

# CONSOLIDATED ANNUAL PERFORMANCE EVALUATION REPORT CITY OF MUSKEGON



**Fiscal Year 2022**

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## Executive Summary

The Consolidated Annual Performance Evaluation Report (CAPER) is an important and necessary communication tool between the City of Muskegon, the US Department of Housing and Urban Development (HUD) and the public. Its purpose is to inform and report on the progress the City of Muskegon’s Community and Neighborhood Services Department has made toward the goals it set forth in its [2021-2026 Consolidated Plan](#) and respective [Action Plan](#).

## Resources and Investments

This section details the resources that were made available to the City of Muskegon through HUD entitlement programs, leveraged funds and program income. All funds were invested in programs that served people in need within the limits of the City of Muskegon. For 2022, the City of Muskegon was awarded \$912,894 and \$339,650 in Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding, respectively. The amount spent this year exceeds these award numbers, because program income and past-year funding was carried forward and invested in programming.

Source of Funds	Resources Made Available	Amount Expended This Year
CDBG	\$912,894	\$1,256,357.88
HOME	\$339,650	\$383,827.09

### *Leveraging*

Leveraging refers to the use of federal funds to acquire additional resources. While these funds weren’t budgeted as leverage in state, federal, or local grant applications, we used CDBG funds allocated to repair programs to increase the impact of all of our programs and vice versa. The City of Muskegon used the following current grant programs in tandem with CDBG funding to maximize the impact on our community: Healthy Homes Production Grant (HUD), Medicaid CHIP Lead Abatement Grant (State of Michigan), Senior Millage Grant (Senior Resources, Muskegon County), DTE Energy Efficiency Grant (DTE Energy).

There was no public or privately owned land utilized this year, nor a match requirement for the city.

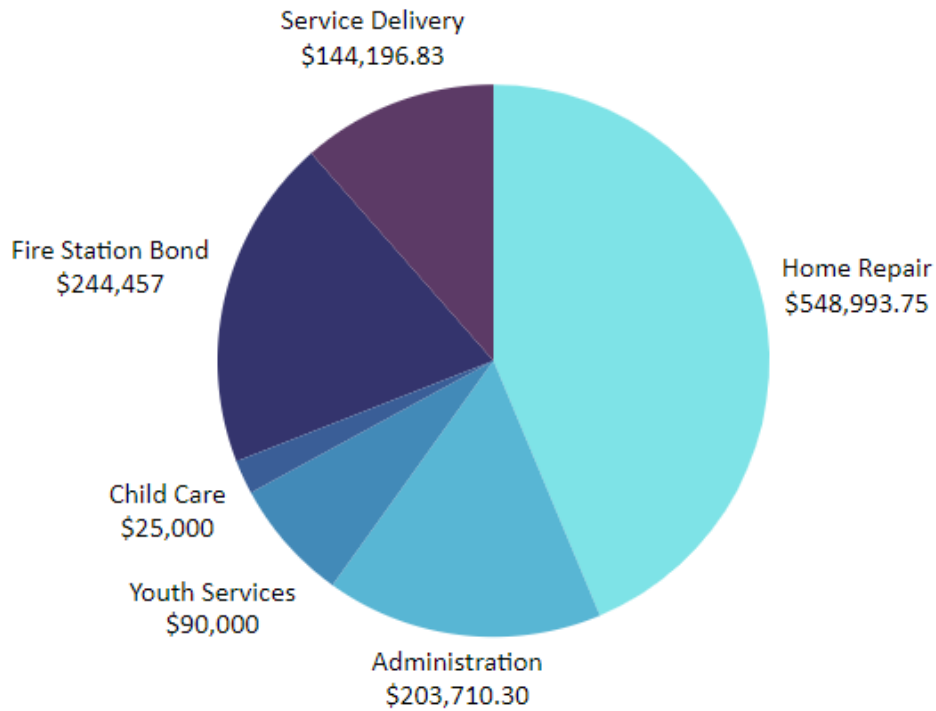
## Goals and Outcomes

This section details information showing the projects the City of Muskegon has completed this year as it relates to the goals set by the Consolidated and Annual Action Plans. It demonstrates how the use of funds addresses the priorities and specific objectives identified in the plan.

The city utilized funding for home repairs, façade improvements, park improvements, creating new homeowners through homebuyers’ assistance, and the rehabilitation of homes to create affordable homes for the community. We identified through our efforts that there is a great need for housing repairs due to the many applications we receive and the community has benefited from the opportunity to become homeowners.

Of the \$1,256,357.88 in CDBG funds invested this year, the majority of funds went toward home repairs for homeowners within the City of Muskegon that fell within income requirements, as shown below.

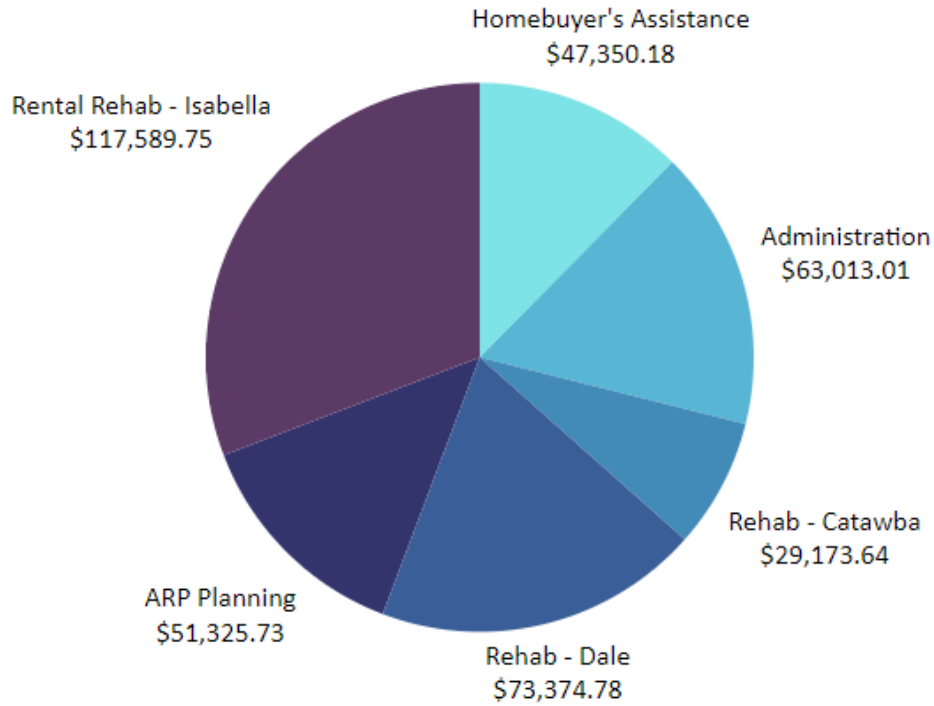
This was followed by the Fire Station Bond Repayment, Administration, Service Delivery, Youth Services, and Child Care Services.



These investments resulted in 585 citizens receiving various services in the City of Muskegon. For a breakdown of services see below:

Investment	Persons Served
Priority Home Repair & Residential Façade Programs - \$548,993.75	45 Homes Repaired
Boys & Girls Club of the Muskegon Lakeshore – Youth Services - \$90,000	491 Youth Served
YMCA – Child Care - \$25,000	49 Scholarships Provided

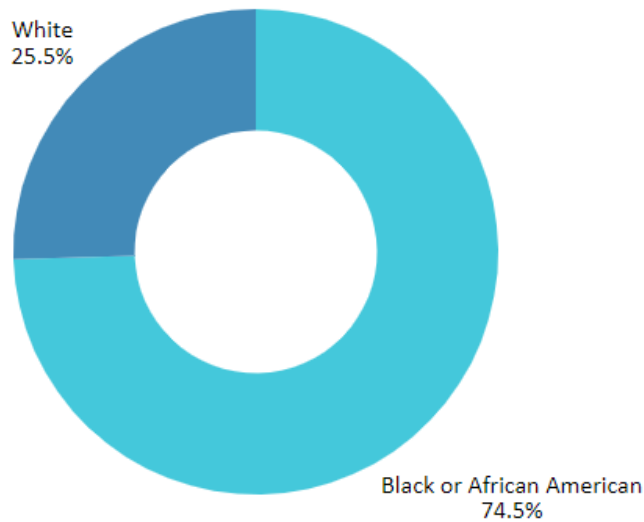
The city invested \$383,827.09 in HOME Investment Partnerships Program funds in the City of Muskegon as follows:



These investments resulted in the creation of three units of affordable housing, and eleven low-income homebuyers purchasing homes.

### Racial Demographics of Persons Served

The City of Muskegon’s programming is built to serve its citizens. Those served were primarily Black or African American that were considered low or extremely low income. The bulk of these were youth served through partnerships with Boys and Girls Club of the Muskegon Lakeshore, and the YMCA. Of the 591 served, 9 were of Hispanic origin.



## Affordable Housing

This section compares the goals toward preserving and creating affordable housing with the results of the past year and summarizes the income levels of the households served. The table below details our goals versus actual accomplishments. Total, fifty-eight non-homeless households were served this program year.

Activity	Goal	2022 Accomplishment
Rental Assistance	3	0
New Unit Production	2	0
Rehab of Existing Units	1	47
Acquisition of Existing Units	3	11

We exceeded our goals for homebuyer assistance and rehabilitation of existing units. Unfortunately, we didn't provide rental assistance or produce new units this year. This is largely due to the fact that historically we don't offer rental assistance. In addition, we don't have an active CHDO in our community to fund to support the production of new units.

### *Income of Persons Served*

The majority of those served by our programming were considered Extremely Low Income, meaning their household income was at or below 50% of the area median income. 60% met this definition, with the other 40% of persons served having incomes between 51%-80% of area median.



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OF 10**

These outcomes will impact future annual action plans. Given our recent housing study conducted, it was evident that we need to increase our footprint in the housing industry. Our community has about 400 units of housing that is considered substandard and families are contributing over 30% of their income toward rent. Our community also is very limited in the types of housing we need to be able to provide. Aside from that, our current waitlist, families served and the study combined will help us gauge where the need is so that we are able to respond and provide resources to the families. The city is very proud and feel that we have had a very productive year that will only get better in the future. The community is becoming more aware of our program offerings and they are taking advantage of the opportunity. Our services have impacted many neighborhoods throughout the city and the impact is noticeable.

## Homelessness & Other Special Needs

The purpose of this section is to evaluate the city's progress in meeting objectives for reducing and ending homelessness through outreach, emergency shelter, and avoiding homelessness. The city has made great progress as a board member of the Continuum of Care (CoC) to help reduce homelessness in our community. The CoC is an organization in pursuit of helping homeless persons find affordable housing in our community. The City has participated in a board capacity to structure and facilitate housing opportunities that prevent housed homeless families from experiencing another homeless scenario. Staff serve on various committees that seek additional funding for partners, plan for upcoming years and engage with other agencies to ensure that all available resources are made available to all community members. Regionally, the cities of Muskegon Heights and Norton Shores are represented as well, and our focus is to meet objectives set by the CoC board to reach this critical population. We have continued to explore and navigate opportunities to assist our youth.

The city is investigating developing more units that will be utilized for rental housing for families who are or will be experiencing homelessness. We have invested our HOME ARP funding to assist with addressing housing needs. Families who are currently seeking shelter are referred out to community partners that house homeless families. We are also working to collaborate with TrueNorth Community Services who was recently voted as the Muskegon HARA to strengthen the housing needs that may be made available in the community.

Our home repair program is designed to assist homeowners who have a priority housing issue that could displace them from their home because of plumbing, electrical, mechanical or critical structure deficiencies. The help provided by the city that allows a household to receive assistance allows them the ability to remain in their home.

In addition, we also offer homebuyers assistance to those who are wanting to transition to a more permanent housing solution and purchase a home. These funds offer down payment assistance that are applied to closing cost.

## Public Housing

This section describes the status of the Public Housing Authority (PHA), and the efforts the PHA and city has made to engage residents and address needs. The PHA is not designated as troubled, and therefore hasn't received assistance from the City of Muskegon financially.

Public housing residents are known to be at a fixed-income status and because of this their likelihood to become a homeowner is rare. In addition, homeownership has not been advantageous given rise in the housing market of the past 5 years. The PHA has a Homeownership Program but other strategies to encourage tenant management have been encouraged more so than homeownership. The public housing residents are managed by staff with monthly reporting of income status. Annually housing staff will meet with each tenant to assess income and empower tenants to manage their living situation by giving them options like homeownership, outside rental opportunities, or housing facilities that fit their income and household needs. Currently, the Rental Assistance Demonstration option is being presented to give tenants encouragement with the proposed changes. No other actions have been taken by the city at this time.

Tenants are included in management through Tenant Advisory meetings where decision making and changes to the public housing facility are discussed. The resident board has been actively working with PHA staff to oversee the tenants' issues and concerns and manage the housing facility. Recently, the PHA has awarded vouchers to developers which offer housing choice/opportunities that are newer and different from the current conditions of the public housing venue. The highlight for the Housing Commission is that the facility is embarking on a revitalization renovation through the RAD (Rental Assistance Demonstration) process offered to PHAs.

## Monitoring

This section describes the standards and procedures used to monitor activities and projects to ensure compliance. It explains the process for citizen participation and comprehensive planning efforts.

Standards and procedures utilized to monitor activities carried out in furtherance of the plan to ensure long-term compliance is documenting each application received, tracking demographic information, household size and amounts associated with projects. Monthly we meet with our finance team to compare expenditures and outcomes of our programming. We ensure that all of our accomplishments are entered quarterly and draws are completed on a monthly basis. We ensure that every bid is competitive by soliciting to all trades and selecting the lowest, most reliable bid. All files are reviewed for required documentation and approval for compliance purposes. Another way we ensure compliance is by reviewing policies so that they are current and follow federal guidelines.

The city provides citizens with reasonable notice and an opportunity to comment on performance reports by providing notice to the public at least 10 days in advance for 15-, 20- and 30-day comment periods via social media, company website and email. The city has also started releasing a newsletter to help the community stay informed and offer opportunities to engage. There is also a news blast that allows residents to sign up to receive alerts to receive up to date information in real time.

## Other Actions

The purpose of this section is to detail the additional efforts the City of Muskegon takes in addressing barriers to meeting underserved populations' needs, to mitigate negative effects of public policies that serve as barriers to affordable housing, and address lead-based paint hazards among others.

The city is consistently reviewing old zoning policies that negatively affect or create barriers to housing options within the city. The approach taken to complete an updated view of housing choice for our community and developers was achieved through Rezoning parcels in our eligible census tracts. Additionally, our city is designated as a redevelopment ready community. The city is being strategic about creating housing that will fit the needs of every living situation. The city is seeking to adopt Form Based Code throughout additional neighborhoods. This will help to remove barriers to development and allow for additional types of housing like mother-in-law suites, "tiny" homes and mixed-use spaces with housing above. Also, this change will provide property owners with more flexibility to use their property for income generating purposes by allowing for smaller rentals in current residential spaces.

To meet the needs of the underserved, we have become more diligent in ensuring the community has accurate information about programs administered through our offices. We have also engaged in more outreach opportunities with community events with partners and those of our own. We ensure that 211, a local resource that provides citizens with information about assistance programs and



organizations in the community, has accurate information about programs and that all applications are current in person and online. We have also sought to inform a wider audience through television appearances and increased presence on social media platforms.

We seek to address lead-based paint hazards in our community through a state funded program for but mostly, every affordable housing unit produced is cleared of Lead-based paint hazards through abatement and remediation. Our HOME funded units through Rental Rehab or Homebuyers programs address lead as a required feature of renovations. Our programs include this action up front before rehabilitation can take place, and the properties are cleared to ensure safety of future residents. In addition to the above, we have instituted structures into all home repair programs to address lead rather it is paint, water, or sewer lines.

To reduce the number of poverty-level families, we continue to serve on boards and strengthen partnership with our CoC, to stay abreast of needs of the homeless population. the goal is to increase awareness, resources and access to resources while removing barriers.

Our social service agencies in our community have always been a partner to address the needs of our income challenged families. We have worked with the State and local Departments of Health and Human Services, Community Foundation and other nonprofit agencies to meet expressed needs of our citizens. Our services are limited to income qualifying households but we do not limit our coordination to offer and receive referrals from many organizations that focus on housing, health and public needs.

The City of Muskegon also coordinates with the PHA through the appointments of 3 city staff to the Housing Board. The Board Officers have continued to impress that social service options must be present inside the building. This year, the executive director has managed to enhance the building with the participation of social service partners, local programs that give financial, food resources and social supports onsite as possible because of the pandemic. Institutional structure is developed through trial and success of building a strong community. The city supports organized Neighborhood Associations, BLIGHT fight task force and a number of community relation committees.

The city is in the midst of an analysis of Impediment to identify any impediment through programs and services offered. Our response to overcoming impediments identified of our jurisdiction occurred by contracting with the Fair Housing Center of West Michigan who review the HMDA reporting of the past years to show how our banks are helping families. We met with local banks and lenders and shared how we can do better in a fair and impartial manner to overcome prejudice and discrimination. Using the FHCWM to help us survey our community residents, educate our local banks, realtors, rental owners, and ourselves to overcome hidden or visual disparities in our jurisdiction.

## HOME Investment Partnerships Program (HOME)

Under the HOME Investment Partnerships Program, HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families. Generally, HOME funds must be matched by nonfederal resources, but the City of Muskegon is exempt from this requirement. The City of Muskegon is considered a participating jurisdiction (PJ) which allows for the use of HOME funds to carry out multi-year housing strategies through acquisition, rehabilitation, new construction of housing, and tenant-based rental assistance. Funds must be distributed within the City of Muskegon's boundaries, or in jointly funded

projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions (24 CFR 92.201(a)).

### *Rental Inspections*

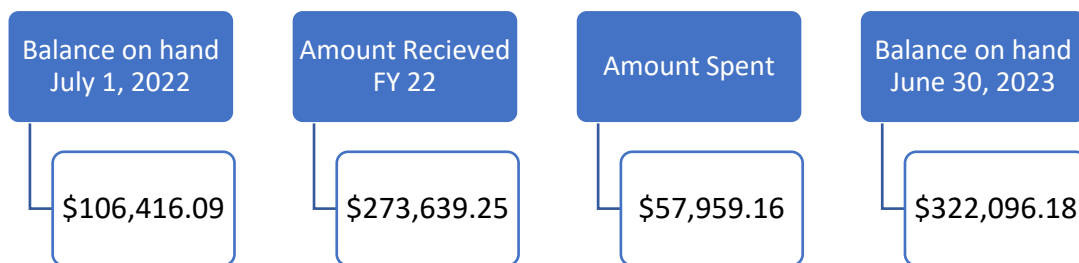
There were no required inspections scheduled this year.

### *Affirmative Marketing*

Recently, the Affirmative Marketing Plan was rewritten to be more detailed. While we have no rental projects that contain five or more rental units, therefore not triggering the affirmative marketing requirements at 24 CFR 92.351, the City of Muskegon believes Affirmative Marketing is crucial to ensure success of our programs. As such, our newly revised plan allows us to be well equipped to market our programs appropriately. Our homebuyer programs adhere to these regulations by utilizing the equal housing opportunity logo on our programs to inform the public of our fair housing practices. We advertise our properties and programs throughout the community via 211, newspaper, online, social media, and by postings. Our assessment of the Affirmative Marketing Plan is that is sufficient at this time.

### *Program Income*

The City of Muskegon acquires program income through the sale of homes to low-income families, rents on city-owned affordable rental properties, lien repayments, and application fees from the Rental Rehabilitation Program. These funds are reinvested into programming to support affordable housing in our community through homebuyer assistance and housing rehabilitation for sale to low-income households. We started the fiscal year on July 1, 2022 with \$106,416.09 in program income from previous years. Through the sale of 769 Catawba and 548 E Dale Ave to income qualifying households and lien repayments, \$273,639.25 was generated in program income. A total of \$47,350.18 was used to assist low-income households toward purchasing homes within the City of Muskegon through the Homebuyer’s Assistance Program, and the remaining \$10,608.98 was used to pay final invoices for Dale and Catawba. All this leaves the city with \$322,096.18 to allocate to future programming in the [2023 Action Plan](#).



## Community Development Block Grant (CDBG)

This section is meant to detail any changes to program objectives and indications of how the city would change its programs as a result of its experiences. Currently there has not been any changes to in the city of Muskegon’s objectives but we are invested in ensuring all citizens have access to housing that fits their needs and desires. If there is to be a suggested change the objective it would be to ensure that the city is addressing the housing shortage which has been a crisis for this community.

The City of Muskegon has no open Brownfields Economic Development Initiative (BEDI) grants.

## Section 3

Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] represents HUD's policy for providing preference for new employment, training, and contracting opportunities created from the usage of covered HUD funds to low- and very low-income residents of the community where certain funds are spent (regardless of race or gender), and the businesses that substantially employ these persons. The City of Muskegon doesn't have any projects that trigger Section 3 requirements.