

# JACKSON

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## Substantial Amendment 1 to the 2021-2022 Annual Action Plan HOME Investment Partnerships Program



Prepared by:

Department of Neighborhood & Economic Operations  
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**2021-2022 Annual Action Plan**

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**Substantial Amendment 1**  
to the  
**2021 – 2022 Annual Action Plan,**  
Year Two of the  
**2020 – 2024 Five Year Consolidated Plan**

**Executive Summary**

On August 10, 2021, the City of Jackson signed a grant agreement with the U.S. Department of Housing and Urban Development (HUD) making \$314,129 available through the HOME Investment Partnerships Program. During the preparation of the 2021-2022 Annual Action Plan, no specific plans were in place for the utilization of funds, although potential activities were being explored. When combined with anticipated program income in the amount of \$20,200, the City expects to have \$334,329 available to allocate toward affordable housing activities as a Participating Jurisdiction (PJ). The Annual Action Plan identified the following expected use of HOME funds:

In 2006, the Community Action Agency (CAA) also constructed 16 homes in Partnership Park with LIHTC funds. The intent of these new constructions was to rent for a number of years with eventual sale to a qualified homebuyer. As these units become vacant, CAA would also serve as a CHDO by using HOME funds to meet the rehabilitation needs of these homes to make suitable for qualified homebuyers.

During the Public Hearing to receive citizen comments on the City's housing and community development needs in January 2021, the subject of additional affordable housing was most common. Although CAA has not qualified to serve as a second Community Housing Development Organization (CHDO) in Jackson, it does qualify to receive funding as a subgrantee as long as the City remains within the HOME program's statutory thresholds as follows:

- **Administration** – no *more* than 10% of the annual budget may be set aside for administrative and planning activities (\$33,432 maximum in FY 2021-22)
- **CHDO Reserve** – no *less* than 15% of the annual budget **must** be set aside for eligible CHDO activities (\$50,150 minimum in FY 2021-22)
- **CHDO Operating** – (optional) cannot exceed 5% of the annual budget (\$16,716 maximum in FY 2021-22)

In response to the popular citizen comments regarding the need for more affordable housing options, the City of Jackson proposes to allocate a portion of its FY 2021-2022 HOME grant to CAA for homebuyer rehabilitation as a subgrantee.

## General Information

<b>Grantee Name:</b>	City of Jackson, Michigan
<b>Department Administering Funds:</b>	Neighborhood & Economic Operations
<b>Contact:</b>	Lisa A. Freund, Grant Coordinator 161 W Michigan Ave Jackson, MI 49201 (517) 768-6436 <a href="mailto:lfreund@cityofjackson.org">lfreund@cityofjackson.org</a>
<b>Authorized Official</b>	Derek J. Dobies, Mayor 161 W Michigan Ave Jackson, MI 49201 (517) 788-4028 <a href="mailto:ddobies@cityofjackson.org">ddobies@cityofjackson.org</a>
<b>Website:</b>	<a href="http://www.cityofjackson.org">www.cityofjackson.org</a>
<b>Amount of HOME Allocation:</b>	\$200,000.00
<b>Grant No.:</b>	M21-MC260214

## Action Plan Amendments

**AP-20 Annual Goals/Objectives** – add “Homebuyer Rehabilitation” as a goal; reduce CHDO Reserve from \$318,329 to \$118,329.

Sort Order	Goal Name	Category	Needs Addressed	Funding
4	CHDO Reserve	Affordable Housing	Homebuyer Housing	HOME: \$ 318,329 <del>-200,000</del> \$118,329
5	<a href="#">Homebuyer Rehabilitation</a>	<a href="#">Affordable Housing</a>	<a href="#">Homebuyer Housing</a>	<a href="#">HOME: \$200,000</a>

5	<b>Goal Name</b>	Homebuyer Rehabilitation
	<b>Goal Description</b>	Conduct rehabilitation as necessary to meet HOME property standards in preparation to sell to income qualified homebuyers.

**AP-35 Projects** – add “Partnership Park Homebuyer Rehabilitation” as a project; reduce CHDO Reserve from \$318,329 to \$118,329.

<b>7</b>	<b>Project Name</b>	CHDO Reserve Activity
	<b>Target Area</b>	
	<b>Goals Supported</b>	CHDO Reserve
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: <del>\$318,329</del> \$118,329
	<b>Description</b>	The actual activity of either New Construction or Homebuyer Rehabilitation will be determined in the future.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Specific sites will be determined in the future.
	<b>Location Description</b>	Specific sites will be determined in the future.
	<b>Planned Activities</b>	
<b>8</b>	<b>Project Name</b>	Partnership Park Homebuyer Rehabilitation
	<b>Target Area</b>	West of S Martin Luther King Jr. Drive East of S Martin Luther King Jr. Drive
	<b>Goals Supported</b>	Homebuyer Rehabilitation
	<b>Needs Addressed</b>	Affordable Housing
	<b>Funding</b>	HOME: \$200,000
	<b>Description</b>	Rehabilitate 16 rental units constructed in 2006 with LIHTC to convert to homeowner single family homes.
	<b>Target Date</b>	June 30, 2026
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	Sixteen (16) low-income families will become first time homebuyers.
	<b>Location Description</b>	Partnership Park bordered by Washington Ave (north), Martin Luther King Jr. Drive (east), Morrell St (south), and Blackstone St (west)
	<b>Planned Activities</b>	Rehabilitate as necessary to convert LIHTC rental units to affordable first time homebuyer single family homes

## **Proposed Project**

In 2005, CAA partnered with Sterling Development (later Eagle Point Development) to construct 16 new, 3-bedroom single family homes in the Partnership Park Downtown Neighborhood using Low-Income Housing Tax Credit (LIHTC) funding. This LIHTC project provided a purchase option to tenants at the end of the 15 year compliance period. In 2021, CAA became the sole owner of the project and transitioned management from Eagle Point to First Housing and hired a consultant, HousingLinks LLC, to assist in the conversion from rental to homeownership.

CAA plans to sell these single family homes to first time homebuyers at an affordable sales price of approximately \$60,000, offering down payment assistance, and converting security deposits to cover individual requirements to share in the down payment. Although regularly inspected by the City through the Non-Owner Occupied Residential Property (NOORP), CAA will rehabilitate and freshen the homes before turning over to prospective homebuyers by assuring the major mechanicals, appliances, flooring, roofing system and general maintenance is updated and any code violations corrected.



## **Partnership Park Downtown Neighborhood**

The Partnership Park area is situated just south of downtown and was initially populated largely with persons of German descent. Over time as people moved out, the neighborhood started to deteriorate and eroded to a 90% rental neighborhood.

In the early 1990s, the consequences of being a highly transient rental area started to show. Houses were dilapidated, crime was high, and the streets were unsafe. In 1994, drug trafficking was so prevalent the City placed planters in street intersections to dissuade drug dealers from using as thoroughfares; however, this proved to be a great inconvenience to residents and entities trying to conduct their missions. As a result, neighbors collaborated to monitor the neighborhood and come up with strategies to get the planters removed.

Neighborhood leaders began to confront drug dealers and users in direct conversations. They also began liaisons with police officers and reported crime in their area through neighborhood watches. In turn,

officers began investing time and effort in the area with hopes of stabilizing the neighborhood and reducing calls for service. Soon, residents and a community liaison officer contacted the property owners of an overgrown vacant lot to turn it into a park for the area children. Residents sought donations for the park and worked together to clear the lot of garbage. A neighborhood child won a park naming contest and “Partnership Park” was born.

In 2002, two separate, informal neighborhood groups came together and began meeting more formally. CAA began seeking financial resources to help stabilize the area, which they received in the form of a Neighborhood Preservation grant. The grant allowed CAA to launch a process of gathering resident input about what was needed and desired in the neighborhood. In 2003, the neighborhood group formalized itself into a 501(c)(3) non-profit organization called The Partnership Park Downtown Neighborhood Association (PPDNA). The board was a combination of founding churches, area businesses, interested community groups, local government, police, and residents – a practice that was effective for reshaping the neighborhood.

### **Investment in the Neighborhood**

In addition to the construction of the 16 single family homes led by CAA, the Greater Jackson Habitat for Humanity (GJHFH) also constructed four (4) new single family homes in the same neighborhood between 2007 and 2011. Starting in 2012 and under new leadership, the City of Jackson invested heavily in revitalizing its downtown and demolishing foreclosed, vacant, or abandoned residential properties in neighborhoods like this throughout the City.

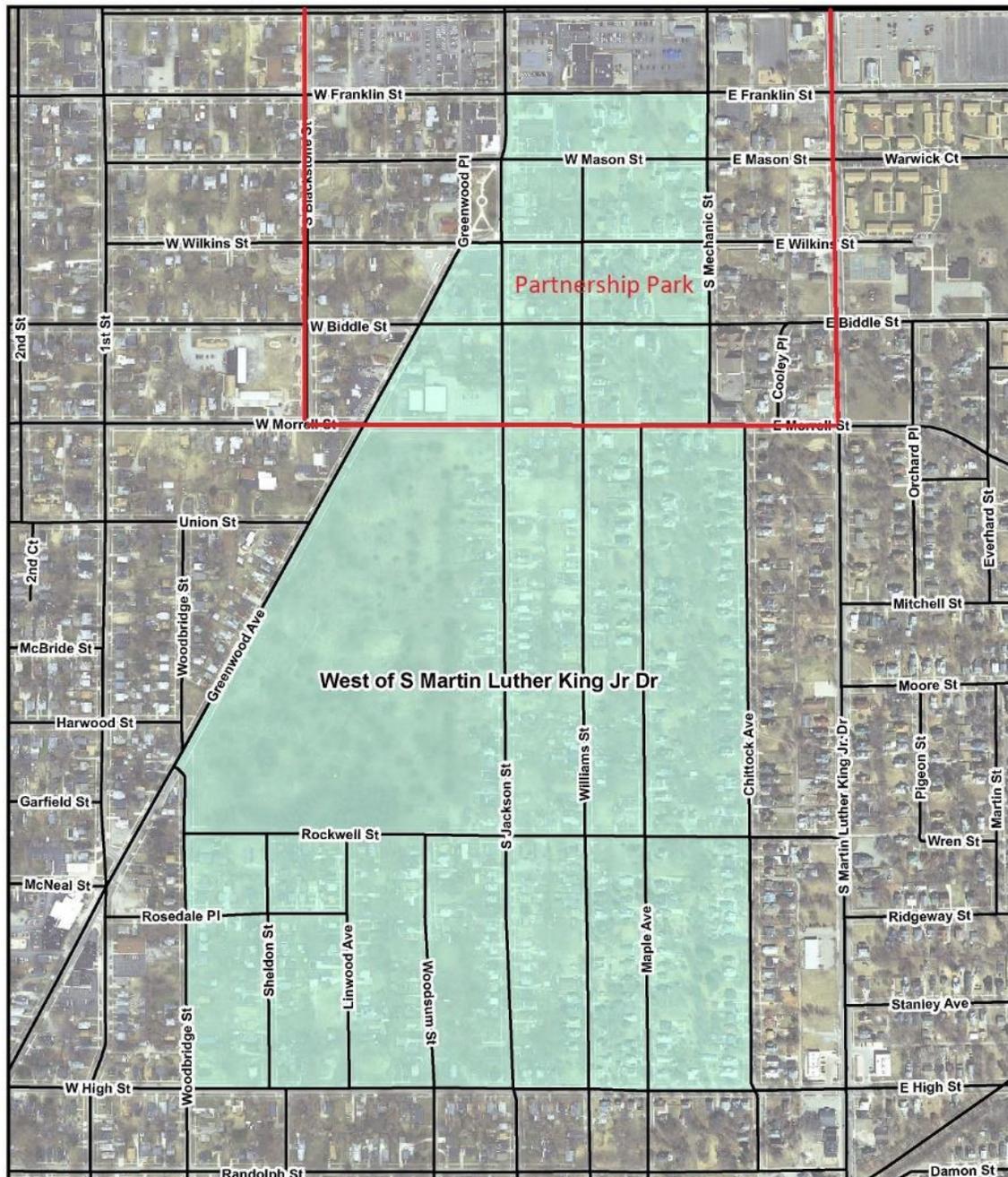
Currently, GJHFH is erecting three (3) new homes as the City’s CHDO at the corner of S Mechanic Street and W Franklin Street. The Jackson YMCA recently completed the design phase to build a new 75,000 square foot healthy living center on the north side of the Partnership Park boundaries in an effort to help people living in surrounding neighborhoods. In addition to its regular programming and exercise classes, the YMCA will offer child care and teen support services through a partnership with Big Brothers Big Sisters, including a science, technology, engineering, art, and math (STEAM) lab. The Center will also offer classes on cooking, healthy eating, and nutrition. The new YMCA, expected to begin construction in 2022, will be located directly across the street from GJHFH’s new home construction project.

Further, the City has invested in public infrastructure improvements in the neighborhood, including updating the Austin Blair Park, reconstructing neighborhood streets, and improving street lighting. Current leadership is expanding revitalization efforts in the downtown to include neighborhoods immediately adjacent to the downtown, such as Partnership Park, to increase stabilization and attract additional public and private ventures.

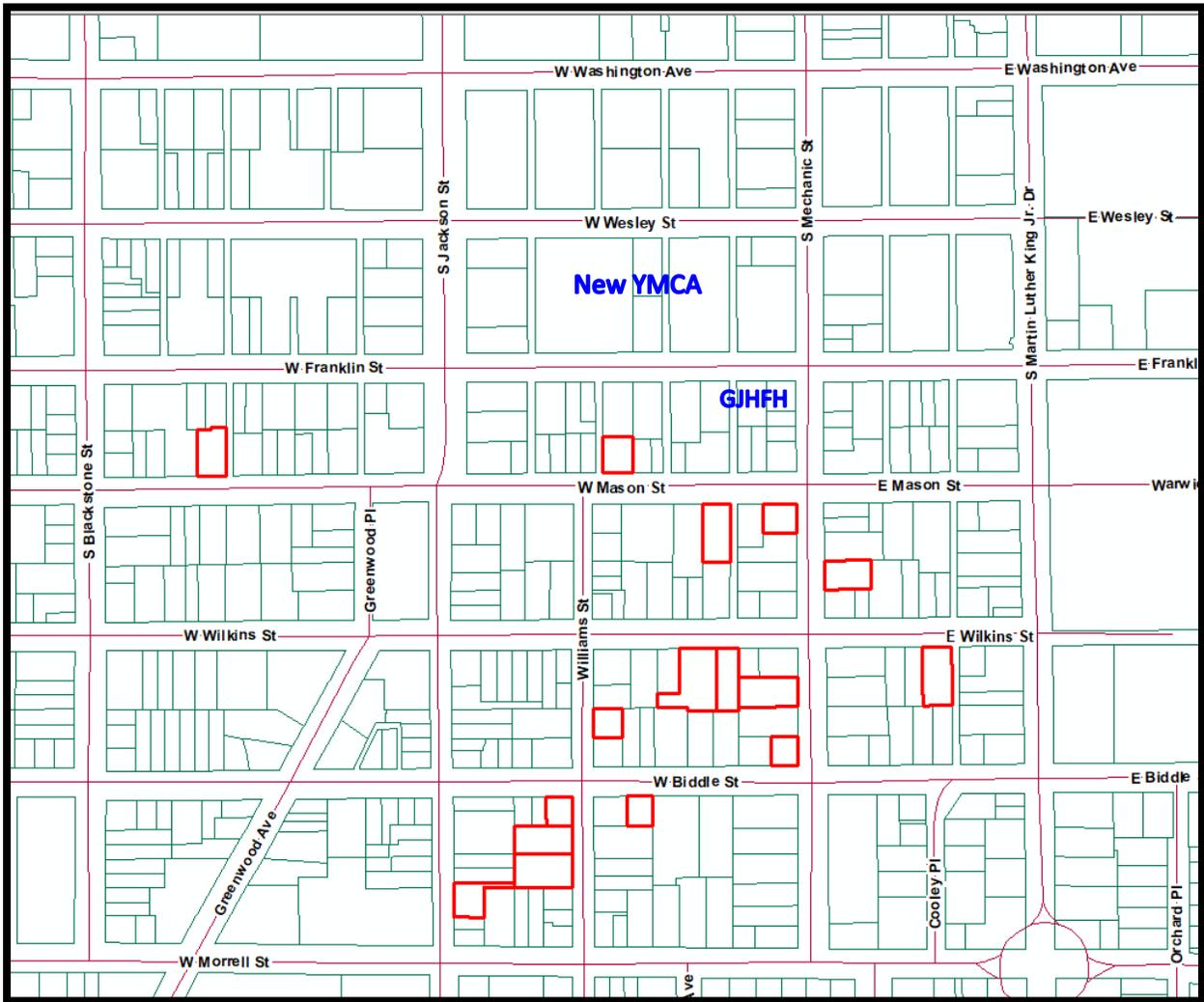
## Target Area

The 2020 – 2024 Five-Year Consolidated Plan identified three (3) locally designated target areas in which to focus CDBG and HOME investments. One area, dubbed the “West of S Martin Luther King Jr Drive”, includes a large portion of Partnership Park.

The eastern part of Partnership Park between S Mechanic Street and S Martin Luther King Jr Drive and E Franklin Street to E Morrell Street is a small part of another target area called “East of S Martin Luther King Jr Drive”.



Following is a map of parcels in Partnership Park – those outlined in red indicate the location of CAA’s homebuyer rehabilitation projects. Also identified in blue is the GJFH new home constructions and location of the new Jackson YMCA.



## Citizen Participation

Notice of the Substantial Amendment and October 26, 2021 public hearing was published in the *Jackson Citizen Patriot* and the *Jackson Blazer*. Hard copies of the Substantial Amendment were distributed to the following locations for review:

City of Jackson  
Neighborhood & Economic Operations  
161 W Michigan Ave, 3<sup>rd</sup> Floor  
Jackson, MI 49201

City of Jackson  
City Clerk's Office  
161 W Michigan Ave, 1<sup>st</sup> Floor  
Jackson, MI 49201

Shahan-Blackstone North Apartments  
109 Shahan Dr  
Jackson, MI 49202

Reed Manor  
301 Steward Ave  
Jackson, MI 49201

Jackson District Library  
Carnegie Branch  
224 W Michigan Ave  
Jackson, MI 49201

Chalet Terrace  
316 Barberry Dr  
Jackson, MI 49203

Community Action Agency  
1214 Greenwood Ave  
Jackson, MI 49203

An electronic copy of this Substantial Amendment was also available on the City's website at <http://www.cityofjackson.org/332/Grant-Reports>. The public comment period began on September 29, 2021 and ended October 31, 2021. The public was afforded an opportunity to provide comments directly to the Grant Coordinator and/or through the public hearing before the Jackson City Council at its regular meeting on October 26, 2021.

No oral or written comments were received from residents during the open citizen comment period or at the public hearing on October 26, 2021.