the following sub-committees: Food and Pantry, Monthly Miracles and Case Management. A Planning and Strategy Committee has recently been approved to provide further opportunities for development, vision and funding assistance to projects. The Network uses this committee structure to provide a strong, inclusive, and successful grass roots community model that fits the continuum of services in Muskegon County.

CHMS of Muskegon County has donated staff to at as the Coordinator of the Continuum.

The Steering Committee meets monthly bringing all committee chairperson together along with representatives of the governing body, Community Coordinating Council, The Community Foundation of Muskegon County, as well as mainstream resources, faith-based organizations, non-profits organizations, governmental agencies, homeless individuals, landlord association and the HMIS system. Standing Committees created by the Steering Committee identify core issues surrounding the chronic homeless in our community, generates discussion, and develops and implements strategies to address the goals and objectives in the Continuum of Care Plan. The Steering Committee reports to the Community Coordinating Council, which is Muskegon County's multi-purpose collaborative to forge the community leadership commitment necessary to successfully carry out the goals and objectives of the Continuum of Care Plan. Each of the Network's committees meets monthly or bi-monthly to review activity in the community that impacts the committee's assigned goals within the Plan. The Network receives minutes from the Steering Committee and this information is communicated through the standing committees. The Steering Committee also schedules at least two meeting a year to conduct the Gaps Analysis to refine specific goals and action steps to achieve the unmet needs of the homeless in our community and then prioritize these goals. Trainings are also held throughout the year on specific issues such as HMIS, PIT surveys, etc. The Network makes decisions as to overall goals/strategies and action in either plenary session or by proxy vote when deadlines require such action. The planning process has evolved over the last seven years. At the present time there are 43 partner agencies, but some of the agencies have multiple programs that serve the homeless population. During the intervening months, each member of the Network sits as a member of one or multiple committees. The committees implement the goals and objectives of the CoC

Plan. Each committee reviews the status of implementation, they are discussed and other potential ways to resolve them are addressed.

The activities of the Steering Committee have been defined. Below please find a description of other Network committees. The purpose of the committees is to focus on specific components of the Continuum to insure that there is an array of services available to the population as well as increase awareness, and ensure a flow of information and communication among all participants and community members.

- Emergency Needs Committee – Identifies emerging needs and advocates for strategies to meet the needs of the homeless. Acts as the manager of FEMA funds. It has three subcommittees:
  - ✓ Monthly Miracles Committee identified a need for the month, such as personal hygiene products and notifies churches, social service agencies and businesses so they may contribute. After the goods are collected, they are distributed to local human service providers for disbursement to residents.
  - ✓ Case Management Committee consists of case managers of social service agencies serving the population. The Committee meets on a monthly basis and identifies and provides solutions to issues that arise related to the homeless population.
  - ✓ Emergency Food/Pantries Committee meets bi-monthly to coordinate the food drives in the community, the food mobiles throughout the County, meal sites and times, holiday meals and food assistance programs. The committee consists of food pantry providers, meal sites, the Family Independence Agency and other social service providers and faith-based organizations that provide assistance.
- Permanent and Supportive Housing Committee – consolidation of Housing Consortium and Emergency and Sheltering Committee.

Permanent and Supportive Housing consists of transitional, permanent and emergency shelter providers along with support services agencies. The role of the Committee is to develop a seamless system that directs homeless individuals towards permanent and supportive housing in the County. This includes the development of affordable housing as well as supports of the same.

- Strategy and Planning Committee

A new committee established in January 2005 to provide vision and funding assistance to projects.

- Work Groups, Task Forces, other Subcommittees

During the course of the year, other workgroup may be formed for specific purposes as designated by the Steering Committee. A Nominating Committee is required by the By-Laws and meets to put forth a slate of officers for each committee. The Executive

Committee of the Network meets as needed to resolve any outstanding issues. In the past year, five other workgroups were formed:

- ✓ The Point in Time Workgroup. The point in Time Workgroup revised the survey instrument, conducted two training sessions for community volunteers and distributed the survey instrument to the 43 agencies that comprise the Network. Its coordinated the Point in Time Survey with the distribution of food at two sites in the county from the food mobiles, which is a part of the Jesse tree Model, and extensive street outreach. The surveys were also taken into the County jail to address those being released within (7) days. As a result there was an increase of 59% in the number of people (205 – 349) surveyed.
- ✓ The homeless Awareness Workgroup in conjunction with Grand Valley State University developed documentary illustrating the homeless problem in our community. The homeless documentary has been viewed by members of the multi-purposed community collaborative, civic and school groups in the community raising awareness of the “unseen” homeless problem in our community. In addition, a 30 second clip was shown 170,000 times between March – September 2004 prior to the feature film at the Jack Loeks theatres. The documentary was also broadcast for the entire month of November 2004 on Public Television.
- ✓ By-Laws Committee reviewed the existing by-laws and recommended changes related to the expansion of leadership so that there are co-chairs giving the opportunity for individuals to become more experienced as they progress in leadership throughout the organization. Voting rights were established as one vote per agency, not one vote per individual.
- ✓ The Review Panel was established to ensure an equitable review of projects for prioritization to be submitted to HUD as part of the CoC application process. The review panel developed a scoring system using the MSHDA Continuum of Care Committee scoring system as its base. It also developed a conflict of interest and appeals process.
- ✓ Discharge Planning Committee was established to develop and implement a discharge policy for persons leaving publicly funded institutions or systems of care to prevent the discharge of persons from immediately resulting in homelessness and requiring assistance from homeless programs. The committee identified existing discharge planning issues and is committed to continuing to meet until a final policy is developed and approved by the Network. This committee will also be active in the Prisoner Re-entry Program through the Department of Corrections.

*Source: Muskegon County Homeless Continuum of Care Network*

### **Substance Abuse**

The present fragile Muskegon economy along with other factors has many residents looking at the possibility of becoming homeless. According to Louis Churchwell executive Director of West Michigan Therapy, in many cases substance abuse problems create housing issues. In fact, 50% of West Michigan Therapies’ clients are at risk of homelessness at sometime during their substance abuse period.

Nationally one of every four families has a member who has some type of substance abuse problem.

### **Anti-Poverty Strategy**

The City of Muskegon anti-poverty strategy consist of four main components which included, the development of affordable housing while helping to maintain and upgrade the city's existing housing stock, the promotion and delivery of supportive services within the community as it relates to the needs of the most fragile residents of the community to create an atmosphere that attracts businesses, retains the existing businesses and support entrepreneurial and also to promote access to health care and to promote healthy life style living for all residents.

**Housing:** This is the main building block of the city of Muskegon's anti-poverty strategy. Without affordable and or quality housing the extremely-low and very low income households will continue to pay large portions of their incomes on housing leaving little resources for the other necessities such as food, utilities, clothing, transportation etc. Over the next five years, the city will continue to work closely with entities that provide housing opportunities to the city of Muskegon. Also when deemed in the best interest of the community, the city will work with outside entities to increase the quantity of housing in the community both affordable and market rate. As the city's housing rehabilitation funding remains available, the city will continue to diligently make the available rehabilitation services to qualified residents.

**Supportive Services:** Many households benefit from the availability of supportive services. Unfortunately, in most cases the public services find themselves in a position of more need than funding available to meet the needs of their client base. It is hoped that funding will be available to assist these important programs as they attack the root cause of poverty.

**Employment:** As mentioned earlier in the plan, the city of Muskegon has had a higher unemployment rate than the majority of the surrounding communities as well as the state of Michigan and the county as a whole. By strengthening the local economy, by making it more diverse all of the city's residents will find themselves in a better position to have the best quality of life. The city itself will increase its overall tax base and improve the image of the community.

Many local agencies that work with the low and moderate-income population will need to connect. The residents with the programs that will help them obtain long-term employment. As in most successful communities development projects it is imperative that many different elements of the community are involved. Some of the main partners required are the business community, nonprofits, education community, the faith base community and, of course, government.

It is also important because a large portion of the city of Muskegon is under 25 years old that the emphasis is started as early as possible. Some of the responses from the business community as well as the workforce development community reinforce this point.

**Health:** In order to be productive and have a good quality of life, it is important to have positive health. It is evident from the section of the plan that covered health in Muskegon County that there is some health disparities. It is also evident that negative health can affect a person's ability to be a good worker, neighbor and or homeowner. It also was noted that negative health or a negative health style could affect a family for generations. Therefore, it is important that when possible, the city of Muskegon partners with the health community in order to promote and insist on a community of health styles. Therefore, the whole community can enjoy the positive living of being a citizen of the city of Muskegon. Similar to the other anti-poverty strategies to be most effective there should be collaboration across the community.

The City of Muskegon plans to promote its anti-poverty strategies in order to reduce the number of Muskegon families living at or below the poverty level. By collaborating with several community partners in order to successfully reach the established community's goals.

The City plans to use all resources available in both the public, and private sector as well as the nonprofit community. In order to maintain a cohesive network that will not only assist in achieving the established goals but also as an instrument to monitor the established strategy as it relates to its strengths, weaknesses and gaps.

### **Economic Development**

The city of Muskegon has several economic development projects either in the planning stages or already established that will be the engine to fuel the City economy for many years. The city continues to transition itself from the old economy of smokestack and strong backs to new energy technology, entrepreneurial driven economy.

Edison Landing is the name chosen to symbolize the water front site that is at the center of Muskegon Smart Zone. The mixed-use development combines university resources, new energy technologies, corporate offices, residences, recreational and retail offices in a single location on the shore of Muskegon Lake.

Activities are very much entrepreneurial at the Muskegon Lakeshore Smart Zone with a waterfront location. The Muskegon Smart Zone focuses on developing high-technology firms and integrating technology created at Grand Valley State University into Muskegon area business. Alternative energies and chemical engineering are the two technological focuses of the Smart Zone. The Michigan Alternative and Renewable Energy Center (MAREC) is the one incubator and alternative energy research and demonstration facility, one of the first models of distributed generation of electricity in the United States.

The city of Muskegon, in cooperation with the county of Muskegon and Grand Valley State University, support this zone. The Zone also seeks to develop a waterfront center of commerce, continuing the rebirth of downtown Muskegon. The City is currently selling parcels in its recently developed Industrial Park called the Seaway Drive Park. The area consists of approximately 16 acres and has excellent access to U.S. 31 and Interstate 96. The city envisions the seaway Industrial Park to compliment its other economic components to make the City's future economic prowess the envy of not only West Michigan, but the State of Michigan.

The most important component of the City's future economic development strategy is the redevelopment of the City's downtown. The renaissance site is envisioned to be developed by providing infrastructure that is environmentally oriented with sustainable and "people friendly" design elements. The plan incorporates "smart growth" building principles as commonly reflected in contemporary urban design plans. Emphasis will be placed on reflecting green spaces in the downtown footprint, creating a grid of green streets serviced by state-of-the-art storm water management featuring passive infiltration and snowmelt systems. A development priority is for the entire area to appear aesthetically, environmentally and architecturally vibrant.

The new mixed development will consist of retail, office and residential. The completion of this project will be the rebirth of downtown Muskegon and one of the most important chunks of Muskegon economic future.

### **Neighborhood of Choice**

In 2003, three Michigan cities – Muskegon, Kalamazoo and Cadillac were chosen by the Michigan Economic Development Corporation (MEDC) as a part of a competitive process to participate in a demonstration program called Neighborhood of Choice. The neighborhood of choice program simply put, is an attempt to support revitalization efforts in neighborhoods adjacent to improving downtown's.

The neighborhood of choice program will supply the city of Michigan through the Neighborhood Investment Corporation non-profit and one of the city's Community Housing Development Organizations with a \$500,000 grant.

The strategy developed for the North Nelson neighborhood through the neighborhood of choice program is to increase the percentage of homeownership in the neighborhood, improve the physical conditions and build a more solid social fabric in the neighborhood. This strategy is aimed at increasing the housing values and in so doing, improve the tax base in the neighborhood.

The work is anticipated to be a part of a changing image of downtown Muskegon by creating a real sense of place.

Some of the specific strategies developed concerning the neighborhood of choice program are:

- Carry out infrastructure improvements on an east/west street and couple those infrastructure improvements with targeted housing/block improvement activities that contributed to physical change outcomes.
- Create housing supply to accommodate transformation toward owner-occupancy.
- Create a strong positive identity for the subject neighborhood
- Create owner-occupant homebuyer demand for homes in the North Nelson neighborhood.

- Carry out projects and activities where there are groups of neighbors are interested in taking actions
- Recruit and support small developers to achieve outcomes
- Promote use of NEZ and historic tax credits in the North Nelson neighborhood

### **Survey Analysis**

The City of Muskegon's Community and Neighborhood Services department distributed surveys to representatives to all the city's neighborhoods either through personal visits to neighborhood meetings or during the monthly meetings held at City Hall.

The CNS office held a town hall meeting for two of the most central neighborhood associations (Angell and McLaughlin). The CNS director also met with representatives of the Jackson Hill Neighborhood at one of the member's home.

The CNS office received back approximately 73% of the surveys that were give out. The surveys were basically across the board as it related to responses that were submitted by the particular responders.

#### **Question One:**

Between the period of 2000 and the present, how would you rate your neighborhood? The results were: Greatly improved (18%), Improved Some (40.9%), Stable (22.7%), Declined (10%), and Significantly Declined (8.4%).

#### **Question 2:**

During the time period of 2000 to the present, the crime rate in your community: Greatly Increased (11.1%), Increased Some (22.2%), Remained the Same (38%), Decreased (27.7%), Decreased Significantly (0%).

#### **Question 3**

Do you feel that there are enough activities in your community for youth? Yes (0%), Need More (50%), No (50%)

#### **Question 4**

How do you view juvenile crime in your neighborhood? Great Problem (22%), A Problem (22%), Somewhat a Problem (38.8%), Not a Problem (16.6%)

#### **Question 5**

How do you rate the health services in your community (i.e clinics, outreach services, referrals, etc.)? Very Good (22.2%), Good (44.4%), Could be Better (22.2%), Not Very Good (11.1%)

#### **Question 6**

How would you rate the housing stock in your neighborhood? Very Good (22.2%), Good (27.8%), Declining (44.4%), Significantly Declining (5%)



#### Question 7

From the period of 2000 to the present, has the city of Muskegon made significant investments in your neighborhood (i.e. new streets, sidewalks, sewage/water lines, housing rehabilitation, new constructions, park upgrade, etc.)? Yes, (0%), Some investment (44.4%), Minimal Investment (44.4%), Not at all (11.2%).

#### Question 8

How do you rate blight in your community (i.e.unkept lots, abandoned vehicles, vacant and decaying houses, illegal dumping etc)? Significant Problem (13.6%), Increasing Problem (18.2%), Problem but decreasing (27.2%), Occasional Problem (22.7%), Not a Problem (18.2%)

#### Question 9

How well do neighbors in your neighborhood communicate with each other? (Very Good (16.7%), Good (44.4%), Need Improvement (27.8%), Not Good (11.1%)

#### Question 10

How would you rate the relationship in your community between the neighbors and the City Service workers (i.e. police, fire, code enforcement, inspections, public works etc)? Very Good (16.7%), Good (44.4%), Needs Improvement (27.8%), Not Good (11.1%)

Some of the written comments submitted by the neighbors were:

1. A lot of blight is made by people from other areas throwing trash out of the car windows.
2. There are not enough activities for kids and what is available is too expensive.
3. We still have a problem with vehicles, decaying houses as well as illegal dumping.
4. We hardly ever see police officers or inspectors in our neighborhoods
5. There should be more emphasis on bringing jobs to the community
6. We have asked the forestry department to trim tree's that have grown over the sidewalk and to my knowledge nothing has been done.
7. We have asked on many occasions that some substantial investments be put into Smith Ryerson and nothing ever happens
8. I'm not aware of any health services in our neighborhood

### **Consolidated Plan Priorities**

The 2005 – 2010 Consolidated Plan covers a time period beginning June 1, 2005 and ending May 31, 2010. The intent of the Consolidated Plan is to continue the city's short and long range goals of producing a community with strong, healthy viable neighborhoods throughout the City. The City plans to have safe quality housing for all its citizens while expanding the economic base of the community in order to improve the health, education and general welfare of the residents of Muskegon.

The priority need level definition have been established by HUD and are as follows:

**H** (High Priority): Activities to address this need will be funded by the City for the five-year period.

**M (Medium Priority)** If funds are available, activities to address this need may be funded by the city during the five-year period.

**L (Low Priority)** The City will not fund activities to address this need during the five year period.

Unless the situation becomes more serious as it is determined that it is in the best interest of community to do so. An amendment to the existing Consolidated Plan may be required.

Priority groups to be addressed by this Consolidated Plan continue to include low and moderate income homeowners, low and moderate income renters, homeless persons, the elderly and other persons with special needs.

To meet the designated priorities over the next five years, the City of Muskegon and its partners will work diligently to assist the target residents. The priorities were established by review the survey collected by the CNS office, from comments gathered from, town hall meeting, comparisons with the City's overall goals and objectives as well as from research data concerning the City's strengths, and weaknesses especially the information concerning the housing market.

- Priority 1: To develop, increase and maintain homeownership for moderate income households (30%, 50%, 80% MFI)
- Priority 2: To continue to enforce and develop initiatives to rid the community of blighting influences.
- Priority 3: To continue to support initiatives that promote economic development and neighborhood revitalization.
- Priority 4: To promote supportive services for non-homeless persons with special needs
- Priority 5: Provide Safe, affordable decent housing for renters with low incomes (30%, 50%, of MFI)

### **Town Hall Meeting Comments**

During the public town hall meeting to gather information for the Consolidated Plan. Information was gathered to determine what the residents considered the positive and negatives of the city. The following is the list.

#### **Positives**

1. Core of good people in neighborhoods
2. Location
3. Diversity
4. Quality health care
5. Good Schools system
6. Affordable living
7. Recreation facilities
8. Good Library System

9. Natural Amenities
10. Public Transportation

#### Negatives

1. Decaying housing need maintenance
2. Blight
3. Stagnation of new ideas
4. Bad Image
5. High Unemployment
6. Lack of retail base
7. Teen pregnancy rate to high
8. Not enough activities for youth
9. People don't realize how great the community is
10. Drugs

### **Outreach to Realty Community**

In order to receive information from the real estate field concerning the city of Muskegon housing market, the city of Muskegon " Community and Neighborhood Services department mailed a survey to all of the local real estate offices in the county. The intent of the survey was to obtain feedback from the realtors to determine if it was a certain price range of housing that was selling at a higher rate than other priced homes; did agents have more success in selling homes in one neighborhood as opposed to others; was the agent selling more minorities purchasing homes in neighborhoods that had been formerly predominately all white; what percentage of the housing sales in the community were for investment purposes?

Unfortunately, out of the approximately 75 surveys that were mailed to the real estate community, only one survey was returned. The CNS department did receive a letter from the West Michigan Lakeshore Association of Realtors, the local trade organization representing the local realtors. The letter expressed concerns about the survey and what the intent of the survey was. According to the letter, many of the members felt that the letter was trying to uncover unethical or illegal practices in the City and or to determine if the City needed to become alarm because Hispanics and other minorities were moving into the city.

It is the opinion of the CNS department that the real estate community had a totally wrong opinion of the survey and for whatever reason seems to exhibit unjustified caution.

It was specifically stated in the cover letter to the survey that the reason for the survey was to obtain information for the city's five-year consolidated plan. See letters and survey appendix 1

A representative from each realty firm who received the survey was invited to a meeting in order to discuss the results of the survey and to exchange ideas and discuss any pertinent issues. Unfortunately, no representatives of the Muskegon realty community elect to attend the meeting.

## **2005 – 2010 Consolidated Plan Strategy**

The City of Muskegon's needs cover the full continuum of community development, neighborhood revitalization and economic development as it relates to the redevelopment of a core older urban community.

Like many other CDBG entitlement communities it is somewhat difficult to develop a strategy for the use of CDBG and HOME funding for the next five years with the uncertainty of the availability of the funding and or at what level the funding will be available if at all. But in order to complete the Consolidated Plan process the City of Muskegon used all the resources available to develop its strategy for the 2005-2010 period.

### **Strategy**

The number one strategy for housing in the city of Muskegon is to continue to develop and redevelop affordable single family housing in the City. In order to continue to increase the city's owner occupancy rate especially in the core center neighborhoods.

### **New Construction of Affordable Housing**

During the period of 2005 – 2010, the city of Muskegon plans to construct ten new single family homes throughout the city with the main emphasis being on the targeted low-moderate income neighborhoods. The construction cost of the individual homes will be in the range of \$100,00 - \$130,000 dollars. All of the homes will be completed within a six-month period. All of the homes will be sold within a 6 to 8 month period after completion.

The City will sell the homes in the price range of \$80,000 to \$100,000 dollars. All of the owners will be eligible to obtain a forgivable mortgage with a designated affordability period. The expected appreciated rate of the homes will be in the range of 1.5 to 3.0% per year.

### **Rehabilitation of Vacant Single Family Houses**

The City will also totally rehabilitate ten single-family homes within the city during the period of 2005 – 2010. The homes will receive between \$30,000 and \$100,000 dollars of rehabilitation work. After the homes are completed all of the homes will be sold within a period of 6 to 8 months.

The City will sell the homes within the price range of \$50,000 to \$85,000 dollars. All of the homebuyers will be eligible to receive a second forgivable mortgage for no less than \$5,000 and no more than \$20,000.

The anticipated value of the homes will increase by 1.5 to 2.0% percent per year.

### **Owner-occupied Emergency Repair and Renovation of Owner-Occupied Homes**

The City of Muskegon plans to assist 30 owner occupied households per year through the City's emergency repair program. The items that are usually eligible under the emergency repair program are roofs, replacement of inoperable or dangerous furnaces, repair of dangerous structural deficiencies, updating of dangerous antiquated plumbing and electrical items. Through the emergency program the City intends to help maintain and improve the city's existing housing stock. The City restricts the monetary amount to be used to assist a household under the emergency repair program to be under \$10,000 except under special circumstances.

### **Vinyl Siding**

The City of Muskegon plans to assist 20 households per year through the City's vinyl siding program. To be eligible for the vinyl siding program a home must be owner occupied with either

- a. imitation brick
- b. asbestos siding
- c. slate siding
- d. wood siding that has deteriorated to the point where painting would not enhance the long term appearance
- e. siding that is made from an obsolete material

The monetary limit for siding assistance is \$15,000.00 per home.

The installation of vinyl siding on the specific homes is anticipated to maintain the value of the home and enhance the neighborhood. The completed homes are expected to increase in value by at least 1 percent.

### **Rehabilitation of Rental Units**

During the period of 2005 – 2010, the City plans to rehabilitate 16 rental units. The intent of the program is to renovate the units in order for the units to meet HUD's established housing quality standards (HQS) after the rehabilitation's are completed 16 low-income families will have affordable and quality housing. The city's position is that each structure that will receive rental rehabilitation assistance will increase in value by 1 to 3 percent during the ten-year period.

### **Community Housing Development Organization Neighborhood Housing Development.**

The City intends to allocate an amount of funding to its current four eligible CHDO's in order to develop single family housing, owner occupied rehabs, and transitional housing during the five-year period of 2005 – 2010.

### **Blight Elimination**

For the next five years the city of Muskegon intends to aggressively enforce, develop and administer initiatives and programs to eliminate blight from the city's neighborhoods especially

the inner core neighborhoods some of the mechanism that will be used are down zoning, dangerous building demolition, code enforcement vacant lot cleans up, Infill new construction, housing rehabilitation etc. The city of Muskegon's position is that through its blight elimination efforts all of the city's neighborhoods housing will see an increase in value of 3 to 10% during the period of 2005 – 2010.

### **Public Service Assistance**

The City of Muskegon position is to assist, promote and support social services in the community that improves the quality of life of the community especially the extremely low, very low and low to moderate-income residents. Some of the areas that the city deems to be important in order for all of the citizens to experience the best quality of life possible especially those of limited income are health care for seniors and children, transportation for the elderly and disabled, senior and youth programming, legal assistance for low-income, veterans assistance disability support programming, workforce development, homeless assistance and others. Unfortunately, the need for support in the public service areas in the city of Muskegon is no different than in most other communities with similar demographic profiles. The need is much larger than the available resources. So although the city would like to supply funding to all the social activities in the community the funds just aren't available. The city is restricted to allocate funding only as funds make themselves available and within the established guidelines.

### **Infrastructure**

Like older urban communities the city of Muskegon has for the last decade been replacing and updating the cities infrastructure. During the period of 2005 – 2010, the city will continue to work to improve its infrastructure as the city works diligently to modernize its infrastructure in order that Muskegon will be one of the most modern city's of not only west Michigan but of the Midwest.

### **Economic Development**

The city of Muskegon's economic development efforts for the next five years is multi-faucet. The city's most important economic development for the next five years is the redevelopment of Muskegon downtown the "Center City". The former mall site which consist of 23 acres of recently vacant land is being proposed for a plethora of activities that range from specialty retail, restaurants, office space, health care, research and development, entertainment, public recreation area and others. The City is also currently developing a new industrial part along with a smart zone, which will be a technological information center. In addition, the city is currently redeveloping several areas through the City's Renaissance Zone program, Brownfield Redevelopment program, obsolete building program or assisting existing business growth under the Industrial Facilities Tax Exemption program.

The City of Muskegon understands that although it is important to attract new businesses to the community it is just as important to help the communities existing businesses remain strong and thriving.

The measuring devices that the City of Muskegon will use to show its economic improvement during the next five years is the State Equalize Value (SEV) of the Community and the city's and county's unemployment rates. The City proposed that the city SEV would increase by 10 percent by 2010 while the city's unemployment rate will decrease to 5 percent in 2010 and the county's to 4 percent.

### **Objectives and Goals**

Objectives 1: New construction – To either develop alone or in partnership with Community Housing Development Organizations, members of the financial community or private developers new single family affordable housing.

Goal: Ten new single family houses completed by May 31, 2010.

Objective 2: Total Rehabilitation of previously vacant blighted single family housing – To either total 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 31, 2010.

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 either emergency repair and or vinyl siding (150 emergency repairs / 100 vinyl siding by May 31, 2010)

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.

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

Goals: To demolish 20 dangerous structures, to remove rubbish and blight from 250 sites throughout the city, remove 50 blight creating inoperable automobile from throughout the city.

Objective 6: To assist and promote public service community in attacking the social ills of the community in a plethora of areas

Goal: To assist 10,000 persons through the public service community by May 31, 2010.

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

Goal: To upgrade communities infrastructure as required.

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.

### **Senior Apartments in Muskegon County Subsidized**

Name: Barclay Senior Village

Number of Units: 70 Barrier Free Units

Tenants are required to be 62 years old or older and disabled if applicable.

Name: Bayview Towers

Number of Units: 200 Barrier Free Units (182 one-bedrooms, 18 two-bedrooms)

Tenants are required to be 50 years or older and meet income criteria for HUD

Name: Christian Retirement Home (Christian Manor)

Number of Units: 42 Studio apartments

Tenants are required to be 62 years old or older, or disabled and meet HUD's income guidelines.

Name: Columbia Courts Apartments

Number of Units: 90 Barrier Free Units (88 one-bedrooms, 2 two-bedrooms)

Tenants must be 62 years or older, or disabled and required to meet HUD's income guidelines.

Name: Creekside Apartments

Number of Units: 32 Units (16 one-bedrooms, 16 two-bedrooms)

Name: Hartford Terrace

Number of Units: 160 Units

Tenants must be 50 years or older or disabled.

Name: Hickory Village

Number of Units: 180 Barrier Free Units (all one bedrooms)

Tenants are required to be 62 years of age or older and all are required to meet HUD's income guidelines.

Name: Jefferson Towers

Number of Units: 156 Units (134 one-bedroom, 12 efficiencies)

Tenants must be 55 or older



Name: M.A. Houston Towers  
Number of Units: 51 Barrier Free Units

Tenants must be 55 years of age or older and meet HUD's income requirements

Name: Park Woods Apartments  
Number of Units: 100 Units (70 one-bedrooms apartments, 30 two-bedroom townhouses.

Tenants be 62 years old or older or disabled or tenants rent is based on 30% of gross income.

Name: Senior Housing Association of White Lake I & II  
Number of Units: 65 Barrier Free (all one-bedrooms)

Tenants rent is based on income

Name: Trinity Manor  
Number of Units: 46 Units (all one-bedroom)

Tenant must be 62 years old or older and meet HUD's income guidelines

**Muskegon County  
Senior Apartments  
(Non-Subsidized)**

Name: Dayspring Independent Living Apartments  
Number of Units: 16 Units (8 one-bedrooms, 8 two-bedrooms)

Tenants must be 50 years old or older and able to perform daily living activities independently.

Name: Nelson Place Apartments  
Number of Units: 101 Units (90 one-bedrooms, 10 two-bedrooms)

Name: North Muskegon Senior Apartments  
Number of Units: 34 Units (24 one-bedrooms, 10 two-bedrooms)

Name: Village at the Oaks  
Number of Units: 89 Units (65 one-bedrooms, 24 two-bedrooms)

Tenants are required to be 62 years of age or older.

Name: Village at Park Terrace  
Number of Units: (one-bedrooms, two-bedrooms)

Tenants are required to be 55 years old or old

## **Consultation**

The Community and Neighborhood Service (CNS) was the lead agency in developing the Consolidated Plan. The CNS office is the administering office for the City of Muskegon Community Development Block Grant Funding and HOME funding. The CNS office has consulted with both public and private organization as an ongoing process since the development of the 2005 – 2010 Consolidation Plan was begun last spring. The City's subrecipients and the Community Housing Development Organization have been in regular communication with the CNS office through out the fiscal year.

The CNS department used several mechanisms in order to get feedback from the appropriate persons and organization as it related to development of the City of Muskegon 2005 – 2010 Consolidated Plan. The methodologies that were used are the following:

- Attendance at neighborhood association meetings
- Sponsored town hall meetings
- Distributed surveys
- Held meeting with public services
- Had telephone consultation meetings
- Attended Muskegon Continuum of Care Meetings
- Held Public Hearing on March 22, 2005

The organization agencies or person who were consulted with during the development of the consolidated plan were the following:

Bethany Housing, Neighborhood Investment Corporation, Muskegon County Health Department, Every Woman's Place, Nims Neighborhood Association, Glenside Neighborhood Association, Jackson Hill Neighborhood Association, Family Independence Agency, Muskegon Area Growth, Hackley Hospital, West Michigan Shoreline Regional Development Commission, Muskegon Housing Commission, Hackley Library, City of Muskegon's Inspections Department and Community and Economic Development Department, Ciggzree's Inc, Mendendorp Real Estate Group, Angell Neighborhood Association, McLaughlin Neighborhood Association, Detroit HUD Field Office, MOKA Corp, Goodwill Industries, Manpower Inc, Family Service Center, Work Force Development Center, Great Lake Finishing, Dobb Printing, R. C. Production, Midwest Spring, MIM, Bekaert, DSC Products & Laboratories, Muskegon Public Schools, ADAC Plastic, Allied Ring Corp, Coles Quality Food, Fleet Engineering, Port City Die Cast, Muskegon Cast Product, K L Industries, E.C. Gillespie, Norma DeYoung, Carol Vandyke, Beverly Savage, Rasheedah Muhammad, Tom Dennie, Shirley Matthews, Nella Williams, Bernadette Young, Barry Davis, Ed Gardner, Jan Wies, Carl Gardner, David Sippenga, Helen Happy, Dob Sippenga, Jackie Darnell, Bill Gill, Joan Stewart, James Edmonson, Karenl Herman and Calvin Rucks, Terees Williams, The City of Muskegon City Commission, The City of Muskegon Citizen District Council.

## Public Comments

### ➤ RE: 2005-2010 CONSOLIDATED PLAN--PUBLIC COMMENT

I am writing to you as a taxpaying citizen to make my public comment concerning the 2005-2010 consolidated plan. I want this letter listed on record. My specific comment concerns the home buying program through the CNS department.

Currently, the CNS department has established a rule that you must be a *first time homebuyer* **or** have not owned a home in three years in order to purchase a home through the program. HUD who finances the program has **not** established that requirement. In fact, HUD promotes owner occupants through their own program for homes they acquire. Since the rule was established by the city, it can actually be changed at any time. The home buying program should be slightly altered to include any owner occupant that meet the income guidelines established by the federal government.

While there apparently were good intentions for creating the current rule, loopholes exist that allows income eligible taxpayers to fall through; the loopholes must be closed. The following must be considered.

- Income eligible taxpayers are supporting this program but are unable to benefit from the opportunity to own a newly built or totally rehabilitated home because of the rule created by the department.
- An unprecedented number of grandparents, for various reasons, are finding themselves having to raise their grandchildren. In most cases, they have already begun to purchase their retirement home that usually isn't suited to accommodate the extra people. The department established rules restrict them from purchasing a home that is better suited.
- There are families, such as mine, that meet all of the federal requirements, including income restrictions, which purchased a starter home with the hope of improving in the future. In essence, the department established rule is punishing income eligible families by denying them the opportunity to purchase a new or totally rehabbed home at the discounted price through the program.

As you know, the homes are sold to families that meet the income guidelines at a significant discount. Because mortgage lenders make loans based upon income, none of the families that currently owns a home who meet the federal income guidelines for the City's program would be approved to purchase a comparable home from the traditional market.

Slightly altering the requirements to include **all owner occupants** who meet the federal income guidelines will also financially benefit the city for some of the following reasons.

- As you know, a city owned empty house is a liability because:
  - it isn't generating tax revenue
  - there are actual cost incurred by the city for insurance on the structure
  - an empty house is a target for vandalism, which will cost the city money.

Altering the department-established rule to include **all income eligible owner occupants** would likely increase the speed at which the homes are sold. In turn, the proceeds from the sales would provide the department with financial resources to do more homes at a faster pace. In a few years the target areas could be completely revitalized. It is a win/win situation.

A concern has been expressed that allowing current homeowners to purchase a home through the program would increase rental units in the city. The phobia is that the family would rent out their current home. As previously stated, mortgage lenders make loans based on verifiable income, not anticipated income. If a family's income were low enough to meet the federal income guidelines for the CNS program, they wouldn't have enough income to be approved for an additional mortgage to cover the new home. The new mortgage approval is then conditional upon the sale of the current home. Further, rental income falls under the umbrella of self-employment for the purposes of any type of loan. The applicant would have to provide the lender with the two previous years of tax returns showing a profit was made on the rental property in order for it to be considered as a source of income. Therefore, it is impossible for an income eligible family to rent out their current home if they were allowed to purchase a home through the CNS department. (This explanation about rental income can be verified through any lender, including Huntington Bank who has worked with the program before.)

You, as public servants, are faced with the awesome responsibility of establishing rules that will benefit the entire community in which you serve. The current department established rule literally hurts low/moderate income families that purchased starter homes because we don't earn enough money to purchase a new home without the federal subsidy. Since it is time to present the five-year plan to HUD, please at least consider a pilot program to allow all income eligible owner occupants to participate in the home buying program through the CNS department.

I'd like to thank-you in advance for your careful consideration in the matter. I would also like a written response to my suggestion.

Sincerely,  
Terees Williams

- ⇒ James Dalum, Citizen's District Council member, commented that the survey's don't reveal realistic statistic.
- ⇒ Sheliah Shah, Citizen's District Council member, commented that the neighborhood analysis did not include other ethnic groups.
- ⇒ Jason Slone asked during the Public Hearing on March 22, 2005 what did the city project for job development during the period of 2005-2010. The CNS director, Wil Griffin, advised that the information concerning jobs in the Consolidated Plan stated a projected increase of 8%, although that number was for the Muskegon area not the city of Muskegon. There was no information available specifically for the city of Muskegon.