

Action Plan V
COMMUNITY DEVELOPMENT BLOCK GRANT

PROGRAM YEAR 5: July 1, 2015 - June 30, 2016

MISSION STATEMENT & NARRATIVE SUMMARIES

To provide its residents with the ability to live in safe, decent, sanitary housing with an assurance that the City of Muskegon is dedicated to the preservation of its neighborhoods, public facilities and infrastructure. In an effort to promote the overall well-being of this community, the Action Plan describes programs, projects and activities to meet an expected goal through CDBG and HOME partnership funds. As a result of nearly 4 years of deliberate work we made progress as shown in the table below:

ACTIVITY PROGRESS TO DATE

Program	Outcome
Housing Repair	182
Vinyl Siding	23
New Construction	3
Housing Rehab	5
Youth Employment	7
Ramps	11
Utility Assistance	38
Rehab/Transitional Housing	2
Rental Rehab	12
Demolition	32
Board-Ups	157
Youth Recreation	1900
Summer Interns	4

The following are the annual Industrial Facilities Tax Abatement (IFT) reports for the years 2011, 2012, and 2013. The data in these reports was collected as of December 31, of each year and includes job creation components of all companies receiving IFT certificates from the City of Muskegon.

2011 Employment Increases	
Company	Employees Gained / % Increase
ADAC Plastics	94 (16%)
SAF Holland	34 (10%)
Great Lakes Die Cast	24 (21%)
Johnson Technology	23 (8%)
Ameriform	20 (22%)
Port City Industrial Finishing	20 (21%)
Fleet Engineers	5 (6%)
AFI Machining	4 (22%)
DSC Products	3 (10%)

Employment Levels

Nine of the 14 (64%) companies receiving an IFT in 2011 saw their employment levels rise. This is the second straight year where more companies gained employees than lost employees, a significant change of pace over the previous few years. Three companies declined in employment in 2011; however, the losses were not very extreme. Forming Technologies, Esco Company and Re-Source Industries lost a total of eight employees between the three companies combined.

2012 Employment Increases	
Company	Employees Gained / % Increase
ADAC Plastics	120 (17%)
Ameriform	17 (16%)
Forming Technologies	16 (30%)
Great Lakes Die Cast	13 (10%)
Johnson Technology	9 (3%)
Alloy Resources	4 (75%)
Re-Source Industries	4 (9%)
AFI Machining	2 (10%)
DSC Products	1 (3%)
Fleet Engineers	1 (1%)

Employment Levels

Eleven of the 18 (61%) companies receiving an IFT in 2012 saw their employment levels rise. This was the third straight year that more companies gained employees than lost employees. Three companies declined in employment in 2012. Port City Industrial Finishing saw the largest decline in employment, cutting 48 jobs, which was 51% of their workforce.

2013 Employment Increases	
Company	Employees Gained / % Increase
Port City Die Cast	133 (100%)
Johnson Technology	21 (7%)
ADAC Plastics	19 (3%)
AFI Machining	14 (41%)
Alloy Resources	8 (67%)
Graphics House	4 (8%)
Ameriform	4 (4%)
Fleet Engineers	4 (5%)
DSC Products	3 (9%)
Muskegon Castings Corp	1 (1%)

Employment Levels

Nine of the 14 (64%) companies receiving an IFT in 2011 saw their employment levels rise. This is the second straight year where more companies gained employees than lost employees, a significant change of pace over the previous few years. Three companies declined in employment in 2011; however, the losses were not very extreme. Forming Technologies, Esco Company and Re-Source Industries lost a total of eight employees between the three companies combined.

PURPOSE & INTENT

In accordance with the National Affordable Housing Act of 1990, the City of Muskegon is will submit the 5th year Annual Action Plan to the U. S. Department of Housing & Urban Development pursuant to its approved Consolidated Housing & Community Development Plan in an effort to complete projected housing and non-housing priorities set forth. Affected programs include the Community Development Block Grant (CDBG) and HOME Investment Partnership (HOME) Programs.

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City's Community Development Block Grant (CDBG) program is annually funded to address the City's short- and long-term goals, needs and priorities. The goals, needs and priorities are similar to our activities in our 4th year Annual Plan relative to Blight Fight and Targeted Neighborhoods.

Projected Resources & Activity Summary:

\$895,410	FY 2015 HUD/CDBG Entitlement
0	Reprogrammed Funds
0	Program Income
<u>\$895,410</u>	Total Available CDBG Resources

Summary of Priorities and Proposed Projects

The City of Muskegon proposes to undertake activities during the 2015 program year described as follows:

Housing Priorities & Proposed Projects

Proposed projects will aid in the elimination of substandard housing conditions which are detrimental to life, health, and safety by providing assistance to owners of single-family residential housing units as follows:

- 170,000 **Housing Rehab – Priority Housing Repair Program.** Continued assistance to very low-income homeowners for the repair of single-purpose housing deficiencies which pose a serious threat to life, health, or safety.
- Locations: City-wide.
Targeted Outcome: 40 Housing Units
- 50,000 **Vinyl Siding.** Assistance to homeowners who may be at risk of code violations/citation
- Locations: City-wide
Targeted Outcome: 10
- 10,000 **Dangerous Buildings-Board-Ups:** Continued assistance to precede demolition efforts to eliminate dangerous unsecured buildings that blight neighborhoods (single-family housing units)
- Locations: Census Tracts 10, 9, 21, 8, 6.01, 5, 3, 4.01, 4.02, 1 and 42
Targeted Outcome: 30-50 Housing Units
- 64,500 **Housing Rehab - Service Delivery Costs.** Funding for the administration of housing rehab programs and incidental costs associated with the housing rehab activities such as recording fees.
- 50,000 **Residential Clearance.** Continued funding for the demolition of vacant, substandard residential structures which are not suitable for rehabilitation.
- Locations: Census Tracts 10, 9, 21, 8, 6.01, 5, 3, 4.01, 4.02, 1 and 42
Targeted Outcome: 7 Residential Units
- 50,000 **Code Enforcement.** Funding for the enforcement of City ordinances with respect to property maintenance and neighborhood blighting influences.
- Locations: Census Tracts 4.01, 1, 42, 5 and 3
Targeted Outcome: 200 Properties

Non-Housing Priorities & Proposed Projects

Proposed projects will encourage commercial and retail development by taking maximum advantage of a variety of resources, to promote business expansion and investment in order to create a balanced recreational, commercial, residential, educational and industrial economic climate as follows:

- \$153,124 **Fire Station Bond.** Funding for payment of bond authority funds toward the Muskegon Fire Station.
- Location: City-wide
Targeted Outcome: Public Service

\$ 18,000 **Neighborhood Grant.** Continued support of the City's Neighborhood Associations

Location: City-wide

Targeted Outcome: Neighborhood Stabilization

\$ 16,984 **Blight Fight.** Funding for the eradication of Blight in our target neighborhoods, identifying substandard buildings and clean-up activities which eliminate visual deterioration.

Location: Census Tracts 6.01 & 6.02- Nelson Neighborhood

Targeted Outcome: Stabilize neighborhoods by identifying structures and visual disturbances.

Public Improvements Proposed Projects

Proposed projects will provide the impetus to insure the continued maintenance and upgrading of the City's infrastructure and transportation resources as follows:

\$ 50,000 **Fourth Steet Repaving Project.** Completion of street resurfacing project between Houston and Muskegon Streets, within a residential area.

Location: Census Tract 6.02

Targeted Outcome: Neighborhood Improvement

Public Services & Proposed Projects

Proposed projects will support community-based organizations by promoting neighborhood self-sufficiency and meet the under-served needs of special needs populations such as youth, the elderly, persons with disabilities and the homeless. Innovative programs to meet these needs are proposed as follows:

\$ 70,000 **Recreation Programs.** Continued funding for city youth recreation programs. Activities include summer/winter swimming, gym activities, basketball, family recreation, indoor soccer, and summer playground programs.

Location: City-wide

Targeted Outcome: 500 Youth

\$ 8,000 **Special Projects/Community-Based Organizations.** Continuation of grant program for local non-profit organization (Love INC) to provide various services to low-income community residents.

Ramps/Handicap Accessibility- \$ 4,500

Utility Assistance Grants- \$ 3,500

Location: City/Community Wide

Targeted Outcome: Assist a community based organization

\$159,802 **Management & Coordination.** General management, oversight and coordination of CDBG activities. Funding includes cost of staff salaries and fringe benefits, office supplies, equipment and contingency; Contract Compliance/EO and Indirect Costs.

- \$ 10,000 **Affirmative Action**
Cover time, operations and assistance for economic development for City of Muskegon businesses, Davis-Bacon projects, Employment and Recruitment

- \$ 15,000 **Youth Opportunities/Internships**
Support college students during the summer months with job experience and wages for economic job creation

\$895,410 - CDBG PROJECTS/ACTIVITIES - 2015

Neighborhoods and Census Tracts:

TRACT NO.	NAME/NEIGHBORHOOD
1	MARQUETTE
2	JACKSON HILL
3	ANGELL
4	EAST MUSKEGON
5	Mc LAUGHLIN
6.01	NELSON – SOUTH
4	SHELDON PARK
4	OAKVIEW
21	CAMPBELL
6.02	NELSON – NORTH
7	CENTRAL BUSINESS/DOWNTOWN
8	NIMS
9	LAKESIDE
10	BLUFFTON
21	GLENSIDE

** Dept. of HUD regulations refer to low/moderate (census tract) income area benefits to those that are primarily residential and where at least 51% of the residents are l/m income persons (highlighted). The benefits of these types of activities are available to all residents, regardless of income.

**Community Development Block Grant Program
FY 2015 Proposed Activity Budget**

	<u>AMOUNT</u>
HOUSING PRIORITIES	
Priority Housing Repair	\$170,000
Vinyl Siding	\$ 50,000
Service Delivery Costs	\$ 64,500
Dangerous Buildings-Board-Ups	\$ 10,000
Residential Clearance	\$ 50,000
Code Enforcement	\$ 50,000
NON-HOUSING PRIORITIES	
Fire Station Bond	\$153,124
Neighborhood Grant	\$ 18,000
Blight Fight	\$ 16,984
PUBLIC FACILITIES	
Streets	\$ 50,000
PUBLIC SERVICES	
Recreation Programs	\$ 70,000
Special Projects/Community Based Organizations	\$ 8,000
Management & Coordination	\$159,802
Affirmative Action	\$ 10,000
Youth Opportunities/Internships	\$ 15,000
TOTAL	\$895,410

**2015 HOME INVESTMENT PARTNERSHIPS PROGRAM
STATEMENT OF PRIORITIES & PROPOSED PROJECTS**

The HOME Investment Partnerships Program was created by the National Affordable Housing Act of 1990, and the City of Muskegon is designated a "participating jurisdiction," which allows direct allocations of funds from the Dept. of HUD. Portions of these funds may be awarded to non-profit organizations to assist with the provision of affordable housing and support services; other eligible activities include acquisition, rehabilitation, investor/rental rehabilitation, down-payment assistance and assistance to first-time homebuyers. The City's Statement of Priorities and Proposed Projects for this period follows the Summary of Resources and Proposed Amendments below:

Project Resources: **\$268,639**

Program Income: **\$158,036**

Housing Priorities and Proposed Projects

Proposed projects will aid in the prevention of further loss of viable housing units, increase affordable homeownership opportunities, encourage new development of affordable housing, and provide continued support for shelter and service programs for the homeless and persons at-risk of homelessness as follows:

\$100,000 **Community Housing Development Organizations.** Continued assistance to support non-profit organizations providing housing and housing related activities, and activities for the needs of the homeless and those at risk of homelessness, and technical assistance to emerging non-profit housing organizations.

\$111,776 **Infill Housing Program.** Assistance to encourage the development of new single-family homes and to assist eligible, low-income homebuyers to acquire such homes.

\$30,000 **Rental Rehabilitation Program.** Assistance to rental property owners to make essential improvements to properties occupied by low-income families. Funds will be used for the actual costs of rehabilitating the units and other HOME- eligible costs associated with the rehabilitation work.

\$26,863 **Program Administration.** General management, oversight and coordination of HOME program activities. Funding includes staff salaries, fringe benefits, office supplies and equipment.

\$50,000 **Homebuyer Assistance Grant:** *Assistance with down payment and closing costs to any homebuyer wanting to purchase a house located in the City of Muskegon. We are hoping to assist up to 9-10 homebuyers in their purchase of a home in our city.*

\$268,639 - HOME PROJECTS/ACTIVITIES - 2015

As a participating jurisdiction, the City of Muskegon is required to provide opportunities for Community Housing Development Organizations to utilize HOME funds to produce affordable housing within the city of Muskegon. Funding will include the provision of technical assistance to CHDOs to produce affordable housing and for administrative support and monitoring of their organizations within the regulatory guidelines. Eligible activities include the rehabilitation of existing structures, and the construction of housing for low to moderate income individuals.

Distribution of Funds

The City of Muskegon will publish a Request for Proposals based on the priorities set forth in the City of Muskegon's FY2015 Action Plan V. Priority will be given to organizations which plan to undertake activities that will promote neighborhood revitalization through residential development, *new* homeownership and increased leveraging of private sector funds in city neighborhoods. Eligible projects may include new construction or rehabilitation of single family units or multi-family units for homeownership or rental. Proposals for continuance of homebuyer education and down-payment assistance programs will also be considered as a high priority.

Program Income on hand, and received during the year will be programmed to activities and/or used to support existing housing programs included in this annual plan. Our goal is to continue the production of affordable units as opportunities arise and program income can support the investment. Families who choose to purchase homes in the city of Muskegon will be assisted from Program Income.

Distribution of Administrative Support

The CHDO administrative support will be awarded on the basis of availability of funds being awarded to more than one organization whose proposal meet the priorities. A portion of the CHDO administrative support will go towards building relationships to enable CHDOs improvement to develop affordable housing and provide housing-related services.

HOME Infill Housing

The City of Muskegon will utilize HOME funds to construct single family and/or multi-family housing units within the regulatory cost limits, *preferably* in areas not currently accessible to low to moderate income families. The units will be marketed to low to moderate income families for occupancy as their principal place of residence. Funding will consist of program income and all current year allocations budgeted.

Down-payment assistance will be available to assist potential buyers in acquiring homes within our city limits. The amount of down-payment assistance provided to the homeowner will be held as a deferred second mortgage repayable upon transfer of the property before the end of the applicable affordability period. The length of the affordability period will be determined by the amount of HOME funds used as down-payment assistance to the homebuyer.

HOME Rental Rehabilitation

Eligible Properties

This program is proposed to provide assistance to rental property owners in the rehabilitation of single or multi-family rental properties to bring them up to code. This program will be available for properties with four or less rental units in the building. Priority will be given to single family rental units in need of major system repairs. The maximum assistance available per project unit will be \$14,999.

Program Requirements

Properties must be occupied by low to very-low income tenants, initially those with incomes at or below 60% of area median income. Properties receiving assistance must be primarily rental in use (51% of the rentable floor space used for residential rental purposes). After rehabilitation, the properties must meet all applicable local codes and rehabilitation standards and maintained throughout the affordability period. Staff inspections of these units will be followed as required monitoring is set forth by regulation.

Program Marketing

The City of Muskegon will actively market this program with the local inspection department, Safebuilt of Muskegon, and code compliance of the planning department, other non-profit organizations, neighborhood associations and other housing and community development related entities.

HOME INVESTMENT PARTNERSHIPS PROGRAM
ADDITIONAL PROGRAM REQUIREMENTS --HOMEBUYER PROGRAM

I. HOMEBUYER PROGRAM

INFILL NEW/REHAB CONSTRUCTION

Qualifying Homebuyers

Households receiving assistance under the HOME Programs must meet the following criteria:

- A. The client household must have an annual gross income, as determined by HUD income guidelines, at or below 80% of the area median income, adjusted for family size. Income determinations will be made at the time of application.
- B. The homebuyer must agree to occupy the property purchased with HOME funds as its principle residence throughout the applicable affordability period, subject to the recapture provisions.
- C. There is no requirement that the homebuyer continue to remain low income throughout the HOME affordability period. Annual re-certification of income will not be required; however, occupancy will be monitored/certified annually for the length of the affordability period.

Qualifying Properties

Assistance under this program is limited to housing units located or constructed within the City of Muskegon. In addition, these properties must:

Remain the homebuyer's principle residence throughout the HOME affordability period as determined by the amount of the HOME investment.

Be rehabilitated to meet the applicable local building code, 2009 standards after rehabilitation as a condition of receiving HOME assistance (Home Inspection Report)

Have an appraised value at purchase that does not exceed the applicable HUD 203(b) single-family mortgage limits for the Muskegon area.

Have a sale price that does not exceed the HUD 203(b) single-family mortgage limits.

Definition of HOME subsidy

The HOME homebuyer subsidy is defined as the difference between the fair market purchase price and the affordable price paid by the buyer. This is the amount of HOME funds that reduced the purchase price to an affordable level, but does not include the development subsidy, i.e. the difference between the cost of producing the unit and the market value of the property. The amount of development subsidy is not subject to HOME resale or recapture restrictions.

The amount subject to recapture and held as a deferred second mortgage is the amount of HOME funds that reduced the purchase price to an affordable level. This amount triggers the affordability term requirements. All sales proceeds will be returned to the HOME Investment Trust Fund to be used for additional homebuyer assistance.

Recapture provisions

The City elects to adopt the recapture of the homebuyer subsidy. The homebuyer subsidy will be forgiven by the City at a rate of 1/5 up to 1/15 per annum throughout the term of the affordability period. Upon sale of the property by the homeowner within the affordability period, the homeowner will be required to repay a prorated portion of the HOME funds used to subsidize the purchase of the home.

In the case of Homebuyer's Assistance, the lien will remain in affect without proration for the 5 years affordability period.

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

The amount of the homebuyer's down-payment made from their own resources

The amount of mortgage principle repaid at the time of resale

The appreciated value of the property (Appraised value at resale less the appraised value of the property at the time of purchase by the homeowner).

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

II. RENTAL REHABILITATION PROGRAM

This program will provide funding for the rehabilitation of existing rental units located in the City of Muskegon occupied by families whose annual incomes do not exceed 60 percent of the median family income for the area, adjusted for family size. The City will provide a maximum of \$30,000 by matching the owner's contribution to the rehabilitation. The property owner must contribute the remaining development costs. Properties rehabilitated under this program must meet applicable local building codes at the completion of the project.

Property owners will be eligible for assistance under the City's Rental Rehabilitation programs only if there are no outstanding legal actions pending against them for chronic outstanding violations. Landlords who have already received assistance under the HUD Rental Rehab program, the MSHDA HOME Rental Rehab program, or the City's HOME Rental Rehab program will not be eligible for additional assistance to the same properties. Qualifying property owners must be current on all taxes and debts owed to the City of Muskegon prior to submitting their application for assistance, and throughout the HOME affordability period.

Tenant Occupancy

For properties receiving HOME Rental Rehabilitation assistance, the units must be occupied by families with incomes at or below 60% of area median income, adjusted for family size. Income determinations will be made at the time of application. Tenant occupancy and income will be re-certified annually for the length of the applicable affordability period.

Affordability Provisions - Rent Caps

During the affordability period, the rental units in the assisted project may not bear rents greater than the HUD-designated fair market rents for the Muskegon area - OR - rents that exceed 30% of the adjusted family income of a family whose gross income equals 65% of the area median income, whichever rent is lower. Properties will be subject to the affordability period as determined by the amount of HOME funds invested in the project.

Affordability Provisions - Tenant Incomes

Property owners will be required to re-certify tenant incomes annually throughout the HOME affordability period.

Anti-Displacement and Relocation

All reasonable efforts will be made to minimize displacement of existing tenants during and after rehabilitation. Property owners will be required to submit an anti-displacement and relocation plan during the application process.

Affirmative Marketing

Affirmative marketing efforts made by property owners will be assessed by the City of Muskegon as follows:

1. Property owner's records shall be examined for actions they have taken; those actions shall be compared with the affirmative marketing policy in their contractual provisions. If the City of Muskegon finds that the required actions were carried out, it will be reasonably concluded that the property owners have made good faith efforts to comply.
2. Property owner's affirmative marketing efforts will be assessed to determine whether persons from all of the racial and ethnic groups in the City of Muskegon area have become tenants in the HOME assisted rental units. If the groups are represented we will assume that the property owners have complied with the affirmative marketing policy.
3. Agencies will be contacted periodically to verify efforts by HOME Rental Rehabilitation Program recipients to fill vacancies, and whether complaints of housing discrimination or other related matters have been initiated.
4. An annual survey of tenant occupants shall be conducted to monitor tenant selection, movement and characteristics. The results of this survey will determine compliance with the provisions of the HOME Rental Rehabilitation Program and affirmative marketing requirements. All alleged incidents of discrimination and/or denial of equal opportunity shall be fully investigated, with findings forwarded to appropriate agencies.

Recapture provisions

The City of Muskegon elects to impose the recapture provision under the HOME program regulations to ensure that rental properties assisted remain affordable to income-eligible tenants. A lien will be placed against the property for the length of the applicable affordability period.

The lien will be discharged at the end of the affordability period if the property remains in compliance with the HOME Rental Rehabilitation Program requirements.

Upon sale of the property or a finding of noncompliance with the program requirements during the affordability period, the property owner will be required to repay a prorated portion of the HOME funds used to rehabilitate the property.

HOME INVESTMENT PARTNERSHIP PROGRAM HOME Proposed Activity Budget

DEVELOPMENT

Infill New Construction Activities/Rehab Construction \$111,776

SUPPORT SERVICES

Certified Community Housing Development Organizations \$100,000

*Operating expenses will be set aside

HOUSING

Rental Rehabilitation \$ 30,000

Homebuyer's Assistance \$ 50,000

ADMINISTRATION

\$ 26,863

GRAND TOTAL

\$268,639

PROGRAM INCOME

\$158,036

ANNUAL CITIZENS' PARTICIPATION SUMMARY

The City of Muskegon annual program year covers the period July 1, 2015 through June 30, 2016.

- **Request for Proposals/City-Administered Projects**
Notification: March 13, 2015
Response: 3 proposed projects received and reviewed
- **Citizens' District Council/Review**
Meeting Date: April 7, 2015
- **Public Notice of Proposed Annual Plan**
Publish Date: March 29, 2015
Comment Begin: March 30, 2015
Distribution: Six (6) locations; Citizens District Council, Muskegon City Commission, City Hall, City Dept. of Public Works, Notices to Neighborhood Associations, Website
- **Public Comment Hearing:**
City Commission Meeting: April 28, 2015
- **Public Comment Period:**
Comment End: April 30, 2015
Comments: ___ Comments Received During Period
- **City Commission Authorization/Resolution for Submittal**
Meeting Date: April 28, 2015
- **Submission to Department of Housing & Urban Development**
Anticipated Date: May 1, 2015

* **Please Note:** The City has a Citizen Participation Plan representative of a broad-based input from citizens, soliciting comments from housing/service providers to review proposed project activities. This serves accountability to the public; _____ received during the comment period.

HOME Program Annual Statement of Priorities & Proposed Projects

The HOME Investment Partnerships Program was created by the National Affordable Housing Act of 1990, and the City of Muskegon is designated a "participating jurisdiction," allowing direct allocations of funds from the Dept. of HUD. Portions of these funds may be awarded to non-profit organizations to assist with the provision of affordable housing and support services; other eligible activities include acquisition, rehabilitation, investor/rental rehabilitation, down-payment assistance and assistance to first-time homebuyers. The City's Statement of Priorities and Proposed Projects for this period follows the Summary of Resources and Proposed Amendments below:

Housing Priorities and Proposed Projects

Proposed projects will aid in the prevention of further loss of viable housing units, increase affordable homeownership opportunities, encourage new development of affordable housing, and provide continued support for shelter and service programs for the homeless and persons at-risk of homelessness as follows:

- \$111,776 **Infill Housing Development**. Funding assistance to encourage the development of new single-family homes, and to assist eligible, low-income homebuyers to acquire such homes.

- \$100,000 **Community Housing Development Organizations (CHDOs)**. Continued assistance to support non-profit organizations providing housing and housing-related activities, and activities for the needs of the homeless and those at risk of homelessness, and have completed the City's certification process.

- \$ 30,000 **Rental Rehabilitation Program**. Assistance to rental property owners to make essential improvements to properties occupied by low-income families. Funds will be used for the actual costs of rehabilitating the units and other HOME-eligible costs associated with the rehabilitation work. Assistance will be available for existing single- and multi-family rental units which meet eligibility criteria and are sized at 1 to 4 units, for a maximum contribution of \$30,000 per project.

- \$ 26,863 **Management and Coordination**. General management, oversight and coordination of HOME activities. Funding includes cost of staff salaries and fringe benefits, office supplies, and equipment.

- \$ 50,000 **Homebuyers Assistance**. *Assistance with down payment and closing costs to any homebuyer wanting to purchase a house located in the City of Muskegon.*

\$268,639 - TOTAL HOME PROPOSED PROJECTS/ACTIVITIES

\$158,036 - PROGRAM INCOME

Public Review/Comment Period

This publication is notice that copies of the proposed 2015 Annual Action Plan are available for public review and comment for this period at the following locations:

Muskegon City Clerk's Office
Community & Neighborhood Services
Hackley Public Library
Muskegon Housing Commission

Muskegon City Hall; 933 Terrace Street; Muskegon, MI
Muskegon City Hall; 933 Terrace Street; Muskegon, MI
316 W. Webster Avenue; Muskegon, MI
1080 Terrace St., Muskegon, MI

Interested parties are invited to submit written comments through April 30, 2015. All comments received during the comment period will be summarized and included in the annual submission to HUD; comments received after the closure of the period will be retained. Citizens may obtain information and submit comment by letter, appointment, or telephone at the offices of Community & Neighborhood Services, Muskegon City Hall, 933 Terrace Street, Muskegon, Michigan 49443; telephone: (231) 724-6717.

Oneata Bailey
Community and Neighborhood Services Director
City of Muskegon, Michigan

PUBLISH: March 29, 2015

Issue: Fair Housing Needs Impediments

Actions taken to affirmatively further fair housing, and to monitor and assess impediments to housing choice within the City of Muskegon remain a community-wide concern. The City, as with surrounding municipalities have been empowered to act along with County staff to engage by the Fair Housing Agency of West Michigan to provide necessary services. Testing and education of local business, realtors, and housing facilities help to combat the impediment of housing choices which are the options for compliance with this statutory requirement and to fill this gap in service delivery. Analysis of Impediment Study has been conducted by Intellectual Business Solutions; a completed study will be available in April, 2015.

The City acknowledges several area agencies which provide assistance and supportive services with these common goals, and will continue to expand its role and partnerships, as debate on this issue and its impact continue to be assessed.

Issue: Lead Hazard Reduction

The City will continue to coordinate actions toward reduction of lead hazards in housing units with the Lead Hazard Control Program Lead Hazard Grant (LHG) through the Muskegon County Treasurer's Office, particularly in homes occupied by children under the age of six(6), and with elevated blood lead levels. Although, the number of homes rehabilitated under the City's housing programs has diminished, we continue to make a difference in our housing market units suspected to have lead hazards with the County's Treasurer's Office LHG. The Treasurer's Office LHG continues to focus on the existence of hazards in the community and coordinated efforts of employees use various strategies to combat Lead Paint through abatement, education, screening and coordination of services with city programs.

The City's actions toward eradication of this particular hazard to the community involve the following:

- Continued support and coordination with the LHG County Treasurer's Office.
- Priority consideration in housing programs offered by the City;
- Allocation of HOME funding for lead hazard abatement and remediation in every housing program where rehabilitation is expected; and
- Provision of the most current information, data analysis, and prevention methods to the general public through brochures, pamphlets and other education materials on the risks of lead poisoning.

Under the City's HOME Program, certain activities involve the acquisition and/or sale of single-family properties and investor-rehabilitation assistance for rental properties. Under this program, the following actions apply for purchase, rental, and renovation of pre-1978 housing units:

- Buyers* must have a lead report of any known on lead-based paint hazards before six months of buying a housing unit with city funds; and
- Rehabilitation* activities will include specific inspection specifications and procedures for use by contractors performing lead remediation construction services.

Affordable Housing Needs

Owner-occupied housing units and rental units are all in great need of maintenance and repair. There is a need for additional rental subsidies for renter household. The Muskegon Housing Commission is the designated Public Housing agency for the City. Upcoming developments are planned to increase the affordable housing units as well as subsidized housing for single-person households.

Homeless Needs

The homeless exist in Muskegon County and are becoming more visible. A larger number of households are at-risk of homelessness. These households use area food pantries, soup kitchens, and short term rent assistance. Local schools are now tracking youth in schools to track the increase in homeless youth.

Emergency Shelter Grant (ESG) funding activities are present for the homeless and at-risk populations during the City's five-year plan; however changing economic trends and household demographics have shown that single-person households are an increasing population. These trends are readily referred to in the Muskegon Area Homeless Coalition Continuum of Care Plan (COC).

The COC public policy approach and strategy for meeting the needs of the homeless and those populations at risk of becoming homeless demonstrates that homelessness is not caused merely by a lack of shelter, but involves a variety of underlying, unmet needs, physical, economic, and social, and refines a stronger focus toward developing strategies to address these needs. The result has enacted a specialized care system to move homeless persons to permanent housing with associated support services to provide outreach, intake and assessment to be coordinated with a centralized tracking system to define services, broad access to emergency shelters, transitional housing and recording demographic data of persons served. The expected outcome will guide the allocation of resources addressed by the Consolidated Plan, with a broad-based approach, including focussed discussion among surrounding municipalities, and area-wide service providers to establish a balanced system which includes emergency shelter, transitional housing, and associated supportive assistance.

Public and Assisted Housing Needs

Name of Local Housing (LHA): Muskegon Housing Commission. The Commission operates Hartford Terrace Apartments, a 160-unit elderly/disabled housing complex; Section 8 Tenant Assistance vouchers/certificates with a designated Family Self Sufficiency Program, and Veteran Assistance Shelter Housing (VASH) -25 vouchers for housing for veterans. The VASH Program services and targets chronically homeless Veterans that are identified by the local HUD-VASH service provider or Veteran Administration Medical Center (VAMC). Current applications have been made to increase the VASH vouchers as a push to end veteran homelessness by July 1, 2015.

Barriers to Affordable Housing

The Community and Neighborhood Services office will continue to offer its' new and rehabilitated housing at significantly reduced prices. In addition, as long as funding is available, we will assist low/moderate-income households with opportunities to purchase a home and housing counseling to make the transition successful.

We are hoping to reduce the stress of purchasing a decent, affordable home by offering down-payment assistance to these buyers at closing. Homebuyer's Assistance will reduce the barriers to financing a mortgage.

In addition, our office has a Lease with Option to Purchase program for some of our homes for sale, and counseling referrals for mortgage ready families through our HOME program.

Fair Housing

Fair Housing Center of West Michigan (FHCWM) investigates housing discrimination complaints. After investigation, this agency helps clients decide the next step in securing proper follow-through on complaints. The collaboration of cities in Muskegon county work closely with the fair housing center and through agreement FHCWM advocates and provide city wide assistance in the area of education and enforcement activities related to fair housing.

Lead-Based Paint Strategy

The Muskegon County Health Department is the primary agency involved in the identification of lead poisoning cases in the community and as such the lead agency for hazard identification and treatment of persons with elevated blood levels of lead. Children under the age of 6 years in Muskegon are at high risk for lead poisoning for a number of reasons:

1. Housing units were built before 1978
2. Housing units are estimated in substandard condition
3. Households are below the poverty level
4. Housing units are rental with many concentrated in the inner city

Approximately \$1,000,000.00 in funding has been received from the Office of Healthy Homes and Lead Hazard Controls (OHHLHC) for our residents through the Lead Hazard Control Program through the County of Muskegon Treasurer's Office.

Anti-Poverty Strategy

The City of Muskegon makes concerted efforts to enhance the quality of life for all of its citizens, including families and individuals living at or below federally-established income standards. The standards are defined by household size, tenure and makeup, extent of overcrowding and substandard conditions, unemployment, human service needs, and homelessness.

In order to assist residents with breaking the cycle of poverty, the City has embarked on several projects, to break the poverty cycle by implementation of several centrally-focussed strategies:

- The promotion of homeownership through homebuyer programs and dedicating funds to assist with foreclosure prevention.
- Encourage the improvement of existing housing conditions by continuing support of City-administered housing programs, i.e. code enforcement, low-cost comprehensive grant/loan repair assistance; continued encouragement and support for initiatives aimed at first-time homebuyers, and mortgage financing which fosters affordable housing opportunities, such as those currently provided by the Muskegon-Oceana County Reinvestment Corporation.
- To create viable employment options by participating in area wide economic development activities, including training and re-training of displaced workers, the development of projects which target economic opportunity for designated poverty-level segments, and to assist new and retain/expand existing businesses.

Coordination

As part of the community-based partnership organizations and agencies participating in the development of the Consolidated Plan, local service providers were consulted. Overwhelming support was provided, with many agencies offering additional programs and resources, such as: The Muskegon Housing Commission, Muskegon Department of Human Services (DHS), Muskegon County Health Department, Michigan State Housing Development Authority and Muskegon-Oceana Community Action Against Poverty.

HOUSING AND COMMUNITY DEVELOPMENT STRATEGY

Vision for Change

The strategic vision for change represents a collaborative effort between the Cities of Muskegon, Norton Shores, Muskegon Heights and including the County of Muskegon where feasible. The Muskegon strategic vision for change of action calls for the creation of a Regional Consolidated Plan where we can concentrate a partnership effort of activities designed to cover our regional objectives.

Housing and Community Development Objectives and Priorities Objectives:

1. Affordable Housing Opportunity -- decent, safe and affordable housing opportunities will be available to all income groups. The existing housing stock will be well-maintained, including the resistance to blight.
2. Economic Development - a desired level of economic strength and prosperity through a balance of a solid manufacturing economy with growth in the tourism and commercial sectors will be maintained. Greater job opportunities and low unemployment will stabilize families, provide resources for entrepreneurs, adequate capital will fuel this growth and spread through the region.
3. Education - quality education, training and retraining is the key to Muskegon's youth.
4. The regions primary natural asset is the waterfront area.
5. The City's public facilities and infrastructure maintenance.
6. Continued revitalization of City neighborhoods will build stable communities.

Non-Housing Community Development Priorities

Encourage regional focus studies affecting long-term change in growth, dual management policies to serve our community households and economic development. At-risk youth are still the motivation and goal for this year but especially those who live in low and moderate income households.

Coordination of Strategic Plan

It involved outreach efforts to social service agencies to define housing needs of children, elderly persons, persons with disabilities, homeless persons, and their families. However, our strongest link will be the continuance of County/City collaborative efforts as a regional approach to addressing community needs.

Locations

Most geographic areas of the City of Muskegon are eligible for public investment defined by program priorities established in the Five-Year Strategy of the 2011-2016 Consolidated Housing & Community Development Plan; Locations for the above eligible activities are specified in the Annual Action Plan V/Final Statement for the period July 1, 2015- June 30, 2016.

Implementation

The City anticipates continuing on-going programs funded by CDBG, including homeowner properties with through Vinyl Siding and Priority Housing Repair programs. The program year activities will also focus on some non-housing priorities such as improvements to parks and public facilities, street improvements and continued support to public service providers and promote economic development.

Discussions continue and activities are underway to renew the commitment toward stabilizing and strengthening the quality of life in all City neighborhoods, including the involvement of department heads and staff to interact with local service providers in a Neighbor to Neighbor Program concentrated to show our dedication with hands on participation. This concept is widely accepted and is intended to maximize public services with the help of city employees.

ACTION PLAN - YEAR V

7/01/2015 – 6/30/2016

Community Development Block Grant Program Description of Key Proposed Projects

HOUSING PRIORITIES	<u>AMOUNT</u>
Priority Housing Repair	\$170,000
Vinyl Siding	\$ 50,000
Service Delivery Costs	\$ 64,500
Dangerous Buildings-Board-Ups	\$ 10,000
Residential Clearance	\$ 50,000
Code Enforcement	\$ 50,000
NON-HOUSING PRIORITIES	
Fire Station Bond	\$153,124
Neighborhood Grant	\$ 18,000
Blight Fight	\$ 16,984
PUBLIC FACILITIES	
Streets	\$ 50,000
PUBLIC SERVICES	
Recreation Programs	\$ 70,000
Special Projects/Community Based Organizations	\$ 8,000
Management & Coordination – Fair Housing	\$159,802
Affirmative Action - Foreclosure Prevention	\$ 10,000
Youth Opportunities/Internships	\$ 15,000
TOTAL - CDBG	\$895,410

**HOME Investment Partnerships Program
Description of Key Proposed Projects**

DEVELOPMENT		
Infill New Construction Activities/Rehab Construction		\$111,776
SUPPORT SERVICES		
Certified Community Housing Development Organizations		\$100,000
HOUSING		
Rental Rehabilitation		\$ 30,000
<i>Homebuyer's Assistance</i>		<i>\$ 50,000</i>
ADMINISTRATION		<u>\$ 26,863</u>
	TOTAL - HOME	\$268,639
<i>PROGRAM INCOME</i>		<i>\$158,036</i>

If there are questions on the Muskegon Annual Plan please contact:

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