

## **MINUTES**

Citizen's District Council Meeting  
City of Muskegon CDBG  
Muskegon, Michigan  
Thursday, November 13, 2008

### **CALL TO ORDER**

The meeting was called to order by Patricia Montney at 5:38 p.m.

### **ROLL CALL**

Roll call was taken by Liz Parker.

Present: Patricia Montney, Marcia Hovey-Wright, James A. Dalum, Dan Rinsema-Sybenga, Addie Sanders-Randall, Thomas Pastoor, Stephen Gawron

Excused: G. Ellouise Hieftje, Virgie Jackson, Ryan McCabe

Staff Present: Wilmern Griffin, Liz Parker

### **APPROVAL OF MINUTES**

Addie made a motion to approve the minutes from the last meeting (August 7, 2008). Dan seconded. Motion passed.

### **OLD BUSINESS**

- **Recap of Muskegon Unity Academic Olympics**

Wil discussed the recap and had a handout of pictures from the event. The games were for kids in grades 1 – 8<sup>th</sup>. 95% of the participants were from Muskegon Public Schools. There were approximately 100 students in attendance, along with 100 volunteers. There was good support from a cross-section of the local community. For a first-time attempt at this event, they did very well and Wil got a lot of positive feedback. There were a few logistical problems: Redi-Rental didn't have the tables, chairs and tents set up on time and the laptops were not powered up and ready. There were three goals to accomplish with these games:

1. Showcase to kids how important education is
2. Show the kids that Muskegon upholds education

### 3. Primer for MEAP test

Marcia wanted to know how much the event cost. Wil said \$13,000, of which 35 – 40% was in-kind.

## **NEW BUSINESS**

- **Thomas Pastoor**

Tom is the Citizen at Large replacement member for Mike Miller, who passed away in August. He will complete Mike's term, which expires January 31, 2010. Tom is a retired educator from Oakridge Elementary School. He worked 16 years as a teacher and 18 years as a principal. He is the president of McLaughlin Neighborhood Association, has participated in Community enCompass activities and the McLaughlin Neighborhood Beautification program. Tom wants to get a handle on the money coming into the city and how it is utilized. He wants to be a part of that process.

- **Process of 2009 – 2010 Grants – HUD Guidelines on Citizen Participation**

To bring Tom up to speed, Liz will email Tom the minutes from last year's review process. Wil explained the process of how CNS puts a Public Notice in the Muskegon Chronicle for solicitation of individuals, non-profits and groups to apply for CDBG and HOME funds. After the applications are received by a January deadline, Wil reviews them to make sure they comply with the HUD guidelines. CNS then prepares a spreadsheet with a listing of all the applicants, how much they are asking for and what the City of Muskegon's administration suggests the grant amounts should be. A book is made for each CDC member, the City Commissioners and City Manager of all the applications. Then the applicants have a chance to speak before the CDC to tell them about their programs and why they want our grant money. During that time, the CDC members can ask questions of the applicants. Each review is for 15 minutes, including questions. After the last review, the CDC decides, as a group, how much they would like to see allocated to each applicant. This is then added to the spreadsheet. It is then given to the City Commission so they can review the book, minutes and spreadsheet and make their final decision on grant allocation. The spreadsheet is finalized with their decisions.

This year's Public Notice will be in the November 22 edition of the Muskegon Chronicle. Per Wil, no more than 20% of CDBG funds can be spent on administrative costs and only 15% can be spent on public service activities (non-profits). This coming year Wil thinks the funds allowed for CDBG will only be \$900,000 and \$200,000 for HOME funds. Each year there are less and less funds available. The CNS Emergency Repair Program funds are just about gone for this year, which is used for low income households for roofs and furnaces. The HUD budget is established October 1, but CNS won't find out until December or January what their funding will be.

Pat wants to make sure the public is aware of the CDC meetings and that the City Commission meeting agenda includes the review of the CDBG/HOME grants. Pat had

a handout of the City of Muskegon's webpage 'Meeting Minutes/Agendas' which showed no listing for the CDC. She said our minutes and agendas need to be on the City of Muskegon's webpage. Liz will contact IT to get this going. Pat also made sure everyone had a handout of HUD's Citizen Participation Guidelines. She also wanted to know if there have been any complaints by non-English speaking persons about the grant process not being in other languages. Wil said he hadn't heard of any and when there are non-English speaking persons asking for CDBG assistance, they usually bring their children with them to interpret. At the bottom of the beginning of the City's website there are a variety of foreign flags that a person can click on and it will translate the website to that particular language. The only sections that don't translate are the pdf files.

Marcia wanted to know about last year's process with the City Commission. It appeared there were no conversations between them and the CDC last year. Steve said the process was not meant to be demeaning. They did the process as they had always done. Steve responded to emails from a variety of CDC members when the City Commissioners changed their minds on how they wanted to allocate the grant funds. Steve said funds are becoming less and less and they want to get the most 'bang for the buck.' They also have been telling the applicants that the funds are dwindling and one day we may not be able to assist them. No one on the City Commission was dismissing the work the CDC does. Pat wants to make sure that if the City Commission work sessions and meetings are going to discuss the grants, that it is included on the agendas so the public is aware and can participate.

The group decided on the following dates for review of the grants:

Thursday, January 29, 2009 5:30 p.m. – 7:30 p.m.

Tuesday, February 3, 2009 5:30 p.m. – 7:30 p.m.

Thursday, February 5, 2009 5:30 p.m. – 7:30 p.m.

The meetings will be in conference room 203.

Pat wants to make sure the grant proposal/review minutes are approved by the CDC prior to the February 10, 2009 City Commission meeting. A copy will go to the City Commissioners and the City Manager. \*\*In looking at the calendar, there is no way to get the minutes approved by February 10. the minutes will have to be approved at the March 3, 2009 CDC meeting, which will still be in time for the March 10, 2009 City Commission meeting.

- **Program Overviews – What we've done and where we're going**

Wil said there is a lot of need in the community and he is trying to stretch the money. CDBG funds are almost gone for the current fiscal year. HOME is going slow as there still is inventory they are currently trying to sell. The Lead Program is going well. He said CNS is continuing their mission to assist the community.

Two homes, 214 Myrtle and 539 Orchard may be close to being sold. The potential buyers are currently in contact with their banks. If they sell, the inventory left is 218 Catherine, 1581 Division and 451 East Isabella. Addie wanted to know how many homes CNS has built/rehabbed. Wil said 33 in the last six years.

- **Potential changes to the CDBG Program – Liens**

- a) Currently the Emergency Repair program produces a lien when the total cost goes over \$3,500. The lien is for five years and is forgiven by 20% each year. If the homeowner defaults (moves out of the house, sells the house, etc.) then they are required to repay the remaining balance of the lien. Wil said people are now having a variety of problems, but each project is being reviewed separately when it comes to the lien. Wil is suggesting the projects get combined and when the combined projects go over \$3,500, a lien is placed on everything. Wil wanted feedback from the group before bringing it before the City Commission. Dan made a motion to agree to the change. Pat seconded. Motion passed.
  
- b) For the HOME program, Wil would like to remove the ‘first-time home-buyer’ or not having owned a home for three years qualifications from the program. He would like to do this because of the current market. He would still look out for the first-time home-buyer. He also doesn’t want someone to own a home and let the original home deteriorate. Houses are not moving as fast as he’d like. He wants to emphasize the first-time home-buyer but, at the same time, he can’t afford to have the homes sit vacant. Wil says they’ve been very lucky so far with no vandalism. Marcia thought this is a creative solution to the problem. Wil wants to have the highest rate of owner-occupancy in the City. Marcia wanted to make sure that the old house is sold and not converted to rental. Wil said that was a good idea but would have to go through Legal. Wil said this was a local decision and not a HUD decision. The market is an invisible hand. Steve wished there could be a way to combine the selling: 60% at market rate and 40% at subsidized housing. Wil asked how that could happen. Steve said it would have to start with legislators to see if they could get HUD to change their rules. Marcia wanted to know how many applications were received when Wil first started the Lease with Option to Purchase program. Wil said they got five applications and it all happened within a month. The program was announced in a Public Notice in the Muskegon Chronicle. Currently on the HOME program, the owner must occupy the house sold to them for five to 15 years, based on subsidy: \$0 - \$10,000 subsidy – five years; \$10,001 – \$25,000 – ten years; \$25,001 or more – 15 years. If the people sell the house before the subsidy period, they have to repay the prorated subsidy. At closing they also have to sign a mortgage subsidy. Tom thought this was the right thing to do. This could help people who want to upgrade or move into the area. Someone wanted to know if the City should hold off on another house being built because of the housing market. Wil referred them to the Neighborhood Stabilization Program.

- **Adding another home to the Lease with Option to Purchase Program**

Wil would like 451 Isabella to become part of the Lease with Option to Purchase program. This program lets people who have previously been turned down for a mortgage rent one of the CNS homes for sale in the hope they can qualify for a mortgage within three years; hopefully sooner. He will be going to the City Commission to ask for their permission to proceed. There is a discount if the lessee gets the mortgage in the first or second year. If the lessee doesn't get a mortgage within the three years, the person/family must vacate.

- **Review Neighborhood Stabilization Program**

HUD has come up with this program. They gave funding to several areas, including Grand Rapids and Kent County. Those who did not get funding directly from HUD, including Muskegon, must apply to the State of Michigan (MSHDA) for funds. There is \$97,000,000 in this fund, of which Muskegon could get \$1,450,000. HUD is currently working on their Action Plan. The money must be spent in 18 months to rehab abandoned and foreclosed properties. Blight must be demolished. There is also a new construction component. This program is at 120% of area median income. This increases the eligibility market. Wil said it's currently in the design stage. Pat wanted to know if the CHDO's will be brought in and Wil said yes. The money can't be used to prevent foreclosure. Wil also said HUD disallowed the \$35,000 for Foreclosures that CNS was going to use under this fiscal year's HOME allocation. He'll have to find another use for the money. Tom would like to make sure there is input from the neighborhoods. Wil's going to develop a survey for the neighborhood presidents to get a consensus from the neighborhoods of how they feel foreclosures are impacting their neighborhoods. Tom said this was a wonderful allowable expense incentive to purchase homes.

## **OTHER BUSINESS**

**Mark your calendars. The next CDC meeting will be on Tuesday, January 6, 2009 at 5:30 p.m. in Conference Room 203.**

**The CDC reviews will be 5:30 p.m. – 7:30 p.m. in Conference Room 203 on  
Thursday, January 29, 2009  
Tuesday, February 3, 2009  
Thursday, February 5, 2009**

Pat wants a copy of these minutes and the HUD Citizen Participation guidelines to go to each City Commissioner and the City Manager.

## **ADJOURNMENT**

Patricia Montney adjourned the meeting at 6:39 p.m.