



Consolidated Annual Performance and Evaluation Report

Fiscal Year 2008

(July 1, 2008 through June 30, 2009)



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*Approved for Submission by Jackson City Council
on **September 22, 2009***

Table of Contents

Executive Summary	1
Public Services.....	1
Code Enforcement and Rehabilitation.....	1
Jobs Creation Initiative.....	3
Other Projects	3
Summary of Resources and Distribution of Funds	4
General CAPER Narratives	8
Assessment of the Five-Year Goals and Objectives.....	8
Goal 1 – Decent Affordable Housing	8
Goal 2 – Economic Opportunities.....	9
Goal 3 – Elimination of Blight	10
Goal 4 – Public Services.....	11
Affirmatively Furthering Fair Housing	14
Affordable Housing	15
Continuum of Care.....	16
Other Actions	
Address Obstacles to Meeting Underserved Needs.....	16
Overcome Gaps in Institutional Structures and Enhance Coordination.....	17
Improve Public Housing and Resident Initiatives	18
Evaluate and Reduce Lead-Based Paint Hazards.....	19
Ensure Compliance with Program and	
Comprehensive Planning Requirements	20
Reduce the Number of Persons Living Below the Poverty Level	21
Leveraging Resources	21
Citizen Comment	22
Self Evaluation.....	22
Monitoring.....	23
Program Narratives	
CDBG Program	24
Use of CDBG Funds for National Objectives.....	29
Anti-Displacement and Relocation	29
Low/Mod Job Activities	29
Program Income Received.....	30
Loans and Other Receivables	30
HOME Program.....	32
HOPWA (n/a)	33
ESG (n/a).....	33
Attachments	
Citizen Comments	
Annual Performance Report – HOME Program (HUD-40107)	
HOME Match Report (HUD-40107-A)	
Section 3 Summary Reports (HUD-60002)	
IDIS Reports:	
Financial Summary Report (PR26)	
Summary of Consolidated Plan Projects for Report Year (PR23)	
Summary of Activities (PR03)	
Performance Measures Report (PR83)	
Housing Performance Report (PR85)	

Executive Summary

This Consolidated Annual Performance and Evaluation Report (CAPER) will cover those Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) activities undertaken by the City of Jackson or by one of its subrecipients during the 2008-2009 fiscal year. It will provide information regarding the program's strengths and weaknesses, as well as specific project accomplishments and ways the program can be improved.

The City of Jackson is an entitlement community and has been since the inception of the CDBG program in 1975. The City remains committed to meeting community needs of providing decent, safe, and sanitary affordable housing, improving the living conditions, and expanding the economic opportunities for low- and moderate-income persons. The City Council carefully weighs the applications for funding received every year against the ever-changing needs of the community. As many cities are similarly experiencing, the current declining economy, foreclosure rate, and job market has harshly impacted the City and its citizens. By carefully selecting entities that will provide the greatest benefit to low- and moderate-income persons and families, the Council is able to sustain, and oftentimes improve, their quality of life.

Public Services

Funding was allocated to entities that provided youth counseling and mentoring, adult dental care, families in need of disaster relief assistance, foreclosure prevention and homeownership training, information and referral services, and utility assistance. By supporting these agencies with CDBG funds, the low- and moderate-income persons living in the City were able to access and utilize services they may not have been able to afford on their own.

Code Enforcement and Rehabilitation

From July 1, 2008 through June 30, 2009, the Community Development Department continued its efforts to provide decent, affordable housing through its rental inspection and rehabilitation programs. In addition, enforcement of the City's blight ordinances provided a more suitable living condition in its residential neighborhoods.

The City's rental inspection program initiated 640 new inspections among its three code enforcement officers. Those initial inspections resulted in 1,638 individual units being monitored to bring them up to local code. In addition, 1,343 follow up inspections were scheduled (total unit number not available). If code compliance was not achieved within 90 days of the initial inspection and the property owner was making progress but needed additional time, they had an opportunity to appeal to the Building Code Board of Examiners and Appeals (BCBA) for an extension of time to complete repairs. Among other mitigating factors, should the property owner choose not to present their case before the BCBA, or if hazardous conditions remained, such as smoke detectors not being installed by the first reinspection, a Violation and Notice of Hearing was issued mandating they appear at the City's Administrative Hearings Bureau (AHB). During FY 2008-2009, 140 AHB cases involving rental housing were initiated.

To help alleviate blight, the City's inspectors wrote 1,588 garbage, trash, and debris citations that resulted in 61.15% voluntary compliance. Those properties not in compliance on reinspection were referred to the Department of Public Works for cleanup. Three hundred fourteen inoperable or unlicensed vehicles were cited that resulted in 83.76% voluntary

compliance. Dead or fallen trees were cited 184 times resulting in a 57.07% voluntary compliance rate. The City's AHB was utilized to gain compliance; 157 blight ordinance cases were initiated during FY 2008-2009.

The City's Housing Rehabilitation Program completed 22 rehabilitation projects and 28 emergency hazard cases during FY 2008-2009. Five additional rehabilitation projects were started before June 30, 2009 and are currently in progress.

World Changers had to cancel their planned week of providing assistance to the City's low- and moderate-income residents for the first time in 13 years due to economic hardships of its youth families. However, the City of Jackson has been slated for a week in July, 2010. In June 2008, the City also hosted for the first time a similar youth organization called Mission Serve. They also had to cancel their planned youth activities, but sent 17 adults from the insurer for Mission Serve, Brotherhood Mutual Insurance, to get a better understanding of how this program works. From June 24 through 27, 2009, these adults completed two painting projects; CDBG funds were used to provide the materials while the adults provided the labor. From their highly satisfactory experience of the projects, good news was recently received that Mission Serve has already recruited 105 youths and adults to come to the City in June 2010. World Changers currently has 55 youths and adults signed up for 2010 projects.



Before



After



Before



After

Jobs Creation Initiative

The Community Development Department continued to market the Jobs Creation Initiative Program for new development projects throughout 2008-2009. The City's Economic Development Project Manager continues to present this economic development incentive to eligible businesses. However, businesses are not currently willing to provide the type of investments required to receive these loans. City staff is exploring alternate means of providing economic development incentives for eligible businesses and persons to help overcome the declining economy and job market using CDBG funds. Community Development staff monitored two loans that were closed in previous years (Daryl's Downtown and Anesthesia Business Consultants).

Other Projects

CDBG funds were utilized to assist the Downtown Development Authority's (DDA) Façade Improvement Loan program. In July 2008, the DDA financed a façade loan that added an additional entryway to an existing building, allowing the owners additional points of ingress/egress to better utilize the facility.



Before



After

The John George Home, a home for 35 elderly, indigent men, received funding to install a new elevator. Completion of this project, which also includes a new emergency stairwell, will provide much improved access to second floor rooms for the disabled residents and emergency personnel. The City's Parks, Recreation, and Grounds Department was able to resurface the basketball and tennis courts at Rotary Park and remove/replace 100 ash trees desecrated by the Emerald Ash Borer. Funds were provided to the Michigan Theatre to perform much needed plumbing repairs and to Grace Haven Center, a homeless shelter, for a new roof. Finally, the City's Department of Public Works received an allocation of funds to start a handicap curb ramp installation program as required by 28 CFR 35.150(d)(2). Before project sites were identified, the DPW director met with representatives of diSability Connections, a local non-profit organization serving nearly 1,100 individuals and families annually in their efforts to lead independent, fulfilling and productive lives.

Summary of Resources and Distribution of Funds

During the reporting period of July 1, 2008 through June 30, 2009, the following funds were made available from the U.S. Department of Housing and Urban Development (HUD) to the City of Jackson:

Community Development Block Grant	\$1,768,509
Entitlement Grant B-08-MC-26-0021	\$1,369,903
Program Income	\$105,200
Reprogrammed Funds	\$293,406
HOME Investment Program	\$332,848
Entitlement Grant M07-MC260214	\$329,548
Reprogrammed Funds	\$3,300
Total:	<u>\$2,101,357</u>

CDBG funds were allocated as follows:

Activity	Amount	Approx. %
Public Services	\$191,773	10.85%
Administration & Planning	248,600	14.06%
Code Enforcement	500,000	28.27%
Rehabilitation	365,230	20.65%
Public Improvements	328,906	18.60%
Economic Development	34,000	1.92%
Other	<u>100,000</u>	<u>5.65%</u>
Total:	<u>\$1,652,638</u>	<u>100.00%</u>

HOME funds were allocated as follows:

Activity	Amount	Approx. %
Rehab Assistance	\$113,048	33.96%
CD Administration	32,000	9.61%
Downpayment Assistance	40,000	12.02%
CHDO Operating Costs	12,000	3.61%
Acquisition/Rehab/Resale (CHDO)	60,000	18.03%
Administration (JAHC)	6,000	1.80%
Habitat for Humanity	<u>69,800</u>	<u>20.97%</u>
Total:	<u>\$332,848</u>	<u>100.00%</u>

Budget amendments made during the reporting period allowed for the redistribution of funds from entities that had not expended or rescinded allocated funds for their projects, and program income received in excess of the amount originally budgeted, allowing the City to assist other CDBG or HOME eligible activities. Those budget amendments were as follows:

CDBG

Date	Description	Amount
7/15/08	Reallocate demolition – Building Inspection (Year 31) to Demolition/Acquisition – CAA (Year 31)	\$22,103
8/12/08	Reallocate owner-occupied rehab funds (Year 33) to John George Home (Year 33) for emergency sewer repair	\$8,416
12/16/08	Reallocate owner-occupied rehab funds (Year 34) to Emergency Hazard (Year 34)	~ \$100,000
6/9/09	Budget excess program income from Year 32 and reallocate various unspent funds from Years 31, 32, 33 and 34 to Grant River ArtsWalk (Year 34)	\$328,906

HOME

Date	Description	Amount
10/7/08	Budget excess Program Income from Year 32 to Habitat for Humanity (Year 34)	\$3,300

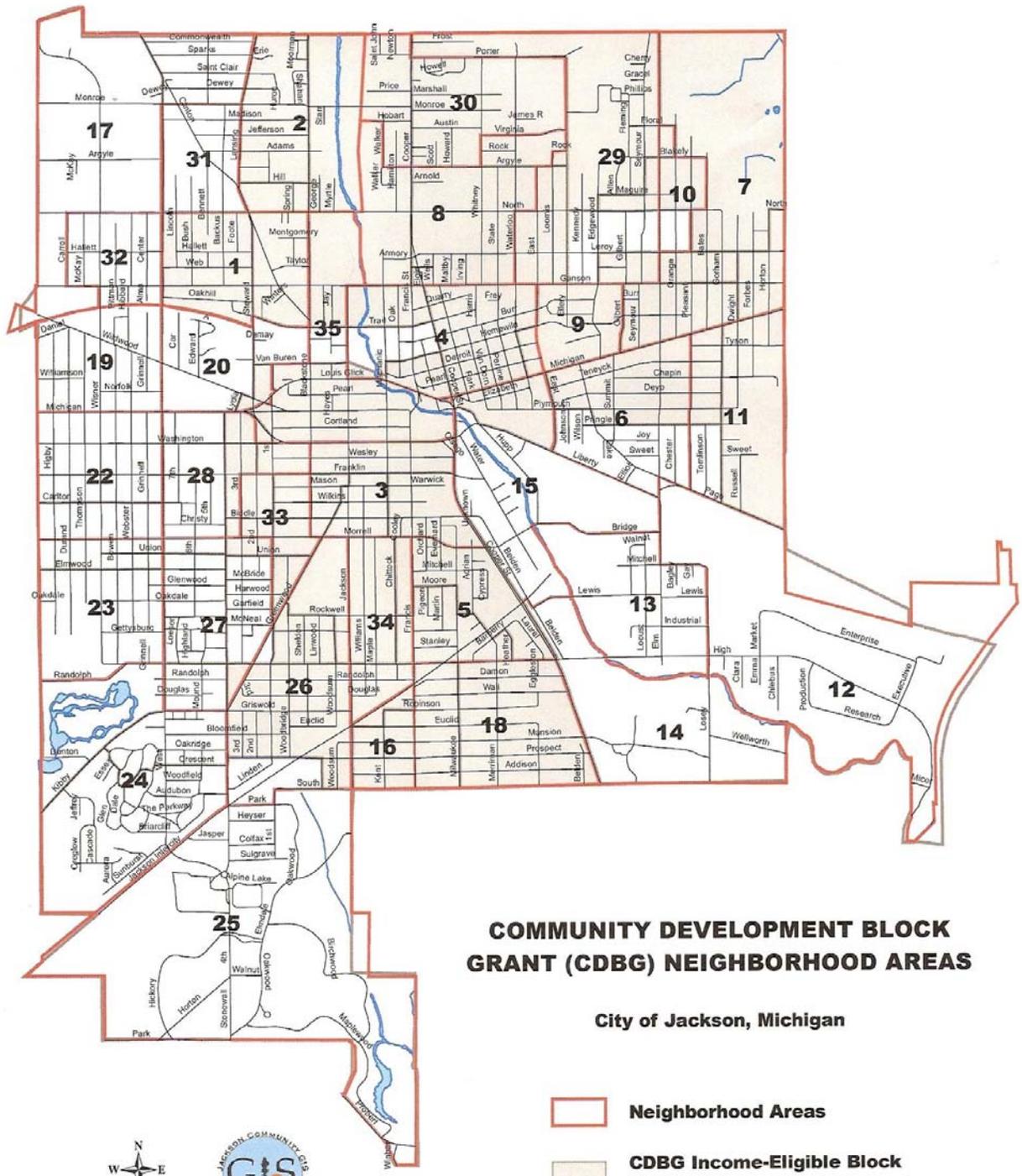
A complete listing of the funds committed during the reporting period and the total amount expended appears below.

Agency Receiving Funds	Allocated	Expended	Percentage
CDBG			
American Red Cross	\$ 2,000	\$ 1,899	94.95%
Big Brothers/Big Sisters	2,000	2,000	100.00%
Center for Family Health	25,000	25,000	100.00%
Neighborhood Resource Center	12,000	12,000	100.00%
Partnership Park Neighborhood Ass'n	5,000	5,000	100.00%
Family Services and Children's Aid	5,000	5,000	100.00%
Florence Crittenton – Transitional Program	4,788	rescinded*	n/a
Florence Crittenton – Reporting Center	5,400	rescinded*	n/a
Human Relations Commission Youth Council	1,000	-0-	-0-
Jackson Affordable Housing – Homeowner Training	3,000	3,000	100.00%
Jackson Affordable Housing – Foreclosure Prevention	27,273	11,381	41.73%
Jackson School of the Arts	1,500	1,500	100.00%
The Salvation Army	63,000	63,000	100.00%
MLK Center Summer Program	35,000	35,000	100.00%
United Way 211 Call Center	10,000	10,000	100.00%
Community Development – Administration	248,600	146,268	58.84%
Community Development - Code Enforcement	500,000	365,454	73.09%
Community Development - Rehabilitation	275,230	97,478	35.42%
Community Development – Jobs Creation	34,000	-0-	-0-
Dept. of Public Works	40,000	11,347	28.37%

Agency Receiving Funds	Allocated	Expended	Percentage
Downtown Development Authority	18,000	-0-	-0-
John George Home	50,000	50,000	100.00%
Parks & Recreation – Rotary Park	35,000	35,000	100.00%
Michigan Theatre	4,000	4,000	100.00%
Jackson Friendly Home	30,000	rescinded*	n/a
Grace Haven Center	18,000	-0-	-0-
Forestry	25,000	19,258	77.03%
Engineering – Grand River ArtsWalk	328,906	199,878	60.77%
HOME			
Jackson Affordable Housing - CHDO Reserve	\$60,000	-0-	-0-
Jackson Affordable Housing - CHDO Operating Costs	12,000	7,190	59.92
Jackson Affordable Housing – Down Payment Assistance	40,000	10,494	26.23
Jackson Affordable Housing – Administration	6,000	5,528	92.13
Community Development – Rehabilitation	113,048	-0-	-0-
Community Development – Administration	32,000	-0-	-0-
Habitat for Humanity	66,500	49,200	73.98%

As demonstrated above, two agencies receiving 2008-09 allocations had to rescind their funding. Florence Crittenton Services, which was founded in 1919, provided assistance to pregnant and parenting teens and homeless youths. The facility struggled with financial issues since at least 2006 when the State of Michigan began cutting back funding. Florence Crittenton board members closed satellite homes and cut programs in an attempt to work within the budget constraints but were unable to divert the ultimate closure.

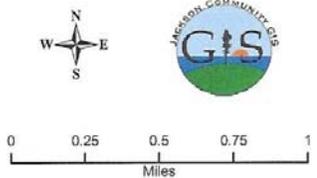
The Jackson Friendly Home provides a home-like atmosphere for up to 45 women over the age of 60. The Jackson Friendly Home moved to its present location in 1908 and requested funding to install a new elevator to replace the present elevator system, which had been installed in the late 1950s. Board members from the Jackson Friendly Home soon realized charitable contributions they were counting on did not materialize due to the economic downturn. Even estimates to just repair the elevator back to proper working order were well beyond their grasp at this time. Fundraising for this project is continuing and other financial resources are being sought. The Jackson Friendly Home may again request a CDBG allocation in the future when financing is closer to their goal amount.



COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) NEIGHBORHOOD AREAS

City of Jackson, Michigan

- Neighborhood Areas**
- CDBG Income-Eligible Block Group (per 2000 U.S. Census)**



General CAPER Narratives

Assessment of the Five-Year Goals and Objectives

An excerpt from the Strategic Plan contained in the City's 5-Year Consolidated Plan submitted and approved by HUD in 2005 identifies the four major goals of the Community Development Department's program to expend CDBG and HOME funding:

- 1) Provide safe, decent and affordable housing by preserving the existing housing stock and developing opportunities for the addition of affordable homeownership units.
- 2) Encourage an economic climate that supports businesses providing livable-wage jobs in economic sectors likely to remain in strong demand for the foreseeable future by creating permanent jobs, undertaking long-term economic development efforts through entrepreneurial training, enhancing skills through education and training, and providing supportive services to enable access to these employment opportunities.
- 3) Prevent and eliminate blight by improving public facilities whose primary beneficiaries are residents with low- and moderate-incomes.
- 4) Provide an adequate level of human services that satisfies basic social, physical, mental, emotional, and economic needs of all residents, especially those with low- and moderate-incomes.

Examining each goal separately, information is provided below:

Goal 1

Rehabilitation/Emergency Hazard/World Changers

Along with much of the country, the City of Jackson has seen a significant increase in mortgage foreclosures in the past few years with foreclosure proceedings being initiated on approximately 556 properties in the City during fiscal year 2008-2009. Over one-half (54%) of foreclosures commenced went through to Sheriff's sale. While these homes sit vacant, they are extremely vulnerable to break-ins to strip them of copper pipe and wire and other devastating damage causing them to be uninhabitable, providing a resource for thieves, youths, vagrants, drug dealers, prostitutes, and other criminals, increasing the crime rate and blight in the neighborhood. While the City's various departments attempt to keep on top of the major issues surrounding the vacancies, oftentimes the damage has been done before action to secure a building can be taken.

With the continued downturn in the housing market, Community Development's rehabilitation staff has seen a significant increase in emergency hazard and rehabilitation applications as homeowners are choosing to remain in their current housing. Rehabilitation staff members have continued to retool the rehabilitation program to reflect the current trends and conditions. While it is still a work in progress, policies and procedures have been updated and adopted, software to track cases has been implemented, and the rehabilitation staff strives to increase its production even while funding has declined and the division is short staffed.

Since 2005, the City has completed 114 rehabilitation projects, funded as follows:

Year	No. Cases	CDBG Funds			Total
		Reg. Rehab	Emerg. Hazard	HOME	
31	16	\$ 65,974	\$ 44,434	\$ 32,585	\$142,993
32	23	46,890	49,834	151,014	247,738
33	25	44,279	101,861	286,490	432,630
34	50	188,991	139,313	143,694	471,998
Total:		\$346,134	\$335,442	\$613,783	\$1,295,359

As of June 30, 2009, the City had an additional five rehabilitation projects in process, which will be completed early in the 2009-2010 fiscal year.

Down Payment Assistance/Foreclosure Prevention/Homeownership Counseling

Jackson Affordable Housing Corporation (JAHC) received HOME funding to provide Down Payment Assistance and CDBG funding for Foreclosure Prevention and Homeownership Counseling and Training. A total of 422 households received homeownership information and referrals. Of these, 93 households were extremely low-income, 166 very low-income, 150 were low-income. In addition, 24 households closed mortgages with assistance from JAHC. Six (6) of the new homeowners were very low-income, 16 were low-income and two (2) moderate- to high-income, and were made up of 22 white families, and two (2) black/African-American. JAHC has recently taken action to modify its Foreclosure Prevention program guidelines to include "situations beyond the control of the homeowner" as a crisis criterion, and unemployment income coupled with career advancement (such as attending classes) as part of the recovery criteria.

Goal 2

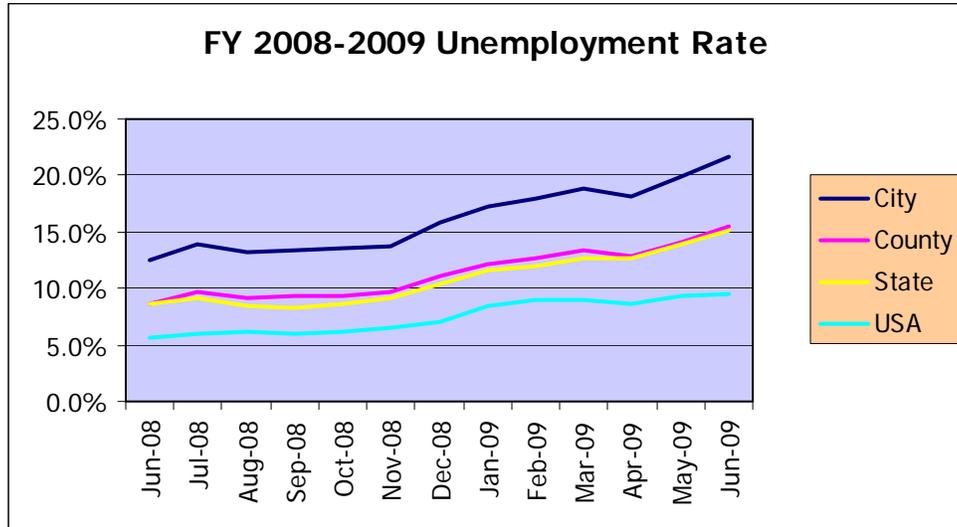
Jobs Creation Initiative

Due to the current economic climate in Jackson, no new businesses sought Jobs Creation Initiative loans. However, two loans made in previous years are still outstanding. A loan was extended to Anesthesia Business Consultants (ABC) to redevelop the former Jacobson's Department Store in downtown Jackson, which had been vacant for eight years. Together with other economic development incentives, ABC invested over \$3.5 million in the building. Under the City's guidelines, the amount of ABC's loan would require the creation of 20 full time equivalent positions, however, ABC promised to create 50 or more new jobs within five years.

Also, on October 4, 2005, the Jackson City Council approved a Jobs Creation Initiative loan to Lindar, LLC with the intent to assist in the redevelopment of a 5,660 square foot banquet facility at Daryl's Downtown Restaurant. Lindar was required to invest more than \$600,000 of private equity and create 16 new full time equivalent jobs.

The City's Economic Development Project Manager continues to present this economic development incentive to eligible businesses. However, businesses are not currently willing to provide the type of investments required to receive these loans. City staff is exploring alternate means of providing economic development incentives for eligible businesses and persons to

help overcome the declining economy and job market using CDBG funds. The City's unemployment rate in July 2008 was 13.9%; in June 2009 it had swelled to an astounding 21.7%.



Jackson has historically been a manufacturing town with a majority of the manufacturing being directly impacted by the automotive industry. Many companies have been severely impacted by recent automotive-related events, but from that potential tragedy, a community initiative has come to fruition. Collaboration has begun between former auto parts manufacturers and the City's hospital system, Allegiance Health Systems, to retool from supplying auto parts to becoming medical parts suppliers.

Goal 3

Elimination of Blight

City inspectors continued with blight ordinance enforcement activity, citing homeowners for garbage, trash and debris; inoperable or unlicensed vehicles; dead, dying or dangerous trees; and front yard parking violations. Homeowners voluntarily complied with the citations and removed or eliminated the violations, requiring no further action from the City, 61.15% of the time for garbage, 83.76% of the time for inoperable or unlicensed vehicles, and 57.07% of the time with tree or brush issues. When violations remained at reinspection, those matters were brought before the City's Administrative Hearings Bureau (AHB) where final resolution was achieved through eventual compliance or with the homeowner being defaulted. Further, the Administrative Hearings Officer assessed fines and costs in most instances as penalty for not bringing the code violations into compliance voluntarily.

Further efforts to eliminate blighted areas of the City included beautification efforts by removing and replacing diseased, dead or dying ash trees affected by the Emerald Ash Borer, improvements to Rotary Park's basketball and tennis courts, new roofing at a homeless shelter, and implementation of a handicap sidewalk curb ramp installation program.

Goal 4

Public Services

The City of Jackson's youth were provided counseling and mentoring programs due to CDBG funding. Such services included:

- BIGS in School – a one-to-one mentoring program by Big Brothers/Big Sisters for children both during and after school.
- FAST – a family-oriented prevention service with goals of enhancing family functioning, avert children from experiencing failures in school, substance abuse awareness by the children and family, and stress reduction between parents and children from daily life situations.
- Partnership Park Downtown Neighborhood Association – homework assistance, conflict resolution skills, and life skills training in addition to recreational activities.
- Jackson School of the Arts – programs in art, dance and theater.
- Martin Luther King Center Summer Recreation Program – in addition to arts and crafts, swimming lessons and other sports clinics and camps, the youth were given peer pressure practice, life skills training and cultural diversification trips.

Low- and moderate-income adults were provided such services as:

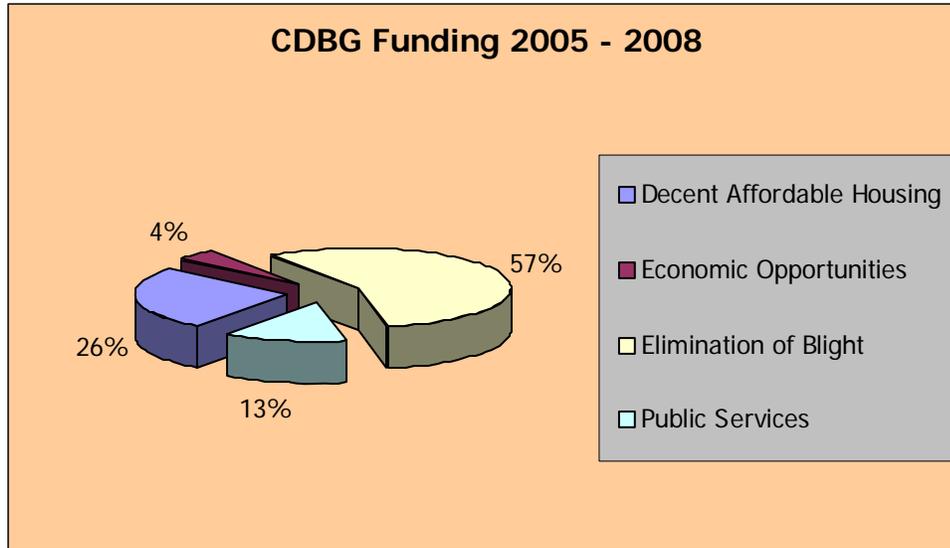
- Dental care through the Center for Family Health.
- Foreclosure prevention and homeowner training and counseling through Jackson Affordable Housing Corporation.
- Utility shutoff prevention through The Salvation Army.
- Disaster relief through the American Red Cross.
- Information and referral services through the United Way's 211 Call Center.

The City of Jackson received \$6,181,291 in CDBG funding since 2005 and has allocated said funds to attain its stated goals as follows:

Goal 1 – Decent, affordable housing.....	\$1,373,181
Goal 2 – Economic Development	103,500
Goal 3 – Elimination of Blight	3,106,121
Goal 4 - Public Services	735,819

Through budget amendments reallocating funds from projects that came in under budget, from subrecipients that were unable to successfully spend down their funding, or budgeting program income, the City was able to provide additional funding towards its goals as follows:

Goal 1 – Decent, affordable housing.....	\$ 238,954
Goal 2 – Economic Development	172,500
Goal 3 – Elimination of Blight	437,752
Goal 4 - Public Services	86,281



Of the entities listed on Pages 5 and 6 that have not yet expended their 2009-2010 funding, City Council reviewed each request to extend the time within which to spend Year 34 funds as follows:

Subrecipient	Balance	Plans to Rectify
CDBG		
American Red Cross	\$101	Nominal funds were left from 2008-09; Council approved an extension of time to spend the balance to provide one or more families assistance after a fire.
Downtown Development Authority (DDA)	\$2,180 (Year 33) \$18,000 (Year 34)	The DDA experienced a complete change in staffing in early 2009 and requested an extension of time to spend funds until 6/30/10. The DDA currently has three façade loan applications it is reviewing.
Department of Public Works (DPW)	\$28,653	Jackson experienced a cool and rainy spring in 2009; work was not able to begin until late May and funds were not able to be fully expended by June 30, 2009. As DPW received an additional allocation for the 2009-10 grant year, an extension of time to spend the funds was granted until 6/30/10.
Forestry	\$5,742	Forestry successfully completed its plans to remove and replace 100 ash trees and came in under budget. As Forestry received an additional allocation for the 2009-10 grant year, an extension of time to spend the funds was granted until 6/30/10.
Grace Haven	\$18,000	Project completed before 6/30/09; waiting for documentation
Human Relations Commission (HRC)	\$2,496.61 (Year 33) \$1,000	City staff provided significant technical assistance to HRC staff to develop eligible

Subrecipient	Balance	Plans to Rectify
CDBG		
	(Year 34)	activities for the Youth Council. An extension of time to spend the funds was granted until 6/30/10 to develop additional appropriate projects.
Jackson Affordable Housing Corp. (JAHC) – Foreclosure Prev.	\$15,892	Due to the current economic climate, JAHC recently reviewed and modified its program guidelines to broaden its crises and recovery criteria. As JAHC received an additional \$12,500 in 2009-10, an extension of time to spend funds was granted until 6/30/10.
Engineering – Grand River ArtsWalk	\$129,028	Funds to be spent by 6/30/10.
Community Development – Administration	102,332	Continuing to spend down prior year funding; remaining funds carried over to FY 200-010.
Community Development – Jobs Creation Initiative	34,000	Continuing to spend down prior year funding; remaining funds carried over to FY 200-010.
Community Development - Code Enforcement	134,546	Continuing to spend down prior year funding; remaining funds carried over to FY 200-010.
Community Development - Rehabilitation	177,752	Continuing to spend down prior year funding; remaining funds carried over to FY 2009-10.

HOME		
Jackson Affordable Housing Corp. (JAHC) – CHDO Reserve	\$40,544 (Year 33) 60,000 (Year 34)	JAHC is the City's only CHDO and receives no less than 15% of the City's annual HOME entitlement to conduct eligible CHDO reserve activities (acquisition/rehab/resale). JAHC received an additional allocation for 2009-10 in the amount of \$55,000. Rehabilitation of one property is nearly completed; JAHC plans to purchase two additional properties in the near future to rehabilitate and resell. The time to spend funds was extended to 6/30/10.
JAHC – CHDO Operating Expenses	4,810	Operating expenses are tied to CHDO expenses; an extension of time was granted to 6/30/10.
JAHC – Down Payment Assistance (DPA)	29,506	JAHC did not receive a HOME allocation for its DPA program in 2009-10; an extension of time to spend these funds was granted to 6/30/10. JAHC will be receiving \$39,000 from the City's NSP funds to provide financing mechanisms, which includes downpayment assistance.
JAHC – Administration	472	Administrative expenses are tied to JAHC's DPA program; an extension of time was granted to 6/30/10.
Community Development – Rehabilitation	113,048	Continuing to spend down prior year funding; remaining funds carried over to FY 2009-10.
Community Development – Administration	32,000	Funds expended in July 2009.
Habitat for Humanity	17,300	Funds extended to 6/30/10 to complete a new rehabilitation project.

Due to the hardships the City's low- and moderate-income residents are facing, Community Development staff will continue to evaluate its programs. The rehabilitation staff will be continuing to update its program guidelines for rehabilitation projects. As homeowners are unable to afford a housing upgrade by moving to a new home, the rehabilitation staff has experienced a significant increase in applications from residents who want to improve the home they currently own but are unable to meet the expense. The economic development staff will be researching ways to incorporate more opportunities to create jobs, such as funding microenterprises or providing Section 108 loans. Finally, staff will be examining options for mitigating future homelessness.

Affirmatively Furthering Fair Housing

The City of Jackson's fair housing ordinance is outlined in Chapter 14, Article IV, Sections 14-131 through 14-140, City of Jackson Code of Ordinances, and prohibits discrimination in sale, lease or rental of real property because of an individual's religion, race, color, national origin, age, sex, marital status, handicap or source of income. Provisions are made in each CDBG Subrecipient Agreement or HOME Contract that the recipient must comply with fair housing and equal opportunity laws.

The Fair Housing Center of Southeastern Michigan (FHC) recently received a federal grant that allows it to provide fair housing enforcement activities in several counties, including Jackson. The FHC will provide undercover testing, investigation, advocacy, advice, education, and attorney referral. While the Community Action Agency (CAA) has been providing the education and counseling components in the recent past, they did not receive funding from either HUD or the City's CDBG program to continue its program. Until FHC received the grant mentioned above, Jackson had been without an agency to conduct fair housing complaints, investigation, and litigation since 2001.

Some of the impediments to fair housing include:

- Inadequate number of decent, safe, affordable housing units.
- High costs associated with lead-based paint.
- Large concentrations of vacant or abandoned homes in areas of high minority and low-income neighborhoods.
- Limited housing choice available for low-income residents.
- Stringent qualification standards of existing programs making it difficult to purchase a home.

Actions taken to overcome effects of impediments to fair housing include:

- ✓ Offered emergency hazard loans of up to \$10,000 on a 20-year, zero percent interest deferred loan to individuals with limited income.
- ✓ Offered rehabilitation loans of up to \$20,000 on a 20-year, zero percent interest deferred loan to assist property owners.
- ✓ Offered lead-hazard control loans and grants; for owner-occupied residences, a \$20,000 grant; for rental units, \$8,000/unit grant plus \$7,000/unit five-year, zero percent interest deferred loan.
- ✓ Worked in cooperation with local non-profit organizations to rehabilitate additional housing units.

- ✓ Offered credit counseling, foreclosure prevention, and homebuyer education programs.

Affordable Housing

Foster and Maintain Affordable Housing

During fiscal year 2008-2009, the City funded two housing agencies, each serving a different financial level of homebuyers. Habitat for Humanity markets its new or rehabilitated homes to those persons whose income is less than 50% of area median income while JAHC concentrates its efforts on those persons whose income is less than 80% of area median income. The City's Community Development Department provides a rehabilitation program for owner-occupied, low-income households who are unable to access home improvement loans through traditional lenders for repairs. Emergency hazard loans of up to \$10,000 are made available to qualifying households to repair an immediate, urgent need, such as a furnace in the winter, a roof during the rainy season, etc. All of the above programs offer loans, rather than grants, ensuring future funding from program income will be available to assist another low-income family.

Preserving Decent, Affordable Rental Units

In order to protect the health, safety and welfare of area tenants, the City's Code Enforcement program takes a proactive stance on the City's rental housing by systematically inspecting all rental units in a designated area. After an initial inspection by a Code Enforcement Officer, landlords are given no less than 30 days nor more than 90 days within which to bring any non-emergency violations noted up to code per Chapter 14 of the City of Jackson Code of Ordinances. The Building Code Board of Examiners and Appeals may extend the time limit set for correction of violations if the owner can show a good faith effort to comply with the repair order. Non-compliance cases are prosecuted through the City's Administrative Hearings Bureau. Ideally, rental units should be subject to re-inspection at the expiration of the two-year certificate of compliance; however, due to the annual reduction of CDBG funds from HUD, the Community Development Department is severely understaffed. Currently, it is estimated once a rental unit is put into compliance, inspectors will not be back in the designated area for six to eight years.

Eliminate Barriers to Affordable Housing

In its efforts to eliminate barriers to affordable housing, the City provided CDBG funding to JAHC for its foreclosure prevention program, and homeownership counseling and training. In addition, HOME funds were allocated to JAHC to provide down payment assistance to new homebuyers. Both JAHC and Habitat for Humanity received HOME funds for acquisition, rehabilitation, and resale to low- and moderate-income homebuyers.

In a demonstration of the great need of the Jackson community, Community Action Agency (CAA) recently publicized the availability of Tenant Based Rental Assistance (TBRA) vouchers. One hundred seventy (170) families went to the Barham Center on the appointed day, some arriving at 10:00 p.m. the night before, to apply for assistance. Eighty-two (82) families were deemed eligible but only two (2) TBRA vouchers were available.

Address Accessibility Needs of Persons with Disabilities

On August 15, 2006, the Jackson City Council took action to waive the inspection fees for work performed by local non-profit charitable organizations, specifically for handicap-accessible ramps. Since that time, 26 ramps have been installed for disabled homeowners by disAbility

Connections, the Rotary Club, and World Changers. Fourteen of those ramps were constructed during fiscal year 2008-2009.



Continuum of Care

The City of Jackson supports the Jackson County Continuum of Care (CoC), which receives Emergency Shelter Grant funding to address the needs of the homeless. A City staff member, recently voted co-chair, attends the monthly COC meetings comprised of approximately 25 members of other community agencies and leaders. The ongoing meetings are utilized to provide consistency and support for those invested in addressing homelessness programming and resources. The City continues to work with the community and non-profit agencies to coordinate resources to prevent and eliminate homelessness.

Following is the most recent information regarding providers in the City:

Grace Haven	36 beds (homeless)
Interfaith Shelter	77 beds (homeless)
AWARE Shelter	26 beds at shelter (abused women); 48 transitional
CAA	2 TBRA vouchers, 122 transitional beds, 13 permanent supportive housing
Training & Treatment Innovations	20 permanent supportive housing
MPRI	50 transitional beds (prisoner re-entry)

The CoC receives Emergency Shelter Grants (ESG), Homeless Assistance Recovery Program (HARP), Tenant Based Rental Assistance (TBRA) from the Michigan State Housing Development Authority (MSHDA), and also receives a Supportive Housing Program (SHP) grant from HUD. The CoC applied for over \$225,000 in Homelessness Assistance and Rapid Re-Housing Program (HPRP) funds from MSHDA and the City received over \$500,000 in HPRP entitlement funding through the American Recovery and Reinvestment Act of 2009 and soon plans to implement that program.

Other Actions

Address Obstacles to Meeting Underserved Needs

Many factors continue to need to be addressed to meet underserved needs. For instance, more jobs need to be made available for low- and moderate-income persons in which the potential employee may be able to perform but is lacking the required experience. Lack of transportation also contributes to continued unemployment in several ways:

- Unable to afford public transportation or no routes established near work place;
- Unable to afford proper insurance, registration and licensing for own vehicle;
- Unable to afford vehicle maintenance and repairs.

More affordable housing units are needed in the community, as many landlords are reluctant to take Section 8 vouchers. While this remains a high priority to the City when allocating its CDBG

and HOME funds, the state and local economy has continued a downward trend with no significant recovery in the foreseeable future.

Among other of the City's homeless shelters, the Interfaith Shelter provides shelter, housing, food, advocacy services, referral services, and budgeting assistance for those persons seeking help. The Interfaith Shelter averages nearly 6,800 meals served and provides shelter to approximately 88 adults and 25 children on a monthly basis.

In response to the growing community needs, a collaborative of approximately 30 non-profit organizations came together in the form of "Neighbors in Need." It is anticipated an unprecedented number of individuals and families will require assistance that have never needed to rely on the programs the non-profits have available. According to information obtained from South Central Michigan Works!, the anticipated number of persons exhausting their unemployment insurance benefits in Jackson County are:

Period	Number Exhausting UIA
May 4 – 29, 2009	7
June 1 – 26, 2009	20
June 29 – July 24, 2009	38
July 27 – August 21, 2009	35
August 24 – September 18, 2009	324
September 21 – October 16, 2009	270
October 19 – November 13, 2009	260
November 16 – December 11, 2009	322
December 14, 2009 – January 8, 2010	192

As demonstrated above, it is predicted 1,468 persons will no longer be receiving unemployment benefits by the end of 2009/early 2010, with 93% occurring from August 24 through January 8, 2010.

Neighbors in Need (NiN) endeavors to provide help with navigating the social service system, transportation, food pantries, and housing. While individual donations have not met expected needs, agencies are vigorously pursuing other funding sources. Grants and donations have been received to provide food to local food pantries, assistance to individuals needing to obtain birth certificates and other identification, bus passes, gas cards, utility assistance, etc. The City's HPRP funds will be allocated to NiN, with United Way of Jackson County acting as fiduciary and facilitator of the grant.

Overcome Gaps in Institutional Structures and Enhance Coordination.

The City of Jackson Community Development Department administers CDBG and HOME funds. Funded activities are carried out either by City departments or through written agreements with primarily non-profit agencies. In an effort to increase Community Development staff capacity to effectively administer its programs, training was completed as follows:

- **Environmental Training** (HUD Detroit Field Office – July 30, 2008) – 1 staff member
- **Advanced Environmental Review** (HUD Detroit Field Office – October 23, 2008) – 1 staff member

- **Certified HOME Specialist – Administration** (HUD December 16 – 18, 2008) – 2 staff members; both received their Certificate
- **MCDA Spring Conference** (MCDA, SEMCOG, HUD & MSHDA March 5, 2009) – 3 staff members

The City of Jackson supports citizen involvement in all phases of its program and encourages collaborations between for-profit and non-profit entities, and local government departments. In some instances, Community Development involvement is more of a way to channel open communication between agencies to reduce duplicative efforts and to aid in locating other sources of funding or other assistance. The City works closely with the Region II Planning Commission regarding planning and zoning issues, and with The Enterprise Group for economic development.

Further coordination will be accomplished by City staff actively participating in NiN and CoC meetings, as many of the non-profits participate with both collaborations. City staff has recently been elected co-chair of the CoC and will hold that position for the next two years.

Improve Public Housing and Resident Initiatives

The Jackson Housing Commission (JHC) is the City's Public Housing Authority (PHA). The JHC manages 543 units of public housing in seven developments and a Section 8 program of 475 participants. After assessing the housing needs of the City and surrounding Jackson County area, JHC has determined that it currently meets, and will continue to meet, the housing needs of the community to the extent practical for a medium-sized agency. The JHC is again updating and rewriting its Admissions and Continued Occupancy Plan, Dwelling Lease, and Grievance procedures to comply with all Quality Housing and Work Responsibility Act (QHWRA) of 1998, and regulatory revisions since including, but not limited to, the Violence Against Women Act and Asset Management provisions. The JHC has established a minimum rent of \$25 and has conducted market rate surveys to establish reasonable flat rents.

In addition, the JHC has:

- No plans to demolish any of its properties. In fact, the JHC plans extensive physical improvements at each location within the next three years. Comments and suggestions from the various Resident Advisory Boards (Shahan-Blackstone, Chalet Terrace, Reed Manor and Section 8) are taken into consideration and, if feasible, implemented.
- A HUD-approved Home Ownership Plan has sold 10 scattered site units to qualifying low- and moderate-income homebuyers. The remaining 40 scattered site units will be receiving updates and improvements from the \$889,894 made available to JHC under the Public Housing Capital Fund (Entitlement) program from the American Recovery and Reinvestment Act of 2009. Proceeds from sales will be used for supporting housing purposes to include, but not be limited to, development of low-income housing.
- Jointly addressed with the local police and fire departments to develop fire safety and crime prevention programs that adequately meets the needs of its residents.
- Developed an agency-wide Pet Policy that allows any family to have a pet if they follow a set of rules.

- Implemented local preferences to improve the living environment by de-concentration, promoting income mixing, and improving security throughout the developments.
- Created and continues to facilitate self-sufficiency programs to improve resident employability, as well as solicit support services for the elderly and families with disabilities.
- Certified that it has and will continue to adhere to all Civil Rights requirements and will affirmatively further fair housing.

The waiting list for Section 8 housing is quite extensive, totaling 1,084 for 475 units. Of those on the waiting list, 97% are extremely low-income (less than or equal to 30% area media income) households. Unfortunately, the waiting list for Section 8 housing has been closed for two years and only experiences a 21% turnover rate, which will allow only 9% of those families on the waiting list to attain Section 8 housing.

Public Housing has a waiting list of 273 for 543 units and generally experiences a 24% turnover rate, which will allow approximately 44% of those families on the waiting list to attain public housing. Extremely low-income families make up 98% of Public Housing's waiting list.

Evaluate and Reduce Lead-Based Paint Hazards

The City of Jackson and the Jackson County Health Department are actively involved with environmental concerns regarding lead-based paint (lead was banned from residential paint in 1978). Based on 2000 Census Data, of the 15,241 housing units located in Jackson, it is estimated that 14,225 were built before 1978. According to HUD data, more than three-fourths of pre-1978 homes contain lead-based paint, meaning approximately 10,670 homes in the City of Jackson contain lead-based paint. Of the total number of homes potentially containing lead-based paint, it is estimated that 3,308 (31%) of the households occupying such homes are very low-income (0 - 50% MFI), and 1,921 (18%) are low-income (51 - 80% MFI).

The City of Jackson Community Development staff conducts visual inspections for defective paint surfaces. During routine inspections of properties involved in rehabilitation, homeowners are given educational materials about the dangers of lead-based paint. Women, Infants and Children (WIC) participants are advised of the availability of lead-based blood tests offered through the Jackson County Health Department. City of Jackson inspectors are trained on the requirements of the HUD Lead Safe Housing Rule (24 CFR 35, as amended 6/21/04) and ensure lead-based paint problems are properly resolved in all City funded housing rehabilitation projects.

Since HUD's lead-based paint regulations took effect in September 2000, the City has seen rehabilitation costs increase by 60%. Unfortunately, the City's funding sources did not increase at the same rate, making it more and more difficult to have a significant impact on the housing in the community. Because of the age of the housing stock, the homes of virtually all applicants for rehabilitation assistance must be tested for lead-based paint.

Over the years, the City has utilized a number of certified companies to provide lead risk assessments and clearance reports for its projects. The City also maintains a list of approved

area general contractors certified by the State of Michigan to utilize lead-safe work practices, interim controls, and lead-based paint hazard abatement to housing rehabilitation projects. Jackson is fortunate to have an experienced rehabilitation staff with over 50 years of combined rehabilitation experience with the City. All have received training in implementation of HUD Lead-Based Paint Regulations under the Residential Lead-Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992, and are able to conduct housing inspections, integrate and incorporate the findings of a lead risk assessment and paint inspection, and prepare construction specifications for City rehabilitation projects to address both issues.

IS YOUR CHILD SAFE FROM LEAD POISONING?



The City of Jackson was awarded a \$2,000,000 HUD Office of Healthy Homes Lead Hazard Control Grant. The purpose of this funding is to provide funds to low- and moderate-income families living in the City of Jackson and Jackson County to accomplish the national initiative to eliminate childhood lead poisoning. The program offers testing for lead paint hazards in the home, testing of young children under age 6 for elevated blood lead levels, and funding to remediate the lead paint hazards from the home. The

program offers up to \$20,000 of assistance to eligible homeowners and up to \$15,000 per unit of assistance to eligible rental properties with families of low- and moderate-income living in the unit. The City has partnered with the Community Action Agency, Jackson County Health Department, and the Center for Family Health to promote and implement the program within the City of Jackson and throughout Jackson County. Lead program staff has received specialized training in the areas of lead risk assessment, lead paint testing, and lead clearance testing. The grant was extended to September 2009 and the City has applied for the 2009 Lead-Based Paint Hazard Control Grant Program and Lead Hazard Reduction Demonstration Grant Program. To date, over 115 units have been made lead-safe through this program.

Ensure Compliance With Program and Comprehensive Planning Requirements

The Community Development Project Coordinator is responsible for oversight of the administration of CDBG/HOME funds, which includes, but is not limited to:

- Receiving applications for funding and reviewing same for eligibility.
- Performing a risk analysis of applicants requesting funds.
- Preparing reports to the Community Development Director for the Mayor and City Council.
- Performing environmental reviews.
- Staffing Citizen Advisory Council meetings to obtain public comment.
- Preparing the One-Year Action Plan for submission to HUD.
- Preparing Subrecipient Agreements to those entities receiving an allocation.
- Preparing the CAPER.
- Monitoring subrecipients: quarterly desk reviews and annual on-site reviews.
- Reviewing reimbursement requests for eligibility.
- Conducting site visits to projects while in progress.

- Conducting Davis-Bacon interviews on construction sites for Labor Standards compliance.
- Maintaining files and records relating to the overall administration of the programs.

The Department's Financial Analyst supervises the Project Coordinator and, in addition to assisting in some of the responsibilities listed above, is in charge of meeting all aspects of HUD's financial reporting requirements, such as:

- Review payment requests for accuracy and eligibility.
- Reconcile financial records with IDIS.
- Prepare and reconcile reports submitted with the CAPER.
- Prepare reports to the Community Development Director for the Mayor, City Council, City Manager as requested.
- Prepare Federal Cash Control Report.
- Ensure accuracy of data entered in IDIS.
- Prepare budgets and forecasts.

Reduce the Number of Persons Living Below the Poverty Level

According to the 2000 Census, 19.6% of all persons in the City of Jackson are below the poverty level. Approximately the same percentage of families (23%) were at or below the poverty level.

The City of Jackson has neither the resources nor facilities to carry out programs directly targeted at reducing the number of households at or below the poverty level. However, the City provides funding to public service agencies that assist households at or below the poverty level. The U.S. Census Bureau released updated information regarding poverty levels in 2007. The local high unemployment rate, fueled by the downsizing of the automotive industry and rising costs of food and transportation, led to an increase of the number of people living in poverty. While the reported numbers are for Jackson County, it is reasonable to assume the City has experienced the same, if not worse, increase. The statistics also revealed the majority of those living in poverty were women, with the highest concentration being between ages 18 and 24. In addition, one of five children live in poverty, and nearly 60% of those children live in homes without a father. Local agencies that offer assistance to low-income individuals have seen the number of people who seek help rise, but their allocations to serve those people remain the same or are reduced. The State continues to make drastic budget cuts and people who used to donate to food pantries and other charitable organizations are being forced to cut back due to high gas and food costs.

Leveraging Resources

Subrecipients have been successful in leveraging CDBG or HOME funds with grants from foundations, lenders, private donations, and other state and federal grant and loan programs. The United Way funds many worthwhile organizations that address the high priority needs of the community's low-income residents. The City continues to support agencies and developers in applying for other federal, state and public funds.

As stated above, the City of Jackson was also a recipient of a multi-year \$2,000,000 HUD Office of Healthy Homes Lead Hazard Control grant that works in conjunction with the City's rehabilitation program to improve the current housing conditions and create a healthier living

environment throughout the community and has applied for the 2009 Lead-Based Paint Hazard Control Grant Program and Lead Hazard Reduction Demonstration Grant Program. The City's CDBG and HOME funds do not require matching funds, but consideration is taken regarding the amount of other funds leveraged in a project when making allocation decisions.

Citizen Comment

Citizen input is actively solicited through publication of notifications in the *Jackson Citizen Patriot*, the area's daily newspaper, and *The Jackson Blazer*, a weekly newspaper. The public is informed of meetings and public hearings and given the opportunity to comment on CDBG/HOME applications received by the City, the Action Plan, how funding is being disseminated before the Request for Release of Funds, and also the CAPER. In addition to the normal publication and public hearing requirements, opportunities for citizen participation during the 30-day comment period were increased as follows:

- Adding additional members to the Citizens Advisory Council, which meets to receive oral presentations from applying agencies then makes funding recommendations to City Council.
- A copy of the Action Plan and CAPER draft were distributed to public housing complexes at Shahan-Blackstone Apartments, Reed Manor, and Chalet Terrace in addition to its usual placement at the Community Development Department, Carnegie Branch (main) of the library, Greater Jackson Habitat for Humanity Office, and Neighborhood Resource Center.
- The Action Plan and CAPER draft were made available on the City's website for the first time.

Citizen participation is also encouraged through the use of the Citizens Advisory Council (CAC), which is comprised of a cross-section of the community with at least 51% representation of low- and moderate-income persons residing in CDBG Areas, as well as protected classes, elderly, and disabled citizens. The Mayor recommends new or re-appointments of CAC members to the Jackson City Council, which then takes action to accept or reject the recommendation.

Self-Evaluation

Decent Affordable Housing

The City of Jackson continues to fund activities to sustain the availability and affordability to housing for low- and moderate-income persons. These activities include down payment assistance, foreclosure prevention, homeownership counseling and training, and rehabilitation. Community Development rehabilitation staff has been implementing new policies and procedures to streamline its program, which includes the use of a software package specifically designed to track the rehab cases. Staff will continue to review policies and procedures over the next year to modify its program where necessary to provide an efficient and beneficial service to its recipients.

Economic Opportunities

The City of Jackson has provided successful economic opportunities to businesses in the form of its Jobs Creation Initiative. With the bleak outlook for a positive, quick turn around in the City's, County's and State's economy and unemployment rate, Community Development staff is

pursuing implementation of other CDBG-funded activities, such as microenterprise assistance, to support more job opportunities for the City's low- and moderate-income residents.

Elimination of Slum/Blight

The City of Jackson has done much to improve the look of the City, from infrastructure repair, façade improvements to the downtown to make it more inviting, and helping keep neighborhoods clean through ordinance enforcement. As areas are cleared of blight, pride is restored to the community. Although it is an ongoing effort to maintain the cleanliness, the City has instituted procedures to deal with habitual offenders.

Public Services

The need for non-profit and charitable agency services for low- and moderate-income persons has risen sharply as the economy and job market has diminished. In future public service allocations, the City will be looking more closely at those services that provide assistance for basic needs – health, food and shelter. Until the City and State of Michigan are in an economic recovery, the City will continue to support agencies that provide the most beneficial basic needs to the community.

Monitoring

The City of Jackson requires its subrecipients to submit quarterly Direct Benefits Activity Reports to remotely monitor each subrecipient's performance. If performance is not up to expectations, City staff contacts the subrecipient to provide any technical or other assistance to help them meet program regulations, achieve their performance goals, improve service being delivered, and assure timely delivery of benefits to low- and moderate-income persons. Reimbursement requests are meticulously reviewed to assure proper documentation is received to verify activities as being both eligible and meeting a National Objective. At least once yearly, the Community Development Department's Financial Analyst and Project Coordinator make an on-site visit to thoroughly review the subrecipient's overall program administration as well as individual project files.

Program Narratives

CDBG Program

The goals of using CDBG funds in the City of Jackson are to provide safe, decent, affordable housing to low- and moderate-income persons, encourage an economic climate, prevent or eliminate slum and blight, and make available certain public services to meet the basic needs of the low- and moderate-income residents. To accomplish these goals, CDBG funds were allocated for each goal as follows:

Goal 1 – Safe, Decent and Affordable Housing

Code Enforcement Community Development Dept.	Funding \$500,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved rental properties (see also Goal 3 for blight citations)	Planned Units	Actual Units 1,638 rental units inspected

Rehabilitation Community Development Dept.	Funding \$275,230 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved housing conditions for owner-occupied residences	Planned Units 12 rehab 12 hazard	Actual Units 0 Residential Rehab projects 13 Emergency Hazard projects
<i>Note: In addition to what is reported above, 18 rehab and 15 hazard projects were completed with prior years' funding.</i>		

Rehabilitation - Elevator John George Home	Funding \$50,000 CDBG	Target Area CT000400, BG5
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved accessibility to the building	Planned Units 1	Actual Units 1

Goal 2 – Encourage an Economic Climate

Jobs Creation Initiative The Enterprise Group	Funding \$34,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Jobs	
Outcome Provide business consulting and research for City residents	Planned Units 1	Actual Units 0

Goal 3 – Prevent and Eliminate Blight

Code Enforcement Community Development Dept.	Funding \$500,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved neighborhoods (see also Goal 1 for rental housing info)	Planned Units	Actual Units 1,588 garbage citations written 314 Inoperable/Unlicensed Vehicle citations written 184 Dead Trees written

Façade Loan Program Downtown Development Authority	Funding \$18,000 CDBG	Target Area CT000600, BG1
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved overall appearance of the downtown	Planned Units 2	Actual Units 0

Rotary Park Improvements Parks & Recreation Dept.	Funding \$35,000 CDBG	Target Area CT001200, BG3
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Improved quality of recreation grounds	Planned Units 1	Actual Units 1

Goal 4 – Public Services

Emergency Services American Red Cross	Funding \$2,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided emergency services to low-income clients due to a disaster-related emergency	Planned Units 15 people served	Actual Units 37 people served

BIGS in School Big Brothers Big Sisters of Jackson County	Funding \$2,000 CDBG	Target Area CT000600, CT001100, CT000400, CT000900, CT000100
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided one-to-one mentoring services to children during and after school	Planned Units 60	Actual Units 55

Emergency Adult Dental Care Center for Family Health	Funding \$25,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided affordable oral health care	Planned Units 550	Actual Units 925

Neighborhood Resource Center Community Development Dept.	Funding \$15,000 CDBG	Target Area CT001100, BG2
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Food commodity distribution, senior activities, neighborhood meeting place	Planned Units	Actual Units 101 people participated in food commodity distribution

Partnership Park After School Program Partnership Park Neighborhood Association	Funding \$5,000 CDBG	Target Area CT000600, BG1
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Assisted youth in obtaining educational and social skills	Planned Units 40	Actual Units 49

Families and Schools Together Family Service & Children's Aid	Funding \$5,000 CDBG	Target Area CT001300, BG3; CT001000, BG4; CT000600, BG1
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided counseling for students and their families to enhance family functioning, prevent student failure, prevent alcohol/drug abuse, and reduce family stress	Planned Units 50	Actual Units 388

Jackson Area Youth Council Human Relations Commission	Funding \$1,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Allowed youth to develop confidence, social and leadership skills, and civic responsibility	Planned Units 15	Actual Units 0

Homeownership Counseling & Training Jackson Affordable Housing Corp.	Funding \$3,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided information and training to prospective homeowners	Planned Units 425	Actual Units 422

Foreclosure Prevention Jackson Affordable Housing Corp.	Funding \$27,273 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Assisted LMI families through a one-time financial crises	Planned Units 7	Actual Units 4

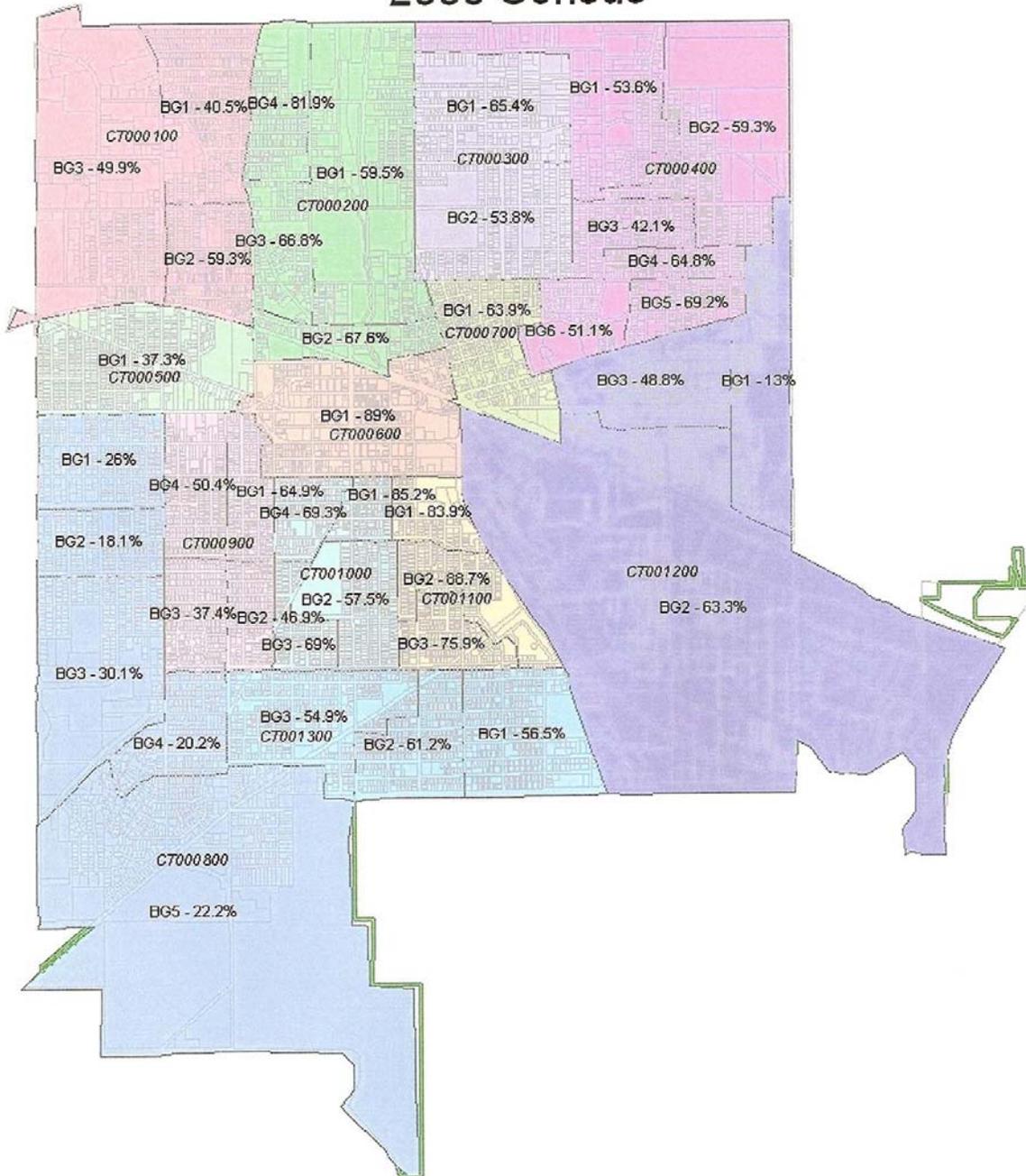
Arts Program for Youth Jackson School of the Arts Association	Funding \$1,500 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provides arts education programs for youth	Planned Units 60	Actual Units 136

MLK Summer Youth Program Parks & Recreation Dept.	Funding \$25,000 CDBG	Target Area CT001100, BG1, 2 & 3
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provided staff and operating expenses for summer enrichment program for youth	Planned Units 500	Actual Units 417

Utility Assistance The Salvation Army	Funding \$63,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Allowed families to keep their power and heat on	Planned Units 155	Actual Units 141

2-1-1 Call Center United Way of Jackson County	Funding \$10,000 CDBG	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Provide an information and referral service	Planned Units 9,136	Actual Units 5,632

City of Jackson, Michigan Census Tracts - Block Groups - LowMod Percentage 2000 Census



Use of CDBG Funds for National Objectives

All CDBG funds received were allocated to meet National Objectives, specifically targeted to the City's low- and moderate-income residents, eliminating slum/blight, or meeting urgent needs.

Anti-Displacement and Relocation

No projects were funded that involved demolition of occupied property. Relocation was not necessary on any of the rehabilitation projects.

The City of Jackson and/or its funding recipients provide for reasonable benefits to any person involuntarily and temporarily or permanently displaced as a result of the use of CDBG or HOME funds for acquisition or rehabilitation of residential property. The City intends to cause no displacement to persons receiving assistance from the CDBG or HOME programs but recognizes that situations may arise wherein displacement, relocation or temporary relocation are the only viable methods for providing assistance. Because the City's approved contractors have extensive experience, they are able to isolate various rooms in the home to perform lead hazard control work during rehabilitation. Once that area has been addressed, the contractor then moves to another section of the home and again isolates the area to do the rehabilitation and lead hazard work. Each area is completed in expedited fashion, without exposure of the family to lead-based paint hazards. Should extensive work be necessary, the budget includes relocation costs.

Low/Mod Job Activities

The City of Jackson implemented its Jobs Creation Initiative Loan Program in 2003 as an economic development incentive to expand business and create jobs for low- and moderate-income residents. Ambs Message Center received the first loan in 2004, followed by Anesthesia Business Consultants in 2005, and Daryl's Downtown Restaurant in 2006. The policy adopted by the City Council is as follows:

City of Jackson Jobs Creation Initiative Loan Program (Initiated 11/25/03)

Eligibility Requirements:

- 1) The business must be located within a CDBG eligible area of the City of Jackson and must not have received federal funds through any current or previous City, DDA, or MSHDA Program.
- 2) The business must make a minimum investment of \$500,000 in construction or building improvements within two (2) years.
- 3) The business must create at least one (1) full-time income job for a low-moderate income individual for each \$5,000 of CDBG funds within three to five (3 – 5) years.
- 4) The business must agree to a Promissory Note and Development Agreement.
- 5) The business must be current on taxes and special assessments
- 6) The business must not have any active code violations cited.

The job growth requirement is monitored through implementation of the Development Agreement. Job growth report as of June 30, 2008 is as follows:

Job Creation Initiative Loan Job Growth Activity		
	Anesthesia Business Consultants	Daryl's Downtown Condominium
Year Loan Closed	2005	2006
Number of Jobs at Closing (includes FT & FTE)	220	64
Number of Jobs Created (includes FT & FTE)	24	5
Number of New Hires- Low/Mod Income	10	14
Total Jobs Retained Plus Created	244	69
Racial Makeup	Information currently not available	Information currently not available

Program Income Received

Program Income Type	Amount
CDBG	
Sale of Real Property	\$ 32,522
Economic Development Loan Repayments	15,750
Deferred Loan Repayments	16,562
MSHDA PIP Loan/Inspection Fees	300
HOME Administration	30,000
Accounts Receivables, Permits, Code Enf., etc.	53,091
Other Program Income	<u>10,281</u>
Total CDBG Program Income:	<u>\$158,506</u>
HOME	
HOME Program Loan Repayment	<u>\$ 12,039</u>
Total HOME Program Income:	<u>\$12,039</u>

Loans and Other Receivables

As of June 30, 2009, the City of Jackson has the following open outstanding loans:

No. of Loans	Type	Balance
84	CDBG Rehab (repayable)	\$1,007,228.02
9	CDBG Lead (forgivable)	41,858.20
46	CDBG Emergency Hazard (repayable)	245,179.26
67	HOME Rehab (repayable)	908,115.03
13	HOME Lead (forgivable)	90,416.00
1	Section 108 (repayable)	765,000.00

The City of Jackson implemented a Deposit Loan program in the early 1980s when mortgage and home improvement loan interest rates were 17% - 20%. It was originally a lump sum deposit and the bank interest earned was used to subsidize the high interest on home improvement loans to between 4% and 8%. As interest rates improved, there was no longer a need for this program; however, the City's agreement with Flagstar Bank required sufficient funds remain in the account to cover the outstanding principal on existing Title I loans. Over time, as the loans have been repaid and less and less interest was needed to subsidize existing loans, the unneeded interest was declared as program income and reused in other block grant eligible activities.

No. of Loans	Type	Balance
4	Deposit Loan (repayable)	\$1,291,875.00

The City of Jackson has the following properties for sale that were acquired and/or improved using CDBG funds and are available to sale to low- and moderate-income persons. Several properties will be rehabilitated utilizing Neighborhood Stabilization Program (NSP) funding.

Tax ID No.	Address	
5-0591	208 E Morrell	Purchase offer pending
5-1090	140 Stanley	NSP rehab
5-1345	115 Damon	NSP rehab
4-0654	941 S Jackson	NSP rehab
5-0683	1043 Chittock	
8-2248	826 Wells	Sold
6-1104	1906 Plymouth	
7-1194	1911 E Ganson	

JAHG and Habitat for Humanity have the following properties for sale:

Tax ID No.	Address	
4-0394	326 W Mason	Sold
7-0229	814 Homewild	Sold
7-0187	1022 Homewild	Sold
5-0223	114 E Biddle	Sold
5-0618	117 E Biddle	Sold
1-0688	339 Jefferson	Sold
5-1820	309 E Robinson	Sold
5-1615	324 E Robinson	Sold
7-0890	1212 Burr	Currently being rehabbed
7-0634	521 Quarry	Rehab to begin soon

HOME Program

Rehabilitation Assistance Community Development	Funding \$113,048 HOME	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Increased availability of improved housing units	Planned Units 6	Actual Units 0

Down Payment Assistance Jackson Affordable Housing Corp.	Funding \$40,000 HOME	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Increased homeownership opportunities	Planned Units 15	Actual Units 5

Acquisition/Rehab/Resale Jackson Affordable Housing Corp.	Funding \$60,000 HOME	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Increased availability of improved housing units	Planned Units 1 - 2	Actual Units 0

Rehabilitation Greater Jackson Habitat for Humanity	Funding \$66,500 HOME	Target Area City-wide
	Planned Beneficiaries Low- and Moderate-Income Clientele	
Outcome Increased availability of new or improved housing units	Planned Units 7	Actual Units 5

The goal of using HOME funds in the City of Jackson is to provide decent, affordable housing to low- and moderate-income persons, which is of highest priority. To accomplish this goal, HOME funds were allocated for acquisition, rehabilitation, and resale, and down payment assistance. The City's Community Housing Development Organization (CHDO), JAHC, was able to sell two new constructions and one rehabilitated home completed a couple of years ago. JAHC also purchased a home at 1212 Burr and are currently in the process of completing the rehabilitation for resale. In the coming months, JAHC plans to acquire two more homes to rehabilitate and resell.

Habitat for Humanity completed rehabilitation on five homes, which were sold to homebuyers whose income is less than 50% of area median income. A Section 106 review request was recently sent to the State Historic Preservation Office for another home Habitat plans to rehabilitate and sell to a survivor of domestic violence.

The City of Jackson does not use HOME funds for rental housing, so no on-site inspections of rental units were conducted of HOME funded rental housing, and no affirmative marketing was required. A recent monitoring visit by HUD CPD representatives shed light on the fact the City's procurement procedures need to be tightened up to comply with 24 CFR 85.36. Community Development staff is working with the City's Purchasing Department to review its purchasing

policy procedures, including strengthening the City's outreach to minority business enterprises (MBE) and women business enterprises (WBE). One WBE contractor is on the City's Approved Rehabilitation and Lead Hazard Contractor's List.

No HOME match is required to be paid by the City of Jackson for FY2007 and FY2008 as HUD determined the City is in severe fiscal distress. Forms HUD-40107 (HOME Program Annual Performance Report) and HUD-40107-A (HOME Match Report) are attached to the CAPER as required.

Housing Opportunity for People with Aids (HOPWA) Program

The City of Jackson does not receive HOPWA funding.

Emergency Shelter Grants (ESG) Program

The City of Jackson does not receive ESG funding.